



Rajat City Developers Limited

Corporate Identification Number: U45201RJ2008PLC026979

Our Company was originally incorporated as a private limited company under the Companies Act, 1956 pursuant to a certificate of incorporation issued by the Registrar of Companies, Rajasthan, Jaipur dated July 14, 2008 with the name 'Rajat City Developers Private Limited'. Subsequently, our Company was converted into a public limited company pursuant to approval of the shareholders at an extraordinary general meeting held on May 02, 2018 and consequently, the name of our Company was changed to 'Rajat City Developers Limited' and a fresh certificate of incorporation consequent upon conversion to public limited company was issued by the Registrar of Companies, Rajasthan, Jaipur on May 09, 2018. For details of changes in registered office please refer "History and Certain Other Corporate Matters" on page 79.

Registered Office: Plot No. 3 & 4, Commercial Complex, Rajeev Gandhi Nagar, Kota- 324 005, Rajasthan, India

Tel: +91 744 2423444; **Website:** www.rajatcity.com, **E-mail:** cs@rajatcity.com

Contact Person: Priyanka Dusad, Company Secretary and Compliance Officer

PROMOTER: DR. RAJAT ARORA

PUBLIC ISSUE OF 11,01,600 EQUITY SHARES OF FACE VALUE OF ₹10.00 EACH OF RAJAT CITY DEVELOPERS LIMITED ("OUR COMPANY" OR "THE ISSUER") FOR CASH AT A PRICE OF ₹100 PER EQUITY SHARE (INCLUDING A SHARE PREMIUM OF ₹90 PER EQUITY SHARE) ("ISSUE PRICE") AGGREGATING TO ₹1101.60 LAKHS ("THE ISSUE"). OF THE ISSUE, 55,200 EQUITY SHARES AGGREGATING TO ₹55.20 LAKHS WILL BE RESERVED FOR SUBSCRIPTION BY MARKET MAKER ("MARKET MAKER RESERVATION PORTION"). THE ISSUE LESS THE MARKET MAKER RESERVATION PORTION I.E. ISSUE OF 10,46,400 EQUITY SHARES OF FACE VALUE OF ₹10.00 EACH AT AN ISSUE PRICE OF ₹100 PER EQUITY SHARE AGGREGATING TO ₹1046.40 LAKHS IS HERINAFTER REFERRED TO AS THE "NET ISSUE". THE ISSUE AND THE NET ISSUE WILL CONSTITUTE 27.53% AND 26.15%, RESPECTIVELY OF THE POST ISSUE PAID UP EQUITY SHARE CAPITAL OF OUR COMPANY. FOR FURTHER DETAILS, PLEASE REFER "TERMS OF THE ISSUE" ON PAGE 162.

THIS ISSUE IS BEING MADE IN TERMS OF CHAPTER IX OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018 ("SEBI (ICDR) REGULATIONS"), AS AMENDED. IN TERMS OF RULE 19(2)(b) OF THE SECURITIES CONTRACTS (REGULATION) RULES, 1957, AS AMENDED, THIS IS AN ISSUE FOR AT LEAST 25% OF THE POST-ISSUE PAID-UP EQUITY SHARE CAPITAL OF OUR COMPANY. THIS ISSUE IS A FIXED PRICE ISSUE AND ALLOCATION IN THE NET ISSUE TO THE PUBLIC WILL BE MADE IN TERMS OF REGULATION 253 OF SEBI (ICDR) REGULATIONS, AS AMENDED. FOR FURTHER DETAILS, PLEASE REFER "ISSUE PROCEDURE" ON PAGE 170.

In terms of SEBI Circular No. CIR/CFD/POLICYCELL/11/2015, all potential investors shall participate in the Issue only through an Application Supported by Blocked Amount ("ASBA") process providing details about the bank account which will be blocked by the Self Certified Syndicate Banks ("SCSBs") for the same. Further, Securities and Exchange Board of India vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated Nov 1, 2018 (copy attached) has introduced the use of Unified Payments Interface (UPI) as a payment mechanism with Application Supported by Block Amount (ASBA) for applications in public issues by retail individual investors. Hence w.e.f. January 01, 2019, the UPI mechanism for Retail Individual Investors through Intermediaries will be made effective along with the existing ASBA process. For details in this regard, specific attention is invited to "Issue Procedure" on page 170. A copy of the Prospectus will be delivered for registration to the Registrar of Companies as required under Section 26 of the Companies Act, 2013.

THE FACE VALUE OF THE EQUITY SHARES IS ₹ 10.00 EACH AND THE ISSUE PRICE OF ₹100 IS 10 TIMES OF THE FACE VALUE

RISKS IN RELATION TO THE FIRST ISSUE

This being the first issue of the Issuer, there has been no formal market for the securities of our Company. The face value of the Equity Shares of our Company is ₹10.00. The Issue Price should not be taken to be indicative of the market price of the Equity Shares after such Equity Shares are listed. No assurance can be given regarding an active or sustained trading in the Equity Shares of our Company nor regarding the price at which the Equity Shares will be traded after listing.

GENERAL RISK

Investments in equity and equity-related securities involve a degree of risk and investors should not invest any funds in this Issue unless they can afford to take the risk of losing their investment. Investors are advised to read the risk factors carefully before taking an investment decision in this Issue. For taking an investment decision, investors must rely on their own examination of the Issuer and this Issue, including the risks involved. The Equity Shares have not been recommended or approved by the Securities and Exchange Board of India ("SEBI"), nor does SEBI guarantee the accuracy or adequacy of this Draft Prospectus. **Specific attention of the investors is invited to the statement of 'Risk Factors' given on page 18 under the section 'General Risks'.**

ISSUER'S ABSOLUTE RESPONSIBILITY

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

LISTING

The Equity Shares offered through this Draft Prospectus are proposed to be listed on the SME Platform of BSE Limited ("BSE"). Our Company has received an approval letter dated [●] from BSE for using its name in the offer document for listing of our shares on the SME Platform of BSE. For the purpose of this Issue, the Designated Stock Exchange will be BSE.

LEAD MANAGER TO THE ISSUE



INVENTURE MERCHANT BANKER SERVICES PRIVATE LIMITED

2nd Floor, Viraj Tower, Nr. Andheri Flyover (North End)
Western Express Highway, Andheri (East) Mumbai – 400 069

Tel No: +91 22 4075 1500;

Fax No: +91 22 4075 1511;

Email: sme.ipo@inventurmerchantbanker.com

Investor Grievance Email: redressal@inventurmerchantbanker.com

Website: www.inventuremerchantbanker.com

SEBI Registration No: INM000012003*

Contact Person: Arvind Gala

REGISTRAR TO THE ISSUE



BIG SHARE SERVICES PRIVATE LIMITED

1st floor, Bharat Tin Works Building, Opp. Vasant Oasis,
Makwana Road, Marol, Andheri (East),
Mumbai- 400 059, Maharashtra, India

Tel. No.: +91 22 6263 8200

Fax No.: +91 22 6263 8299

Email: ipo@bigshareonline.com

Website: www.bigshareonline.com

SEBI Registration No: INR000001385

Contact Person: Babu Raphael

ISSUE PROGRAMME

ISSUE OPENS ON:

[●]

ISSUE CLOSES ON:

[●]

*The certificate of registration of Inventure Merchant Banker Services Private Limited as Merchant banker bearing number INM000012003 was valid for a period of five years effective from August 30, 2012 until August 29, 2017. Inventure Merchant Banker Services Private Limited has made an application to SEBI vide application dated June 7, 2017 in terms of Regulation 8A, under SEBI (Merchant Bankers) Regulation, 1992 for renewal of its said merchant banking license and for grant of permanent registration and has paid requisite fees of ₹ 9,00,000 (Rupees Nine Lakhs only) in accordance with schedule II of the SEBI (Merchant Bankers) Regulation, 1992.

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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, regulation, rules, guidelines or our Articles of Association, Memorandum of Association, policies shall be to such legislation, act or regulation, as amended 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 the Companies Act, the SEBI Regulations, the SCRA, the Depositories Act or the rules and regulations made thereunder.

Notwithstanding the foregoing in ‘Main Provisions of the Articles of Association’, ‘Summary of Our Business’, ‘Our Business’, ‘Risk Factors’, ‘Industry Overview’, ‘Key Regulations and Policies in India’, ‘Financial Information’, ‘Outstanding Litigation and Material Developments’ and ‘Part B’ of ‘Issue Procedure’, defined terms, will have the meaning ascribed to such terms in these respective sections.

General Terms

Term	Description
“Rajat City Developers Limited”, “RCDL” or “our Company” or “the Issuer”	Unless the context otherwise requires, refers to Rajat City Developers Limited, a Company incorporated under the Companies Act, 1956 and having its registered office at Plot No. 3 & 4, Commercial Complex, Rajeev Gandhi Nagar, Kota -324 005, Rajasthan, India.
“we”, “us”, or “our”	Unless the context otherwise indicates or implies, our Company together with its Subsidiary Partnership Firm, on a consolidated basis
“you”, “your” or “yours”	Prospective investors in this Issue.

Company Related Terms

Term	Description
AOA/Articles / Articles of Association	Unless the context otherwise requires, refers to the Articles of Association of our Company, as amended from time to time.
Audit Committee	The committee of the Board of Directors constituted as the Company’s Audit Committee in accordance with Regulation 18 of the SEBI (LODR) Regulations and Section 177 of the Companies Act, 2013 read with the Companies (Meetings of Board and its Powers) Rules, 2014.
Board/ Board of Directors / Our Board	The Board of Directors of our Company, including all duly constituted Committees thereof.
Director(s)	Director(s) on the Board of our Company, as appointed from time to time, unless otherwise specified.
Equity Shareholders	The holders of the Equity Shares.
Equity Shares/Shares	The equity shares of our Company of a face value of ₹10.00 each unless otherwise specified in the context thereof.
Group Companies / Group Entities	Companies/ Entities with which there were related party transactions as disclosed in the Restated Financial Statements as covered under the applicable accounting standards, and as disclosed in “ <i>Our Group Entities</i> ” on page 97.
Independent Directors	Independent Directors on our Board, and eligible to be appointed as independent directors under the provisions of the Companies Act, 2013 and the SEBI Listing Regulations. For details of the Independent Directors, see “ <i>Our Management</i> ” beginning on page 83.
Key Management Personnel / KMP	Key management personnel of our Company in terms of Regulation 2(1)(bb) of the SEBI (ICDR) Regulations. For details, please refer “ <i>Our Management</i> ” on page 83.
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 Board constituted in accordance with the Companies Act, 2013 and the SEBI (LODR) Regulations.

Peer Reviewed Auditor	The Peer Reviewed Auditor of our company, being M/s. D.K. Saklecha & Co., Chartered Accountants.
Promoter Group	Persons and entities constituting the promoter group of our Company, pursuant to Regulation 2(1)(pp) of the SEBI (ICDR) Regulations.
Promoter	Dr. Rajat Arora
Registered Office	The registered office of our Company situated at Plot No. 3 & 4, Commercial Complex, Rajeev Gandhi Nagar, Kota -324 005, Rajasthan, India.
Restated Financial Statements	The consolidated restated financial information of our Company which comprises of the restated balance sheet, the restated profit and loss information and the restated cash flow information, for the financial years ended March 31, 2018, March 31, 2017 and March 31, 2016 together with the annexures and notes thereto, which have been prepared in accordance with the Companies Act, the Indian GAAP and restated in accordance with the SEBI (ICDR) Regulations.
Stakeholders' Relationship Committee	Stakeholder's relationship committee of our Company constituted in accordance with Regulation 20 of the SEBI (LODR) Regulations and Companies Act, 2013.
Statutory Auditor	The Statutory Auditor of our Company, being M/s. D.K. Saklecha and Co., Chartered Accountants.
SWLS	Silver Wings Life Spaces

Issue Related Terms

Term	Description
Acknowledgement Slip	The slip, document or counter foil issued by the Designated Intermediary to an Applicant as proof of having accepted the Application Form.
Allot / Allotment / Allotted	Unless the context otherwise requires, allotment of the Equity Shares pursuant to the Issue of Equity Shares to the successful Applicants.
Allottee	A successful Applicant to whom the Equity Shares are Allotted.
Applicant	Any prospective investor who makes an application pursuant to the terms of the Draft Prospectus and the Application Form.
Application	An indication to make an offer during the Issue Period by an Applicant, pursuant to submission of Application Form, to subscribe for or purchase our Equity Shares at the Issue Price including all revisions and modifications thereto, to the extent permissible under the SEBI (ICDR) Regulations.
Application Amount	The number of Equity Shares applied for and as indicated in the Application Form multiplied by the price per Equity Share payable by the Applicants on submission of the Application Form.
Application Form	The form in terms of which an Applicant shall make an Application and which shall be considered as the application for the Allotment pursuant to the terms of the Prospectus.
Application Supported by Blocked Amount/ ASBA	An application, whether physical or electronic, used by an Applicant authorizing a SCSB to block the application amount in the ASBA Account maintained with the SCSB.
ASBA Account	Account maintained with an SCSB and specified in the Application Form which will be blocked by such SCSB to the extent of the appropriate Application Amount in relation to an Application by an Applicant.
ASBA Applicant(s)	Any prospective investors in this Issue who applies for Equity Shares of our Company through the ASBA process in terms of the Prospectus.
Bankers to the Issue/ Public Issue Bank	The banks which are clearing members and registered with SEBI as Banker to an Issue with whom the Public Issue Account will be opened and in this case being [●].
Banker to the Issue Agreement	Agreement to be entered into amongst the Company, LM, the Registrar, Sponsor Bank and the Banker of the Issue.
Basis of Allotment	The basis on which the Equity Shares will be Allotted to successful Applicants under the Issue, described in "Issue Procedure" on page 170.
Broker Centres	Broker centres notified by the Stock Exchange, where the Applicants can submit the Application Forms to a Registered Broker. The details of such broker centres, along with the name and contact details of the Registered Brokers, are available on the website of BSE on the following link www.bseindia.com .
Broker to the Issue	All recognized members of the stock exchange would be eligible to act as the Broker to the Issue.
BSE SME	The SME platform of BSE Limited, approved by SEBI as an SME Exchange for listing of equity shares Issued under Chapter IX of the SEBI (ICDR) Regulations, 2018.
CAN / Allotment Advice	The note or advice or intimation of Allotment, sent to each successful Applicant who has been

Term	Description
	or is to be Allotted the Equity Shares after approval of the Basis of Allotment by the Designated Stock Exchange.
Client ID	Client identification number of the Applicant's beneficiary account.
Collecting Depository Participant or CDP	A depository participant as defined under the Depositories Act, 1996, registered with SEBI and who is eligible to procure Applications at the Designated CDP Locations in terms of circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI.
Collection Centres	Centres at which the Designated Intermediaries shall accept the ASBA Forms.
Compliance Officer	The Company Secretary of our Company, being Priyanka Dusad.
Controlling Branches of the SCSBs	Such branches of the SCSBs which coordinate with the Lead Manager, the Registrar to the Issue and the Stock Exchange and a list of which is available at www.sebi.gov.in or at such other website as may be prescribed by SEBI from time to time.
Demographic Details	The details of the Applicants including the Applicants' address, names of the Applicants' father/husband, investor status, occupations and bank account details.
Depository / Depositories	A depository registered with SEBI under the SEBI (Depositories and Participant) Regulations, 1996.
Depository Participant / DP	A depository participant as defined under the Depositories Act.
Designated CDP Locations	Such locations of the CDPs where Applicants can submit the Application Forms to Collecting Depository Participants. The details of such Designated CDP Locations, along with names and contact details of the Collecting Depository Participants eligible to accept Application Forms are available on the website of the Stock Exchange (www.bseindia.com).
Designated Date	The date on which the amounts blocked by the SCSBs are transferred from the ASBA Accounts to the Public Issue Account or unblock such amounts, as appropriate in terms of the Prospectus.
Designated Intermediaries / Collecting Agent	An SCSB with whom the bank account to be blocked, is maintained, a syndicate member (or sub-syndicate member), a Registered Broker, Designated CDP Locations for CDP, a registrar to an issue and share transfer agent (RTA) (whose names is mentioned on website of the stock exchange as eligible for this activity).
Designated Market Maker / Market Maker	In our case, Inventure Growth & Securities Limited.
Designated RTA Locations	Such locations of the RTAs where Applicants can submit the Application Forms to RTAs. The details of such Designated RTA Locations, along with names and contact details of the RTAs eligible to accept Application Forms are available on the website of the Stock Exchange (www.bseindia.com).
Designated SCSB Branches	Such branches of the SCSBs which collected the ASBA Application Form from the applicants and a list of which is available on the website of SEBI at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes or at such other website as may be prescribed by SEBI from time to time.
Designated Stock Exchange	BSE Limited.
Draft Prospectus / DP	This Draft Prospectus dated May 7, 2019, filed with BSE Limited in accordance with the SEBI (ICDR) Regulations, 2018.
Eligible NRI	A non-resident Indian, resident in a jurisdiction outside India where it is not unlawful to make an offer or invitation under the Issue and in relation to whom the Prospectus constitutes an invitation to subscribe for the Equity Shares.
Equity Shares	Equity Shares of our Company of face value Rs. 10/- each
Electronic Transfer of Funds	Refunds through NACH, NEFT, Direct Credit or RTGS as applicable.
Eligible QFI	Qualified Foreign Investors from such jurisdictions outside India where it is not unlawful to make an offer or invitation under the Issue and in relation to whom the Prospectus constitutes an invitation to purchase the Equity Shares offered thereby and who have opened dematerialised accounts with SEBI registered qualified depository participants as QFIs and are deemed as FPIs under the SEBI FPI Regulations.
First Applicant	The Applicant whose name appears first in the Application Form or the Revision Form.
General Information Document	The General Information Document for investing in public issues prepared and issued in accordance with the circulars (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 and (SEBI/HO/CFD/DIL/CIR/P/2016/26) dated January 21, 2016

Term	Description
	notified by the SEBI and (SEBI/HO/CFD/DIL2/CIR/P/2018/22) dated February 15, 2018.
Issue / Public issue / Issue size / Initial Public issue / Initial Public Offer / Initial Public Offering / IPO	Public issue of 11,01,600 Equity Shares of face value of ₹10.00 each of our Company for cash at a price of ₹100 per Equity Share (including a share premium of ₹90 per Equity Share) aggregating to ₹1,101.60 lakhs by our Company, in terms of this Draft Prospectus.
Issue Agreement / MoU	The agreement dated May 6, 2019 entered into amongst our Company and the Lead Manager, pursuant to which certain arrangements are agreed to in relation to the Issue.
Issue Closing Date	The date on which the Issue closes for subscription. In this case being [●]
Issue Opening Date	The date on which the Issue opens for subscription. In this case being [●]
Issue Period	The period between the Issue Opening Date and the Issue Closing Date, inclusive of both days during which prospective Applicants can submit their Applications, including any revisions thereof.
Issue Price	The price at which Equity Shares are being issued by our Company being ₹100 per Equity Share.
Lead Manager / LM	The lead manager to the Issue, in this case being Inventure Merchant Banker Services Private Limited.
Listing Agreement	Unless the context specifies otherwise, this means the Equity Listing Agreement to be signed between our Company and the SME Platform of BSE.
Market Maker Reservation Portion	55,200 Equity Shares of ₹10.00 each at ₹100 per Equity Share aggregating to ₹55.20 lakhs reserved for subscription by the Market Maker.
Net Issue	The Issue (excluding the Market Maker Reservation Portion) of 10,46,400 Equity Shares of face value of ₹10.00 each at an Issue Price of ₹100 per equity share aggregating to ₹1,046.40 lakhs.
Net Proceeds	Proceeds of the Issue that will be available to our Company, which shall be the gross proceeds of the Issue less the issue expenses.
Non-Institutional Investors / NIIs	All Applicants, including Category III FPIs that are not QIBs or Retail Individual Investors who have made Application for Equity Shares for an amount of more than ₹2,00,000 (but not including NRIs other than Eligible NRIs).
Prospectus	The Prospectus to be filed with the RoC for this Issue in accordance with the provisions of Section 26 of the Companies Act, 2013 and the SEBI (ICDR) Regulations, including any addenda or corrigenda thereto.
Public Issue Account	The account to be opened with the Banker to the Issue under Section 40 of the Companies Act, 2013 to receive monies from the ASBA Accounts on the Designated Date.
Qualified Institutional Buyers or QIBs	A qualified institutional buyer as defined under Regulation 2(1)(ss) of the SEBI (ICDR) Regulations.
Refund Account(s)	Accounts to which the monies to be refunded to the Applicants is transferred from the Public Issue Account in case listing of the Equity Shares does not occur.
Registered Brokers	Stock brokers registered with the stock exchanges having nationwide terminals.
Registrar Agreement	The Agreement between the Registrar to the Issue and the Issuer Company dated May 6, 2019, in relation to the responsibilities and obligations of the Registrar to the Issue pertaining to the Issue.
Registrar and Share Transfer Agents or RTAs	Registrar and share transfer agents registered with SEBI and eligible to procure Applications at the Designated RTA Locations in terms of circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI.
Registrar to the Issue	The Registrar to the Issue being Bigshare Services Private Limited.
Retail Individual Investors/ RIIs	Applicants (including HUFs, in the name of Karta and Eligible NRIs) whose Application Amount for Equity Shares in the Issue is not more than ₹2,00,000/-.
Revision Form	The form used by the Applicants to modify the quantity of Equity Shares or the Application Amount in any of their Application Forms or any previous Revision Form(s), as applicable.
Self Certified Syndicate Banks or SCSBs	Banks registered with SEBI, offering services in relation to ASBA, a list of which is available on the website of SEBI at www.sebi.gov.in and updated from time to time and at such other websites as may be prescribed by SEBI from time to time.
SME Platform of BSE / SME Exchange / Stock Exchange / BSE SME	The SME platform of BSE, approved by SEBI as an SME Exchange for listing of equity shares offered under Chapter IX of the SEBI (ICDR) Regulations.
Sponsor Bank	[●], being a Banker to the Offer, appointed by our Company to act as a conduit between the Stock Exchanges and NPCI in order to push the mandate collect requests and / or payment instructions of the RIBs into the UPI, and carry out other responsibilities, in terms of the SEBI

Term	Description
	circular bearing number SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018 issued by SEBI
Underwriters	Inventure Merchant Banker Services Private Limited
Underwriting Agreement	The agreement dated May 6, 2019 entered into among the Underwriter and our Company.
UPI	Unified payments interface which is an instant payment mechanism, developed by NPCI
UPI ID	ID created on the UPI for single-window mobile payment system developed by NPCI
UPI Mandate Request	A request (intimating the RIB by way of a notification on the UPI application and by way of a SMS directing the RIB to such UPI mobile application) to the RIB initiated by the Sponsor Bank to authorise blocking of funds on the UPI application equivalent to Bid Amount and subsequent debit of funds in case of Allotment
Wilful Defaulter(s)	Wilful defaulter as defined under Regulation 2(1)(III) of the SEBI Regulations.
Working Day(s)	“Working Day” means all days on which commercial banks in Mumbai are open for business. However, in respect of - (a) announcement of Price Band; and (b) Bid/Issue period, working day shall mean all days, excluding Saturdays, Sundays and public holidays, on which commercial banks in Mumbai are open for business; (c) the time period between the Bid/Issue Closing Date and the listing of the Equity Shares on the Stock Exchange, working day shall mean all trading days of the Stock Exchange, excluding Sundays and bank holidays, as per circulars issued by SEBI.

Industry Related Terms and Abbreviations

Term	Description
A/c	Account
AGM	Annual General Meeting
AIF(s)	Alternative Investment Fund as defined in and registered with SEBI under the Securities and Exchange Board of India (Alternative Investments Funds) Regulations, 2012
Air Act	Air (Prevention and Control of Pollution) Act, 1981
AS / Accounting Standards	Accounting Standards as issued by the Institute of Chartered Accountants of India
ASBA	Applications Supported by Blocked Amount
Authorised Dealers	Authorised Dealers registered with RBI under the Foreign Exchange Management (Foreign Currency Accounts) Regulations, 2000
AY	Assessment Year
B. A.	Bachelor of Arts
B.Com	Bachelor of Commerce
Banking Regulation Act	Banking Regulation Act, 1949
BE	Bachelor Degree in Engineering
BIFR	Board of Industrial and Financial Reconstruction
Bn	Billion
BSc	Bachelor Degree in Science
BSE	BSE Limited (formerly known as Bombay Stock Exchange Limited)
CAGR	Compounded Annual Growth Rate
Category I Foreign Portfolio Investor(s)	FPIs registered as Category I Foreign Portfolio Investors under the SEBI FPI Regulations.
Category II Foreign Portfolio Investor(s)	An FPI registered as a category II foreign portfolio investor under the SEBI FPI Regulations
Category III Foreign Portfolio Investor(s)	FPIs registered as category III FPIs under the SEBI FPI Regulations, which shall include all other FPIs not eligible under category I and II foreign portfolio investors, such as endowments, charitable societies, charitable trusts, foundations, corporate bodies, trusts, individuals and family offices
CBEC	Central Board of Excise and Customs
CC	Cash Credit
CDSL	Central Depository Services (India) Limited
Central Sales Tax Act	Central Sales Tax Act, 1956
CENVAT	Central Value Added Tax
CEO	Chief Executive Officer

Term	Description
CESTAT	Customs, Excise and Service Tax Appellate Tribunal
CFO	Chief Financial Officer
CII	Confederation of Indian Industry
CIN	Company Identification Number
CIT	Commissioner of Income Tax
CIT(A)	Commissioner of Income Tax (Appeals)
CLRA	Contract Labour (Regulation and Abolition) Act,1979
Companies Act	Companies Act, 1956 (without reference to the provisions thereof that have ceased to have effect upon notification of the Notified Sections) and the Companies Act, 2013, to the extent in force pursuant to the notification of the Notified Sections, read with the rules, regulations, clarifications and modifications thereunder
Companies Act 1956	Companies Act, 1956 (without reference to the provisions thereof that have ceased to have effect upon notification of the Notified Sections)
Companies Act 2013	Companies Act, 2013, to the extent in force pursuant to the notification of the Notified Sections, read with the rules, regulations, clarifications and modifications thereunder
Consolidated FDI Policy	The current consolidated FDI Policy, effective from June 7, 2016, issued by the Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India, and any modifications thereto or substitutions thereof, issued from time to time
Copyright Act	The Copyright Act, 1957
CS	Company Secretary
CSR	Corporate Social Responsibility
DB	Designated Branch
Depositories Act	Depositories Act, 1996
Depository	A depository registered with the SEBI under the Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996
DIN	Director Identification Number
DIPP	Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, GoI
DP	Depository Participant
DP ID	Depository Participant's identity number
EBIDTA	Earnings before interest, depreciation, tax, amortization and extraordinary items
ECB	External Commercial Borrowings
ECS	Electronic Clearing System
EGM	Extraordinary General Meeting
Environment Protection Act	Environment Protection Act, 1986
EPF Act	Employees' Provident Funds and Miscellaneous Provisions Act, 1952
EPFO	Employees' Provident Fund Organisation
EPS	Earnings per share
ESI Act	Employees' State Insurance Act, 1948
ESIC	Employees' State Insurance Corporation
ESOP	Employee Stock Ownership Plan
ESPS	Employee Stock Purchase Scheme
F&NG	Father and Natural Guardian
F&O	Futures and Options
FCNR Account	Foreign Currency Non Resident (Bank) account established in accordance with the FEMA
FDI	Foreign Direct Investment
FEMA	The Foreign Exchange Management Act, 1999 read with rules and regulations thereunder
FEMA 20	The Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000
FII Regulations	Securities and Exchange Board of India (Foreign Institutional Investors) Regulations, 1995, as amended from time to time
FII(s)	Foreign Institutional Investors as defined under SEBI FPI Regulations
Financial Year / Fiscal / Fiscal	The period of 12 months commencing on April 1 of the immediately preceding

Term	Description
Year / FY	calendar year and ending on March 31 of that particular calendar year
FIPB	Foreign Investment Promotion Board
FIs	Financial Institutions
FMC	Forward Market Commission
Foreign Portfolio Investor or FPIs	A foreign portfolio investor, as defined under the SEBI FPI Regulations and registered with SEBI under applicable laws in India.
FTA	The Foreign Trade (Development and Regulation) Act, 1992
FVCI	Foreign Venture Capital Investors (as defined under the Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000) registered with SEBI
FVCI Regulations	Securities and Exchange Board of India (Foreign Venture Capital Investors), 2000, as amended from time to time
GDP	Gross Domestic Product
GIR Number	General Index Registry Number
GoI/Government	Government of India
GST	Goods & Services Tax
HNI	High Net worth Individual
HUF(s)	Hindu Undivided Family(ies)
I.T. Act	Income Tax Act, 1961, as amended from time to time
ICAI	Institute of Chartered Accountants of India
ICSI	Institute of Company Secretaries of India
IFRS	International Financial Reporting Standards
IFSC	Indian Financial System Code
IMF	International Monetary Fund
IMS	IMS Health
Income Tax Act	Income Tax Act, 1961
Indian GAAP	Generally Accepted Accounting Principles in India
INR or Rupee or ₹ or Rs.	Indian Rupee, the official currency of the Republic of India
Insider Trading Regulations	The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended.
IPO	Initial Public Offering
IPR	Intellectual Property Rights
IRDA	Insurance Regulatory and Development Authority
ISIN	International Securities Identification Number
ISO	International Standards Organization
IT Act	Income Tax Act, 1961 as amended from time to time except as stated otherwise
IT Authorities	Income Tax Authorities
IT Rules	Income Tax Rules
JV	Joint Venture
KMP	Key Managerial Personnel
KW	Kilo Watt
L/C	Letter of Credit
LIBOR	London interbank offered rate
Ltd.	Limited
MAPIN	Market Participants and Investors' Integrated Database
MCA	The Ministry of Corporate Affairs, GoI
MCI	Ministry of Commerce and Industry, GoI
MD	Managing Director
MICR	Magnetic Ink Character Recognition
Mn	Million
MNC	Multi National Company
MoEF	Ministry of Environment and Forests
MoF	Ministry of Finance, Government of India
MOU	Memorandum of Understanding
Mutual Funds	Mutual funds registered with the SEBI under the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996
NA	Not Applicable

Term	Description
NAV	Net asset value
NECS	National Electronic Clearing Services
NEFT	National Electronic Fund Transfer
Net Worth	The aggregate of the paid-up share capital, securities premium account and reserves and surplus (excluding revaluation reserve) as reduced by the aggregate of miscellaneous expenditure (to the extent not adjusted or written off) and debit balance of the profit and loss account
NIF	National Investment Fund set up by resolution F. No. 2/3/2005-DD-II dated November 23, 2005 of Government of India published in the Gazette of India.
NIFTY	National Stock Exchange Sensitive Index
No.	Number
NOC	No Objection Certificate
Non Resident	A person resident outside India, as defined under FEMA Regulations
Non-Resident Indian/ NRI	A person resident outside India, who is a citizen of India or a Person of Indian Origin as defined under FEMA Regulations, as amended
Notified Sections	The sections of the Companies Act, 2013 that have been notified by the MCA and are currently in effect
NPV	Net Present Value
NR/ Non-resident	A person resident outside India, as defined under the FEMA and includes a Non-resident Indian
NRE Account	Non-Resident External Account established and operated in accordance with the FEMA
NRO Account	Non-Resident Ordinary Account established and operated in accordance with the FEMA
NSDL	National Securities Depository Limited
BSE	The BSE Limited
NTA	Net Tangible Assets
NWR	Negotiable Warehouse Receipt
OCB	Overseas Corporate Bodies
OD	Overdraft
Overseas Corporate Body / OCB	A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% by NRIs, including overseas trusts in which not less than 60% of beneficial interest is irrevocably held by NRIs directly or indirectly as defined under the Foreign Exchange Management (Deposit) Regulations, 2000. OCBs are not allowed to invest in this Issue.
p.a.	per annum
P/E Ratio	Price/Earnings Ratio
PAC	Persons Acting in Concert
PAN	Permanent account number
PAT	Profit after tax
Patents Act	Patents Act, 1970
PBT	Profit Before Tax
Person or Persons	Any Individual, Sole Proprietorship, Unincorporated Association, Unincorporated Organization, Body Corporate, Corporation, Company, Partnership Firm, Limited Liability Partnership, 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.
POA	Power of Attorney
PPP	Public private partnership
Pvt./(P)	Private
QFI(s)	Qualified Foreign Investor(s) as defined under the SEBI FPI Regulations
RBI	The Reserve Bank of India
RBI Act	The Reserve Bank of India Act, 1934 , as amended from time to time
RERD Act	Real Estate (Regulation and Development) Act, 2016
RoC or Registrar of Companies	The Registrar of Companies, Rajasthan, Jaipur
ROE	Return on Equity
RONW	Return on Net Worth

Term	Description
RTGS	Real Time Gross Settlement
SCRA	Securities Contract (Regulation) Act, 1956, as amended from time to time
SCRR	Securities Contracts (Regulation) Rules, 1957, as amended from time to time.
SEBI	The Securities and Exchange Board of India constituted under the SEBI Act
SEBI (FPI) Regulations	Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014
SEBI (ICDR) Regulations	The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended, including instructions and clarifications issued by SEBI from time to time
SEBI (LODR) Regulations	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, including instructions and clarifications issued by SEBI from time to time
SEBI (VCF) Regulations	Securities and Exchange Board of India (Venture Capital Fund) Regulations, 1996 as amended from time to time.
SEBI Act	Securities and Exchange Board of India Act, 1992
SEBI FVCI Regulations	Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000
SEBI Takeover Regulations	The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended from time to time.
Sec.	Section
Securities Act	The U.S Securities Act as amended from time to time
SENSEX	Bombay Stock Exchange Sensitive Index
SICA	Sick Industrial Companies (Special Provisions) Act, 1985
SME	Small and Medium Enterprise
SSI	Small Scale Industry
STT	Securities Transaction Tax
TAN	Tax Deduction Account Number
TIN	Taxpayers Identification Number
TPH	Tonnes per hour
Trademarks Act	The Trademarks Act, 1999
TRS	Transaction Registration Slip
U.S. GAAP	Generally Accepted Accounting Principles in the United States of America
U.S. Securities Act	The United States Securities Act, 1933
u/s	Under Section
UIN	Unique Identification Number
UOI	Union of India
US\$ or USD or US Dollar	United States Dollar, the official currency of the United States of America
USA or U.S. or US	United States of America
VAT	Value Added Tax
VCF	Venture Capital Funds
VCFs	Venture capital funds as defined in and registered with the SEBI under the Securities and Exchange Board of India (Venture Capital Fund) Regulations, 1996 or the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012, as the case may be
w.e.f	With effect from
Water Act	Water (Prevention and Control of Pollution) Act, 1974
WDV	Written Down Value
WTD	Whole-time Director
YoY	Year over year

CERTAIN CONVENTIONS, USE OF FINANCIAL INFORMATION AND MARKET DATA AND CURRENCY OF PRESENTATION

Certain Conventions

In this Draft Prospectus, the terms “we”, “us”, “our”, the “Company”, “our Company”, unless the context otherwise indicates or implies, refers to Rajat City Developers Limited.

Financial Data

Unless stated otherwise, the financial data in this Draft Prospectus is derived from our Restated Consolidated Financial Statements prepared in accordance with Indian GAAP, the Companies Act and restated in accordance with the SEBI (ICDR) Regulations, and set out in ‘*Consolidated Financial Statements*’ on page 101. Our Company’s financial year commences on April 1 of the immediately preceding calendar year and ends on March 31 of that particular calendar year, so all references to a particular financial year are to the 12 month period commencing on April 1 of the immediately preceding calendar year and ending on March 31 of that particular calendar year.

There are significant differences between the Indian GAAP, the International Financial Reporting Standards (the “IFRS”) and the Generally Accepted Accounting Principles in the United States of America (the “U.S. GAAP”). Accordingly, the degree to which the financial statements included in this Draft Prospectus will provide meaningful information is entirely dependent on the reader’s level of familiarity with Indian accounting practices. Any reliance by persons not familiar with Indian accounting practices, the Indian GAAP, the Companies Act and the SEBI (ICDR) Regulations on the financial disclosures presented in this Draft Prospectus should accordingly be limited. We have not attempted to quantify the impact of the IFRS or the U.S. GAAP on the financial data included in this Draft Prospectus, nor do we provide a reconciliation of our financial statements to those under the U.S. GAAP or the IFRS and we urge you to consult your own advisors regarding such differences and their impact on our financial data.

Certain figures contained in this Draft Prospectus, including financial information, have been subject to rounding adjustments. All decimals have been rounded off to two decimal points, except for figures in percentage. In certain instances, (i) the sum or percentage change of such numbers may not conform exactly to the total figure given; and (ii) the sum of the numbers in a column or row in certain tables may not conform exactly to the total figure given for that column or row. However, where any figures that may have been sourced from third-party industry sources are rounded off to other than two decimal points in their respective sources, such figures appear in this Draft Prospectus as rounded-off to such number of decimal points as provided in such respective sources.

Currency and units of presentation

In this Draft Prospectus, unless the context otherwise requires, all references to (a) ‘Rupees’ or ‘₹’ or ‘Rs.’ or ‘INR’ are to Indian rupees, the official currency of the Republic of India; (b) ‘US Dollars’ or ‘US\$’ or ‘USD’ or ‘\$’ are to United States Dollars, the official currency of the United States of America. All references to the word ‘Lakh’ or ‘Lac’ or ‘Lacs’, 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’. Any percentage amounts, as set forth in “*Risk Factors*”, “*Our Business*”, “*Management’s Discussion and Analysis of Financial Conditions and Results of Operation*” and elsewhere in this Draft Prospectus, unless otherwise indicated, have been calculated based on our Restated Financial Statements.

Industry and Market Data

Unless stated otherwise, industry and market data used throughout this Draft Prospectus has been obtained or derived from internal Company reports and industry and government publications, publicly available information and sources. Industry 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 are not guaranteed and their reliability cannot be assured. Although, our Company believes that industry data used in this Draft Prospectus is reliable, it has not been independently verified. Further, the extent to which the industry and market data presented in this Draft Prospectus is meaningful depends on the reader’s familiarity with and understanding of, the methodologies used in compiling such data. There are no standard data gathering methodologies in the industry in which we conduct our business, and methodologies and assumptions may vary widely among different industry sources.

FORWARD-LOOKING STATEMENTS

All statements contained in this Draft Prospectus that are not statements of historical facts constitute ‘forward-looking statements’. All statements regarding our expected financial condition and results of operations, business, objectives, strategies, plans, goals and prospects are forward-looking statements. These forward-looking statements include statements as to our business strategy, our revenue and profitability, planned projects and other matters discussed in this Draft Prospectus regarding matters that are not historical facts. These forward looking statements and any other projections contained in this Draft Prospectus (whether made by us or any third party) are predictions and involve known and unknown risks, uncertainties and other factors that may cause our actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements or other projections.

These forward looking statements can generally be identified by words or phrases such as “will”, “aim”, “will likely result”, “believe”, “expect”, “will continue”, “anticipate”, “estimate”, “intend”, “plan”, “contemplate”, “seek to”, “future”, “objective”, “goal”, “project”, “should”, “will pursue” and similar expressions or variations of such expressions. Important factors that could cause actual results to differ materially from our expectations include but are not limited to:

- general economic and business conditions in the markets in which we operate and in the local, regional and national and international economies;
- Inability to identify or acquire new clients;
- our ability to successfully implement strategy, growth and expansion plans and technological initiatives;
- our ability to respond to technological changes;
- our ability to attract and retain qualified personnel;
- the effect of wage pressures, hiring patterns and the time required to train and productively utilize new employees;
- general social and political conditions in India which have an impact on our business activities or investments;
- potential mergers, acquisitions restructurings and increased competition;
- occurrences of natural disasters or calamities affecting the areas in which we have operations;
- market fluctuations and industry dynamics beyond our control;
- changes in the competition landscape;
- our ability to finance our business growth and obtain financing on favourable terms;
- our ability to manage our growth effectively;
- our ability to compete effectively, particularly in new markets and businesses;
- changes in laws and regulations relating to the industry in which we operate changes in government policies and regulatory actions that apply to or affect our business;
- developments affecting the Indian economy; and
- Inability to meet our obligations, including repayment, financial and other covenants under our debt financing arrangements.

For a further discussion of factors that could cause our current plans and expectations and actual results to differ, please refer “*Risk Factors*”, “*Our Business*” and “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” on pages 18, 69 and 132 respectively.

Forward looking statements reflects views as of the date of this Draft Prospectus and not a guarantee of future performance. By their nature, certain market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual future gains or losses could materially differ from those that have been estimated. Neither our Company / our Directors nor the Lead Manager, nor any of its 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 and the Lead Manager will ensure that investors in India are informed of material developments until such time as the listing and trading permission is granted by the Stock Exchange.

SECTION II - SUMMARY OF THE OFFER DOCUMENT

A. Summary of Business & Industry:

Summary of Business:

We are currently engaged in the business of real estate development and are based in Kota, Rajasthan. We have real estate development projects in and around Kota City in Rajasthan which are at various stages of development. Currently, our business focuses on residential developments and land development & plotting. Our residential portfolio consists of various types of accommodation of varying sizes. Our residential projects are primarily designed for middle income and high income customers. Our residential buildings are designed with a variety of amenities such as security systems, sports and recreational facilities, play areas and electricity back-up.

Summary of Industry:

The real estate sector is one of the most globally recognized sectors. In India, real estate is the second largest employer after agriculture and is slated to grow at 30 per cent over the next decade. The real estate sector comprises four sub sectors - housing, retail, hospitality, and commercial. The construction industry ranks third among the 14 major sectors in terms of direct, indirect and induced effects in all sectors of the economy. The Indian real estate market is expected to touch US\$ 180 billion by 2020. Housing sector is expected to contribute around 11 per cent to India's GDP by 2020. In the period FY2008-2020, the market size of this sector is expected to increase at a Compound Annual Growth Rate (CAGR) of 11.2 per cent. Retail, hospitality and commercial real estate are also growing significantly, providing the much-needed infrastructure for India's growing needs.

B. Promoters:

Dr. Rajat Arora is the Promoter of our Company.

C. Issue Size:

This is a fresh issue of Equity Shares.

Initial Public Offer is of 11,01,600 Equity Shares of face value of ₹ 10 each of the Company for cash at a price of ₹ 100 per Equity Share (including a share premium of ₹ 90 per Equity Share) aggregating upto ₹1101.60 lakhs.

D. Objects of the Issue:

Sr. No.	Object	Amount Proposed to be Utilised from the Net Proceeds (₹ in lakhs)
1.	Meeting Additional Working Capital Requirements	871.50
2.	General Corporate Purposes	180.10
3.	Issue Expenses	50.00
	Total	1,101.60

E. Pre-Issue Shareholding of Promoters, Promoter Group:

Particulars	Pre Issue	
	No. of Shares	% Holding
Promoter		
Dr. Rajat Arora	28,71,000	99.00%
Promoter Group		
Dr. Jagdish Kumar Arora	24,000	0.83%
Romila Gambhir	1,000	0.03%
Rakhi Jolly	1,000	0.03%
Masrat Khan	1,000	0.03%
Zulfikar Pathan	1,000	0.03%
Anil Gambhir	1,000	0.03%
Total	29,00,000	100.00%

F. Summary of Financial Information: (Based on Restated Consolidated Financial Statements)

Particulars	31.12.18	31.03.18	31.03.17	31.03.16
Share Capital	290.00	290.00	290.00	290.00
Net Worth	740.24	521.47	376.37	371.69
Revenue	3,770.69	1,610.06	380.64	1,266.41
Profit After Tax	134.71	53.17	4.68	52.24
Basic and Diluted Earnings per Equity Share considering face value of Rs. 10 per Equity Share	4.65	1.83	0.16	2.51
NAV per Equity Share	25.55	17.98	12.98	17.88
Total Borrowings	6,528.53	6,548.27	4,235.03	2,209.83

G. Auditor qualifications which have not been given effect to in the Restated Financial Information:

There are no auditor qualifications which would require adjustments in the Restated Consolidated Financial Information and for which no such effect has been given.

H. Summary of Outstanding Litigations:

Nature of case	Number of cases	Amount involved (in ₹lakhs)
Company		
Direct Tax	3	4.12
Indirect Tax	2	172.12
Employee's Provident Fund and Miscellaneous Provisions Act, 1952	1	0.64
Consumer forum case	1	0.33
Our Promoter		
Direct Tax	Nil	Nil
Indirect Tax	3	0.53
Our Directors		
Direct Tax	1	4.77
Indirect Tax	1	0.22
Our Group Companies		
Direct Tax	3	1.02
Indirect Tax	1	18.14

For further details regarding the same, please refer to the chapter titled 'Outstanding Litigations and Material Developments' beginning on page 144 of the Draft Prospectus.

I. Risk Factors:

Please see 'Risk Factors' beginning on page 18.

J. Summary of Contingent Liabilities of our Company:

Details of Contingent Liabilities as on December 31, 2018 are as under:

Particulars	31.12.18
VAT	172.11

For further details please see the chapter titled "Consolidated Financial Statements - Annexure VIII- Statement of Contingent liabilities as Restated" on page 130 of this Draft Prospectus.

K. Summary of Related Party Transactions:

For further details please refer "Annexure V- Statement of Consolidated Related Party Transaction" on page, under the section titled "Consolidated Financial Statements" beginning on page 127 of this Draft Prospectus.

L. Financing Arrangements:

There are no financing arrangements wherein the Promoters, Promoter Group, the Directors of our Company and their relatives, have financed the purchase by any other person of securities of our Company other than in the normal course of the business of the financing entity during the period of six months immediately preceding the date of the Draft Prospectus.

M. Weighted Average Price of the Equity Shares acquired by the Promoter in the last one year preceding the date of this Draft Prospectus:

The weighted average price of the Equity Shares acquired by the Promoter in the last one year preceding the date of this Draft Prospectus is ₹100 per Equity Share (post split the weighted average price of the Equity Shares is ₹10 per Equity Share)

N. Average cost of acquisition of shares for promoter:

Name of the Promoter	No. of Equity Shares held	Average cost of Acquisition (in ₹)
Dr. Rajat Arora	28,71,000	10.00

O. Pre-IPO Placement:

The Company does not intend to undertake Pre-IPO Placement in the Issue.

P. Issue of equity shares made in last one year for consideration other than cash

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

Q. Split / Consolidation of Equity Shares in the last one year

On May 11, 2018 the Equity Shares of our Company were split from face Value of Rs.100/- each to Rs.10/- each.

SECTION III - RISK FACTORS

An investment in the Equity Shares involves a high degree of risk. You should carefully consider all the information in this Draft Prospectus, including the risks and uncertainties summarised below, before making an investment in our Equity Shares. The risks described below are relevant to, the industries our Company is engaged in, our Company and our Equity Shares. To obtain a complete understanding of our Company, you should read this section in conjunction with 'Our Business' and 'Management's Discussion and Analysis of Financial Condition and Results of Operations' on pages 69 and 132 respectively, as well as the other financial and statistical information contained in this Draft Prospectus. Prior to making an investment decision, prospective investors should carefully consider all of the information contained in 'Consolidated Financial Statements' on page 101. Unless stated otherwise, the financial data in this section is as per our financial statements prepared in accordance with Indian GAAP, as restated.

If any one or more of the following risks as well as other risks and uncertainties discussed in this Draft Prospectus were to occur, our business, financial condition and results of our operation could suffer material adverse effects, and could cause the trading price of our Equity Shares and the value of investment in the Equity Shares to materially decline which could result in the loss of 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 many factors, including the considerations described below and elsewhere in this Draft Prospectus.

These risks are not the only ones that our Company face. Our business operations could also be affected by additional factors that are not presently known to us or that we currently consider to be immaterial to our operations. Unless specified or quantified in the relevant risk factors below, we are not in a position to quantify financial or other implication of any risks mentioned herein.

Materiality

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

1. Some risks may not be material individually but may be material when considered collectively.
2. Some risks may have an impact which is qualitative though not quantitative.
3. Some risks may not be material at present but may have a material impact in the future.

INTERNAL RISKS

1. **Our Company, our Promoters, our Directors and Group Entities are involved in certain legal proceedings. Any adverse decision in such proceedings may render us / them liable to liabilities / penalties and may adversely affect our / their business and results of operations.**

Our Company, our Promoters, our Directors and Group Entities are involved in certain legal proceedings and claims in relation to certain civil and tax matters. These legal proceedings are pending at different levels of adjudication before various authorities. Any adverse decision may render us / them liable to liabilities / penalties and may adversely affect our / their business and results of operations. A classification of these legal and other proceedings are given in the following table:

Nature of case	Number of cases	Amount involved (in ₹lakhs)
Company		
Direct Tax	3	4.12
Indirect Tax	2	172.12
Employee's Provident Fund and Miscellaneous Provisions Act, 1952	1	0.64
Consumer forum case	1	0.33
Our Promoter		
Direct Tax	Nil	Nil
Indirect Tax	3	0.53
Our Directors		
Direct Tax	1	4.77
Indirect Tax	1	0.22

Our Group Companies		
Direct Tax	3	1.02
Indirect Tax	1	18.14

The table above does not include those penalties, interests and costs, if any, which may be imposed or which may have been pleaded but not quantified in the course of legal proceedings, or which the Court / Tribunal otherwise has the discretion to impose. The imposition and amount of such penalties / interests / costs are at the discretion of the court / tribunal where the case is pending. Such liability, if any, would crystallize only on the order of the tribunal where the case(s) is / are pending.

For further details regarding the same, please refer to the chapter titled ‘Outstanding Litigations and Material Developments’ beginning on page 144 of the Draft Prospectus.

2. **Our Company had negative cash flow in recent fiscals, details of which are given below. Sustained negative cash flow could adversely impact our business, financial condition and results of operations.**

	(₹ in lacs)			
Cash flow from	December 31, 2018	March 31, 2018	March 31, 2017	March 31, 2016
Operating activities	503.88	(2153.38)	(637.83)	(2071.09)
Investing activities	(59.03)	501.39	(836.08)	(146.26)
Financing Activities	(481.35)	1646.43	1319.18	2439.08

Cash flow of a company is a key indicator to show the extent of cash generated from operations to meet its capital expenditure, pay dividends, repay loans and make new investments without raising finance from external resources. If we are not able to generate sufficient cash flow, it may adversely affect our business and financial operations. For further details please refer to the section titled ‘Financial Information’ and chapter titled ‘Management’s Discussion and Analysis of Financial Condition and Results of Operations’ beginning on page numbers 101 and 132, respectively, of the Draft Prospectus.

3. **If we are not successful in managing our growth, our business may be disrupted and our profitability may be reduced.**

Our results of operations have historically varied from year to year due to various factors, and we expect that this trend will continue. You should not rely on our past financial results for any year as indicators of future performance. Our future growth is subject to risks arising from a rapid increase in order volume, and inability to retain and recruit skilled staff. Although, we plan to continue to expand our scale of operations through both organic as well as inorganic growth or investments in other entities, we may not grow at a rate comparable to our growth rate in the past, either in terms of income or profit.

Our future growth may place significant demands on our management and operations and require us to continuously evolve and improve our financial, operational and other internal controls. In particular, continued expansion may pose challenges in:

- maintaining high levels of client satisfaction;
- recruiting, training and retaining sufficient skilled management and trained personnel;
- developing and improving our internal administrative infrastructure, particularly our financial, operational, communications, internal control and other internal systems;
- making accurate assessments of the resources we will require;
- adhering to the standards of quality and process execution to meet clients’ expectations;
- operating in business segments where we have limited experience;
- preserving a uniform culture, values and work environment;
- strengthening internal control and ensuring compliance with legal and contractual obligations;
- managing relationships with clients, suppliers, investors, lenders and service providers; and

If we are not successful in managing our growth, our business may be disrupted and profitability may be reduced. Our business, prospects, financial condition and results of operations may be adversely affected.

4. **We may not be able to successfully identify and acquire suitable land or land development rights for**

development, which may adversely affect our business and growth prospects.

Our ability to identify suitable land or land development rights for development is vital to our business. Once a potential development site has been identified, site visits and feasibility studies/surveys are undertaken, which include detailed analyses of factors such as regional demographics, gap analysis of current property development initiatives and market needs, and market trends. Such information may not be accurate, complete or current. Any decision for a project site which is based on inaccurate, incomplete or outdated information or any change in circumstances may result in certain risks and liabilities associated with the acquisition of such land, which could adversely affect our business, financial condition and results of operations. Due to the increased demand for land in connection with the development of residential, commercial and retail properties we are experiencing and may continue to experience increase in prices of land in the geographic areas in which we operate. Any such increase in the price of land that can be used for development could materially and adversely affect our business, prospects, financial condition and results of operations.

Our ability to acquire ownership or development rights over suitable sites is dependent on a number of factors that may be beyond our control. These factors include the availability of suitable land, market conditions, the willingness of land owners to sell or grant development rights over land on attractive terms, the availability and cost of any required financing, encumbrances on the land, government directives on land use, and the obtaining of permits and approvals for land development. In addition, it is our normal practice to evidence our preliminary agreements to acquire interest in land in the form of a memorandum of understanding. However, conveyance of the land does not occur upon signing of the memorandum of understanding and formal transfer of title to or interest in land by the seller (at which time stamp duty becomes payable) is generally completed only after all requisite governmental consents and approvals have been obtained. Our acquisition of interests in land are therefore also subject to the risk that sellers may during such time identify and transact with alternative purchasers or decide not to sell the land.

5. *Our business is subject to the Real Estate (Regulation and Development) Act, 2016 (the “RERA”). The RERA is a recent legislation which may require significant resources to comply with.*

Our business is subject to the Real Estate (Regulation and Development) Act, 2016 (the “RERA”). The RERA is a recent legislation which may require significant resources to comply with. Given the limited availability of information in the public domain concerning the RERA, the implementation of this Act may take time to be rationalized. We have not determined the effect of such legislations on our business. In addition, unfavorable changes in or interpretations of existing, or the promulgation of new, laws, rules and regulations governing our business, operations could result in us being deemed to be in contravention of such laws or may require us to apply for additional approvals. We may incur increased costs and other burdens relating to compliance with such new requirements, which may also require significant management time and other resources, and any failure to comply may adversely affect our business, results of operations and prospects. Uncertainty in the applicability, interpretation or implementation of any amendment to, or change in, governing law, regulation or policy, including RERA by reason of an absence, or a limited body, of administrative or judicial precedent may be time consuming as well as costly for us to resolve and may affect the viability of our current business or restrict our ability to grow our business in the future. Our business and financial performance could be adversely affected by any change in laws or interpretations of existing laws, or the promulgation of new laws, rules and regulations applicable to us and our business including those relating to the industry in which we operate. There can be no assurance that the Government of India or state governments will not introduce new laws, regulations and policies which will require us to obtain additional approvals and licenses or impose onerous requirements on our business.

6. *We require certain registrations, licenses, approvals and permissions from government and regulatory authorities in the ordinary course of our business and any delay or failure to obtain them may adversely affect our operations.*

We require certain statutory and regulatory approvals, licenses, registrations and permissions, and applications need to be made at the appropriate stages for our business to operate. There can be no assurance that the relevant authorities will issue these approvals or licenses, or renewals thereof in a timely manner, or at all. An inability to obtain or maintain approvals or licenses required for our operations may adversely affect our operations. Government approvals, licenses, clearances and consents are often also subject to numerous conditions, some of which are onerous and may require significant expenditure. Furthermore, approvals, licenses, clearances, and consents covering the same subject matter are often required at both the Central Government and State Government levels. If we fail to comply, or a regulator claims that we have not complied, with these conditions, we may not be able to commence or continue with work or operate these projects. For further information on various approvals or licenses required in connection with our operations, please refer “Government and Other Approvals” on page 148.

Further, we were a private limited company and after complying with the relevant provisions under Companies Act, 2013, we have been converted into a public limited company with the name “Rajat City Developers Limited” in May 2018. In view of change of name of our Company, we are yet to obtain / change the necessary registrations, permissions and approvals etc. under our new name. In case we fail to transfer/obtain the same in name of the company it may adversely affect our business or we may not be able to carry our business.

7. *We depend significantly on our success in our residential business as this is our primary focus.*

Our primary focus is on the development of premium residential real estate projects for sale. We rely on our ability to understand the preferences of our residential customers and to develop projects that suit their needs. We aim to create aspirational developments that we believe have distinctive designs or functionalities with quality construction and finishings, as we believe that this will enhance our brand and reputation, and enables us to sell our units quickly and at a premium to other competing developments. Our inability to provide customers with distinctive designs or functionalities and quality construction or our failure to continually anticipate and respond to customer needs may affect our business and prospects and could lead to some of our customers switching to our competitors, which could, in turn, materially and adversely affect our business prospects, financial condition and results of operations.

8. *We have high trade receivables and we may not be able to recover the same from our customers on time or at all.*

Under the percentage of completion method of revenue recognition, our revenue from sales depends upon the volume of bookings that we are able to obtain in relation to our projects as well as the rate of progress of construction. Our trade receivables represent the amount due as per the payment plans agreed with the customer over and above the revenue recognized based on percentage of completion method. Hence our trade receivables keep increasing in line with new bookings of units done by us. The payments of these receivables depends upon achieving certain mile stones by our company. If we are unable to achieve these mile stones or in case of delay in achieving these mile stones, we may not be able to recover our trade receivables at all or on time. Further the unwillingness of our customers to pay for developments as per the sale agreements well in advance of receiving possession may also affect the receipt of customer payments. Construction progress depends on various factors, including the availability of labour and raw materials, the timely receipt of regulatory clearances and the absence of contingencies such as litigation and adverse weather conditions. The occurrence of any such contingencies could cause our revenues to fluctuate significantly, which could in turn adversely affect our margins. We also cannot predict with certainty the rate of progress of construction or time of the completion of our real estate developments due to lags in development timetables occasionally caused by unforeseen circumstances. All these factors will impact our customer payments and can adversely affect our business and financial condition. We may experience cash flow problems, thereby resulting in our business, financial condition and results of operations being adversely affected. Such fluctuations may also adversely affect our ability to fund ongoing and future projects.

9. *We are currently engaged in the business of real estate development only in Kota, Rajasthan. Our business is heavily dependent on the performance of, and the conditions affecting, the real estate markets in Kota.*

We are currently engaged in the business of real estate development only in Kota, Rajasthan. Our business is heavily dependent on the performance of, and the conditions affecting, the real estate markets in Kota. Factors such as competition, culture, regulatory regimes, business practices and customs, customer tastes, behaviour and preferences in Kota city will hugely impact our business. Any adverse change in above factors may adversely impact our business operations, and financial condition. Further, our experience in the Kota Region may not be applicable to other cities where we plan to expand in future. We have no experience in conducting business outside the Kota Region and may not be able to leverage our current experience to expand into other cities.

10. *Any uncertainty in our title to our real estate assets could have a material adverse impact on our current and future revenue.*

Our business depends upon our ability to obtain good title to land from landowners or good development rights over land from landowners. Our title and development rights over land can be subject to various title-related legal defects that we may not be able to fully identify, assess or resolve. While we always seek to ensure through various means good title to land or development rights purchased from third parties, our rights in respect of these lands or development rights may be compromised by improperly executed, unregistered or insufficiently stamped conveyance instruments in the land's chain of title, unregistered encumbrances in favour of third parties, rights of adverse possessors, ownership claims of spouses or other family members of prior owners, or other title defects. As each transfer in a chain of title may be subject to these and other various defects, our title and development rights over land which we acquire through a conveyance of deed, agreement to sell, development agreement, joint development agreement, memorandum of understanding (“MoU”), letter

of intent or other contractual arrangement, may be subject to various defects. Title defects may result in the loss of title or development rights over such land as well as the cancellation of our development plans in respect of such land, thus negatively impacting our business and financial condition.”

11. *We depend on various third parties, including contractors and independent service providers, over whom we may have no control.*

We depend on various third parties, including contractors and independent service providers for the development of our projects. Further, we engage independent architects and construction contractors, who may in turn hire subcontractors and other third parties, for the design and construction of all our projects. The success of our projects therefore depends significantly on the performance of various third parties, including our contractors and service providers. As we do not control any of our contractors or service providers, we cannot ensure they perform their obligations and services satisfactorily, to a standard that meets our requirements or targeted quality levels or that they are not involved in corruption or other improper conduct in relation to our projects. We may also not be able to recover compensation for any resulting defective work or materials. We may therefore incur losses as a result of our projects being delayed or disrupted or having to fund the repair of defective work or pay damages to persons who have suffered loss as a result of such defective work. We may also be required to incur additional cost or time to develop our projects, which could adversely affect our business, financial condition and results of operations.

12. *Significant increases in prices (including for increase in taxes and levies) or shortage of or delay or disruption in supply of, construction materials, contract labour and equipment could adversely affect our estimated construction cost and timelines resulting in cost overruns.*

Our ability to develop projects profitably is dependent upon our ability to obtain adequate building supplies for use in the construction of our real estate development projects. We procure all building materials for our projects directly from third party suppliers and are exposed to certain risks relating to the quality of such products. The prices and supply of raw materials depend on factors not under our control including general economic conditions, increase in taxes and levies, competition, production levels and transportation costs. During periods of shortages in building materials such as cement and steel, labour and equipment we may not be able to obtain necessary materials to complete our projects according to our previously established timelines, at our previously estimate project costs, or at all, which could adversely affect our results of operations and financial condition. During periods of significant increases in the price of building materials, we may not be able to pass on price increases to our customers, which could have the effect of reducing or eliminating our profits. Also, if our primary suppliers curtail or discontinue their delivery of such materials to us in the necessary quantities or at reasonable prices, our ability to obtain necessary materials for our projects could be impaired, our construction schedules could be disrupted and we may be unable to complete our projects. All or any of the factors above may lead to time and cost overruns.

13. *Our Promoters may have a conflict of interest as some of our Promoter group entity is in the same line of business.*

Our Promoter group entity, RCD Buildcon is engaged in the same line of business as we are and our Promoters may favour the interest of our Promoter group entity over our Company. Our Promoter also hold key roles in this firm which may require their time and efforts. Therefore our Promoter may not be able to devote their full time and attention on their managerial duties in relation to our Company. In addition, there may be a conflict of interest between the business of our Promoter group entity and our business.

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

We depend on our ability to understand the preferences of our customers and accordingly develop projects that suit their tastes and preferences. As customers continue to seek better housing and better amenities as part of their residential needs, we are required to continue our focus on the development of quality-centric residential accommodation with various amenities. Therefore our ability to anticipate and understand the demands of the prospective customers is critical to the success of our real estate development business. The growth of the Indian economy has led to changes in the way businesses operate in India and the growing disposable income of India’s middle and upper income classes has led to a change in lifestyle, resulting in a substantial change in the nature of their demands. Our inability to provide these customers their preference or our failure to anticipate and respond to customer needs accordingly will affect our business and prospects. This could also lead to loss of potential customers to our competitors who may offer better facilities.

15. ***We face intense competition in our businesses, which may limit our growth and prospects.***

Our Company faces significant competition from other Developers. In particular, we compete with other Indian and foreign Developers operating in the markets in which we are present. We compete on the basis of a number of factors, including execution, depth of product and service offerings, innovation, reputation and price. Our competitors may have advantages over us, including, but not limited to:

- Substantially greater financial resources;
- Longer operating history than in certain of our businesses;
- Greater brand recognition among consumers;
- Larger customer bases in and outside India; or
- More diversified operations which allow profits from certain operations to support others with lower profitability.

These competitive pressures may affect our business, and our growth will largely depend on our ability to respond in an effective and timely manner to these competitive pressures.

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

We have not paid any dividends since incorporation. Our future ability to pay dividends will depend on our earnings, financial condition and capital requirements. Dividends distributed by us will attract dividend distribution tax at rates applicable from time to time. There can be no assurance that we will generate sufficient income to cover the operating expenses and pay dividends to the shareholders.

Our ability to pay dividends will also depend on our expansion plans. We may be unable to pay dividends in the near or medium term, and the future dividend policy will depend on the capital requirements and financing arrangements for the business plans, financial condition and results of operations.

17. ***We do not own our Registered Office from which we operate.***

We do not own the premises on which our Registered Office is situated. Our Company has taken the registered office on lease basis from our Director, Dr. Jagdish Kumar Arora at the rent of ₹ 15,000 per month. We cannot assure you that we will have the right to occupy, these premises in the future, or that we will be able to continue with the uninterrupted use of this property, which may impair our operations and adversely affect our financial condition. Further these agreements are not registered and may not be adequately stamped under Indian law. In the event of any such irregularity, we may not be able to enforce our rights under such agreements in the event of a dispute. For further details of our office premises please refer to the section titled "Our Business " on page 69 of this Prospectus.

18. ***We have in the past entered into related party transactions and may continue to do so in the future.***

We have entered into transactions with our promoters and our Promoter Group. While we believe that all such transactions have been conducted on an arm's length basis, there can be no assurance that we could not have achieved more favorable terms had such transactions not been entered into with related parties. Furthermore, it is likely that we may enter into related party transactions in the future. There can be no assurance that such transactions, individually or in the aggregate, will not have an adverse effect on our financial condition and results of operations. For further details, please refer to "Related Party Transactions" beginning on page 127 of this Draft Prospectus.

19. ***Our business and profitability could be adversely affected if we fail to keep pace with changing technology and evolving industry standards and norms or fail to enhance existing services and develop and introduce new latest designs in a timely manner.***

The markets for our services are characterized by rapidly changing technology, evolving industry standards and norms and new service introductions. Adaptability is one of the key attributes for success in our industry. Our results of operations and financial condition depend on our ability to develop and introduce new services, as well as our ability to modify and upgrade our existing services. The process of developing new services or modifying existing services is complex and requires us to accurately predict and respond to customers' changing and diverse needs and emerging technological trends. Our success will depend on several factors, including proper identification of market demands and the competitiveness of our products with the products introduced by our competitors.

Our failure to successfully adopt such technologies in a cost effective and a timely manner could increase our costs (in comparison to our competitors who are able to successfully implement such technologies) and lead to us being less competitive in terms of our prices or quality of services we provide. Further, implementation of new or upgraded technology may not be cost effective, which may adversely affect our profitability.

20. *Our inability to build and maintain our brand name will adversely affect our business, prospects, financial condition and results of operation.*

Brand recognition is important to the success of our business. Establishing and maintaining our brand name for people relying on our services to look for desired results is critical to the success of the customer acquisition process of our business. Although we have expended, and expect to continue to expend, a significant amount of resources, financial and otherwise, on establishing and maintaining our brand, no assurance can be given that our brand name will be effective in attracting and growing user and customer base for our businesses or that such efforts will be cost-effective, which may negatively affect our business, prospects, financial condition and results of operations.

21. *We have existing debt facilities and may raise additional debt, which could adversely affect our financial health and our ability to obtain financing in the future and react to changes in our business and increases in interest rates of our borrowings may impact our results of operation.*

As of December 31, 2018, the amount of our total secured borrowings was ₹1659.30 lakhs on standalone basis and ₹ 4461.37 lakhs on consolidated basis as per our restated consolidated financial statements. For further details, please refer “*Financial Indebtedness*” on page 140. Our business requires a high amount of working capital to finance operational expenses before payments are received from client. We may incur additional indebtedness in the future. Our ability to meet our debt service obligations and our ability to repay our outstanding borrowings will depend primarily upon the cash flow produced by our businesses. We cannot assure you that we will generate sufficient revenue from our businesses to service existing or proposed borrowings. If we fail to meet our debt service obligations, our lenders could declare us to be in default under the terms of our borrowings and may accelerate the maturity of our obligations. We cannot assure you that, in the event of any such acceleration, we would have sufficient resources to repay these borrowings. Accordingly, any such acceleration would have an adverse effect on our cash flows, business, financial condition and results of operation. In addition: (a) our ability to obtain additional financing for working capital, capital expenditures, acquisitions or general corporate purposes may be impaired in the future; (b) a substantial portion of our cash flow from operations may be dedicated to the payment of principal and interest on our indebtedness, thereby reducing the funds available to us for other purposes; (c) we will be exposed to the risk of increased interest rates; and (d) our flexibility to adjust to changing market conditions and ability to withstand competitive pressures could be limited, and we may be more vulnerable to a downturn in general economic conditions in our business or be unable to carry out capital spending that is necessary or important to our growth strategy.

If our cash flow and capital resources are insufficient to fund our debt service obligations, we may be forced to reduce or delay capital expenditure, sell assets, seek additional equity capital, or restructure our debt. In the future, our cash flow and capital resources may not be sufficient for interest or principal payments on our indebtedness, and any remedial measures may not be successful and therefore may not permit us to meet our scheduled debt service obligations.

Our borrowings carry interest at floating rates or at a fixed rate that is subject to adjustment at specified intervals. We are exposed to interest rate risk as we do not currently enter into any swap or interest rate hedging transactions in connection with our loan agreements. Any such increase in interest expense may have an adverse effect on our business, prospects, financial condition and results of operation. Such instances could adversely affect our business operations, cash flows and financial condition.

22. *Our debt financing agreements contain restrictive covenants or lenders’ options that may affect our interest.*

Some debt financing agreements entered into by our Company contain restrictive covenants, and/or events of default that limit our ability to undertake certain types of transactions, which may adversely affect our business and financial condition. Our financing agreements also include various conditions and covenants that require us to obtain lender consents prior to carrying out certain activities or entering into certain transactions. Typically, restrictive covenants under our financing documents relate to obtaining prior consent of the lender for, among others: (a) change in the capital structure and shareholding pattern of our Company; (b) amendment of the Memorandum and Articles of Association of our Company; (c) take any action of merger, compromise, reconstruction or amalgamation; (d) dilute our Promoters’ shareholding in our Company; and (e) declare dividend for any year.

For further details of the restrictive covenants under our financing documents, please refer “*Financial Indebtedness*” on page 140. The personal guarantees provided by our Directors in relation to certain facility agreements entered into by our Company with lenders stipulate that the lenders may without our concurrence alter or modify the terms and conditions of the facility, and particularly they are permitted to revise the payment terms and also increase the rates of interest. In addition, the lenders may, at their discretion, exercise their rights and powers pursuant to the guarantee against the guarantors jointly or severally.

If our lenders enforce these restrictive covenants or exercise their options under the relevant debt financing agreements, our operations and use of assets may be significantly hampered. A material breach of any of the above covenants or restrictions could also cause us to default under the applicable agreement, which would permit the applicable lenders to declare all amounts outstanding thereunder to be due and payable, together with accrued and unpaid interest and enforce the security provided for such loans. In such an event, we may be unable to incur additional borrowings and we may be unable to repay the amounts due. This may have a material and adverse effect on our financial condition and results of operation.

We cannot assure you that we have complied with all such restrictive covenants in a timely manner or at all or that we will be able to comply with all such restrictive covenants in the future. A failure to observe the restrictive covenants under our financing agreements or to obtain necessary consents required thereunder may lead to the termination of our credit facilities, levy of penal interest, acceleration of all amounts due under such facilities and the enforcement of any security provided. If the obligations under any of our financing agreements are accelerated, we may have to dedicate a substantial portion of our cash flow from operations to make payments under such financing documents, thereby reducing the availability of cash for our working capital requirements and other general corporate purposes. Further, during any period in which we are in default, we may be unable to raise, or face difficulties raising, further financing. In addition, other third parties may have concerns over our financial position and it may be difficult to market our financial products. Any of these circumstances could adversely affect our business, credit rating, prospects, results of operations and financial condition. Moreover, any such action initiated by our lenders could result in the price of the Equity Shares being adversely affected.

23. ***We incur substantial costs in developing new services at our Projects, which may not yield benefits in proportion to such costs incurred by us. Further, if we are unable to derive substantial benefit from our efforts in developing new services, our results of operations may be adversely affected.***

We incur substantial costs in developing new services at our Projects for our clients. We cannot ascertain that our efforts in developing new services have enabled us to achieve tangible benefits in proportion to the costs incurred by us. We may not be able to derive substantial benefit from our efforts in developing new services, or any benefit at all in the future. We cannot assure you that the commercialization of our new services offerings will be profitable. If we are unable to monetize and/ or sustain our efforts in developing new services, our results of operations may be adversely affected.

24. ***We may need to change our pricing models to compete successfully.***

The intense competition we face in our businesses, and general economic and business conditions can put pressure on us to reduce our prices. If our competitors offer deep discounts on certain services, we may need to lower prices or offer other favourable terms in order to compete successfully. Any such changes may reduce margins and could adversely affect our operating results.

Any broad-based change to our prices and pricing policies could cause our revenues to decline or be delayed as a result of our clients adjusting to the new pricing policies. Some of our competitors may bundle services for promotional purposes or as a long-term pricing strategy and provide best price guarantees. These practices could, over time, significantly constrain the prices that we can charge for certain of our services. If we do not adapt our pricing models to reflect changes in clients’ use of our services or changes in customer demand, our revenues could decrease.

25. ***Our Promoter and Managing Director has provided personal guarantee for our borrowings to secure our loans. Our business, financial condition, results of operations, cash flows and prospects may be adversely affected by the revocation of all or any of the personal guarantees provided by our Director in connection with our Company’s borrowings.***

Our Promoter and Managing Director Dr. Rajat Arora has provided personal guarantees for our borrowings to secure our loans. If any of these guarantees are revoked, our lenders may require alternative guarantees or collateral or cancellation of such facilities, entailing repayment of amounts outstanding under such facilities. If we are unable to procure alternative guarantees satisfactory to our lenders, we may need to seek alternative sources of capital, which may not be

available to us at commercially reasonable terms or at all, or to agree to more onerous terms under our financing agreements, which may limit our operational flexibility. Accordingly, our business, financial condition, results of operations, cash flows and prospects may be adversely affected by the revocation of all or any of the personal guarantees provided by our Director, in connection with our Company's borrowings.

26. *Our Company has availed certain unsecured loans that are callable by the lenders at any time.*

As of December 31, 2018, the amount of our total secured borrowings was ₹1523.64 lakhs on standalone basis and ₹ 2067.14 lakhs on consolidated basis as per our restated consolidated financial statements. These unsecured loans are callable on demand. For further details of these unsecured loans, please refer "*Financial Indebtedness*" on page 140. In case of any demand from our Promoter, Director and other entities for repayment of such unsecured loans, the resultant cash outgo, may adversely affect our business operations and financial position of our Company.

27. *Our success depends largely on our senior management and skilled professionals and our ability to attract and retain them.*

Our success depends on the continued services and performance of the members of our senior management team and other key employees. Our continued success also depends upon our ability to attract and retain a large group of skilled professionals and staff, particularly managers and skilled workers. The loss of the services of our senior management or our inability to recruit, train or retain a sufficient number of skilled professionals could have a material adverse effect on our operations and profitability. Competition for senior management in our industry in which we operate is intense, and we may not be able to retain our existing senior management or attract and retain new senior management in the future. Moreover, we do not maintain "key man" life insurance policies for senior members of our management team or other key personnel. As a result of the recent growth in the Real Estate industry in India and the expected future growth, the demand for both skilled professionals and staff and unskilled workers has significantly increased in recent years. We may lose skilled workers to competing employers who pay higher wages or be forced to increase the wages to be paid to our employees. If we cannot hire or retain enough skilled professionals or unskilled workers, our ability to apply for and execute new contracts or to continue to expand our business will be impaired and consequently, our revenues could decline. Any such loss of the services of our senior management personnel or skilled professionals could adversely affect our business, prospects, financial condition and results of operation.

28. *Our Promoter, Directors and Key Managerial Personnel of our Company may have interests in us other than reimbursement of expenses incurred or normal remuneration or benefits.*

Our Promoter is interested in us to the extent of any transactions entered into or his shareholding and dividend entitlement in us. Our Directors are also interested in us to the extent of remuneration paid to them for services rendered as our Directors and reimbursement of expenses payable to them. Our Promoter and Managing Director, Dr. Rajat Arora has given personal guarantees for our borrowings to secure our loans. Our Directors may also be interested to the extent of any transaction entered into by us with any other company or firm in which they are directors or partners or in their individual capacity. For further details, please refer "*Our Promoters and Promoter Group*" and "*Our Management*" on page 93 and 83 respectively.

29. *Our funding requirements and deployment of the issue proceeds are based on management estimates and have not been independently appraised by any bank or financial institution.*

Our funding requirements and the deployment of the proceeds of the Issue are based on management estimates and our current business plan. The fund requirements and intended use of proceeds have not been appraised by bank or financial institution and are based on our estimates. In view of the competitive and dynamic nature of our business, we may have to revise our expenditure and fund requirements as a result of variations including in the cost structure, changes in estimates and other external factors, which may not be within the control of our management. This may entail rescheduling, revising or cancelling the planned expenditure and fund requirement and increasing or decreasing the expenditure for a particular purpose from its planned expenditure at the discretion of our Board. In addition, schedule of implementation as described herein are based on management's current expectations and are subject to change due to various factors some of which may not be in our control.


30. *Our Company's management will have flexibility in utilizing the Net Proceeds. There is no monitoring agency appointed by our Company and the deployment of funds is at the discretion of our Management and our Board of Directors, though it shall be monitored by our Audit Committee.*

The deployment of the funds towards the objects of the issue is entirely at the discretion of the Board of Directors and is not subject to monitoring by external independent agency. As per SEBI (ICDR) Regulations, 2018, as amended, appointment of monitoring agency is required only for Issue size above ₹10,000.00 lakhs. Hence, we have not appointed any monitoring agency to monitor the utilization of Issue proceeds. However, the audit committee of our Board will monitor the utilization of Issue proceeds in terms of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Further, our Company shall inform about material deviations in the utilization of Net Issue Proceeds to the BSE Limited and shall also simultaneously make the material deviations / adverse comments of the audit committee public. Any inability on our part to effectively utilize the Issue proceeds could adversely affect our financials.

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

In accordance with Section 27 of the Companies Act, 2013, we cannot undertake any variation in the utilization of the Net Proceeds 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 Promoter 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 Issue 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 Issue to use any unutilized proceeds of the Issue, 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.

32. *We have not obtained the registration of our trademarks used in our businesses and our inability to obtain or maintain these registrations may adversely affect our competitive business position.*

Our Corporate logo “” is not registered and we do not enjoy the statutory protections accorded to a registered trademark and are subject to the various risks arising out of the same, including but not limited to infringement or passing off our name and logo by a third party.

The registration of any trademark is a time-consuming process, and there can be no assurance that any such registration will be granted as and when applied. In the absence of such registration, competitors or other companies may challenge the validity or scope of our intellectual property. These trademarks are integral to our business, and the loss of any of these intellectual property rights could have a material adverse effect on our business.

There can be no assurance that we will be able to obtain the registration of our trademarks in a timely manner, or at all. If any of our unregistered trademarks are registered in favour of a third party, we may not be able to claim registered ownership of such trademarks and consequently, we may be unable to seek remedies for infringement of those trademarks by third parties other than relief against passing off by other entities. If our application is objected to, we will not have the right to use this trademark or prevent others from using this trademark or its variations. Our inability to obtain or maintain this trademark in our business thus could adversely affect our reputation, goodwill, business, prospectus and results of operations.

33. *Our Promoter and Promoter Group will continue to exercise control post completion of the Issue and will have considerable influence over the outcome of matters.*

Upon completion of this Issue, our Promoter and Promoter Group will continue to own a majority of our Equity Shares. As a result, our Promoter will have the ability to exercise significant influence over all matters requiring shareholders' approval. Our Promoter will also be in a position to influence any shareholder action or approval requiring a majority vote, except where they may be required by applicable law to abstain from voting. This control could also delay, defer or prevent a change in control of our Company, impede a merger, consolidation, takeover or other business combination involving our Company, or discourage a potential acquirer from obtaining control of our Company even if it is in the best interests of our Company. The interests of our Promoter could conflict with the interests of our other equity shareholders, and the Promoter could make decisions that materially and adversely affect your investment in the Equity Shares. In addition, any perception by investors that such issuances or sales might occur could also affect the trading price of the Equity Shares. We cannot assure you that we will not issue additional Equity Shares. The disposal of Equity Shares by our Promoter, or the perception that such sales may occur may significantly affect the trading price of the Equity Shares. Except as disclosed in “*Capital Structure*” on page 44, we cannot assure you that our Promoter will not dispose of, pledge or encumber their Equity Shares in the future.

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

Our Company believes that its insurance coverage is adequate and consistent with industry standards. Our principal types of coverage include commercial general liability insurance, errors and omission liability insurance policy. While we believe that the insurance coverage which we maintain is in keeping with industry standards and would be reasonably adequate to cover the normal risks associated with the operation of our businesses, we cannot assure you that any claim under the insurance policies maintained by us will be honoured fully, in part or on time, or that we have taken out sufficient insurance to cover all our losses.

In addition, our insurance coverage expires from time to time. We apply for the renewal of our insurance coverage in the normal course of our business, but we cannot assure you that such renewals will be granted in a timely manner, at acceptable cost or at all. To the extent that we suffer loss or damage, or successful assertion of one or more large claims against us for events for which we are not insured, or for which we did not obtain or maintain insurance, or which is not covered by insurance, exceeds our insurance coverage or where our insurance claims are rejected, the loss would have to be borne by us and our results of operations, financial performance and cash flows could be adversely affected. For further details on our insurance arrangements, please refer “*Our Business*” on page 69.

EXTERNAL RISKS

35. ***Political, economic or other factors that are beyond our control may have an adverse effect on our business and results of operations.***

The Indian financial market and the Indian economy are influenced by economic and market conditions in other countries, particularly in emerging market in Asian countries. Financial turmoil in Asia, Europe, the U.S. and elsewhere in the world in recent years has affected the Indian economy. Although economic conditions are different in each country, investors’ reactions to developments in one country can have adverse effects on the securities of companies in other countries, including India. A loss in investor confidence in the financial systems of other emerging markets may cause increased volatility in Indian financial markets and, indirectly, in the Indian economy in general. Any worldwide financial instability, including the financial crisis and fluctuations in the stock markets in China and further deterioration of credit conditions in the U.S. or European markets, could also have a negative impact on the Indian economy. Any financial disruption could have an adverse effect on our business, future financial performance, shareholders’ equity and the price of our Equity Shares.

Our performance, growth and market price of our Equity Shares are and will be dependent on the health of the Indian economy. There have been periods of slowdown in the economic growth of India. Demand for our services may be adversely affected by an economic downturn in domestic, regional and global economies. India’s economic growth is affected by various factors including domestic consumption and savings, balance of trade movements, namely export demand and movements in key imports (oil and oil products), global economic uncertainty and liquidity crisis, volatility in exchange currency rates, and annual rainfall which affects agricultural production. Consequently, any future slowdown in the Indian economy could harm our business, results of operations, cash flows and financial condition. Also, a change in the Government or a change in the economic and deregulation policies could adversely affect economic conditions prevalent in the areas in which we operate in general and our business in particular and high rates of inflation in India could increase our costs without proportionately increasing our revenues, and as such decrease our operating margins.

36. ***Changing laws, rules and regulations and legal uncertainties in India, including adverse application of corporate and tax laws, may adversely affect our business and financial results.***

Our business and financial performance could be adversely affected by any change in laws or interpretations of existing laws, or the promulgation of new laws, rules and regulations applicable to us and our business including those relating to the industry in which we operate. There can be no assurance that the Government of India or state governments will not introduce new laws, regulations and policies which will require us to obtain additional approvals and licenses or impose onerous requirements on our business.

For example, the new Companies Act, 2013 contains significant changes to Indian company law, including in relation to the issue of capital by companies, disclosures in offer documents, related party transactions, corporate governance, audit matters, internal controls, shareholder class actions, restrictions on the number of layers of subsidiaries, prohibitions on loans to directors, insider trading and restrictions on directors and key management personnel from engaging in forward dealing. Moreover, effective April 1, 2014, companies exceeding certain net worth, revenue or profit thresholds are

required to spend at least 2% of average net profits from the immediately preceding three financial years on corporate social responsibility projects, failing which an explanation is required to be provided in such companies' annual reports.

The Ministry of Finance has issued a notification dated March 31, 2015 notifying ICDS which creates a new framework for the computation of taxable income. Subsequently, the Ministry of Finance, through a press release dated July 6, 2016, deferred the applicability of ICDS from April 1, 2015 to April 1, 2016 and is applicable from FY 2017 onwards and will have impact on computation of taxable income for FY 2017 onwards. ICDS deviates in several respects from concepts that are followed under general accounting standards, including Indian GAAP and Ind AS. Such specific standards for computation of income taxes in India are relatively new, and the impact of the ICDS on our results of operations and financial condition is uncertain. There can be no assurance that the adoption of ICDS will not adversely affect our business, results of operations and financial condition going forward.

The Government of India has recently approved the adoption of a comprehensive national goods and services tax ("GST") regime that will combine taxes and levies by the Central and State Governments into a unified rate structure, with effect from July 1, 2017. Given the limited availability of information in the public domain concerning the GST, we cannot provide any assurance as to this or any other aspect of the tax regime following implementation of the GST. The implementation of this rationalized tax structure may be affected by any disagreement between certain state governments, which may create uncertainty. Any future increases or amendments may affect the overall tax efficiency of companies operating in India and may result in significant additional taxes becoming payable. If, as a result of a particular tax risk materializing, the tax costs associated with certain transactions are greater than anticipated, it could affect the profitability of such transactions.

We have not determined the effect of such legislations on our business. In addition, unfavourable changes in or interpretations of existing, or the promulgation of new, laws, rules and regulations including foreign investment laws governing our business, operations and group structure could result in us being deemed to be in contravention of such laws or may require us to apply for additional approvals. We may incur increased costs and other burdens relating to compliance with such new requirements, which may also require significant management time and other resources, and any failure to comply may adversely affect our business, results of operations and prospects. Uncertainty in the applicability, interpretation or implementation of any amendment to, or change in, governing law, regulation or policy, including by reason of an absence, or a limited body, of administrative or judicial precedent may be time consuming as well as costly for us to resolve and may affect the viability of our current business or restrict our ability to grow our business in the future.

37. *Investors may have difficulty enforcing foreign judgments against us or our management.*

We are a limited liability company incorporated under the laws of India. All our directors and executive officers are residents of India and all of our assets and such persons are located in India. As a result, it may not be possible for investors to effect service of process upon us or such persons outside of India, or to enforce judgments obtained against such parties outside of India.

Recognition and enforcement of foreign judgments is provided for under Section 13 of the Code of Civil Procedure, 1908 ("CPC") on a statutory basis. Section 13 of the CPC provides that foreign judgments shall be conclusive regarding any matter directly adjudicated upon, except: (i) where the judgment has not been pronounced by a court of competent jurisdiction; (ii) where the judgment has not been given on the merits of the case; (iii) where it appears on the face of the proceedings that the judgment is founded on an incorrect view of international law or a refusal to recognise the law of India in cases to which such law is applicable; (iv) where the proceedings in which the judgment was obtained were opposed to natural justice; (v) where the judgment has been obtained by fraud; and (vi) where the judgment sustains a claim founded on a breach of any law then in force in India. Under the CPC, a court in India shall, upon the production of any document purporting to be a certified copy of a foreign judgment, presume that the judgment was pronounced by a court of competent jurisdiction, unless the contrary appears on record.

However, under the CPC, such presumption may be displaced by proving that the court did not have jurisdiction. India is not a party to any international treaty in relation to the recognition or enforcement of foreign judgments. Section 44A of the CPC provides that where a foreign judgment has been rendered by a superior court, within the meaning of that Section, in any country or territory outside of India which the Central Government has by notification declared to be in a reciprocating territory, it may be enforced in India by proceedings in execution as if the judgment had been rendered by the relevant court in India. However, Section 44A of the CPC is applicable only to monetary decrees not being of the same nature as amounts payable in respect of taxes, other charges of a like nature or of a fine or other penalties.

The United States and India do not currently have a treaty providing for reciprocal recognition and enforcement of judgments, other than arbitration awards, in civil and commercial matters. Therefore, a final judgment for the payment of money rendered by any federal or state court in the United States on civil liability, whether or not predicated solely upon the federal securities laws of the United States, would not be enforceable in India. However, the party in whose favour such final judgment is rendered may bring a new suit in a competent court in India based on a final judgment that has been obtained in the United States. The suit must be brought in India within three years from the date of the judgment in the same manner as any other suit filed to enforce a civil liability in India.

It is unlikely that a court in India would award damages on the same basis as a foreign court if an action was brought in India. Furthermore, it is unlikely that an Indian court would enforce a foreign judgment if that court were of the view that the amount of damages awarded was excessive or inconsistent with public policy or Indian practice. It is uncertain as to whether an Indian court would enforce foreign judgments that would contravene or violate Indian law. However, a party seeking to enforce a foreign judgment in India is required to obtain approval from the RBI under the FEMA to execute such a judgment or to repatriate any amount recovered.

38. ***The Equity Shares have never been publicly traded, and, after the Issue, the Equity Shares may experience price and volume fluctuations, and an active trading market for the Equity Shares may not develop. Further, the price of the Equity Shares may be volatile, and you may be unable to resell the Equity Shares at or above the Issue Price, or at all.***

Prior to the Issue, there has been no public market for the Equity Shares, and an active trading market on the SME Platform of BSE may not develop or be sustained after the Issue. Our Company and the Lead Manager have appointed Inventure Growth & Securities Limited as Designated Market Maker for the Equity Shares of our Company. Listing and quotation does not guarantee that a market for the Equity Shares will develop, or if developed, the liquidity of such market for the Equity Shares. The Issue Price of the Equity Shares may not be indicative of the market price of the Equity Shares at the time of commencement of trading of the Equity Shares or at any time thereafter. 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 the SME Platform of BSE, securities markets in other jurisdictions, 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.

39. ***Statistical and industry data contained in this Draft Prospectus may be incomplete or unreliable.***

Currently, no independent body is publishing any data for Employee Background Screening Industry in India. Most of the companies are doing their own research for internal consumption. Most of the data used in the Industry Section is based on our own internal research and understanding. Wherever we have used external data, we have mentioned the source. We believe the information contained herein has been obtained from sources that are reliable, but we have not independently verified it and the accuracy and completeness of this information is not guaranteed and its reliability cannot be assured.

The extent to which the market and industry data presented in this Draft Prospectus is meaningful will depend upon the reader's familiarity with and understanding of the methodologies used in compiling such data. Further, this market and industry data has not been prepared or independently verified by us or the Lead Manager or any of their respective affiliates or advisors. Such data involves risks, uncertainties and numerous assumptions and is subject to change based on various factors. Accordingly, investment decisions should not be based on such information.

SECTION IV – INTRODUCTION

THE ISSUE

Following table summarises the present Issue in terms of this Draft Prospectus:

Particulars	Details of Equity Shares
Issue of Equity Shares by our Company[#]	Issue of 11,01,600 Equity Shares having face value of ₹10.00 each at a price of ₹100 per Equity Share (including a share premium of ₹90 per Equity share) aggregating ₹1101.60 lakhs
<i>Of which:</i>	
Market Maker Reservation Portion	Issue of 55,200 Equity Shares having face value of ₹10.00 each at a price of 100 per Equity Share aggregating ₹55.20 lakhs
Net Issue to the Public*	Issue of 10,46,400 Equity Shares having face value of ₹10.00 each at a price of ₹100 per Equity Share aggregating ₹1046.40 lakhs
	<i>Of which:</i>
	5,23,200 Equity Shares having face value of ₹10.00 each at a price of ₹100 per Equity Share aggregating ₹523.20 lakhs will be available for allocation to Retail Individual Investors
	5,23,200 Equity Shares having face value of ₹10.00 each at a price of ₹100 per Equity Share aggregating ₹523.20 lakhs will be available for allocation to other investors including corporate bodies or institutions, irrespective of the number of specified securities applied for
Pre and Post Issue Share Capital of our Company	
Equity Shares outstanding prior to the Issue	29,00,000 Equity Shares
Equity Shares outstanding after the Issue	40,01,600 Equity Shares
Objects of the Issue	Please refer “ <i>Objects of the Issue</i> ” on page 54.

Public issue of 11,01,600 Equity Shares of ₹10.00 each for cash at a price of ₹100 per Equity Share of our Company aggregating to ₹1101.60 lakhs is being made in terms of Chapter IX of the SEBI (ICDR) Regulations, 2018, as amended from time to time. For further details please refer ‘Terms of the Issue’ on page 162.

The Issue has been authorised by our Board pursuant to a resolution dated April 6, 2019, and by our Equity Shareholders pursuant to a resolution passed at the extraordinary general meeting held on May 3, 2019.

*As per Regulation 253(2) of the SEBI (ICDR) Regulations, as amended, as present issue is a fixed price offer the allocation in the net offer to the public category shall be made as follows:

- a) Minimum fifty percent to retail individual investors; and
- b) Remaining to:
 - i. 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 on proportionate basis, accordingly the retail individual investors shall be allocated that higher percentage.

SUMMARY FINANCIAL INFORMATION

CONSOLIDATED FINANCIAL STATEMENTS, RESTATED

STATEMENT OF CONSOLIDATED ASSETS AND LIABILITIES AS RESTATED

(₹ in Lakhs)

Particulars	Note No.	31.12.18	31.03.18	31.03.17	31.03.16
Equity & Liabilities					
Shareholders Fund					
Share capital	I.1	290.00	290.00	290.00	290.00
Reserves and surplus	I.2	450.24	231.47	86.37	81.69
Total Shareholder's Fund		740.24	521.47	376.37	371.69
Minority Interest	1.8	83.21	64.17	442.82	264.74
Non Current Liabilities					
Long Term Borrowings	I.3	6,528.53	6,548.27	4,235.03	2,209.83
Other Non Current liabilities	I.4	0.00	0.00	0.00	452.25
Total Current Liabilities		6,611.74	6,612.44	4,677.86	2,926.82
Current Liabilities					
Short Term Borrowings		0.00	0.00	0.00	0.00
Trade Payables	I.5	438.25	107.78	602.81	28.02
Other Current Liabilities	I.6	6,700.07	5,700.05	3,680.80	3,012.23
Short Term Provisions	I.7	59.36	44.16	2.21	69.17
Total Current Liabilities		7,197.67	5,851.99	4,285.81	3,109.42
Total Equity & Liability		14,549.65	12,985.90	9,340.03	6,407.93
Non-Current Assets					
a) Fixed Assets					
Tangible Assets	I.8	57.82	70.73	95.52	94.33
Goodwill	1.9	0.00	0.00	129.04	19.74
Total Fixed Assets (a)		57.82	70.73	224.56	114.07
b) Non Current Investments	I.10	0.00	0.00	3.00	0.00
c) Long Term Loans and Advances	I.11	433.54	372.14	870.53	70.52
d) Other Non Current Assets		0.00	0.00	0.00	0.00
e) Deferred Tax Asset	I.12	12.84	15.66	17.24	8.55
Total Non Current Assets		504.20	458.53	1,115.33	193.15
Current assets					

Inventories	I.13	6,473.56	8,267.51	5,966.48	4,116.13
Trade Receivables	I.14	6,785.19	3,014.50	1,422.93	1,230.72
Cash and Cash Equivalents balances	I.15	71.17	107.67	113.24	267.98
Short Term Loans and advances	I.16	702.28	1,124.43	709.59	413.36
Other Current Assets	I.17	13.25	13.26	12.45	186.60
Total Current Assets		14,045.45	12,527.37	8,224.70	6,214.78
Total Assets		14,549.65	12,985.90	9,340.03	6,407.93

STATEMENT OF CONSOLIDATED PROFIT & LOSS AS RESTATED

(₹ in Lakhs)

Particulars	Note No.	31.12.18	31.03.18	31.03.17	31.03.16
Income					
Operating Revenue	II.1	3,770.69	1,610.06	380.64	1,266.41
Other Income	II.2	0.79	0.89	0.70	0.93
Total Revenue		3,771.48	1,610.95	381.34	1,267.34
Expenditure					
Cost of Construction	II.3	1,104.38	2,800.63	1,649.09	3,744.80
Change in Inventory	II.4	1,793.95	(2301.03)	(1850.35)	(2873.75)
Employee Benefit Expenses	II.5	80.14	109.08	90.81	44.96
Other Expenses	II.6	121.15	230.78	202.96	174.35
Total (B)		3,099.62	839.46	92.52	1,090.36
Profit Before Interest, Depreciation and Tax		671.86	771.49	288.83	176.98
Depreciation		13.53	25.69	32.56	26.62
Profit Before Interest and Tax		658.33	745.81	256.26	150.36
Financial Charges	II.7	461.62	666.81	253.77	72.25
Profit before Taxation		196.71	79.00	2.49	78.11
Provision for Taxation		59.18	24.25	6.50	31.00
Provision for Deferred Tax		2.82	1.58	(8.69)	(5.13)
Total		62.00	25.83	(2.19)	25.87
Profit After Tax but Before Extra ordinary Items		134.71	53.17	4.68	52.24
Extraordinary Items(MAT)		0.00	0.00	0.00	0.00
Prior Period Items		0.00	0.00	0.00	0.00
Net Profit after adjustments		134.71	53.17	4.68	52.24
Net Profit Transferred to Balance Sheet		134.71	53.17	4.68	52.24

STATEMENT OF CONSOLIDATED CASH FLOWS AS RESTATED

(₹ in Lakhs)

PARTICULARS	31.12.18	31.03.18	31.03.17	31.03.16
A. CASH FLOW FROM OPERATING ACTIVITIES				
Profit Before Tax	196.71	79.00	2.49	78.11
<i>Adjusted for :</i>				
a. Depreciation	13.53	25.69	32.56	26.62
b. Interest Expenses & Finance Cost	461.62	666.81	253.77	72.25

c. Interest & Other Income	(0.79)	(0.89)	(0.70)	(0.93)
d. Consolidation Adjustment	84.86	(157.68)	68.79	245.00
e. Other Adjustment	18.85	1.58	(8.68)	(5.14)
Operating profit before working capital changes	774.78	614.50	348.24	415.91
<i>Adjusted for :</i>				
a. Decrease /(Increase) in Inventories	1793.95	(2301.03)	(1850.35)	(2873.74)
b. Decrease / (Increase) in Trade Receivable	(3770.69)	(1591.57)	(192.21)	(1154.48)
c. Decrease/(Increase) in Short Term Loans and Advances	422.15	(414.83)	(296.24)	(336.86)
d. (Decrease)/ Increase in Trade Payables	330.47	(495.03)	574.79	(9.71)
e. (Decrease)/Increase in Short Term Provisions	15.20	41.96	(66.97)	52.23
f. Decrease / (Increase) in Other Current assets	0.00	(0.80)	174.15	(185.48)
g. (Decrease)/Increase in Other Current Liabilities	1000.01	2019.26	668.57	2046.91
Cash generated from operations	565.88	(2127.55)	(640.02)	(2045.22)
Income Tax Paid (net of refunds)	62.00	25.83	(2.19)	25.87
NET CASH GENERATED FROM OPERATION	503.88	(2153.38)	(637.83)	(2071.09)
B. CASH FLOW FROM INVESTING ACTIVITES				
a. (Purchase)/ Sale of Fixed Assets	(0.63)	(0.89)	(33.77)	(82.67)
b.(Purchase) / Sale of Non-Current Investment	3.00	3.00	(3.00)	
c. Interest & Other Income	0.00	0.89	0.70	0.93
d. Long Term Loans and Advances	(61.40)	498.39	(800.01)	(70.52)
e. Other Non Current Assets	0.00	0.00	0.00	6.00
Net cash (used) in investing activities	(59.03)	501.39	(836.08)	(146.26)
C. CASH FLOW FROM FINANCING ACTIVITES				
a. Interest & Finance Cost	(461.62)	(666.81)	(253.77)	(72.25)
b. (Repayments) / Proceeds of Long Term Borrowings	(19.73)	2313.23	2025.20	1969.08
c. Proceeds from Issue of Share Capital	0.00	0.00	0.00	90.00
d. (Repayments) / Proceeds of Non Current Liabilities	0.00	0.00	(452.25)	452.25
Net cash generated/(used) in financing activities	(481.35)	1646.43	1319.18	2439.08
Net Increase / (Decrease) in cash and cash equivalents	(36.51)	(5.57)	(154.73)	221.72
Cash and cash equivalents at the beginning of the year	107.67	113.24	267.98	46.27
Cash and cash equivalents at the end of the year	71.17	107.67	113.24	267.99

Cash flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from regular revenue generating, financing and investing activities of the company are segregated.

GENERAL INFORMATION

Our Company was originally incorporated as a private limited company under the Companies Act, 1956 pursuant to a certificate of incorporation issued by the Registrar of Companies, Rajasthan, Jaipur dated July 14, 2008 with the name ‘Rajat City Developers Private Limited’. Subsequently, our Company was converted into a public limited company pursuant to approval of the shareholders at an extraordinary general meeting held on May 02, 2018 and consequently, the name of our Company was changed to ‘Rajat City Developers Limited’ and a fresh certificate of incorporation consequent upon conversion to public limited company was issued by the Registrar of Companies, Rajasthan, Jaipur on May 09, 2018.

Company Identification Number	U45201RJ2008PTC026979
Address of Registered Office of Company	Plot No. 3 & 4, Commercial Complex, Rajeev Gandhi Nagar, Kota 324 005, Rajasthan
Address of Registrar of Companies	Registrar of Companies, Rajasthan, Jaipur C6/7, 1 st Floor, Residency Area, Civil Lines Jaipur- 302 001. Tel: 0141-2981913 Fax: 0141-2981916
Designated Stock Exchange	BSE Limited
Listing of Shares offered in this Issue	SME Platform of BSE Limited
Contact Person:	Priyanka Dusad Company Secretary and Compliance Officer Plot No. 3 & 4, Commercial Complex, Rajeev Gandhi Nagar, Kota 324 005, Rajasthan Tel: +91 744 2423444 E-mail:cs@rajatcity.com

For details of the changes in our name, registered office and other details, please refer “History and Certain Other Corporate Matters” on page 79.

Our Board of Directors

Details regarding our Board of Directors as on the date of this Draft Prospectus are set forth in the table hereunder:

Sr. No.	Name and Designation	DIN	Address
1.	Dr. Jagdish Kumar Arora <i>Chairman, Non-Executive and Non-Independent Director</i>	02182942	117, J.K. Hospital, Bhawanimandi - 326 502, Jhalawar, Rajasthan
2.	Dr. Rajat Arora <i>Managing Director</i>	02182937	117, J.K. Hospital, Bhawanimandi - 326 502, Jhalawar, Rajasthan
3.	Zulfikar Pathan <i>Non Executive Director</i>	07235312	House No. 3 K 57, Vigyan Nagar, Hanuman Ji Ke Mandir Ke Pass, Kota – 324 005, Rajasthan
4.	Masrat Khan <i>Executive Director</i>	07233086	House No. 3 K 57, Vigyan Nagar, Kota – 324 005, Rajasthan

Sr. No.	Name and Designation	DIN	Address
5.	Mohammed Saif <i>Independent Director</i>	08405838	G-2, Mohsin Apartment, Retwali Tipta, Kota-324006, Rajasthan
6.	Sanjay Singh <i>Independent Director</i>	05228300	Plot No. 145-146, White house, E- Block, Dadu Dyal Nagar, Muhana Road, Jaipur- 320 020, Rajasthan

For detailed profile of our Chairman and Executive Director, Managing Director and other Directors, please refer “Our Management” and “Our Promoters and Promoter Group” on page 83 and 93 respectively.

Company Secretary and Compliance Officer

Our Company has appointed Priyanka Dusad, the Company Secretary of our Company, as the Compliance Officer, whose contact details are set forth hereunder.

Priyanka Dusad
Plot No. 3 & 4, Commercial Complex,
Rajeev Gandhi Nagar, Kota 324 005, Rajasthan
Tel: +91 0744 2423444
E-mail: cs@rajatcity.com

Chief Financial Officer

Our Company has appointed Bhupendra Tewani, as the Chief Financial Officer. His contact details are set forth hereunder.

Bhupendra Tewani
Plot No. 3 & 4, Commercial Complex,
Rajeev Gandhi Nagar, Kota 324 005, Rajasthan
Tel: +91 744 2423444
E-mail: cfo@rajatcity.com

Details of Key Intermediaries pertaining to this Issue of our Company:

Lead Manager of the Issue	Registrar to the Issue
Inventure Merchant Banker Services Private Limited 2 nd Floor, Viraj Tower, Nr. Andheri Flyover (North End) Western Express Highway, Andheri (East) Mumbai – 400 069, Maharashtra, India Tel No.: +91 22 4075 1500; Fax No.: +91 22 4075 1511; Email: sme.ipo@inventuremerchantbanker.com Investor Grievance Email: redressal@inventuremerchantbanker.com Website: www.inventuremerchantbanker.com SEBI Registration No.: INM000012003* Contact Person: Arvind Gala	Bigshare Services Private Limited 1st floor, Bharat Tin Works Building, Opp. Vasant Oasis, Makwana Road, Marol, Andheri (East), Mumbai- 400 059, Maharashtra, India Tel. No.: +91 22 6263 8200 Fax No.: +91 22 6263 8299 Email: ipo@bigshareonline.com Website: www.bigshareonline.com SEBI Registration No: INR000001385 Contact Person: Babu Raphael

* The certificate of registration of Inventure Merchant Banker Services Private Limited as Merchant banker bearing number

<i>INM00012003 was valid for a period of five years effective from August 30, 2012 until August 29, 2017. Inventure Merchant Banker Services Private Limited has made an application to SEBI vide application dated June 7, 2017 in terms of Regulation 8A, under SEBI (Merchant Bankers) Regulation, 1992 for renewal of its said merchant banking license and for grant of permanent registration and has paid requisite fees of ₹ 9,00,000 (Rupees Nine Lakhs only) in accordance with schedule II of the SEBI (Merchant Bankers) Regulation, 1992.</i>	
Banker to the Company	Banker to the Company
AU Small Finance Bank Limited 19-A, Dhuleshwar Garden, Ajmer Road, Jaipur 302001, Rajasthan Tel No.: +91 9672446999; Email: pushpendra.sharma1@aubank.in Website: www.aubank.in Contact Person: Pushpendra Sharma	Central Bank of India Indraprasth Industrial Area, Kota – 324005, Rajasthan Tel No.: +91 744 243 8537 Email: bmkota1557@centralbank.co.in Website: www.centralbank.net.in Contact Person: Vishnu Singh
Banker to the Company	Banker to the Company
HDFC Bank Limited 1, A1, Doctors Enclave, Dr. Sheel Choudhary Road, Talwandi, Kota – 324005, Rajasthan Tel No.: +91 98292 02485 Email: amit.vijay@hdfcbank.com Website: www.hdfcbank.com Contact Person: Amit Vijay	State Bank of India Furniture Market, Shopping Centre, Kota – 324006, Rajasthan Tel No.: +91 744 236 3080 Email: sbi.32300@sbi.co.in Website: www.sbi.co.in Contact Person: Lokesh Goyal
Legal Advisor to the Issue	Statutory & Peer Review Auditor of the Company
DRC Legal & Associates Advocates Francis Chawl, Dayal das Road, Opp. Jayshree Hotel, Vile Parle (East), Mumbai- 400 057. Tel No.: 022 26104513. Email: drclegal.associates@gmail.com Contact Person: Devidayal R. Chaudhary	D. K. Saklecha & Company, Chartered Accountants Rudraksh Group, Plot No. 664-665 Ground flour - Chambal Apartment, Pratap Nagar, Near CAD Circle, Chambal Garden Main Road, Kota Rajasthan- 324009 Tel No.: +91 97833 30002 E-mail: arungautam0000@yahoo.com Contact Person: CA Arun Gautam Membership Number: 426574
Banker to the Issue/ Sponsor Bank	
[●]	

Changes in Auditors

M/s. D.K Saklecha and Company was appointed as Statutory Auditors for the FY 2018-19 of our Company in place of M/s Ajit Jain, Chartered Accountant, to comply with the requirement of peer review auditor in SME IPO.

DESIGNATED INTERMEDIARIES

Self-Certified Syndicate Banks (SCSB's)

The list of SCSBs is available at <http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries> on the SEBI website, or at such other website as may be prescribed by SEBI from time to time. A list of the Designated Branches of the SCSBs with which an Applicant, not applying through Syndicate/ Sub Syndicate or through a Registered Broker, CRTA or CDP may submit the Application Forms available at <http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries> on the SEBI website, or at such other

website as may be prescribed by SEBI from time to time.

Registered Brokers

The list of the Registered Brokers, including details such as postal address, telephone number and e-mail address, is provided on the websites of the BSE Limited i.e. www.nseindia.com, as updated from time to time.

RTAs

The list of the RTAs eligible to accept application forms at the Designated RTA Locations, including details such as address, telephone number and e-mail address, are provided on the websites of Stock Exchange www.nseindia.com, as updated from time to time.

Collecting Depository Participants

The list of the CDPs eligible to accept application forms at the Designated CDP Locations, including details such as name and contact details, are provided on the websites of Stock Exchange www.nseindia.com as updated from time to time. The list of branches of the SCSBs named by the respective SCSBs to receive deposits of the application forms from the Designated Intermediaries will be available on the website of the SEBI www.sebi.gov.in and updated from time to time.

Credit Rating

This being an issue of Equity Shares, there is no requirement of credit rating for the Issue.

IPO Grading

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

Statement of Responsibility of the Lead Manager/Statement of inter se allocation of responsibilities

Since Inventure Merchant Banker Services Private Limited is the sole Lead Manager to this Issue, a statement of *inter se* allocation of responsibilities amongst Lead Managers is not required.

Expert Opinion

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

Our Company has received written consent from the Independent Peer Reviewed Auditor namely, M/s. D.K. Saklecha & Co., Chartered Accountants to include its name as required under Section 26(1)(a)(v) of the Companies Act, 2013 in this Draft Prospectus and as “expert” as defined under section 2(38) of the Companies Act, 2013 in respect of the reports of the Independent Peer Reviewed Auditor on the Restated Consolidated Financial Statements, dated May 4, 2019 and such consent has not been withdrawn as on the date of this Draft Prospectus.

Our Company has received written consent from our Statutory Auditor namely, M/s. D.K. Saklecha & Co., Chartered Accountants to include its name as required under Section 26(1)(a)(v) of the Companies Act, 2013 in this Draft Prospectus and the statement of tax benefits dated May 4, 2019 included in this Draft Prospectus and such consent has not been withdrawn as on the date of this Draft Prospectus.

Debenture Trustees

This is an issue of equity shares; hence appointment of debenture trustee is not required.

Appraisal and Monitoring Agency

The objects of the Issue have not been appraised by any agency.

The Objects of the Issue and means of finance, therefore, are based on internal estimates of our Company. In terms of Regulation 41 of the SEBI (ICDR) Regulations, we are not required to appoint a monitoring agency since the Issue size is not in excess of ₹10,000 lakhs.

Filing of the Offer Document

A soft copy of Draft Prospectus is being filed with SEBI. However, SEBI will not issue any observation on the offer document in term of Regulation 246(2) of the SEBI (ICDR) Regulations, 2018. Further, a soft copy of the Prospectus along with due diligence certificate including additional confirmations shall be filed with SEBI. Pursuant to SEBI Circular Number SEBI/HO/CFD/DIL1/CIR/P/2018/011 dated January 19, 2018, a copy of the Prospectus will be filed online through SEBI Intermediary Portal at <https://siportal.sebi.gov.in>.

A copy of the Prospectus, along with the material contracts and documents referred elsewhere in the Prospectus, will be delivered to the RoC Office situated at C6/7, 1st Floor, Residency Area, Civil Lines Jaipur- 302 001.

Underwriting

This Issue is 100% Underwritten. The Underwriting agreement is dated May 6, 2019. Pursuant to the terms of the Underwriting Agreement, the obligations of the Underwriters are several and are subject to certain conditions specified therein.

The Underwriter has indicated its intention to underwrite the following number of specified securities being offered through this Issue:

Details of the Underwriter	No. of shares underwritten	Amount Underwritten (₹in lakhs)	% of the Total Issue Size Underwritten
Inventure Merchant Banker Services Private Limited 2 nd Floor, Viraj Tower, Nr. Andheri Flyover (North End) Western Express Highway, Andheri (East) Mumbai – 400 069, Maharashtra, India Tel No: +91 22 4075 1500; Fax No: +91 22 4075 1511; Email: sme.ipo@inventurmerchantbanker.com Website: www.inventuremerchantbanker.com SEBI Registration No: INM000012003	11,01,600	1,101.60	100.00%

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

Details of the Market Making Arrangement for this Issue

The Company and the Lead Manager undertakes to appoint the Market Maker/s and the particulars of such Market Maker/s and the summary of the terms of its appointment shall be included in the Prospectus prior to filing with the RoC.

Our Company has entered into Market Making Agreement dated May 6, 2019 with Inventure Growth & Securities Limited, with the Lead Manager and Market Maker, duly registered with BSE to fulfil the obligations of Market Making:

The details of Market Maker are set forth below:

Name	Inventure Growth & Securities Limited
Corporate Office Address	2 nd Floor, Viraj Tower, Nr. Andheri Flyover (North End) Western Express Highway, Andheri (East) Mumbai – 400 069, Maharashtra, India
Tel no.	+91 22 4075 1500
Fax no.	+91 22 4075 1511;
Email	info@inventuregrowth.com
Website	www.inventuregrowth.com
Contact Person	Bhavi Gandhi
SEBI Registration No.	INB23090173

The Market Maker shall fulfil the applicable obligations and conditions as specified in the SEBI (ICDR) Regulations, and its amendments from time to time and the circulars issued by the BSE Limited and SEBI regarding this matter from time to time. Following is a summary of the key details pertaining to the Market Making arrangement:

- 1) The Market Maker shall be required to provide a 2-way quote for 75% of the time in a day. The same shall be monitored by the Stock Exchange. Further, the Market Maker shall inform the Stock Exchange in advance for each and every black out period when the quotes are not being offered by the Market Maker.
- 2) The minimum depth of the quote shall be ₹1,00,000. However, the investors with holdings of value less than ₹1,00,000 shall be allowed to offer their holding to the Market Maker in that scrip provided that they sell their entire holding in that scrip in one lot along with a declaration to the effect to the selling broker.
- 3) After a period of three (3) months from the market making period, the market maker would be exempted to provide quote if the Shares of market maker in our Company reaches to 25%. (Including the 5% of Equity Shares of the Issue.) Any Equity Shares allotted to Market Maker under this Issue over and above 5% of Issue Size would not be taken in to 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.
- 4) There shall be no exemption/threshold on downside. However, in the event the market maker exhausts his inventory through market making process, the concerned stock exchange may intimate the same to SEBI after due verification.
- 5) Execution of the order at the quoted price and quantity must be guaranteed by the Market Maker, for the quotes given by him.
- 6) There would not be more than five Market Makers for a script at any point of time and the Market Makers may compete with other Market Makers for better quotes to the investors.
- 7) On the day of 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 listing on the discovered price during the pre-open call auction.

- 8) The shares of the Company will be traded in continuous trading session from the time and day the company gets listed on SME Platform of BSE Limited and Market Maker will remain present as per the guidelines mentioned under BSE Limited and SEBI circulars.
- 9) There will be special circumstances under which the Market Maker may be allowed to withdraw temporarily/fully from the market – for instance due to system problems, any other problems. All controllable reasons require prior approval from the Exchange, while *force-majeure* will be applicable for non-controllable reasons. The decision of the Exchange for deciding controllable and non-controllable reasons would be final.
- 10) The Market Maker shall have the right to terminate said arrangement by giving a six month notice or on mutually acceptable terms to the Merchant Banker, who shall then be responsible to appoint a replacement Market Maker.

In case of termination of the above mentioned Market Making agreement prior to the completion of the compulsory Market Making period, it shall be the responsibility of the Lead Manager to arrange for another Market Maker in replacement during the term of the notice period being served by the Market Maker but prior to the date of releasing the existing Market Maker from its duties in order to ensure compliance with the requirements of regulation 261 of the SEBI (ICDR) Regulations, 2018. Further the Company and the Lead Manager reserve the right to appoint other Market Maker either as a replacement of the current Market Maker or as an additional Market Maker subject to the total number of Designated Market Makers does not exceed five or as specified by the relevant laws and regulations applicable at that particular point of time. The Market Making Agreement is available for inspection at our Registered Office from 11.00 a.m. to 5.00 p.m. on working days.

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

Price Band and Spreads: SEBI Circular bearing reference no: CIR/MRD/DP/ 02/2012 dated January 20, 2012, has laid down that for issue size up to ₹250 crores, the applicable price bands for the first day shall be:

(a) 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.

(b) In case equilibrium price is not discovered in the Call Auction, the price band in the normal trading session shall be 5% of the issue price.

Additionally, the trading shall take place in TFT segment for first 10 days from commencement of trading. The following spread will be applicable on the SME Platform of BSE Limited.

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

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

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

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

CAPITAL STRUCTURE

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

No.	Particulars	Amount (₹ in lakhs)	
		Aggregate nominal value	Aggregate value at Issue Price
A.	Authorised Share Capital		
	50,00,000 Equity Shares of ₹10.00 each	500.00	-
B.	Issued, Subscribed and Paid-Up Share Capital before the Issue		
	29,00,000 Equity Shares of ₹10.00 each	290.00	-
C.	Present Issue in terms of this Draft Prospectus		
	Issue of 11,01,600 Equity Shares for cash at a price of ₹100 per Equity Share	110.16	1,101.60
	<i>Which comprises:</i>		
	55,200 Equity Shares at a price of ₹100 per Equity Share reserved as Market Maker portion	5.52	55.20
	Net Issue to the Public of 10,46,400 Equity Shares at a price of ₹100 per Equity Share	104.60	1,046.40
	<i>Of which:</i>		
	5,23,200 Equity Shares at a price of ₹100 per Equity Share will be available for allocation to Retail Individual Investors up to ₹2,00,000/-	52.32	523.20
	5,23,200 Equity Shares at a price of ₹100 per Equity Share will be available for allocation to other than Retail Individual Investors above ₹2,00,000/-	52.32	523.20
D.	Issued, Subscribed and Paid-up Share Capital after the Issue		
	40,01,600 Equity Shares	400.16	-
E.	Securities Premium Account		
	Before the Issue	0.00	
	After the Issue	991.44	

The Issue has been authorised by our Board pursuant to a resolution dated April 6, 2019, and by our Equity Shareholders pursuant to a resolution passed at the extraordinary general meeting held on May 3, 2019.

Class of Shares

The company has only one class of shares i.e. Equity shares of ₹ 10/- each only and all Equity Shares are ranked pari-passu in all respects.

All Equity Shares issued are fully paid-up as on date of the Draft Prospectus. Our Company has not issued any partly paid-up equity shares since its incorporation nor it does have any partly paid-up equity shares as on the date of the Draft Prospectus.

Our Company does not have any outstanding convertible instruments as on the date of the Draft Prospectus.

Notes to the Capital Structure:**1. Details of increase in Authorised Share Capital:**

Since the incorporation of our Company, the authorised share capital of our Company has been altered in the manner set forth below:

Particulars of Change		Date of Shareholders' Meeting	AGM / EGM
From	To		
₹1,00,000 consisting of 1,000 Equity shares of ₹100.00 each.		On incorporation	-
₹1,00,000 consisting of 1,000 Equity shares of ₹100.00 each.	₹1,00,00,000 consisting of 1,00,000 equity shares of ₹100.00 each	March 24, 2014	EGM
₹1,00,00,000 consisting of 1,00,000 equity shares of ₹100.00 each	₹2,00,00,000 consisting of 2,00,000 equity shares of ₹100.00 each	January 15, 2015	EGM
₹2,00,00,000 consisting of 2,00,000 equity shares of ₹100.00 each	₹4,00,00,000 consisting of 4,00,000 equity shares of ₹100.00 each	February 13, 2016	EGM
₹4,00,00,000 consisting of 4,00,000 equity shares of ₹100.00 each	₹5,00,00,000 consisting of 5,00,000 equity shares of ₹100.00 each	April 30, 2018	EGM
₹5,00,00,000 consisting of 5,00,000 equity shares of ₹100.00 each	₹5,00,00,000 consisting of 50,00,000 equity shares of ₹10.00 each	May 11, 2018	EGM

2. History of Issued and Paid Up Share Capital of our Company:

The history of the equity share capital of our Company is set forth below:

Date of allotment	Number of Equity Shares allotted	Face value (₹)	Issue Price (₹)	Nature of Consideration	Nature of allotment	Cumulative number of Equity Shares	Cumulative paid-up Equity Share capital (₹)	Cumulative Securities premium (₹)
July 14, 2008	1,000	100.00	100.00	Cash	Subscription to MoA ⁽¹⁾	1,000	1,00,000	Nil
March 31, 2014	98,000	100.00	100.00	Cash	Further Allotment ⁽²⁾	99,000	99,00,000	Nil
March 02, 2015	1,01,000	100.00	100.00	Cash	Rights Issue ⁽³⁾	2,00,000	2,00,00,000	Nil
February 29, 2016	90,000	100.00	100.00	Cash	Rights Issue ⁽⁴⁾	2,90,000	2,90,00,000	Nil
May 11, 2018	Split of Equity Shares from Face Value of Rs.100/- each to Rs.10/- each					29,00,000	2,90,00,000	Nil

- Initial allotment of 500 Equity Shares each to Dr. Rajat Arora and Dr. Jagdish Kumar Arora, being the subscribers to the MoA of our Company.
- Allotment of 98,000 Equity Shares to Dr. Rajat Arora.
- Allotment of 76,000 equity Shares to Dr. Rajat Arora and 25,000 Equity Shares to Dr. Jagdish Kumar Arora.
- Allotment of 63,000 Equity Shares to Dr. Rajat Arora and 27,000 Equity Shares to Dr. Jagdish Kumar Arora.

3. Issue of Equity Shares for Consideration other than Cash:

No Equity Shares have been issued by our Company for consideration other than cash or out of revaluation reserves on the date of this Draft Prospectus.

- a. Our Company has not issued any Equity Shares out of revaluation reserves since incorporation.
- b. Our Company has not made any bonus issues of Equity Shares in the past.
4. Our Company has not allotted any Equity Shares pursuant to any scheme approved under Sections 391 to 394 of the Companies Act, 1956 and Sections 230 to 234 of the Companies Act, 2013.
5. Our Company has not revalued its assets since inception and has not issued any Equity Shares (including bonus shares) by capitalizing any revaluation reserves.
6. **Issue of Shares in the preceding two years**

There have been no issue of shares in preceding two years.

7. Our Company does not have any Employee Stock Option Scheme / Employee Stock Purchase Scheme for our employees and we do not intend to allot any shares to our employees under Employee Stock Option Scheme / Employee Stock Purchase Scheme from the proposed issue. 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.

8. **Issue of Equity Shares in the last one year below the Issue Price:**

Our Company has not issued any Equity Shares in the one year immediately preceding the date of the Draft Prospectus.

9. As on the date of the Draft Prospectus, our Company does not have any preference share capital.

10. **Build Up of our Promoter’s Shareholding, Promoter’s Contribution and Lock-In:**

As on the date of this Draft Prospectus, our Promoter holds 28,71,000 Equity Shares, constituting 99.00% of the pre-issued, subscribed and paid-up Equity Share capital of our Company.

a) *Build-up of our Promoter’s shareholding in our Company*

Date of Allotment / Transfer	Nature of acquisition (Allotment/ Acquired/ transfer)	Number of Equity Shares	Face Value per Equity Share (in ₹)	Issue Price /Acquisition Price / Transfer price per Equity Share (in ₹)	Nature of Consideration	Percentage of Pre-Issue Equity Share Capital (%)	Percentage of Post-Issue Equity Share Capital (%)
Dr.Rajat Arora							
July 14, 2008	Subscription to MoA	500	100.00	100.00	Cash	-	-
March 31, 2014	Further Allotment	98,000	100.00	100.00	Cash	-	-

March 02, 2015	Rights Issue	76,000	100.00	100.00	Cash	-	-
February 29, 2016	Rights Issue	63,000	100.00	100.00	Cash	-	-
April 28, 2018	Purchase from Dr. Jagdish Kumar Arora	49,600	100.00	100.00	Cash		
Sub-Total		2,87,100				-	-
May 11, 2018	Split of Equity Shares from Face Value of Rs.100/- each to Rs.10/- each	28,71,000	10.00	-	-	99.00%	71.75%
Total		28,71,000				99.00%	71.75%

Our Promoter has confirmed to the Company and the Lead Manager that the acquisition of the Equity Shares forming part of the Promoter’s Contribution has been financed from personal funds/internal accruals and no loans or financial assistance from any banks or financial institution has been availed by our Promoter for this purpose. All the Equity Shares held by our Promoter were fully paid-up on the respective dates of acquisition of such Equity Shares. As on the date of this Draft Prospectus, none of the Equity Shares held by our Promoter are pledged.

b) Details of Promoter’s Contribution Locked-in for Three Years

Pursuant to Regulations 236 and 238 of the SEBI (ICDR) Regulations, an aggregate of 20% of the fully diluted post-Issue Equity Share capital of our Company held by our Promoter shall be provided towards minimum promoters’ contribution and locked-in for a period of three years from the date of Allotment (“Minimum Promoters’ Contribution”). Details of the Equity Shares (eligible for inclusion in the Minimum Promoters’ Contribution, in terms of Regulation 33 of the SEBI (ICDR) Regulations) forming part of Minimum Promoters’ Contribution and proposed to be locked-in for a period of three years are as follows:

Date of Allotment / Transfer	Nature of acquisition (Allotment/ Acquired/ transfer)	Number of Equity Shares	Percentage of Pre-Issue Equity Share Capital (%)	Percentage of Post-Issue Equity Share Capital (%)
Dr.Rajat Arora				
March 31, 2014	Further Allotment	8,10,000*	27.93%	20.24%

*Earlier on March 31, 2014, 98,000 equity shares were issued at a face value of Rs.100/- each, Subsequently vide EGM held on May 11, 2018 our company split the equity shares from face value of Rs.100/- each to face value of Rs.10/- each.

Our Promoter has granted consent to include such number of Equity Shares held by him as may constitute 20% of the post issue Equity Share capital of our Company as Minimum Promoters; Contribution and have agreed not to sell or transfer or pledge or otherwise dispose of in any manner, the Minimum Promoters’ Contribution from the date of filing of this Draft Prospectus until the commencement of the lock-in period specified above, or for such other time as required under SEBI (ICDR) Regulations, except as may be permitted, in accordance with the SEBI (ICDR) Regulations.

In terms of Regulation 237 of the SEBI (ICDR) Regulations, 2018, we confirm that the Minimum Promoters’ Contribution of 20.10% of the Post Issue Capital of our Company as mentioned above does not consist of;

- Equity Shares acquired during the preceding three years for;

- consideration other than cash and revaluation of assets or capitalization of intangible assets is involved in such transaction;
 - resulting from a bonus issue by utilization of revaluation reserves or unrealized profits of the company or from bonus issue against equity shares which are ineligible for minimum Promoters' contribution;
- The Equity Shares held by the Promoters and offered for Minimum Promoters' contribution which are subject to any pledge with any creditor;
 - Equity Shares acquired by Promoters during the preceding one year at a price lower than the price at which equity shares are being offered to public in the Initial Public offer;
 - No Equity shares have been issued to our promoters upon conversion of a partnership firm during the preceding one year at a price less than the issue price, against funds brought in by them during that period, in case of an issuer formed by conversion of one or more partnership firms or limited liability partnerships, where the partners of the erstwhile partnership firms or limited liability partnerships are the promoters of the issuer and there is no change in the management are ineligible for Minimum Promoters' Contribution.

c) Equity Shares locked-in for one year

In addition to Minimum Promoters' Contribution which shall be locked-in for three years, the balance 20,90,000 Equity Shares held by Promoters shall be locked in for a period of one year from the date of allotment in the Initial Public Offer as provided in clause (b) of Regulation 238 of the SEBI (ICDR) Regulations, 2018.

d) Other requirements in respect of 'lock-in'

In terms of Regulation 239 of the SEBI (ICDR) Regulations, 2018, the entire pre-issue capital held by the Persons other than the Promoter shall be locked in for a period of one year from the date of allotment in the Initial Public Issue.

In terms of Regulation 241 of the SEBI (ICDR) Regulations, 2018, 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.

In terms of Regulation 242 of the SEBI (ICDR) Regulations, 2018, the Equity Shares held by our Promoters and locked in may be pledged as a collateral security for a loan granted by a scheduled commercial bank or public financial institution or a systemically important non-banking finance company or housing finance company, subject to following;

- In case of Minimum Promoters' Contribution, the loan has been granted to the issuer company or its subsidiary (ies) for the purpose of financing one or more of the Objects of the Issue and pledge of equity shares is one of the terms of sanction of the loan.
- In case of Equity Shares held by Promoters in excess of Minimum Promoters' contribution, the pledge of equity shares is one of the terms of sanction of the loan.

However, 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 has expired.

Transferability of Locked in Equity Shares:

In terms of Regulation 243 of the SEBI (ICDR) Regulations, 2018 and subject to provisions of Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 as applicable;

- The Equity Shares held by our Promoters and locked in as per Regulation 238 of the SEBI (ICDR) Regulations, 2018 may be transferred to another Promoters or any person of the Promoters' Group or to a new promoter(s) or persons in control of our Company, subject to continuation of lock-in for the remaining period with transferee and such transferee shall not be eligible to transfer them till the lock-in period stipulated has expired.
- The equity shares held by persons other than promoters and locked in as per Regulation 239 of the SEBI (ICDR) Regulations, 2018 may be transferred to any other person (including Promoter and Promoters' Group) holding the equity shares which are locked-in along with the equity shares proposed to be transferred, subject to continuation of lock-in for the remaining period with transferee and such transferee shall not be eligible to transfer them till the lockin period stipulated has expired.

11. Our shareholding pattern

Pursuant to Regulation 31 of the SEBI (LODR) Regulations, the holding of specified securities is divided into the following three categories: (a) Promoter and Promoter Group; (b) Public; and (c) Non-Promoter - Non Public.

Category (I)	Category of shareholder (II)	No. 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) As a % of (A+B+C2) (VIII)	Number of Voting Rights held in each class of securities (XI)				No. of Shares Underlying Outstanding convertible securities (including Warrants) (X)	Shareholding as a % assuming full conversion of convertible securities (as a % of diluted share capital) As a % of (A+B+C2) (XI) = (VII) + (X)	Number of Locked in shares (XII)		Number of Shares pledged or otherwise encumbered (XIII)		Number of equity shares held in dematerialized form (XIV)
								No of Voting Rights			Total as a % of (A+B+C)			No.	As a % of total Shares held (b)	No.	As a % of total Shares held (b)	
								Class : Equity	Class : preference	Total								
(A)	Promoter & Promoter Group	7	29,00,000	-	-	29,00,000	100.00	29,00,000	-	29,00,000	100.00	-	-	-	-	-	-	Nil
(B)	Public	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	Nil
(C)	Non Promoter-Non Public	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(C1)	Shares underlying DRs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(C2)	Shares held by Employee Trusts	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Total	7	29,00,000	-	-	29,00,000	100.00	29,00,000	-	29,00,000	100.00	-	-	-	-	-	-	Nil

Note: The term “Encumbrance” has the same meaning as assigned under regulation 28(3) of SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.

- Our Company will file the shareholding pattern of our Company in the form prescribed under Regulation 31 of SEBI (LODR) Regulations, one day prior to the listing of the Equity Shares. The shareholding pattern will be uploaded on the website of BSE Limited before commencement of trading of our Equity Shares.
- There are no Equity Shares against which depository receipts have been issued.
- Other than the Equity Shares, there is no other class of securities issued by our Company

12. The shareholding pattern of our Promoter and Promoter Group before and after the Issue is set forth below:

Sr.	Particulars	Pre Issue		Post Issue	
		No. of Shares	% Holding	No. of Shares	% Holding
a)	Promoter				
	Dr. Rajat Arora	28,71,000	99.00%	28,71,000	99.00%
b)	Promoter Group				
	Dr. Jagdish Kumar Arora	24,000	0.83%	24,000	0.60%
	Romila Gambhir	1,000	0.03%	1,000	0.02%
	Rakhi Jolly	1,000	0.03%	1,000	0.02%
	Masrat Khan	1,000	0.03%	1,000	0.02%
	Zulfikar Pathan	1,000	0.03%	1,000	0.02%
	Anil Gambhir	1,000	0.03%	1,000	0.02%
	Total	29,00,000	100.00%	29,00,000	72.47%

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

Name of the Promoter	No. of Equity Shares held	Average cost of Acquisition (in ₹)
Dr. Rajat Arora	28,71,000	10.00

14. None of our Directors or Key Managerial Personnel hold Equity Shares in our Company, other than as set forth below:

Name	No. of Equity Shares held	Pre-Issue percentage of Shareholding
Directors		
Dr. Rajat Arora	28,71,000	99.00%
Dr. Jagdish Kumar Arora	24,000	0.83%
Masrat Khan	1,000	0.03%
Zulfikar Pathan	1,000	0.03%
Key Managerial Personnel		
Nil	Nil	Nil
Total	28,97,000	99.90%

15. Particulars of top ten shareholders and the number of Equity Shares held by them are set forth below:

a. List of Shareholders holding 1.00% or more of the Paid-up Capital of the Company as on date of the Draft Prospectus:

Sr. No.	Name of shareholder	No. of Equity Shares	% of Issued Capital
1.	Dr. Rajat Arora	28,71,000	99.00%

b. List of Shareholders holding 1.00% or more of the Paid-up Capital of the Company as on date two years prior to the date of the Draft Prospectus:

Sr. No.	Name of shareholder	No. of Equity Shares*	% of Issued Capital
1.	Dr. Rajat Arora	2,37,500	81.90%
2.	Dr. Jagdish Kumar Arora	52,500	18.10%
	Total	2,90,000	100.00%

*Face value was ₹ 100 per equity share

- c. *List of Shareholders holding 1.00% or more of the Paid-up Capital of the Company as on date one year prior to the date of the Draft Prospectus:*

Sr. No.	Name of shareholder	No. of Equity Shares*	% of Issued Capital
1.	Dr.Rajat Arora	2,37,500	81.90%
2.	Dr.Jagdish Kumar Arora	52,500	18.10%
	Total	2,90,000	100.00%

*Face value was ₹ 100 per equity share

- d. *List of Shareholders holding 1.00% or more of the Paid-up Capital of the Company as on date ten days prior to the date of the Draft Prospectus:*

Sr. No.	Name of shareholder	No. of Equity Shares	% of Issued Capital
1.	Dr. Rajat Arora	28,71,000	99.00%

16. There will be no further issue of capital, whether by way of issue of bonus shares, preferential allotment, rights issue or in any other manner during the period commencing from the date of this Draft Prospectus until the Equity Shares have been listed. Further, our Company presently does not have any intention or proposal to alter our capital structure for a period of six months from the date of opening of this Issue, by way of split / consolidation of the denomination of Equity Shares or further issue of Equity Shares (including issue of securities convertible into exchangeable, directly or indirectly, for our Equity Shares) whether preferential or otherwise, except that if we enter into acquisition(s) or joint venture(s), we may consider additional capital to fund such activities or to use Equity Shares as a currency for acquisition or participation in such joint ventures.
17. None of our Promoter, members of our Promoter Group or our Directors or their immediate relatives have sold or purchased Equity Shares by any other person during the six months immediately preceding the date of this Draft Prospectus.
18. There have been no financial arrangements whereby our Promoter, 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 months preceding the date of this Draft Prospectus, other than in the normal course of business of the financing entity.
19. Our Company, our Promoters, our Directors and the Lead Manager to this Issue have not entered into any buy-back and/or standby or similar arrangements with any person for purchase of our Equity Shares issued by our Company through this Draft Prospectus.
20. There are no safety net arrangements for this public issue.
21. An oversubscription to the extent of 10% of the Issue can be retained for the purposes of rounding off to the minimum allotment lot and multiple of one share thereafter, while finalizing the Basis of Allotment. Consequently, the actual allotment may go up by a maximum of 10% of the Issue as a result of which, the post-issue paid up capital after the Issue would also increase by the excess amount of allotment so made. In such an event, the Equity Shares held by the Promoter and subject to lock- in shall be suitably increased so as to ensure that 20% of the Post Issue paid-up capital is locked in for 3 years.
22. Under-subscription in the net Issue, if any, in any category, would be allowed to be met with spill over from any other category or a combination of categories at the discretion of our Company in consultation with the Lead Manager and the BSE Limited.

23. As on the date of filing of this Draft Prospectus, there are no outstanding warrants, options or rights to convert debentures, loans or other financial instruments into our Equity Shares.
24. All the Equity Shares of our Company are fully paid up as on the date of this Draft Prospectus. Further, since the entire money in respect of the Issue is being called on application, all the successful applicants will be issued fully paid-up equity shares.
25. As per RBI regulations, OCBs are not allowed to participate in this Issue.
26. Our Company has not raised any bridge loan against the proceeds of this Issue. However, depending on business requirements, we might consider raising bridge financing facilities, pending receipt of the Net Proceeds.
27. Our Company undertakes that at any given time, there shall be only one denomination for our Equity Shares, unless otherwise permitted by law.
28. Our Company shall comply with such accounting and disclosure norms as specified by SEBI from time to time.
29. No payment, direct or indirect in the nature of discount, commission, allowances or otherwise shall be made either by us or our Promoter to the persons who receive allotments, if any, in this Issue.
30. We have 7 (Seven) Shareholders as on the date of this Draft Prospectus.
31. Our Promoter and the members of our Promoter Group will not participate in this Issue.
32. Our Company has not made any public issue since its incorporation.
33. As on the date of this Draft Prospectus, the Lead Manager and their respective associates (determined as per the definition of ‘associate company’ under Section 2(6) of the Companies Act, 2013) do not hold any Equity Shares in our Company. The Lead Manager and their respective affiliates may engage in 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.
34. Our Company shall ensure that transactions in the Equity Shares by the Promoter and the Promoter Group between the date of filing this Draft Prospectus and the Issue Closing Date shall be reported to the Stock Exchange within twenty-four hours of such transaction.
35. For the details of transactions by our Company with our Promoter Group, Group Companies please refer to paragraph titled “*Related Party Transactions, as Restated*” on page 127.

OBJECTS OF THE ISSUE

The objects of the Net Proceeds (as defined below) of the Issue are:

1. Meeting Additional Working Capital Requirements
2. General Corporate Purposes

We believe that listing will give more visibility and enhance corporate image our Company. We also believe that our Company and shareholders will receive the benefits from listing of Equity Shares on the SME Platform of BSE. It will also provide liquidity to the existing shareholders and will also create a public trading market for the Equity Shares of our Company.

The main object clause of Memorandum of Association of our Company enables us to undertake the activities for which the funds are being raised by us through the Issue. Further, we confirm that the activities which we have been carrying out till date are in accordance with the object clause of our Memorandum of Association. For the main objects clause of our Memorandum of Association, see “*History and Certain Corporate Matters*” on page 79.

Issue Proceeds and Net Proceeds

The details of the proceeds of the Issue are summarized in the table below:

S. No.	Particulars	Amount (₹ in lakhs)
1	Gross Proceeds of the Issue	1,101.60
2	Issue Expenses	50.00
3	Net Proceeds of the Issue (excluding the Issue Expenses) (“Net Proceeds”)	1051.60

Utilization of Net Proceeds and Means of Finance

The proposed utilisation of the Net Proceeds is set forth below:

Sr. No.	Object	Amount Proposed to be Utilised from the Net Proceeds (₹ in lakhs)
1.	Meeting Additional Working Capital Requirements	871.50
2.	General Corporate Purposes	180.10
	Total	1,051.60

Since the entire fund requirement are to be funded from the proceeds of the Issue, there is no requirement to make firm arrangements of finance under Regulation 230(1)(e) of the SEBI ICDR Regulations through verifiable means towards at least 75% of the stated means of finance, excluding the amounts to be raised through the proposed Issue.

The fund requirement and deployment is based on internal management estimates and have not been appraised by any bank or financial institution. These are based on current conditions and are subject to change in the light of changes in external circumstances or costs or other financial conditions and other external factors.

In case of any increase in the actual utilization of funds earmarked for the Objects, such additional funds for a particular activity will be met by way of means available to our Company, including from internal accruals. If the actual utilization towards any of the Objects is lower than the proposed deployment such balance will be used for future growth opportunities including funding existing objects, if required. In case of delays in raising funds from the Issue, our Company may deploy certain amounts towards any of the above mentioned Objects through a combination of Internal Accruals or Unsecured Loans (Bridge Financing) and in such case the Funds raised shall be utilized towards repayment of such Unsecured Loans or recouping of Internal Accruals. However, we confirm that no bridge financing has been availed as on date, which is subject to being repaid from the Issue Proceeds.

We further confirm that no part proceed of the Issue shall be utilised for repayment of any Part of unsecured loan outstanding as on date of this Draft Prospectus.

Our Company may have to revise its business plan from time to time and consequently our fund requirements may also change. Our Company's historical expenditure may not be reflective of our future expenditure plans. Our Company may have to revise its estimated costs, fund allocation and fund requirements owing to various factors such as economic and business conditions, increased competition and other external factors which may not be within the control of our management. This may entail rescheduling or revising the planned expenditure and funding requirements, including the expenditure for a particular purpose at the discretion of the Company's management.

For further details on the risks involved in our business plans and executing our business strategies, please see the section titled "Risk Factors" beginning on page 18.

Details of the Objects of the Issue

1. Meeting additional working capital requirements

Our business is working capital intensive. We will need additional working capital for the growth of our business. We have estimated our additional working capital requirements for FY 2020 which will be funded through the proposed public issue. The working capital will be primarily used for expanding our business operations and purchase of construction related materials and other expenses for our current and upcoming projects. Our Company proposes to meet the incremental requirement to the extent of ₹ 871.50 Lakhs for the FY 2020 from the Net Proceeds of the Issue. The details of estimation of working capital are as mentioned below:

(₹ lakhs)

Particulars	31-Mar-18	31-Dec-18	31-Mar-19	31-Mar-20
	Actuals	Actuals	Estimated	Projected
Current Assets				
Trade Receivables	3,014.50	4,132.47	4,008.50	5,259.15
Inventories	2,395.47	2,266.37	2,425.02	3,181.62
Other Current Assets	393.44	455.41	464.52	497.03
Total	5,803.41	6,854.25	6,898.03	8,937.80
Current Liabilities				
Trade payables	29.07	236.75	213.08	298.31
Other Current Liabilities	3,569.82	4,369.66	4,409.35	5,471.60
Short Term Provisions/Current Tax Liabilities	44.26	10.18	29.70	50.49
Total	3,643.15	4,616.59	4,652.12	5,820.39
Working Capital Gap	2,160.26	2,237.66	2,245.91	3,117.41
Less: Existing Bank Borrowings	0.00	0.00	0.00	0.00
Net Working Capital Requirement	2,160.26	2,237.66	2,245.91	3,117.41
Proposed Working Capital to be funded from IPO	0.00	0.00	0.00	871.50
Funded through Internal Accruals and Unsecured Loans	2,160.26	2,237.66	2,245.91	2,245.91

The calculation of number of days for inventories and trade receivables is not meaningful in our business. Revenue from constructed properties/project is recognized in accordance with the "Revised guidance note issued by the institute of Chartered Accountants of India ("ICAI") on "Accounting for Real Estate Transaction (Revised 2012). The estimates of salable area and cost are revised periodically by the management. The effect of such changes to estimates is recognized

in the period such changes are determined. As per this guidance Note, the revenue have been recognized on percentage of completion method provided all of the following conditions are meet at the reporting date:-

Required critical approvals for commencement of the project have been obtained.

- At least 25% of estimated construction and development cost (Excluding land cost) have been incurred.
- At least 25% of the saleable project area is secured by the agreements to sell/application form (containing salient terms of the agreement to sell) and .
- At least 10% of the total revenue as per agreement to sell are realized in respect of these Agreements.

In terms of the guidance note the Trade Receivable include unbilled receivables which represents revenue recognized based on percentage of completion method over and above the amount due as per the payment plans agreed with the customer. “Trade Receivable” represents the amount due as per the payment plans agreed with the customer over and above the revenue recognized based on percentage of completion method. Further the balance work to be completed for the booked units is also reflected under other current liabilities. The accounting is done as per the “Guidance note on Accounting for Real Estate Transactions”. Out of the total expenditure incurred on project, expense as per the “Guidance note on Accounting for Real Estate Transactions” is expensed in the Profit and Loss account and balance is accounted as WIP inventory.

2. General Corporate Purposes

Our Company intends to deploy the Proceeds of the Issue aggregating ₹180.10 lakhs, towards general corporate purposes, including but not restricted to strengthening of our marketing capabilities, brand building exercises, meeting exigencies and contingencies which our Company in the ordinary course of business may not foresee, or any other purposes as approved by our Board of Directors. Our management, in accordance with the policies of our Board, will have flexibility in utilizing the proceeds earmarked for general corporate purposes.

Issue Related Expenses

The total expenses of the Issue are estimated to be approximately ₹50 lakhs. The expenses of this Issue include, among others, underwriting and management fees, printing and distribution expenses, advertisement expenses and legal fees, if applicable. The estimated Issue expenses are as follows:

(₹lakhs)

Activity	Estimated expenses	As a % of the total estimated Issue expenses	As a % of the total Issue size
Payment to Merchant Banker including, underwriting and selling commissions, brokerages, Advisors to the Company, payment to other intermediaries such as Legal Advisors, Registrars etc. and other out of pocket expenses.	36.25	72.50%	3.29%
Advertising and marketing expenses	3.75	7.50%	0.34%
Printing and stationery expenses, distribution and postage	5.00	10.00%	0.45%
Regulatory and other expenses including Listing Fee	5.00	10.00%	0.45%
Total estimated Issue expenses	50.00	100.00%	4.54%

Schedule of implementation

The entire amount of Working capital and General Corporate purposes will be utilized during FY 2019-20.

Deployment of Funds in the Project: Our Company has not incurred any expenditure on the objects till April 30, 2019.

Details of balance fund deployment

(₹ in Lakhs)

Sr. No.	Particulars	Expenses Already Incurred till April 30, 2019	FY 2019-20	Total
1.	Meeting Additional Working Capital Requirements	0.00	871.50	871.50
2.	General Corporate Purposes	0.00	180.10	180.10
3.	Public Issue Expenses	0.00	50.00	50.00
	Total	0.00	1,101.60	1,101.60

Interim Use of Funds

Pending utilization for the purposes described above, we undertake to temporarily deposit the funds from the Net Proceeds in the scheduled commercial banks included in the Second Schedule of the Reserve Bank of India Act, 1934. In accordance with Section 27 of the Companies Act, 2013, our Company confirms that it shall not use the Net Proceeds for buying, trading or otherwise dealing in the equity shares of any other listed company.

Appraisal Report

None of the objects for which the Net Proceeds from the Issue will be utilised have been appraised by any financial institutions/banks.

Bridge Loan

As of the date of this Draft Prospectus, our Company has not raised any bridge loans which are required to be repaid from the Net Proceeds. However, depending on its business requirements, our Company may consider raising bridge financing facilities, pending receipt of the Net Proceeds.

Monitoring of Utilization of Funds

As the size of the Issue will not exceed Rs.10,000 Lakhs, the appointment of Monitoring Agency would not be required as per Regulation 262(1) of the SEBI ICDR Regulations. Our Board and the management will monitor the utilization of the Net Issue Proceeds through our audit committee. Pursuant to Regulation 32 of the SEBI Listing Regulations, our Company shall on half-yearly basis disclose to the Audit Committee the Application of the proceeds of the Issue. On an annual basis, our Company shall prepare a statement of funds utilized for purposes other than stated in this Draft Prospectus and place it before the Audit Committee. Such disclosures shall be made only until such time that all the proceeds of the Issue have been utilized in full..

Variation in Objects

In accordance with Section 13(8) and Section 27 of the Companies Act, 2013, our Company shall not vary the Objects of the Issue without our Company being authorized to do so by the shareholders by way of a special resolution. In addition, the notice issued to the shareholders in relation to the passing of such special resolution shall specify the prescribed details and be published in accordance with the Companies Act 2013. Pursuant to the Companies Act 2013, the Promoters or controlling shareholders will be required to provide an exit opportunity to the shareholders who do not agree to such proposal to vary the Objects of the Issue at the fair market value of the Equity Shares as on the date of the resolution of our Board recommending such variation in the terms of the contracts or the objects referred to in the Draft Prospectus, in accordance with such terms and conditions as may be specified on this behalf by SEBI.

Other Confirmations

No part of the Net Proceeds of the Issue will be utilized by our Company as consideration to our Promoter, members of the Promoter Group, Directors, Group Entities or key management personnel. Our Company has not entered into or is not planning to enter into any arrangement/ agreements with Promoter, Directors, key management personnel, associates or Group Entities in relation to the utilization of the Net Proceeds of the Issue.

BASIS FOR ISSUE PRICE

Investors should read the following summary with the section titled “Risk Factors”, the details about our Company under the chapter titled "Our Business" and its financial statements under the section titled "Financial information" beginning on pages 18, 69 and 101 respectively including important profitability and return ratios, as set out in "Annexure VI" under the section titled Financial Information of the Company on page 129 to have a more informed view. The issue price of the Equity Shares of our Company could decline due to these risks and the investor may lose all or part of his/their investment.

Qualitative Factors

For details of Qualitative factors please refer to the paragraph “Our Competitive Strengths” in “Our Business” beginning on page 69.

Quantitative Factors (Based on Consolidated Financial Statements)

1. Basic & Diluted Earnings Per Share (EPS):

Period	Basic and Diluted EPS# (₹)	Weights
9 months period ended December 31, 2108*	4.65	3
FY 2018	1.83	2
FY 2017	0.16	1
Weighted Average	2.96	

*Not Annualised

Notes:

1. Basic EPS and Diluted EPS calculations are in accordance with Accounting Standard 20 (AS-20) 'Earnings per Share', notified under Section 133 of Companies Act, 2013 read together along with paragraph 7 of the Companies (Accounts) Rules, 2014.
2. Basic Earnings per share = Net profit/ (loss) after tax, as restated attributable to equity shareholders /Weighted average number of shares outstanding during the year/ period.
3. Diluted Earnings per share = Net profit after tax, as restated / Weighted average number of diluted equity shares outstanding during the year/ period.
4. The figures disclosed above are based on the Restated Consolidated Financial Statements of our Company.

2. Price to Earnings (P/E) ratio in relation to Issue Price of ₹100:

- a. Based on the EPS of ₹4.65 for the period ended December 31, 2018 the P/E ratio is 21.53.
- b. Based on the EPS of ₹1.83 for the period ended March 31, 2018 after considering split of shares from Rs. 100 face value to Rs. 10 face value, the P/E ratio is 54.54.
- c. Based on the weighted average EPS of ₹2.96, as per restated financial statements the P/E ratio is 33.78.
- d. Industry P/E

Highest – Arihant Superstructures Limited	56.73
Lowest – Alpine Housing Development	7.41
Average	29.75

Notes:

(1) The industry high and low has been considered from the industry peer set provided later in this chapter. The industry composite has been calculated as the arithmetic average P/E of the industry peer set disclosed in this section. For further details, please see the paragraph entitled “Comparison of Accounting Ratios with Listed Industry Peers” on next page.

(2) P/E figures for the peers are based on as mentioned on BSE Site on May 6, 2019.

3. Return on Net Worth

Period	Return on Net Worth (%)	Weights
9 months period ended December 31, 2108*	18.18	3
FY 2018	10.20	2
FY 2017	1.24	1
Weighted Average	12.70	

*Not Annualised

4. Minimum Return on increased Net Worth required to maintain pre-Issue EPS.

The minimum return on increased net worth required maintaining pre-Issue EPS:

A) Based on weighted average EPS of ₹2.96

At the Issue Price of ₹100: 6.43% based on restated financial statements.

B) Based on Basic and Diluted EPS for 9 months period ended December 31, 2018 of ₹4.65

At the Issue Price of ₹100: 10.10% based on restated financial statements.

C) Based on Basic and Diluted EPS for FY ended March 31, 2018 of ₹1.83

At the Issue Price of ₹100: 3.97% based on restated financial statements.

Net Asset Value per Equity Share

- As of December 31, 2018 ₹25.55
- As of March 31, 2018(Considering split effect) ₹17.98
- NAV per Equity Share after the Issue is ₹46.05
- Issue Price per Equity Share is ₹100

Notes:

1. Return on Net Worth (%) = Net Profit after tax, as restated / Net worth as restated as at year end for FY 2019

5. Peer Competitors - Comparison of Accounting Ratios

Name of the Company	CMP * (₹)	Face Value (₹)**	EPS ** TTM	P/E Ratio **	NAV # (₹)	RONW # (%)
Arihant Superstructures Limited	57.85	10	1.01	56.73	28.2	10.9
Alpine Housing Development*	14.8	10	2.09	7.41	37.2	5.0
Ganesh Housing*	58.25	10	3.27	17.43	155.8	5.4
Sunteck Realty#	467.45	1	12.61	37.42	186.1	9.7
Rajat City Developers Limited#	100.00	10	4.65	54.54	17.98	10.20

*Closing price on May 6, 2019 at BSE and for our Company its considered as issue price.

**Source: BSE; # Source: Capital Market, April 8– April 21, 2019 based on FY 2018 financial statements.

##: Source: Restated Consolidated financial statements for FY 2018

The face value of Equity Shares of our Company is ₹10/- per Equity Share and the Issue price of ₹100 is 10 times of the face value.

The Issue Price of ₹100 is determined by our Company, in consultation with the Lead Manager is justified based on the above accounting ratios. For further details, please refer to the section titled '*Risk Factors*', and chapters titled '*Our Business*' and '*Financial Information*' beginning on page 18, 69 and 101, respectively of the Draft Prospectus.

STATEMENT OF TAX BENEFITS

To,
The Board of Directors
Rajat City Developers Limited
Plot No. 3 & 4, Commercial Complex
Rajeev Gandgi Nagar,
Kota – 324 005,
Rajasthan

Dear Sirs,

Sub: Statement of possible special tax benefits (“the Statement”) available to Rajat City Developers Limited (“the Company”) and its shareholders prepared in accordance with the requirements in Schedule VIII-Clause (VII) (L) of the Securities Exchange Board of India (Issue of Capital Disclosure Requirements) Regulations, 2018, as amended (“the Regulations”)

We hereby report that the enclosed annexure, prepared by the Management of the Company, states the possible special tax benefits available to the Company and the shareholders of the Company under the Income - Tax Act, 1961 (‘Act’) as amended by the Finance Act, 2019 (i.e. applicable to Financial Year 2019-20 relevant to Assessment Year 2020-21), presently in force in India. Several of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the Act. Hence, the ability of the Company or its shareholders to derive the special tax benefits is dependent upon fulfilling such conditions which, based on business imperatives which the Company may face in the future, the Company may or may not choose to fulfil.

The benefits discussed in the enclosed annexure cover only special tax benefits available to the Company and its shareholders and do not cover any general tax benefits available to the Company or its shareholders. This statement is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. A shareholder is advised to consult his/ her/ its own tax consultant with respect to the tax implications arising out of his/her/its participation in the proposed issue, particularly in view of ever changing tax laws in India.

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

- the Company or its shareholders will continue to obtain these benefits in future; or
- the conditions prescribed for availing the benefits have been/would be met.

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

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

We shall not be liable to Company for 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 of intentional misconduct.

The enclosed annexure is intended for your information and for inclusion in this Draft Prospectus / Prospectus in connection with the proposed issue of equity shares and is not to be used, referred to or distributed for any other purpose without our written consent.

For M/s. D.K. Saklecha & Co.,
Chartered Accountants

CA Arun Gautam
Partner
Membership No: 426574
Firm Registration No:002501C
Date: May 4, 2019
Place: Kota

Annexure

STATEMENT OF POSSIBLE SPECIAL TAX BENEFITS AVAILABLE TO THE COMPANY AND ITS SHAREHOLDERS

Outlined below are the possible special tax benefits available to the Company and its shareholders under the current direct tax laws in India for the financial year 2019-20.

A. SPECIAL TAX BENEFITS TO THE COMPANY UNDER THE INCOME TAX ACT, 1961 (THE “ACT”)

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

B. SPECIAL TAX BENEFITS TO THE SHAREHOLDERS UNDER THE INCOME TAX ACT, 1961 (THE “ACT”)

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

SECTION IV: ABOUT THE COMPANY INDUSTRY OVERVIEW

Disclaimer: The information in this chapter has been extracted from the websites of and publicly available documents from various sources. The data may have been re-classified by us for the purpose of presentation. Neither we nor any other person connected with this Issue has independently verified the information provided in this chapter. Industry sources and publications, referred to in this chapter, generally state that the information contained therein has been obtained from sources generally believed to be reliable but their accuracy, completeness and underlying assumptions are not guaranteed and their reliability cannot be assured, and, accordingly, investment decisions should not be based on such information.

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

THE INDIAN ECONOMY

India has emerged as the fastest growing major economy in the world as per the Central Statistics Organisation (CSO) and International Monetary Fund (IMF) and it is expected to be one of the top three economic powers of the world over the next 10-15 years, backed by its strong democracy and partnerships. India's GDP is estimated to have increased 6.6 per cent in 2017-18 and is expected to grow 7.3 per cent in 2018-19.

India's gross domestic product (GDP) at constant prices grew by 7.2 per cent in September-December 2017 quarter as per the Central Statistics Organisation (CSO). Corporate earnings in India are expected to grow by 15-20 per cent in FY 2018-19 supported by recovery in capital expenditure, according to JM Financial.

(Source: <https://home.kpmg.com/in/en/home/insights/2017/08/transformation-real-estate.html>)

Indian Real Estate Industry

Source: <https://www.ibef.org/industry/real-estate-india.aspx>

Introduction

The real estate sector is one of the most globally recognized sectors. In India, real estate is the second largest employer after agriculture and is slated to grow at 30 per cent over the next decade. The real estate sector comprises four sub sectors - housing, retail, hospitality, and commercial. The growth of this sector is well complemented by the growth of the corporate environment and the demand for office space as well as urban and semi-urban accommodations. The construction industry ranks third among the 14 major sectors in terms of direct, indirect and induced effects in all sectors of the economy.

It is also expected that this sector will incur more non-resident Indian (NRI) investments in both the short term and the long term. Bengaluru is expected to be the most favoured property investment destination for NRIs, followed by Ahmedabad, Pune, Chennai, Goa, Delhi and Dehradun.

India's rank in the Global House Price Index has jumped 13* spots to reach the ninth position among 55 international markets, on the back of increasing prices in mainstream residential sector.

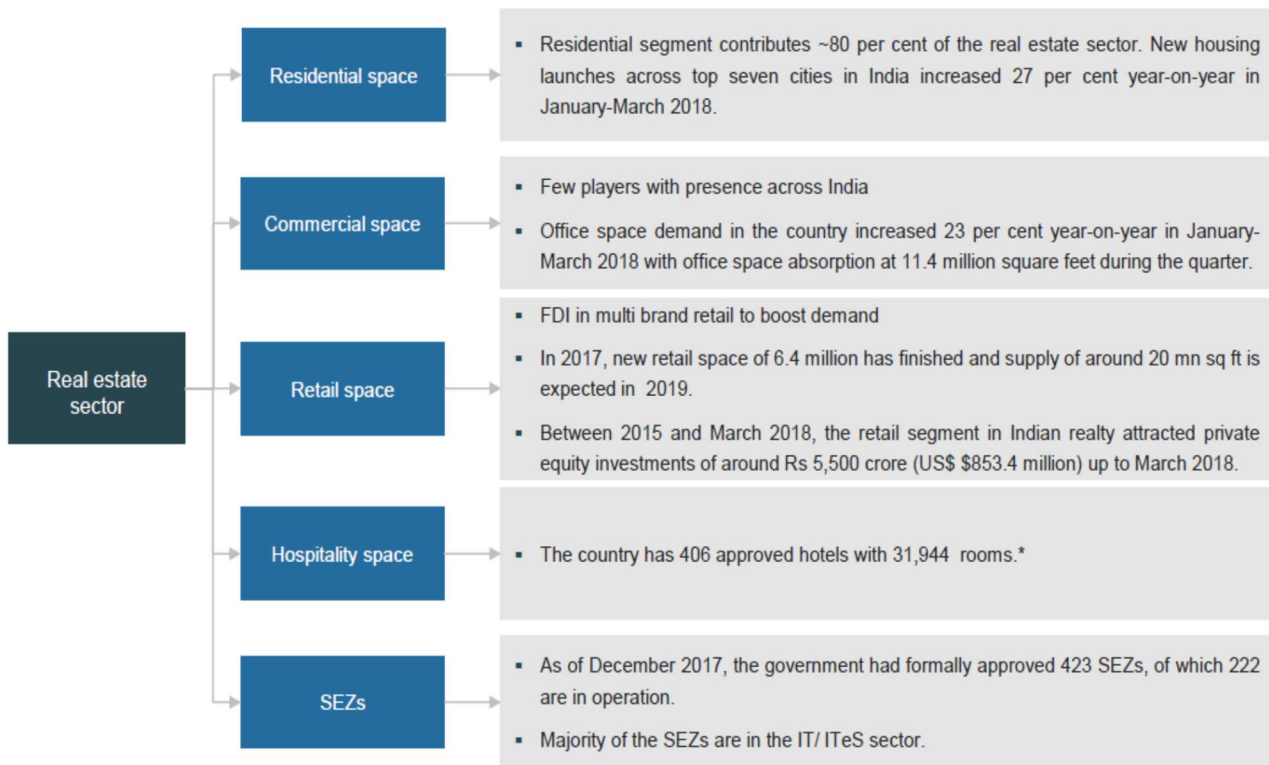
Market Size

The Indian real estate market is expected to touch US\$ 180 billion by 2020. Housing sector is expected to contribute around 11 per cent to India's GDP by 2020. In the period FY2008-2020, the market size of this sector is expected to increase at a Compound Annual Growth Rate (CAGR) of 11.2 per cent. Retail, hospitality and commercial real estate are also growing significantly, providing the much-needed infrastructure for India's growing needs.

Private equity and debt investments in India's real estate sector grew 12 per cent year-on-year to US\$ 4.18 billion across 79 transactions in 2017. In 2017, M&A deals worth US\$ 3.26 billion were made in India's real estate sector. Private equity investments in Indian retail assets increased 15 per cent in CY 2017 to reach US\$ 800 million. India is expected to witness an upward rise in the number of real estate deals in 2018, on the back of policy changes that have made the market more transparent.

Sectors such as IT and ITeS, retail, consulting and e-commerce have registered high demand for office space in recent times. The office space absorption in 2017 across the top eight cities amounted to 18 million square feet (msf) as of September 2017. Private equity inflows in office and IT/ITES real estate have grown 150 per cent between 2014 and 2017 backed by a strong attraction towards office sector. In 2017, new retail space of 6.4 million has finished and supply of around 20 mn sq ft is expected in 2019.

Segments in the Indian Real Estate Sector
Source: IBEF, Real Estate, May 2018



Investments/Developments

The Indian real estate sector has witnessed high growth in recent times with the rise in demand for office as well as residential spaces. Private equity investments in real estate are estimated to grow to US\$ 100 billion by 2026 with tier 1 and 2 cities being the prime beneficiaries. India stood third in the US Green Building Council's (USGBC) ranking of the top 10 countries for Leadership in Energy and Environmental Design (LEED) certified buildings, with over 752 LEED-certified projects across 20.28 million gross square meters of space. According to data released by Department of Industrial Policy and Promotion (DIPP), the construction development sector in India has received Foreign Direct Investment (FDI) equity inflows to the tune of US\$ 24.67 billion in the period April 2000-December 2017.

Road Ahead

The Securities and Exchange Board of India (SEBI) has given its approval for the Real Estate Investment Trust (REIT) platform which will help in allowing all kinds of investors to invest in the Indian real estate market. It would create an opportunity worth Rs 1.25 trillion (US\$ 19.65 billion) in the Indian market over the years. Responding to an increasingly well-informed consumer base and, bearing in mind the aspect of globalisation, Indian real estate developers have shifted gears and accepted fresh challenges. The most marked change has been the shift from family owned businesses to that of professionally managed ones. Real estate developers, in meeting the growing need for managing multiple projects across cities, are also investing in centralised processes to source material and organise manpower and hiring qualified professionals in areas like project management, architecture and engineering.

The growing flow of FDI into Indian real estate is encouraging increased transparency. Developers, in order to attract funding, have revamped their accounting and management systems to meet due diligence standards.

Source: /www.ibef.org/industry/indian-real-estate-industry-analysis-presentation

India's real estate market is expected to reach US\$ 180 billion by 2020 from US\$ 126 billion in 2015. Emergence of nuclear families, rapid urbanisation and rising household income are likely to remain the key drivers for growth in all spheres of real estate, including residential, commercial and retail. Rapid urbanisation in the country is pushing the growth of real estate. More than 70 per cent of India's GDP will be contributed by the urban areas by 2020. Housing sector is expected to contribute around 11 per cent to India's GDP by 2020.

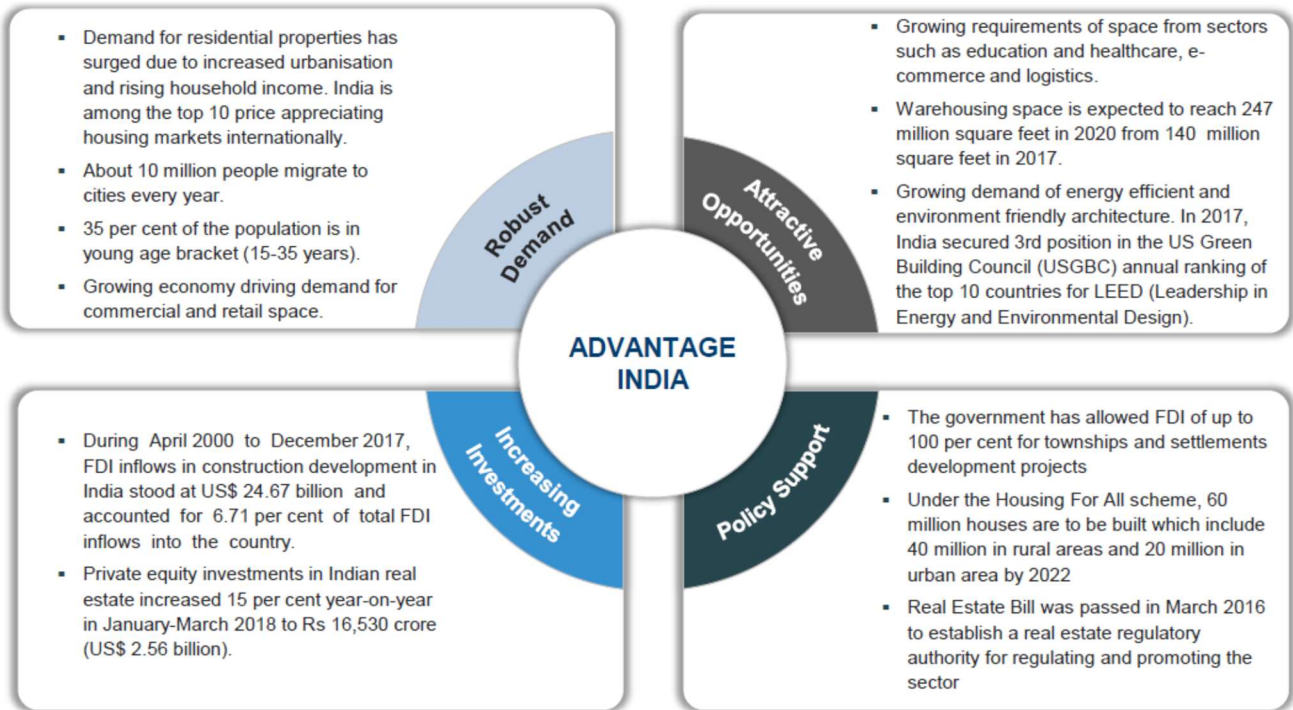
During January-March 2018, private equity investments in Indian real estate increased 15 per cent year-on-year to Rs 16,530 crore (US\$ 2.6 billion). Between 2015 and March 2018, the retail segment in Indian realty attracted private equity investments of around Rs 5,500 crore (US\$ \$853.4 million) up to March 2018.

Office space has been driven mostly by growth in ITeS/IT,BFSI, consulting and manufacturing. Office space demand in the country increased 23 per cent year-on-year in January-March 2018 with office space absorption at 11.4 million square feet during the quarter. Warehousing space is expected to reach 247 million square feet in 2020.

The Government of India has been supportive to the real estate sector. In August 2015, the Union Cabinet approved 100 Smart City Projects in India. The Government has also raised FDI limits for townships and settlements development projects to 100 per cent. Real estate projects within the Special Economic Zone (SEZ) are also permitted 100 per cent FDI. Government of India's Housing for All initiative is expected to bring US\$ 1.3 trillion investments in the housing sector by 2025. Under Union Budget 2018-19, Pradhan Mantri Awas Yojana (PMAY) (Gramin) was allocated Rs 33,000 crore (US\$ 5.10 billion) while the urban programme of the scheme was allocated Rs 31,500 crore (US\$ 4.87 billion). The scheme is expected to push affordable housing and construction in the country and give a boost to the real estate sector. The government has also released draft guidelines for investments by Real Estate Investment Trusts (REITs) in non-residential segment.

Advantage India

Source: IBEF, Real Estate, May 2018



OUR BUSINESS

Overview

We are currently engaged in the business of real estate development and are based in Kota, Rajasthan. We have real estate development projects in and around Kota City in Rajasthan which are at various stages of development. Currently, our business focuses on residential developments and land development & plotting. Our residential portfolio consists of various types of accommodation of varying sizes.

Our residential projects are primarily designed for middle income and high income customers. Our residential buildings are designed with a variety of amenities such as security systems, sports and recreational facilities, play areas and electricity back-up.

Our operations span all aspects of real estate development, from the identification and acquisition of land, the planning, execution and marketing of our projects, through to the maintenance and management of our completed developments. The entire construction related work is being carried out by our Promoter Group Entity, RCD Buildcon, wherein our Promoter Dr. Rajat Arora and Director, Zulfiqar Pathan are partners. The construction is done as per the specifications provided by us.

Since our incorporation, we have developed 2 projects namely:

1. Queens Court at Rajiv Gandhi Nagar, Kota consisting of 32 flats (24 2BHK and 8 3BHK Flats) covering approximately 46,876 square feet of saleable area.
2. Project: Park View (Residential+ Commercial), Balaji Market, Kota
Total Saleable Area: 242951 square feet of Residential and 20841 square feet of Commercial aggregating 263792 square feet consisting of 2BHK Flats, 2.5 BHK Flats, 3 BHK Flats and Commercial Shops.

“Developable Area” refers to the total area which we develop in each project, and includes carpet area, common area, service and storage area, as well as other open area, including car parking. Such area, other than car parking space, is often referred to in India as “super built-up” area. “Saleable Area” refers to the part of the Developable Area relating to our economic interest in such property.

We are also undertaking the following projects as under:

1. Project: Platina (Residential+ Commercial), Kunhari, Kota. This Project is being developed by partnership firm Silver Wings Life Spaces wherein our Company is 95% partner.
Total Saleable Area: 376456 square feet of Residential and 85479 square feet of Commercial aggregating 461935 square feet consisting of 2.5BHK Flats, 3BHK Flats, 1BHK Flats and commercial shops

As on date there is only one Project Specific entity namely M/s Silver Wings life Spaces. M/s Silver Wings life Spaces is 95% subsidiary of our Company. Platina Project is being undertaken through this entity.

2. Land Development and Plotting Project, Village Naya Nohra, Tehsil Ladpura, District Kota
We are in the process of land development and plotting of the above land admeasuring 1.04 hectares. We will be doing the levelling and land filling work and will also do plotting and boundary work to sell these plots in different sizes as per the customer requirements.

Our Promoters and Promoter Group Entities have been developing real estate since 2013. We have also been operating through various project-specific entities. In our residential business line, we build and sell a wide range of properties and

apartments of varying sizes, with a focus on the middle and higher end of the market. Our group activities and our group’s projects have been based out of Kota, Rajasthan.

The total inventories for these projects as on December 31, 2018 are as follows:

Particulars	Amount (₹ in Lakhs) As on December 31, 2018
Rajat City Developers Limited	
Park View	1,635.15
Rajat County	631.22
Silver Wings Life Spaces	
Platina	4,207.19
Total	6,473.56

Our Competitive Strengths

1. Experienced and Qualified management team

Our Company is managed by a team of competent personnel having knowledge of core aspects of our Business. Our promoter viz. Dr. Rajat Arora has been spear heading our Company’s performance. Our Promoters are well assisted by our qualified and dedicated Key Managerial Persons. We believe that the experience of our management team and its in-depth understanding of the real estate market in the region will enable us to continue to take advantage of both current and future market opportunities.

2. Established brand and reputation

We believe that our Groups brand ‘Rajat City’ is a recognizable brand in Kota region and is a differentiating factor for our customers, which helps establish customer confidence. We also believe that our established brand and reputation has enabled and will enable us to obtain development rights, pursuant to which we develop land owned by a third party on a sharing basis.

3. Operation methodology

We focus on the overall management of our projects, including land acquisition, project conceptualization and marketing. We work with service providers which enable us to access third party design, project management and construction expertise. We also associate with other third party architects, project management consultants, contractors and international property consultants.

Our Business Strategy

1. Increase geographical presence

Our Projects have been currently located in Kota region in Rajasthan. Going forward we plan to establish our presence in the other regions in Rajasthan and we intend to execute projects in other major cities. Our emphasis is on expanding the scale of our operations as well as growing our geographical presence, which we believe will provide attractive opportunities to grow our business and revenues.

2. Attracting and retaining the highest quality professionals.

In service industry People are the most valuable asset of the company and the reputation of the company will be built up by the management team. The dedication of the employees, professional skill, integrity and technical analytical mind results in success and growth of business. The well informed, technically and professionally qualified employee will help the clients to take correct decision and thereby we can retain the clients and increase our clientele through mouth publicity of our company. We intend to continue to seek out talent to further enhance and grow our business.

Our Major Products, Services and Processes

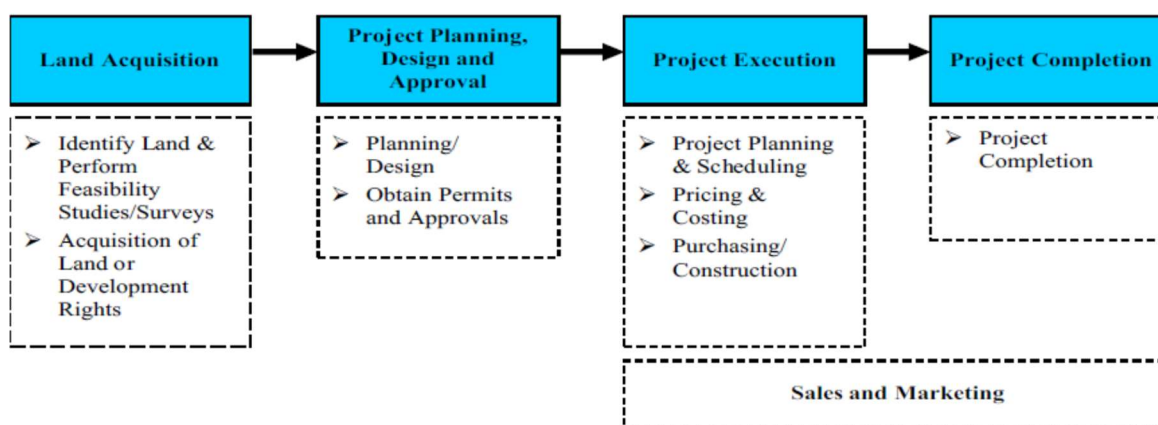
Our Residential Projects

We are currently executing residential projects in Kota. The project planning and execution process commences with obtaining the requisite regulatory approvals, environmental clearances and location specific approvals. We develop the project concept based on market studies and customer surveys to identify the area’s marketability and target customers. An architectural brief is prepared based on the project concept which is subsequently finalised with selected architects and other external consultants. Our operations and project management team, along with external consultants, closely monitor the development process, construction quality, actual and estimated project costs and construction schedules. We endeavor to maintain high health and safety standards in all of our real estate developments. For these projects we typically receive approximately 20% of the purchase price as down payment at the time of booking a particular unit and the remainder through periodic payments linked to certain other construction milestones while the project is being developed. We generally launch such projects and commence the sales process for a portion of the total number of units to be sold around the time of commencing construction.

We utilize an outsourcing model that allows scalability and emphasizes contemporary design and quality construction. We outsource design and construction aspects of the development process to architects and third-party contractors, while our experienced in-house project management and execution teams retain an overall project management role to ensure efficient and timely project execution.

Key Business Processes

The process of real estate development can be divided into distinct stages of activity. These stages are as follows:



Plant and Machinery

Currently we do not own any major plant and machinery. For the projects under execution by us we will use the machinery owned by third parties and also our group entities.

DESCRIPTION OF OUR BUSINESS

We are currently engaged in the business of real estate development and are based in Kota, Rajasthan. We have real estate development projects in and around Kota City in Rajasthan which are at various stages of development. Currently, our business focuses on residential developments and land development & plotting. Our residential portfolio consists of various types of accommodation of varying sizes. Our residential projects are primarily designed for middle income and high income customers. Our residential buildings are designed with a variety of amenities such as security systems, sports and recreational facilities, play areas and electricity back-up.

Collaborations

We have not entered into any technical or other collaboration.

Infrastructure Facilities

Materials

As timely supply of materials is one of the most crucial elements of project execution, we have a pool of competent vendors to supply the required materials with the desired specifications. We also procure materials locally from near the project site. We also do quality checks of the materials supplied. Stringent norms are adhered to while enrolling new vendors, who are selected based on their capabilities.

Utilities

The main utilities required in construction activity are:

Power

The construction projects are not power intensive. Power is required at site for running various machineries and equipment and also for lighting. Generally power requirement is met at site through normal distribution channel and is generally sourced from local bodies. However, if need arises, Company uses D.G Set to meet power requirements. Power requirement of the Company varies at each stage of project and depends upon the size and nature of the project.

Fuel

The fuel required to operate D.G. Sets and certain heavy equipment is usually met locally.

Water

The Company meets its water requirement largely by digging tube wells at project sites. The cost of utilities is taken care under job charges and administration and other miscellaneous expenses.

Manpower

Our Company is committed towards creating an organization that nurtures talent. We provide our employees an open atmosphere with a continuous learning platform that recognizes meritorious performance.

The following is a department-wise break-up of our employees as on April 30, 2018:

Sr. No.	Category	Registered Office	Site Offices	Total
1	Senior Management	5		5
2	Middle Management	10	3	13
3	Others	8	7	15
	Total	23	10	33

Further, we use contract labor on our construction sites as per the requirements.

HEALTH, SAFETY AND ENVIRONMENT

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

Competition

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

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

Approach to Marketing and Marketing Set-up

We market our projects through our internal marketing team, and through external brokers and consultants. We maintain a database consisting of our existing customers, referrals and leads we have generated through various advertising and awareness campaigns. We employ various marketing approaches depending on the project. These include launch events, corporate presentations, internet marketing

Future Prospects

The future plans of our Company are in line with the way the industry is thinking and planning ahead. Our Company is trying to increase the geographical areas of operations to cater to the growing market.

Capacity and Capacity Utilization

Our Company operates in a service industry and hence capacity and capacity utilization is not applicable to us.

Export Possibilities & Export Obligation

Currently, we do not have any outstanding export obligations.

Property

The following table sets forth the location and other details of the leasehold properties of our Company:

Sr. No	Description of Property	Name of Lessor	Agreement Date, Lease period	Amount	Purpose
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Sr. No	Description of Property	Name of Lessor	Agreement Date, Lease period	Amount	Purpose
1.	3,4 (Commercial Complex), Nr. Hotel Madhushree, Rajeev Gandhi Nagar, Kota – 324005, Rajasthan	Dr. Jagdish Kumar Arora	5 years w.e.f. February 10, 2017	Rent of Rs. 15,000 per month	Registered Office

We also have site offices for marketing at our various sites.

Intellectual Property

Our Company's do not own any intellectual property including trade mark.

Insurance

Our Company maintains insurance against various risks inherent in our business activities, including Standard Fire and Special Perils Policy. Overall, we generally maintain insurance covering our assets and operations at levels that we believe to be appropriate for our business. Although, we consider our insurance coverage to be of a type and level that is economically prudent, we cannot assure you that we will be able to maintain insurance at rate which we consider commercially reasonable or that such coverage will be adequate to cover any claims that may arise.

KEY INDUSTRIAL REGULATIONS AND POLICIES IN INDIA

The following description is a summary of certain sector-specific laws currently in force in India, which are applicable to our Company. The information detailed in this chapter has been obtained from publications available in the public domain. The description below may not be exhaustive, and is only intended to provide general information to investors, and is neither designed as, nor intended to substitute, professional legal advice. Judicial and administrative interpretations are subject to modification or clarification by subsequent legislative, judicial or administrative decisions. The information detailed in this chapter has been obtained from various legislations, including rules and regulations promulgated by the regulatory bodies that are available in the public domain.

The Company may be required to obtain licenses and approvals depending upon the prevailing laws and regulations as applicable. For information on regulatory approvals obtained by us, please refer “Government and Other Approvals” on page 148. We are required to obtain and regularly renew certain licenses / registrations / sanctions / permissions required statutorily under the provisions of various Central and State Government regulations, rules, bye laws, acts and policies. Additionally, the projects undertaken by us require, at various stages, the sanction of the concerned authorities under the relevant central and state legislations and local byelaws.

Following is an overview of some of the important laws and regulations, which are relevant to our business.

INDUSTRY-SPECIFIC REGULATIONS

The Real Estate (Regulation and Development) Act, 2016

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

Indian Contract Act, 1872

The Indian Contract Act, 1872 provides for seeking data protection under contract law and common law, by incorporating confidentiality and data protection clauses in contracts. According to this Act, when a party commits a breach of contract, the other party is entitled to receive compensation for any loss or damage caused to it. Specific performance of the contract is also a remedy under the Act. Thus companies acting as 'data importers' may enter into contracts with 'data exporters' to adhere to a high standard of data protection.

THE RAJASTHAN REGIONAL AND URBAN PLANNING BILL, 2018

A bill to provide for comprehensive planning, harmonious and regulated development of regions and towns of different categories in the State, aimed at optimum utilisation of resources and to achieve above mentioned objectives and for matters connected therewith or incidental thereto.

The Indian Stamp Act, 1899

The Indian Stamp Act, 1899 prescribes the rates for the stamping of documents and instruments by which any right or liability is, or purports to be, created, transferred, limited, extended, extinguished or recorded. Under the Indian Stamp

Act, 1899, an instrument not ‘duly stamped’ cannot be accepted as evidence by civil court, an arbitrator or any other authority authorized to receive evidence. However, the document can be accepted as evidence in criminal court.

Transfer of Property Act, 1882

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

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

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

Further, it may be noted that with regards to the transfer of any interest in a property, the transferor transfers such interest, including any incidents, in the

The Registration Act, 1908

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

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

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

corridors. Further, in case of acquisition of land under the 1894 Act where an award has been made five years or more prior to the commencement of the Land Acquisition Act, 2013 and physical possession of the land has not been taken or compensation has not been made, the proceedings will be deemed to have lapsed and the government may start fresh proceedings under the Land Acquisition Act, 2013.

The Specific Relief Act, 1963

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

National Building Code of India, 2005

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

ENVIRONMENT RELATED LAWS

We are subject to various environment regulations as the operation of our establishments might have an impact on the environment in which they are situated. The basic purpose of the statutes given below is to control, abate and prevent pollution. In order to achieve these objectives, State PCB, which are vested with diverse powers to deal with water and air pollution, have been set up in each state and in the Centre. The State PCBs are responsible for setting the standards for maintenance of clean air and water, directing the installation of pollution control devices in industries and undertaking inspection to ensure that industries are functioning in compliance with the standards prescribed. These authorities also have the power of search, seizure and investigation. All industries are required to obtain consent orders from the State PCBs, which are required to be periodically renewed.

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

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

Contract Labour (Regulation and Abolition) Act, 1970

This Act was enacted to regulate the employment of contract labour in certain establishments and to provide for its abolition in certain circumstances. This act applies to: (a) To every establishment in which twenty or more workmen are employed or were employed on any day of the preceding twelve months as contract labour; (b) To every contractor who employees or who employed on any day of the preceding twelve months twenty or more workmen provided that the appropriate Government may after giving not less than 2 (two) months' notice, by notification in the Official Gazette, apply the provisions of this Act to any establishment or contractor.

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

Certain other Labour laws and regulations that may be applicable to our Company include the following:

- Child Labour (Prohibition and Abolition) Act, 1986
- Minimum Wages Act, 1948
- The Employees Pension Scheme, 1995
- The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

HISTORY AND CERTAIN CORPORATE MATTERS

Brief History of our Company

Our Company was originally incorporated as a private limited company under the Companies Act, 1956 pursuant to a certificate of incorporation issued by the Registrar of Companies, Rajasthan, Jaipur dated July 14, 2008 with the name ‘Rajat City Developers Private Limited’. Subsequently, our Company was converted into a public limited company pursuant to approval of the shareholders at an extraordinary general meeting held on May 02, 2018 and consequently, the name of our Company was changed to ‘Rajat City Developers Limited’ and a fresh certificate of incorporation consequent upon conversion to public limited company was issued by the Registrar of Companies, Rajasthan, Jaipur on May 09, 2018. Our corporate identification number is U45201RJ2008PTC026979.

Changes in our Registered Office:

As on the date of this Draft Prospectus, our Registered Office is located at Plot no. 3&4, Commercial Complex, Rajeev Gandhi Nagar, Kota – 324 005, Rajasthan, India. Following are the details of the changes in the address of the registered office of our Company since incorporation:

Date of Change of Registered Office	Details of the address of Registered Office	Reason
August 01, 2015	117 Bhawanimandi 326 502, Rajasthan, India to plot no. 3 & 4, Commercial Complex, Rajeev Gandhi Nagar, Kota –324 005, Rajasthan, India.	For administrative convenience

Major Events and Milestones

Financial Year	Event
2008	Incorporation
2016	Completion of first project “Queens Court”
2016	Commencement of Park View Project
2016	Investment in our Subsidiary Firm, Silver Wings Life Spaces
2018	Launch of Rajat County

Other Details regarding our Company

We had filed Prospectus dated August 23, 2017 with NSE and the Registrar of Companies, Ahmedabad for listing of equity shares of our Company on the EMERGE Platform of NSE. We withdrew the public issue due to changes in our business and prevailing market conditions.

Significant financial and strategic partners

As on the date of this Draft Red Herring Prospectus, our Company does not have any significant financial or strategic partners.

Time and cost overrun

Our Company has not experienced any significant time and cost overrun since we are in trading business.

Launch of Key Products or services

We have entered into the business of real estate trading and broking during FY 2019.

Defaults or rescheduling of borrowings with financial institutions/ banks and conversion of loans into equity

There have been no defaults or rescheduling of borrowings with financial institutions in respect of our current borrowings from lenders.

Material Acquisitions or Divestments of Business/Undertakings, Mergers, Amalgamations or Revaluation of Assets, in the last ten years

Our Company has not undertaken any material acquisitions or divestments of business/undertakings, mergers, amalgamations or revaluation of assets in the last ten years

Main Objects of our Company:

The main objects of our Company, as contained in our Memorandum of Association, are as set forth below:

- “1. To deal in immovable properties such as land and buildings and to purchase, acquire, brokerage, to and rent by leasing properties, take or give on lease or in exchange or in any other lawful manner in India or abroad land including agriculture land , udhyan, park, resorts, farms, plot, buildings, structures, farm houses and estates, real estates or inter-est therein and any rights over or connected with them and to develop the same for sale on instalments or by preparing building sites and by constructing, altering, improving, developing, promoting, decorating, furnishing, maintaining of heritage spots, hotels, udhyan, resorts, malls, plazas, apartments, shopping malls, farm houses, complexes, commercial and residential buildings, colonization, multi-storey offices, multiplex, amusement park, flats, gardens, houses, shops, showrooms, group housing and townships and to equip them or any part thereof with all or any amenities or conveniences thereon and by consolidating or connecting or subdividing properties and leasing or disposing of the same and to manage such land and buildings,
2. To carry on the business as colonizers, developers to act as civil engineers, managers, advisers, consultants, planners, architects, designers, building experts, promoters, contractors, sub-contractors of government, semi government in the field of real estate in India or abroad”.

The main object as contained in the Memorandum of Association enable our Company to carry on the business presently being carried out as well as to carry on the activities for which the funds are being raised in the Issue.

Amendments to the Memorandum of Association

The following changes have been made in the Memorandum of Association of our Company since inception:

Date of Shareholders' Resolution	Nature of Amendment
March 31, 2014	Clause V of the Memorandum of Association was amended to reflect the increase in the authorized share capital of our Company from ₹1,00,000 consisting of 1,000 Equity shares of ₹100.00 each to ₹99,00,000 consisting of 99,000 Equity Shares of ₹100.00 each.
March 3, 2015	Clause V of the Memorandum of Association was amended to reflect the increase in the authorized share capital of our Company from ₹99,00,000 consisting of 99,000 Equity Shares of ₹100.00 each to ₹2,00,00,000 consisting of 2,00,000 Equity Shares of ₹100.00 each.
February 29, 2016	Clause V of the Memorandum of Association was amended to reflect the increase in the authorized share capital of our Company from ₹2,00,00,000 consisting of 2,00,000 Equity Shares of ₹100.00 each to ₹4,00,00,000 consisting of 4,00,000 Equity Shares of ₹100.00 each.
April 30, 2018	Clause V of the Memorandum of Association was amended to reflect the increase in the

Date of Shareholders' Resolution	Nature of Amendment
	authorized share capital of our Company from ₹4,00,00,000 consisting of 4,00,000 Equity Shares of ₹100.00 each to ₹5,00,00,000 consisting of 5,00,000 Equity Shares of ₹100.00 each.
May 02, 2018	Our Company was converted into a public limited company under the Companies Act, 2013 and the name of our Company was changed to ' <i>Rajat City Developers Limited</i> ' pursuant to fresh certificate of incorporation consequent upon conversion to public limited company dated May 09, 2018 issued by the Registrar of Companies, Rajasthan, Jaipur.
May 11, 2018	Our company split the 5,00,000 equity shares from face value ₹100.00 each to 50,00,000 equity shares of face value ₹10.00 each
	The Memorandum of Association was restated in order to be compliant with the provisions of the Companies Act, 2013.

Holding Company of our Company

As of the date of the Draft Prospectus, our Company is not a subsidiary of any Company

Subsidiary of our Company

As of the date of the Draft Prospectus, our Company does not have a subsidiary company. However, our company is a majority partner (95%) in Partnership Firm, Silver Wings Life Spaces, Kota wherein Platina Project is being undertaken.

M/s Silver Wings life Spaces (“SWLS”)

Firm Information

Silver Wings Life Spaces was incorporated on September 7, 2015 under the Partnership Act, 1932. . Further vide retirement cum partnership deed dated June 01, 2017 the partnership was reconstituted. PAN of SWLS is ACSFS4581L. The registered office of SWLS is situated at Plot No. 3& 4, Commercial Complex, Near Madhushree Hotel, Rajeev Gandhi Nagar, Kota, Rajasthan, India. SWLS is engaged in Civil Contractor, Land Developers, Builder, Sale and Purchase of land, Brokering and any other business .

Project: Platina (Residential+ Commercial), Kunhari, Kota. This Project is being developed by partnership firm Silver Wings Life Spaces wherein our Company is 95% partner.

Interest of our Promoters

Our Promoter, Dr. Rajat Arora and our company are having a total of 100.00% profit sharing ratio. Following are the details of the partners of SWLS and their profit sharing ratio as on the date of this Draft Prospectus:

Sr. No.	Name of Partners	% Profit Sharing Ratio
1.	Dr. Rajat Arora	5.00
2.	Rajat City Developers Limited	95.00
	Total	100.00

Financial Information

Certain details of the audited financial results of SWLS for financial years 2018, 2016 and 2015 are set forth below:

(₹ in lakhs, except per share data)

Particulars	For the period ended March 31		
	2018	2017	2016
Partner's capital			
Dr. Rajat Arora	22.92	134.20	115.00
Jagdish Kumar Arora	0.00	61.00	120.00
Zulfikar Pathan	0.00	-51.30	10.00
Rajat City Developers pvt. Ltd.	1127.34	793.28	416.85
Sales Income and other income	0.00	0.00	0.00
Profit/(Loss) before tax	0.00	0.00	0.00

Collaboration Agreements

As on the date of the Draft Prospectus, our Company is not a party to any collaboration agreements

Shareholders' Agreements

As on the date of the Draft Prospectus, our Company has not entered into any shareholders' agreements

Material Agreements

As on the date of the Draft Prospectus, our Company has not entered into any shareholders' agreements

Number of Shareholders

Our Company has seven (7) shareholders on date of the Draft Prospectus.

OUR MANAGEMENT

Board of Directors

Under our Articles of Association, we are required to have not less than 3 (three) directors and not more than 15 (fifteen) directors, subject to the applicable provisions of the Companies Act, 2013. We currently have 6 (Six) Directors on our Board.

Set forth below are details regarding our Board as on the date of this Draft Prospectus:

Name, Designation, Occupation, Term, DIN and Nationality	Age (years)	Address	Other Directorships
Name: Dr. Rajat Arora Father's Name: Dr. Jagdish Kumar Arora Designation: Managing Director Occupation: Professional Term: 5 years w.e.f. May 18, 2018 DIN: 02182937 Nationality: Indian	41	117, J.K. Hospital, Bhawanimandi, Jhalawar, Rajasthan- 326 502	<i>LLP</i> <ul style="list-style-type: none"> ● Rajat Life Spaces LLP (Under Strike Off) <i>Partnership Firm</i> <ul style="list-style-type: none"> ● M/s RCD Buildcon ● M/s Silver Wings Life Spaces <i>Proprietary Concern</i> <ul style="list-style-type: none"> ● M/s Kareena Medicals
Name: Dr. Jagdish Kumar Arora Father's Name: Mr. Kherati Lal Arora Designation: Non Executive Chairman Occupation: Professional Term: Liable to retire by rotation DIN: 02182942 Nationality: Indian	78	117, J.K. Hospital, Bhawanimandi, Jhalawar, Rajasthan- 326 502	<i>Partnership Firm</i> <ul style="list-style-type: none"> ● M/s Chambal City Scan and Ultra Sound Centre ● M/s Silver Wings Life Spaces <i>Proprietary Concern</i> <ul style="list-style-type: none"> ● M/s J.K. Hospital
Name: Masrat Khan Father's Name: Mr. Usman Khan Designation: Executive Director Occupation: Business Term: 5 years w.e.f. May 18, 2018 DIN: 07233086 Nationality: Indian	34	House No. 3 K 57, Vigyan Nagar, Kota, Rajasthan – 324 005	<i>Companies</i> <ul style="list-style-type: none"> ● Z K Buildcon Private Limited
Name: Zulfikar Pathan Father's Name: Mr. Yakub Ali	37	House No. 3 K 57, Vigyan Nagar, Hanuman Ji Ke Mandir Ke Pass, Kota, Rajasthan – 324 005	<i>Companies</i> <ul style="list-style-type: none"> ● Z K Buildcon Private Limited

<p>Pathan</p> <p>Designation: Non Executive Director</p> <p>Occupation: Business</p> <p>Term: Liable to retire by rotation</p> <p>DIN: 07235312</p> <p>Nationality: Indian</p>			<p><i>Partnership Firm</i></p> <ul style="list-style-type: none"> ● M/s RCD Buildcon ● M/s Silver Wings Life Spaces
<p>Name: Mohammed Saif</p> <p>Father's Name: Mr. Burhanuddin Saif</p> <p>Designation: Independent Director</p> <p>Occupation: Professional</p> <p>Term: 5 Consecutive Years from March 29, 2019</p> <p>DIN: 08405838</p> <p>Nationality: Indian</p>	34	G-2, Mohsin Apartment, Retwali Tipta, Kota-324006, Rajasthan	Nil
<p>Name: Sanjay Singh</p> <p>Father's Name: Mr. Prahlad Singh</p> <p>Designation: Independent Director</p> <p>Occupation: Business</p> <p>Term: 5 Consecutive Years from May 23, 2018</p> <p>DIN: 05228300</p> <p>Nationality: Indian</p>	37	Plot No. 145-146, White house, E- Block, Dadu Dyal Nagar, Muhana Road, Jaipur- 320 020, Rajasthan	<p><i>Companies</i></p> <ul style="list-style-type: none"> ● Abir Buildmart Private Limited

Relationship between our Directors

None of our directors are related to each other, except for the ones mentioned below:

Sr. No.	Name of the Director	Related To	Nature of Relationship
1.	Dr. Rajat Arora	Dr. Jagdish Kumar Arora	Son
2.	Zulfikar Pathan	Masrat Khan	Spouse

Brief Profile of our Directors

Dr. Rajat Arora, aged 42 years, is a Promoter and Managing Director of our Company. He holds a MBBS Degree from Odessa University, Ukraine. After completion of his MBBS from Ukraine in 2003 he came back to India and started practicing medicine along with his father, Dr. Jagdish Kumar Arora, at J.K Hospital in Bhawanimandi. Later he moved to Kota in the year 2005 to take care of the diagnostic centre. Later he saw opportunity in the real estate sector in Kota and diversified into real estate sector in the year 2008. He has

experience of about 12 years in health care sector and about 9 years in real estate sector. He looks after the overall administration of the group. He also takes care of day to day business of our company from planning till project execution. He has been on our Board since incorporation.

Dr. Jagdish Kumar Arora, aged 78 years, is a Non-Executive Chairman of our Company. He has done MBBS from Ravindra Nath Medical College, Rajasthan University, Udaipur, Rajasthan. He had his own hospital by the name of JK Hospital in Bhawanimandi. He has experience of about 50 years in health care sector. He acts as a mentor to our entire group. He has been on our Board since incorporation.

Masrat Khan, aged 34 years, is an Executive Director of our Company. She holds a Bachelor's degree in Arts from Kota University. She has experience of over 2 years in sales and marketing field. She has been on our Board of Directors since July 10, 2015.

Zulfikar Pathan, aged 37 years, is a Executive Director of our Company. He holds a Bachelor's degree in Arts from Kota University. He has experience of about 8 years in real estate sector. He is also involved in the marketing and advertising of various projects of the group. He has been on our Board of Directors since June 01, 2017 .

Mohammed Saif, aged 34 years, is an Independent Director of our Company. He is an associate member of Institute of Chartered Accountants of India. He is a practicing chartered accountant for more than 3 years and is having experience in the in the field of statutory audit, tax audit, accounts, finance, corporate laws and other laws. He has been on our Board of Directors since dated March 29, 2019.

Sanjay Singh, aged 37 years, is an Independent Director of our Company. He is a under graduate. He has experience of about 6 years in Chemical Industry. He has been on our Board of Directors since dated May 23, 2018.

Further Confirmations:

- There are no arrangements or understanding with major shareholders, customers, suppliers or others, pursuant to which any of the Directors were selected as a Director.
- There is no service contracts entered into by the Directors with our Company providing for benefits upon termination of employment.
- None of the Directors is categorized or are on the RBI List of wilful defaulters.
- None of our Directors are declared Fugitive Economic Offenders under Section 12 of the Fugitive Economic Offenders Act, 2018.
- None of our Directors is or was a director of any listed company during the last five years preceding the date of this Draft Prospectus, whose shares have been or were suspended from being traded on the Stock Exchange(s), during the term of their directorship in such company.
- None of the Promoters, Persons forming part of our Promoter Group, Directors or persons in control of our Company, has been or is involved as a promoter, director or person in control of any other company, which is debarred from accessing the capital market under any order or directions made by SEBI or any other regulatory authority.
- No proceedings/ investigations have been initiated by SEBI against any company, the board of directors of which also comprises any of the Directors of our Company. No consideration in cash or shares or otherwise has been paid or agreed to be paid to any of our Directors or to the firms of companies in which they are interested by any person either to induce him to become or to help him qualify as a Director, or otherwise for services rendered by him or by the firm or company in which he is interested, in connection with the promotion or formation of our Company.

Compensation / Remuneration / Commission paid to our Executive Directors

Set forth below is the gross remuneration paid by our Company to our Executive Directors in Financial Year 2017-18:

Sr. No.	Name of Director	Remuneration paid (₹in Lakhs)
1.	Dr.Rajat Arora	12.00
2.	Masrat Khan	11.60

Terms of employment of our Managing Director

Dr.Rajat Arora has been appointed as the Managing Director of our Company with effect from May 18, 2018 *vide* Shareholders resolution dated May 18, 2018 for a period of 5 years. The significant terms of his employment are as under:

Salary	₹2,50,000 per month, with a suitable increase as may be decided or approved from time to time by the Nomination and Remuneration Committee and/or Board of Directors of the Company.
Term	Appointed as Managing Director for the period of 5 years w.e.f. May 18, 2018.

Terms of employment of our Executive Director:

Masrat Khan has been appointed as a Executive Director of our Company with effect from May 18, 2018 *vide* shareholders resolution dated May 18, 2018. The significant terms of her employment are as under:

Salary	₹1,50,000 per month, with a suitable increase as may be decided or approved from time to time by the Nomination and Remuneration Committee and/or Board of Directors of the Company.
Term	Appointed as Whole-time Director for the period of 5years w.e.f. May 18, 2018

Remuneration details of our Non-Executive and Independent Directors

No remuneration or sitting fees is payable to our Non Executive and Independent Directors.

Bonus or Profit Sharing Plan of the Directors

None of our Directors are party to any bonus or profit sharing plan of our Company.

Shareholding of Directors in our Company

Our Articles of Association do not require our Directors to hold qualification shares. As on date of the Draft Prospectus, our Directors hold the following number of Equity Shares of our Company:

Name of Director	Number of Equity Shares Held (Pre-Issue)	%of pre-Issue paid-up equity share capital
Dr.Rajat Arora	28,71,000	99.00%
Dr. Jagdish Kumar Arora	24,000	0.83%
Masrat Khan	1,000	0.03%
Zulfikar Pathan	1,000	0.03%
Total	28,97,000	99.90%

Interest of Directors

- a) Our Non-Executive Non-Independent Directors and Independent Directors may be deemed to be interested to the extent of sitting fees, if any, payable to them for attending meetings of our Board and Committees thereof and reimbursement of expenses available to them and commission payable to them as approved by our Board. All our Executive Directors may be deemed to be interested to the extent of other remuneration and reimbursement of expenses payable to them.
- b) Dr. Rajat Arora is also the Promoters of our Company, and may accordingly be deemed to be interested in the promotion or formation of our Company. Our Directors may also be regarded as interested in the Equity

Shares held by them, if any (together with dividends and any other distributions in respect of such Equity Shares).

- c) None of our Directors have any interest in any property acquired or proposed to be acquired of our Company or by our Company in the preceding three years. Our Company has taken its registered office and other office on rent from Dr. Jagdish Kumar Arora at a monthly rent of ₹ 15,000.
- d) Further, none of our Directors have any interest in any transaction by our Company for acquisition of land, construction of building or supply of machinery.
- e) No consideration in cash or shares or otherwise has been paid or agreed to be paid to any of our Directors or to the firms or companies in which any of our Directors are interested, by any person, either to induce him to become, or to qualify him as, as a Director, or otherwise for services rendered by our Directors or by the firm or company in which they are interested, in connection with the promotion or formation of our Company.
- f) Except as disclosed in “Consolidated *Financial Statements*” beginning on page 101 and as disclosed in this section, none of our Directors have any interest in our business.
- g) Further, except as disclosed in “*Financial Statements*” beginning on page 101, no loans have been availed by our Directors from our Company.

Changes in our Board during the Last Three Years

Except as disclosed below, there have been no changes in our Board during the last three years:

Name of Director	Date of appointment	Date of cessation	Reason
Masrat Khan	July 10, 2015	-	Appointed as a Director
Zulfikar Pathan	June 01, 2017	-	Appointed as a Director
Dr. Rajat Arora	May 18, 2018	-	Re-appointed as Managing Director
Dr. Jagdish Kumar Arora	May 18, 2018	-	Re-appointed as Chairman
Masrat Khan	May 18, 2018	-	Re-appointed as Executive Director
Arun Gautam	May 23, 2018	January 8, 2019	Resignation
Sanjay Singh	May 23, 2018	-	Appointed as an Independent Director
Mohammed Saif	March 29, 2018	-	Appointed as an Independent Director

Borrowing Powers of our Board

Our Articles of Association, subject to applicable law, authorize our Board to raise or borrow money or secure the payment of any sum of money for the purposes of our Company. Pursuant to a resolution passed by our shareholders at their extra-ordinary general meeting held on May 18, 2018 our shareholders have authorized our Board to borrow any sum of money from time to time notwithstanding that the sum or sums so borrowed together with the monies, if any, already borrowed by the company (apart from temporary loans obtained from the Company’s bankers in the ordinary course of business) exceed the paid up capital and free reserves of the Company provided such amount does not exceed ₹2,00,00,00,000/- (Rupees Two Hundred Crores Only) in excess of its paid up capital and free reserves which may have not been set apart for any purpose.

Corporate Governance

The provisions of the SEBI Listing Regulations with respect to corporate governance will be applicable to us immediately upon the listing of our Equity Shares with the Stock Exchanges. We are in compliance with the requirements of the applicable regulations, including the SEBI Listing Regulations, the Companies Act, 2013 and other applicable regulations of the SEBI, in respect of corporate governance including in respect of the constitution of the Board and committees thereof, and formulation and adoption of policies. Our Board has been constituted in compliance with the Companies Act, 2013 and the SEBI Listing Regulations.

Our Company stands committed to good corporate governance practices based on the principles such as

accountability, transparency in dealing with our shareholders, emphasis on communication and transparent reporting. Our Board has been constituted in compliance with the Companies Act and SEBI (LODR) Regulations, to the extent applicable. Our Board functions either as a full board or through various committees constituted to oversee specific functions. In compliance with the requirements of the Companies Act and the SEBI (LODR) Regulations, to the extent applicable our Board of Directors consists of five Directors (including one woman Directors) of which four are Independent Directors which is in compliance with the requirements of Regulation 17 of SEBI (LODR) Regulations.

Committees of our Board

Our Board has constituted the following committees including those for compliance with corporate governance requirements:

1. *Audit Committee*

Our Audit Committee was constituted pursuant to a resolution of our Board of Directors dated April 6, 2019. Our Audit Committee currently comprises:

Name of Director	Status in Committee	Nature of Directorship
Mohammed Saif	Chairman	Non-Executive and Independent
Dr. Jagdish Kumar Arora	Member	Non-Executive Chairman
Sanjay Singh	Member	Non-Executive and Independent

The Company Secretary of the Company shall act as the Secretary of the Audit Committee.

Set forth below are the scope, functions and the terms of reference of our Audit Committee, in accordance with Section 177 of the Companies Act, 2013 and Regulation 18 of the SEBI (LODR) Regulations.

A. *Powers of Audit Committee*

The Audit Committee shall have powers, including the following:

- To investigate any activity within its terms of reference;
- To seek information from any employee;
- To obtain outside legal or other professional advice; and
- To secure attendance of outsiders with relevant expertise, if it considers necessary.

B. *Role of Audit Committee*

The role of the Audit Committee shall include the following:

- (a) Oversight of our Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- (b) Recommendation for appointment, re-appointment and replacement, remuneration and terms of appointment of auditors of our Company;
- (c) Reviewing and monitoring the auditor's independence and performance and the effectiveness of audit process;
- (d) Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- (e) Reviewing the financial statements with respect to its unlisted Subsidiary(ies), in particular investments made by such Subsidiary(ies);
- (f) Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
 - Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013;
 - Changes, if any, in accounting policies and practices and reasons for the same;
 - accounting entries involving estimates based on the exercise of judgment by management;
 - Significant adjustments made in the financial statements arising out of audit findings;
 - Compliance with listing and other legal requirements relating to financial statements;
 - Disclosure of any related party transactions; and
 - Modified opinion(s) in the draft audit report.

- (g) Reviewing, the quarterly financial statements with the management before submission to the Board for approval;
- (h) Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
- (i) Approval or any subsequent modification of transactions of our Company with related parties;
- (j) Scrutiny of inter-corporate loans and investments;
- (k) Valuation of undertakings or assets of our Company, wherever it is necessary;
- (l) Evaluation of internal financial controls and risk management systems;
- (m) Monitoring the end use of funds raised through public offers and related matters;
- (n) Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
- (o) 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;
- (p) Discussion with internal auditors of any significant findings and follow up thereon;
- (q) 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;
- (r) Discussion with statutory auditors before the commencement of the audit, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- (s) 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;
- (t) To establish and review the functioning of the whistle blower mechanism;
- (u) Establishing and overseeing a vigil mechanism for directors and employees to report their genuine concerns or grievances;
- (v) Approval of appointment of the chief financial officer (i.e., the whole-time finance director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;
- (w) Carrying out any other terms of reference as may be decided by the Board or specified/ provided under the Companies Act, 2013 or the SEBI Listing Regulations or by any other regulatory authority; and
- (x) Review of (1) management discussion and analysis of financial condition and results of operations; (2) statement of significant related party transactions (as defined by the audit committee), submitted by management; (3) management letters / letters of internal control weaknesses issued by the statutory auditors; (4) internal audit reports relating to internal control weaknesses; (5) the appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the audit committee; (6) statement of deviations including (a) quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1) of the SEBI Listing 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 Listing Regulations.

As required under Regulation 18 of the SEBI (LODR) Regulations, the Audit Committee shall meet at least four times in a year, and not more than four months shall elapse between two meetings. The quorum shall be two members present, or one-third of the members, whichever is greater, provided that there should be a minimum of two independent members present.

2. Stakeholders' Relationship Committee

The Stakeholders' Relationship Committee was constituted pursuant to resolution of our Board of Directors dated April 6, 2019. The Stakeholders' Relationship Committee comprises:

Name of Director	Status in Committee	Nature of Directorship
Dr. Rajat Arora	Chairman	Managing Director
Sanjay Singh	Member	Non-Executive and Independent
Mohammed Saif	Member	Non-Executive and Independent

The Company Secretary of the Company shall act as the Secretary of the Stakeholders' Relationship Committee.

Set forth below are the terms of reference of our Stakeholders' Relationship Committee.

- (a) consider and resolve the grievance of security holders of the Company;
- (b) such other functions / activities as may be assigned / delegated from time to time by the Board of Directors of the Company and/or pursuant to the provisions of the Companies Act, 2013 read with the Companies (Meetings of Board and its Powers) Rules, 2014 (as amended) and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, to the extent applicable from time to time to the Company.

3. *Nomination and Remuneration Committee*

The Nomination and Remuneration Committee first constituted pursuant to a resolution of our Board of Directors dated April 6, 2019 and currently comprise:

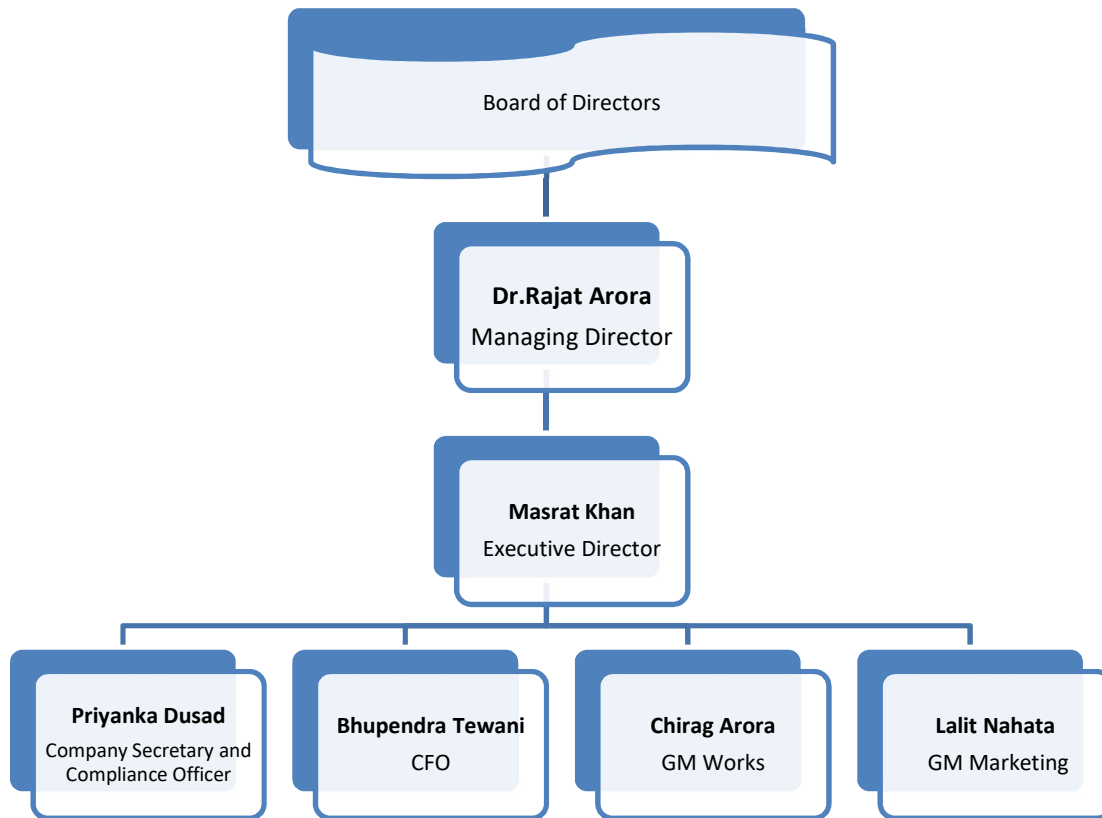
Name of Director	Status in Committee	Nature of Directorship
Mohammed Saif	Chairman	Non-Executive and Independent
Dr. Jagdish Kumar Arora	Member	Non-Executive Chairman
Sanjay Singh	Member	Non-Executive and Independent

The Company Secretary of the Company shall act as the Secretary of the Nomination and Remuneration Committee.

The scope, functions and the terms of reference of the Nomination and Remuneration Committee is in accordance with Section 178 of the Companies Act, 2013 read with Regulation 19 of the SEBI (LODR) Regulations. Set forth below are the terms of reference of our Nomination and Remuneration Committee.

- (a) identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal and shall carry out evaluation of every director's performance;
- (b) formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration for the directors, key managerial personnel and other employees;
- (c) while formulating the policy under (b) above, ensure that
 - the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the Company successfully;
 - relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
 - remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals;
- (d) such other functions / activities as may be assigned / delegated from time to time by the Board of Directors of the Company and/or pursuant to the provisions of the Companies Act, 2013 read with the Companies (Meetings of Board and its Powers) Rules, 2014 (as amended) and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, to the extent applicable from time to time to the Company.

ORGANIZATION STRUCTURE



OUR KEY MANAGERIAL PERSONNEL

Set forth below are the details of our key managerial personnel in addition to our Managing Director, Whole-time Directors as on the date of the Draft Prospectus. For details of our Managing Director and Whole-time Directors refer “Our Management” on page 83.

Bhupendra Tewani, aged 41 years, is the Chief Financial Officer of our Company. He holds a Bachelor’s degree in Commerce from Maharshi Dayanand Saraswati University, Ajmer, Rajasthan. He has experience of about 12 years in field of accounts, purchase and stores departments. His responsibilities include to maintain the requirement of applicable Accounting and Auditing Standards of our Company, assisting the Company in implementing the best corporate governance practices, etc. He has been appointed as Chief Financial Officer (CFO) of our Company with effect from May 20, 2018. He is associated with our Company since May 01, 2018. He was paid total remuneration of ₹ 2.24 Lakhs for the 9 months period ended December 31, 2018.

Priyanka Dusad, aged 25 years, is the Company Secretary and Compliance Officer of our Company. She is a qualified Company Secretary and an associate member of the Institute of Company Secretaries of India. She holds a Bachelor’s Degree in Commerce from University of Rajasthan. She has experience of over 2 years in the field of secretarial work and corporate law compliances. He has been associated with our Company since May 19, 2018. She is currently responsible for the secretarial and legal compliances and matters related thereto of our Company. She was paid total remuneration of ₹ 0.95 Lakhs for the 9 months period ended December 31, 2018.

Chirag Arora, aged 37 years, is the General Manager Works of our Company. He holds a Master degree in Arts from Maharshi Dayanand Saraswati University, Ajmer, Rajasthan. He has experience of about 5 years in field of real estate development. He is associated with our Company since May 01, 2018. His responsibilities includes overlooking purchase of material and handling construction team. He was paid total remuneration of ₹ 2.80 Lakhs for the 9 months period ended December 31, 2018.

Lalit Nahata, aged 47 years, is the General Manager Marketing of our Company. He is a under graduate. He has experience of about 2 years in field of real estate sector. He is associated with our Company since May 01, 2018. His responsibilities includes overlooking purchase of material and handling construction team. He was

paid total remuneration of ₹ 6.80 Lakhs for the 9 months period ended December 31, 2018.

Arrangements and Understanding with Major Shareholders

None of our key managerial personnel or Directors has been appointed pursuant to any arrangement or understanding with our major shareholders, customers, suppliers or others. For more information, refer “*History and Certain Other Corporate Matters*” on page 79.

Bonus or Profit Sharing Plan for our Key Managerial Personnel

As on the date of this Draft Prospectus our Company does not have any performance linked bonus or profit sharing plan with any of our key managerial personnel.

Loans to Key Managerial Personnel

There is no loan outstanding against key managerial personnel as on date of this Draft Prospectus.

Interest of Key Managerial Personnel

Except as disclosed in “*Interest of Directors*” on page 86 in respect of Dr. Rajat Arora and other Directors, no other Key Managerial Personnel of our Company has any interest in our Company other than to the extent of the remuneration or benefits to which they are entitled to as per their terms of appointment and reimbursement of expenses incurred by them during the ordinary course of business. There is no contingent or deferred compensation accrued for the year payable to the Key Managerial Personnel, even if the compensation is payable at a later date.

Further, the Key Managerial Personnel may be regarded as interested in the Equity Shares held by them, if any, (together with dividends and any other distributions in respect of such Equity Shares).

Except as disclosed in “*Consolidated Financial Statements*” beginning on page 101, no loans have been availed by our Key Managerial Personnel from our Company.

Employees Stock Option Scheme

Our Company does not have any Employee Stock Option Scheme/ Employee Stock Purchase Scheme as on the date of filing of this Draft Prospectus.

Payment or Benefit to officers of our Company

Except as disclosed in this Draft Prospectus, no amount or benefit has been paid or given or is intended to be paid or given to any of our Company’s employees including the Key Management Personnel within the two years preceding the date of filing of this Draft Prospectus, except for the payment of remuneration or commission for services rendered as an officer of our Company.

Changes in our Company’s Key Managerial Personnel during the last three years.


The changes in other Key Management Personnel in the last three years are as follows:

Name	Date	Reason
Bhupendra Tewani	May 20, 2018	Re-appointment as Chief Financial Officer
Priyanka Dusad	May 19, 2018	Appointment as Company Secretary and Compliance Officer
Lalit Nahata	May 01, 2018	Appointment as General Manager Marketing
Chirag Arora	May 01, 2018	Appointment as General Manager Works

OUR PROMOTER AND PROMOTER GROUP

Dr. Rajat Arora is the Promoter of our Company. He currently holds 28,71,000 Equity Shares equivalent to 81.90% of the pre-offer, issued, subscribed and paid-up Equity Share Capital of our Company.

Details of our Promoter:

	<p>Dr. Rajat Arora, aged 42 years, is a Promoter and Managing Director of our Company. He holds a MBBS Degree from Odessa University, Ukraine. After completion of his MBBS from Ukraine in 2003 he came back to India and started practicing medicine along with his father, Dr. Jagdish Kumar Arora, at J.K Hospital in Bhawanimandi. Later he moved to Kota in the year 2005 to take care of the diagnostic centre. Later he saw opportunity in the real estate sector in Kota and diversified into real estate sector in the year 2008. He has experience of about 12 years in health care sector and about 9 years in real estate sector. He looks after the overall administration of the group. He also takes care of day to day business of our company from planning till project execution. He has been on our Board since incorporation.</p> <p>For a complete profile of Dr. Rajat Arora, i.e., his educational qualifications, professional experience, other directorships etc. refer “<i>Our Management</i>” on page 83.</p> <p>Passport No: P3540068 Driving License: RJ17/2001/0023566 Voters ID: RJ/15/120/027451 Aadhar Card No. : 421464445429 Address: 117, J.K. Hospital, Bhawanimandi - 326502, Rajasthan, India.</p> <p>For details of other ventures of Dr. Rajat Arora, refer “<i>Our Group Entities</i>” on page 97.</p>
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DECLARATION: We confirm that the PAN, bank account number and passport number of our Promoter will be submitted to BSE Limited on whose SME Platform the Equity Shares are proposed to be listed at the time of filing this Draft Prospectus.

Interest of our Promoter

Our Promoter is interested in our Company to the extent (i) that he has promoted our Company; (ii) of his shareholding and the shareholding of his relatives in our Company and the dividend payable, if any and other distributions in respect of the Equity Shares held by him or his relatives; (iii) of being Managing Director and Key Management Personnel of our Company and the remuneration, sitting fees and reimbursement of expenses payable by our Company to him; (iv) that he has mortgaged his personal properties and provided personal guarantees for the loans availed by our Company; (v) of being a subscriber to the Memorandum of Association of our Company; (vi) of his relatives having been appointed to places of profit in our Company; and (vii) that our Company has undertaken transactions with him, or his relatives or entities in which our Promoter holds shares. For details regarding the shareholding of our Promoter in our Company, please refer “*Capital Structure*”, “*Our Management*” and “*Related Party Transactions*” on pages 44, 83 and 127, respectively.

Our Promoter does not have any interest in any property acquired by our Company within two years of the date of this Draft Prospectus or proposed to be acquired by it or in any transaction in acquisition of land and construction of building etc. Further, our Promoter does not have any interest in any supply of machinery to our Company. However, our Company has taken its registered office and other office on rent from Dr. Jagdish Kumar Arora at a monthly rent of ₹ 15,000.

Other than as disclosed in the section “*Related Party Transaction as Restated*” on page 127, there are no sales/purchases between our Company and our Promoter and Promoter Group and Group Companies where such sales or purchases exceeding in value in the aggregate 10% of the total sales or purchases of our Company or any business interest between our Company, our Promoter, our Promoter Group and Group Entities as on the date of the last audited financial statements.

Our Promoter may also be deemed to be interested in our Company to the extent of the personal guarantees given by them for the loans availed by our Company. For further details, please see the chapter titled “Financial Indebtedness” beginning on page 140 of this Draft Prospectus.

Our Promoter are not members of any firm or company having any interest in the Company for which any sums are paid or agreed to be paid to either of our Promoter or to the firm or company in cash or shares or otherwise by any person either to induce our Promoter to become, or to qualify our Promoter as, a director, or otherwise for services rendered by our Promoter or by the firm or company, in connection with the promotion or formation of the Company.

Group Entities

For details of our group entities, refer “*Our Group Entities*” on page 97.

Payment or Benefit to Promoters

Except as stated above in “*Interest of our Promoters*” and in “*Related Party Transaction*” on pages 93 and 127, respectively, there has been no payment of benefits to our Promoters, members of our Promoter Group and Group Entities, during the two years preceding the filing of this Draft Prospectus.

Material Guarantees

Our Promoter and members of promoter group have given personal guarantees for the loans availed by our Company and our Subsidiary Partnership firm.

Common Pursuits

Our Promoters and certain of our Group Entities are authorized to carry on similar lines of business as conducted by our Company, pursuant to the provisions of their respective constitutional documents. We have in the past entered and expect to continue to enter into transactions with certain related parties in the ordinary course of our business, including due to the industry and regulatory framework in which we operate. For details of related party transactions with our Promoters and Group Entities, refer “*Related Party Transactions*” on page 127. While we believe that all our related party transactions have been conducted on arm’s length basis, our Promoters and members of the Promoter Group have interests in other companies and entities, either as directors or otherwise, that may compete with us. For more information, refer “*Risk Factors*” on page 18, “*Our Management*” on page 83 and “*Consolidated Financial Statements*” on page 101.

As a result, conflicts of interests may arise in allocating business opportunities amongst our Company and certain of our Group Entities in circumstances where our respective interests diverge. In cases of conflict, our Promoters may favor other companies in which our Promoters have interest. We have not entered into any non-compete agreement with our Promoters and/or Group Entities. While, we shall adopt necessary procedures and practices as permitted by law to address any conflict situations, as and when they may arise, we cannot assure you that our Promoters or our Group Entities or members of the Promoter Group will not compete with our existing business or any future business that we may undertake or that their interests will not conflict with ours.

Litigation

For details relating to legal proceedings involving our Promoters, refer “*Outstanding Litigation and Material Developments*” on page 144.

Other Confirmations

Our Promoters and their relatives have not been declared as Wilful Defaulters and there are no violations of securities laws committed by our Promoters in the past and no proceedings for violation of securities laws are pending against them.

None of our Promoters are Fugitive Economic Offenders under Section 12 of the Fugitive Economic Offenders Act, 2018.

None of the Promoters, Promoter Group entities or Group Companies have been debarred or prohibited from accessing or operating in capital markets under any order or direction passed by SEBI or any other regulatory or governmental authority.

Our Promoters and members of the Promoter Group are not and have never been promoters, directors or person in control of any other company which is debarred or prohibited from accessing or operating in capital markets under any order or direction passed by SEBI or any other regulatory or governmental authority.

There is no litigation or legal action pending or taken by any ministry, department of the Government or statutory authority during the last 5 (five) years preceding the date of the Offer against our Promoters, except as disclosed under the chapter titled “Outstanding Litigation and Material Developments” beginning on page 144 of this Draft Prospectus.

Except as disclosed in “*Related Party Transactions*” on page 127, our Promoters are not related to any of the sundry debtors or beneficiaries of loans and advances of our Company.

Our Promoters are not interested in any entity which holds any intellectual property rights that are used by our Company.

Companies with which our Promoters have disassociated in the last three years

Except as stated under, our Promoters have not disassociated themselves from any Company in three years preceding the date of this Draft Prospectus:

Name of the Entity	Reason for Disassociation	Date of Disassociation
Rajat Life Spaces LLP	To focus on Rajat City Developers Limited	LLP under strike off process

Change in Management and control of our Company

There was no change in management of our Company during the 5 (five) years immediately preceding the date of filing of this Draft Prospectus.

OUR PROMOTER GROUP

In addition to the Promoters named above, the following individuals and entities form part of the Promoter Group:

A. Individuals forming part of Promoter Group:

Relationship	Dr. Rajat Arora
Father	Jagdish Kumar Arora
Mother	Late Chanchal Arora
Spouse	Lyudmilya Ibragimova
Brother	N.A.
Sister	Romila Gambhir, Rakhi Jolly
Son	N.A.
Daughter	Kareena Arora, Aryana Arora
Spouse's Father	Yuiry Ibragimov
Spouse's Mother	Late Aksayna Ibragimova
Spouse's Brother	N.A.
Spouse's Sister	N.A.

B. Entities forming part of Promoter Group:

Companies

Nil

Partnership Firms

- M/s RCD Buildcon,
- M/s Silver Wings Life Spaces, and
- M/s Chambal City Scan and Ultrasound Centre

H.U.F.

- Rajat Arora & Sons
- Jagdish Arora & Sons

Proprietary concerns

- M/s Kareena Medicals, Proprietor Dr. Rajat Arora
- M/s J.K. Hospital, Proprietor Dr. Jagdish Kumar Arora

OUR GROUP ENTITIES

Pursuant to resolution of our Board dated April 6, 2019, and in accordance with the SEBI ICDR Regulations, group companies of our Company shall include (i) companies (other than our Subsidiaries) with which there were related party transactions as per the Restated Financial Information of our Company, as covered under applicable accounting standards; and (ii) such other companies as considered material by our Board. Our Board has approved that for the purpose of disclosure in connection with the Offer, a company shall be considered material and disclosed as a group company of our Company, if (i) such company forms part of the promoter group of our Company; and (ii) companies with whom transactions entered into exceed 5% or more of the revenue of our Company as per the Restated Financial Information of our Company for the last completed Financial Year.

On this basis, our Board has accordingly determined that following are the entities which will be considered as Group entities of our Company.

1. M/s RCD Buildcon (“RCDB”)

Firm Information

RCDB Buildcon was incorporated on September 04, 2015 under the Partnership Act, 1932. PAN No. of RCDB is AASFR9558G. The registered office of RCDB is situated at 3-KA-57, Vigyan Nagar, Kota, Rajasthan, India. The main business of RCDB is of Contractor Ship of civil work, Land Developers, Colonizers, Constructions of shops, Townships, Buildings and Multi Story, Trading of land & Buildings, Brokerage business of land & building and any other business in addition there to or in substitution thereof .

Interest of our Promoters

Our Promoter, Dr. Rajat Arora having 50% profit sharing ratio in RCDB. Following are the details of the partners of RCDB and their profit sharing ratio as on the date of this Draft Prospectus:

Sr. No.	Name of Partners	% Profit Sharing Ratio
1.	Rajat Arora	50.00
2.	Zulfikar Pathan	50.00
	Total	100.00

Financial Information

Certain details of the audited financial results of RCDB for financial years 2018, 2017 and 2016 are set forth below:

Particulars	(₹ in lakhs, except per share data)		
	For the period ended March 31		
	2017	2017	2016
Partner’s capital			
Rajat Arora	40.02	20.08	7.02
Zulfikar Pathan	76.68	156.58	7.03
Sales Income and other income	784.05	1105.04	223.57
Profit/(Loss) before tax	3.07	11.98	2.63

Significant Notes by Auditors

There are no qualifications or matters of emphasis by the auditors in relation to the aforementioned financial statements.

Related Party Transactions and sales and purchases between our Company and Group Entities

For details of related party transactions entered into by our Company, refer “*Related Party Transactions*” on page 127.

Litigation

For details relating to legal proceedings involving our Group Entities, refer ‘*Outstanding Litigation and Material Developments*’ on page 144.

Group Companies under the Insolvency and Bankruptcy Code, 2016

Neither has any winding up petition been filed under the Companies Act, 2013 against any group company nor has any corporate insolvency resolution process commenced against such group company under the Insolvency and Bankruptcy Code, 2016 or any other applicable law.

Defunct Group Companies

None of our Group Companies are defunct companies, nor has any application been made to strike off their names from the register of companies during the five years preceding the date of filing the Draft Red Herring Prospectus.

Common Pursuits

Our Company and one of our Group Entities, RCD Buildcon are authorized to carry on similar lines of business as conducted by our Company, pursuant to the provisions of their respective constitutional documents. We have in the past entered and expect to continue to enter into transactions with certain related parties in the ordinary course of our business, including due to the industry and regulatory framework in which we operate. For details of related party transactions with our Promoters and Group Entities, refer “*Related Party Transactions*” on page 127. While we believe that all our related party transactions have been conducted on arm’s length basis, our Promoters and members of the Promoter Group have interests in other companies and entities, either as directors or otherwise, that may compete with us. For more information, refer “*Risk Factors*” on page 18, “*Our Management*” on page 83 and “*Consolidated Financial Statements*” on page 101.

Interest of Group Entities

- a) None of the Group Companies have any interest in the promotion of our Company.
- (b) None of the Group Companies are interested in the properties acquired or proposed to be acquired by our Company in the preceding three years.
- (c) Except as disclosed in “*Financial Statements*” beginning on page 146, none of the Group Companies is interested in any transactions for acquisition of land, construction of building or supply of machinery.
- (d) Except in the ordinary course of business as disclosed in “*Financial Statements*” beginning on page 101, none of the Group Companies have any business interest or other interests in our Company.

Payment or Benefit to our Group Entities

Except as stated in the “*Related Party Transactions*” on page 127, there has been no payment of benefits to our Group Entities during the two years prior to the filing of this Draft Prospectus.

Other Confirmations

As on the date of this Draft Prospectus, none of the Group Entities: (i) are listed on any stock exchange; (ii) have completed any public or rights issue since the date of its incorporation; (iii) have become a sick company within the meaning of the Sick Industrial Companies (Special Provisions) Act, 1995 in India; (iv) has received any winding up petition accepted by a court; (v) have become defunct; (vi) have made an application to the relevant registrar of companies (in India), for striking off its name (vii) have been identified as wilful defaulters, as defined under the SEBI (ICDR) Regulations and there are no violations of securities laws committed by them in the past and no proceedings pertaining to such penalties are pending against them (viii) have been refused listing of any of the securities issued by such entity by any stock exchange, in India or abroad (ix) had negative net worth as of the date of their last audited financial statements.

RELATED PARTY TRANSACTIONS

For details of related party transactions of our Company as per the requirements under Accounting Standard 18 “*Related Party Disclosures*” issued by the Institute of Chartered Accountants of India and as reported in the Restated Financial Statements, please refer to “*Consolidated Related Party Transactions*” on page 127 under “*Financial Statements*” on page 101 of the Draft Prospectus.

DIVIDEND POLICY

The declaration and payment of dividends, if any, will be recommended by our Board of Directors and approved by our shareholders at their discretion, subject to the provision of the Articles of Association and the Companies Act. The dividends, if any, will depend on a number of factors, including but not limited to the earnings, capital requirements and overall financial position of our Company. In addition, our ability to pay dividends may be impacted by a number of other factors, including, restrictive covenants under the loan or financing documents we may enter into from time to time. For further details on restrictive covenants, please refer “*Financial Indebtedness*” on page 140. Our Company has no formal dividend policy. Our Board may also, from time to time, pay interim dividends. Our Company has not declared any dividends since its incorporation.

**SECTION V – FINANCIAL INFORMATION
CONSOLIDATED FINANCIAL STATEMENTS**

**INDEPENDENT AUDITOR’S REPORT ON RESTATED CONSOLIDATED FINANCIAL
STATEMENTS**

(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
Rajat City Developers Limited
Plot No. 3 & 4, Commercial Complex,
Rajeev Gandhi Nagar,
Kota-324 005,
Rajasthan

Dear Sir,

1. Report on Restated Consolidated Financial Statements

We have examined the Restated Consolidated Financial Statements of M/s Rajat City Developers Limited (hereinafter referred as “the Issuer Company”), and its subsidiary firm Silver Wings Life Spaces (95% Subsidiary of Rajat City Developers Limited) (collectively known as the “Group”) the summarized consolidated statements of which annexed to this report have been prepared in accordance with the requirements of:

- i. Section 26 read with the applicable provisions within Rule-4 to 6 of Companies (Prospectus and Allotment of Securities) Rules, 2014 of Companies Act, 2013, As amended (hereinafter referred to as the “Act”) and
 - ii. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 (“the Regulation”) (“SEBI ICDR Regulations”) issued by the Securities and Exchange Board of India (SEBI) and amendments made thereto;
 - iii. The terms of reference to our engagements with the Company 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 on SME Platform of Stock Exchange (“IPO” or “SME IPO”);
 - iv. The (Revised) Guidance Note on Reports in Company Prospectus issued by the Institute of Chartered Accountants of India (“ICAI”) ; and
 - v. In terms of Schedule VI of the SEBI (ICDR) Regulations, 2018 and other provisions relating to accounts, We, M/s D.K. Saklecha & Co., Chartered Accountants, have been subjected to the peer review process of the Institute of Chartered Accountants of India (ICAI) and hold a valid certificate.
2. The Restated Consolidated Summary Statements and Financial information of the Company have been extracted and prepared by the management from the Audited Financial Statements of the Company for the 9 months period ended December 31, 2018 and financial years ended March 31, 2018, 2017 and 2017 which have been approved by the Board of Directors.
3. Financial Statements for the 9 months period ended December 31, 2018 has been audited by us and for the financial years ended March 31, 2018, 2017 and 2016 have been audited by Ajit Jain, Chartered Accountants. We have also carried out re-audit of the financial statements for the Financial Year ended March 31, 2018 solely for the purpose of restatement as required by SEBI regulations. We did not re-audit the consolidated financial statements of the subsidiary for the 9 months period ended December 31, 2018 and for the year ended on March 31, 2018, 2017 and 2016.

4. Financial Information as per Audited Financial Statements:

- i. We have examined:

- a. The attached Restated Consolidated Statement of Assets and Liabilities of the company, as at December 31, 2018 and March 31, 2018, 2017 and 2016 (Annexure I);
- b. The attached Restated Consolidated Statement of Profits and Losses of the Company for the 9 months period ended December 31, 2018 and for the financial Years ended on March 31, 2018, 2017 and 2017 (Annexure II);
- c. The attached Restated Consolidated Statement of Cash Flows of the Company for the 9 months period ended December 31, 2018 and for the financial Years ended on March 31, 2018, 2017 and 2017, (Annexure III);
- d. The Significant Accounting Policies adopted by the Company and notes to the Restated Consolidated Financial Statements along with adjustments on account of audit qualifications / adjustments / regroupings.(Annexure IV);

(Collectively hereinafter referred as “**Restated Consolidated Financial Statements**” or “**Restated Summary Statements**”)

- ii. In accordance with the requirements of Act, ICDR Regulations as amended from time to time, Guidance Note on the reports in Company Prospectus (Revised) issued by ICAI and the terms of our Engagement Letter, we further report that:
 - a. The “Restated Consolidated Statement of Assets and Liabilities” as set out in Annexure I to this report, of the Company as at as at December 31, 2018 and March 31, 2018, 2017 and 2016 are prepared by the Company 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 IV to this Report.
 - b. The “Restated Consolidated Statement of Profit and Loss”as set out in Annexure II to this report, of the Company for the 9 months period ended December 31, 2018 and for the financial Years ended on March 31, 2018, 2017 and 2017 are prepared by the Company 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, 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 IV to this Report.
 - c. The “Restated Consolidated Statement of Cash Flow”as set out in Annexure III to this report, of the Company for the 9 months period ended December 31, 2018 and for the financial Years ended on March 31, 2018, 2017 and 2016, are prepared by the Company 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, 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 IV to this Report.

Based on the above we are of the opinion that “**Restated Consolidated Financial Statements**” or “**Restated Summary Statements**” have been made after incorporating:

- a. The adjustments for any material amounts in the respective financial years have been made to which they relate.
- b. There are no Extra-ordinary items that need to be disclosed separately in the Restated Summary Statements.
- c. There were no audit qualifications for which adjustment was required.

- d. Adjustments if any, made for the changes in Accounting Policies and Estimates adopted by the Company with retrospective effect to reflect the significant accounting policies being adopted by company as on December 31, 2018 are explained in annexure IV to this report..
- e. There are no revaluation reserves, which need to be disclosed separately in the Restated Consolidated Financial Statements.
- f. The Company has not paid dividend on its equity shares.

5. Other Financial Information:

- I. We have also examined the following consolidated financial information as set out in annexure prepared by the Management and as approved by the Board of Directors of the Company for the 9 months period ended December 31, 2018 and for the financial Years ended on March 31, 2018, 2017 and 2016.

PARTICULARS	ANNEXURE NO.
STATEMENT OF CONSOLIDATED ASSETS AND LIABILITIES AS RESTATED	I
STATEMENT OF CONSOLIDATED PROFIT & LOSS AS RESTATED	II
STATEMENT OF CONSOLIDATED CASH FLOWS AS RESTATED	III
SIGNIFICANT ACCOUNTING POLICY AND NOTES TO THE RESTATED CONSOLIDATED SUMMARY STATEMENTS	IV
STATEMENT OF SHARE CAPITAL AS RESTATED	I.1
STATEMENT OF CONSOLIDATED RESERVES AND SURPLUS AS RESTATED	I.2
STATEMENT OF CONSOLIDATED OTHER LONG TERM BORROWINGS AS RESTATED	I.3
STATEMENT OF CONSOLIDATED OTHER NON CURRENT LIABILITIES AS RESTATED	I.4
STATEMENT OF CONSOLIDATED TRADE PAYABLES AS RESTATED	I.5
STATEMENT OF CONSOLIDATED OTHER CURRENT LIABILITIES AS RESTATED	I.6
STATEMENT OF CONSOLIDATED SHORT TERM PROVISIONS AS RESTATED	I.7
STATEMENT OF CONSOLIDATED FIXED ASSETS AS RESTATED	I.8
DETAILS OF MINORITY INTEREST AND COST OF CONTROL AS RESTATED	I.9
STATEMENT OF CONSOLIDATED NON CURRENT INVESTMENT AS RESTATED	I.10
STATEMENT OF CONSOLIDATED LONG TERM LOANS AND ADVANCES AS RESTATED	I.11
STATEMENT OF CONSOLIDATED DEFERRED TAX ASSETS AS RESTATED	I.12
STATEMENT OF CONSOLIDATED INVENTORIES AS RESTATED	I.13
STATEMENT OF CONSOLIDATED TRADE RECEIVABLES AS RESTATED	I.14
STATEMENT OF CONSOLIDATED CASH AND CASH EQUIVALENTS AS RESTATED	I.15
STATEMENT OF CONSOLIDATED SHORT TERM LOANS AND ADVANCES AS	I.16

RESTATED	
STATEMENT OF CONSOLIDATED OTHER CURRENT ASSETS AS RESTATED	I.17
STATEMENT OF CONSOLIDATED REVENUE FROM OPERATIONS AS RESTATED	II.1
STATEMENT OF CONSOLIDATED OTHER INCOME AS RESTATED	II.2
STATEMENT OF CONSOLIDATED COST OF CONSTRUCTION AS RESTATED	II.3
CONSOLIDATED STATEMENT OF CHANGES IN INVENTORY AS RESTATED	II.4
STATEMENT OF CONSOLIDATED EMPLOYEE BENEFIT EXPENSES AS RESTATED	II.5
STATEMENT OF CONSOLIDATED OTHER EXPENSES AS RESTATED	II.6
STATEMENT OF CONSOLIDATED FINANCIAL COST AS RESTATED	II.7
STATEMENT OF CONSOLIDATED RELATED PARTY TRANSACTIONS AS RESTATED	V
STATEMENT OF CONSOLIDATED ACCOUNTING RATIOS AS RESTATED	VI
STATEMENT OF CONSOLIDATED CAPITALIZATION AS RESTATED	VII
STATEMENT OF CONTINGENT LIABILITIES AS RESTATED	VIII
STATEMENT OF CONSOLIDATED PRINCIPLE TERMS AND CONDITIONS OF BORROWINGS	IX

- II. The Restated Consolidated Financial Information contain all the disclosures required by the SEBI ICDR regulations and partial disclosures as required by Accounting Standards notified under section 133 of Companies Act, 2013.
- III. In our opinion, the above Restated Consolidated Financial Information contained in this report read along with the are prepared after making adjustments and regrouping as considered appropriate and have been prepared in accordance with paragraph B, Part II of Schedule II of the Act, the SEBI 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 Institute of Chartered Accountants of India (ICAI) to the extent applicable, as amended from time to time, and in terms of our engagement as agreed with the Company. 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.
- IV. Consequently the financial information has been prepared after making such regroupings and adjustments as were, in our opinion, considered appropriate to comply with the same. As 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.
- V. The report should not in any way be construed as a re-issuance or re-dating of any of the previous audit report, nor should this constructed as a new opinion on any of the financial statements referred to herein.
- VI. We have no responsibility to update our report for events and circumstances occurring after the date of the report.

- VII. Our report is intended solely for use of the management and for inclusion in the Offer Document in connection with the IPO-SME for Proposed Issue of Equity Shares of the Company 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 Consolidated Financial Statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. 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 Consolidated 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.

For M/s. D.K. Saklecha & Co.,
Chartered Accountants

CA Arun Gautam
Partner

Membership No: 426574

Firm Registration No:002501C

Date: May 4, 2019

Place: Kota

Annexure I

STATEMENT OF CONSOLIDATED ASSETS AND LIABILITIES AS RESTATED

(₹ in Lakhs)

Particulars	Note No.	31.12.18	31.03.18	31.03.17	31.03.16
Equity & Liabilities					
Shareholders Fund					
Share capital	I.1	290.00	290.00	290.00	290.00
Reserves and surplus	I.2	450.24	231.47	86.37	81.69
Total Shareholder's Fund		740.24	521.47	376.37	371.69
Minority Interest	1.17	83.21	64.17	442.82	264.74
Non Current Liabilities					
Long Term Borrowings	I.3	6,528.53	6,548.27	4,235.03	2,209.83
Other Non Current liabilities	I.4	0.00	0.00	0.00	452.25
Total Current Liabilities		6,611.74	6,612.44	4,677.86	2,926.82
Current Liabilities					
Short Term Borrowings		0.00	0.00	0.00	0.00
Trade Payables	I.5	438.25	107.78	602.81	28.02
Other Current Liabilities	I.6	6,700.07	5,700.05	3,680.80	3,012.23
Short Term Provisions	I.7	59.36	44.16	2.21	69.17
Total Current Liabilities		7,197.67	5,851.99	4,285.81	3,109.42
Total Equity & Liability		14,549.65	12,985.90	9,340.03	6,407.93
Non-Current Assets					
a) Fixed Assets					
Tangible Assets	I.8	57.82	70.73	95.52	94.33
Goodwill	I.9	0.00	0.00	129.04	19.74
Total Fixed Assets (a)		57.82	70.73	224.56	114.07
b) Non Current Investments	I.10	0.00	0.00	3.00	0.00
c) Long Term Loans and Advances	I.11	433.54	372.14	870.53	70.52
d) Other Non Current Assets		0.00	0.00	0.00	0.00
e) Deferred Tax Asset	I.12	12.84	15.66	17.24	8.55
Total Non Current Assets		504.20	458.53	1,115.33	193.15
Current assets					
Inventories	I.13	6,473.56	8,267.51	5,966.48	4,116.13
Trade Receivables	I.14	6,785.19	3,014.50	1,422.93	1,230.72
Cash and Cash Equivalents balances	I.15	71.17	107.67	113.24	267.98
Short Term Loans and advances	I.16	702.28	1,124.43	709.59	413.36
Other Current Assets	I.17	13.25	13.26	12.45	186.60
Total Current Assets		14,045.45	12,527.37	8,224.70	6,214.78
Total Assets		14,549.65	12,985.90	9,340.03	6,407.93

STATEMENT OF CONSOLIDATED PROFIT & LOSS AS RESTATED

(₹ in Lakhs)

Particulars	Note No.	31.12.18	31.03.18	31.03.17	31.03.16
Income					
Operating Revenue	II.1	3,770.69	1,610.06	380.64	1,266.41
Other Income	II.2	0.79	0.89	0.70	0.93
Total Revenue		3,771.48	1,610.95	381.34	1,267.34
Expenditure					
Cost of Construction	II.3	1,104.38	2,800.63	1,649.09	3,744.80
Change in Inventory	II.4	1,793.95	(2301.03)	(1850.35)	(2873.75)
Employee Benefit Expenses	II.5	80.14	109.08	90.81	44.96
Other Expenses	II.6	121.15	230.78	202.96	174.35
Total (B)		3,099.62	839.46	92.52	1,090.36
Profit Before Interest, Depreciation and Tax		671.86	771.49	288.83	176.98
Depreciation		13.53	25.69	32.56	26.62
Profit Before Interest and Tax		658.33	745.81	256.26	150.36
Financial Charges	II.7	461.62	666.81	253.77	72.25
Profit before Taxation		196.71	79.00	2.49	78.11
Provision for Taxation		59.18	24.25	6.50	31.00
Provision for Deferred Tax		2.82	1.58	(8.69)	(5.13)
Total		62.00	25.83	(2.19)	25.87
Profit After Tax but Before Extra ordinary Items		134.71	53.17	4.68	52.24
Extraordinary Items(MAT)		0.00	0.00	0.00	0.00
Prior Period Items		0.00	0.00	0.00	0.00
Net Profit after adjustments		134.71	53.17	4.68	52.24
Net Profit Transferred to Balance Sheet		134.71	53.17	4.68	52.24

Annexure III

STATEMENT OF CONSOLIDATED CASH FLOWS AS RESTATED

(₹ in Lakhs)

PARTICULARS	31.12.18	31.03.18	31.03.17	31.03.16
A. CASH FLOW FROM OPERATING ACTIVITIES				
Profit Before Tax	196.71	79.00	2.49	78.11
<i>Adjusted for :</i>				
a. Depreciation	13.53	25.69	32.56	26.62
b. Interest Expenses & Finance Cost	461.62	666.81	253.77	72.25
c. Interest & Other Income	(0.79)	(0.89)	(0.70)	(0.93)
d. Consolidation Adjustment	84.86	(157.68)	68.79	245.00
e. Other Adjustment	18.85	1.58	(8.68)	(5.14)
Operating profit before working capital changes	774.78	614.50	348.24	415.91
<i>Adjusted for :</i>				
a. Decrease / (Increase) in Inventories	1793.95	(2301.03)	(1850.35)	(2873.74)
b. Decrease / (Increase) in Trade Receivable	(3770.69)	(1591.57)	(192.21)	(1154.48)
c. Decrease/ (Increase) in Short Term Loans and Advances	422.15	(414.83)	(296.24)	(336.86)
d. (Decrease)/ Increase in Trade Payables	330.47	(495.03)	574.79	(9.71)
e. (Decrease)/Increase in Short Term Provisions	15.20	41.96	(66.97)	52.23
f. Decrease / (Increase) in Other Current assets	0.00	(0.80)	174.15	(185.48)
g. (Decrease)/Increase in Other Current Liabilities	1000.01	2019.26	668.57	2046.91
Cash generated from operations	565.88	(2127.55)	(640.02)	(2045.22)
Income Tax Paid (net of refunds)	62.00	25.83	(2.19)	25.87
NET CASH GENERATED FROM OPERATION	503.88	(2153.38)	(637.83)	(2071.09)
B. CASH FLOW FROM INVESTING ACTIVITIES				
a. (Purchase)/ Sale of Fixed Assets	(0.63)	(0.89)	(33.77)	(82.67)
b. (Purchase) / Sale of Non-Current Investment	3.00	3.00	(3.00)	
c. Interest & Other Income	0.00	0.89	0.70	0.93
d. Long Term Loans and Advances	(61.40)	498.39	(800.01)	(70.52)
e. Other Non Current Assets	0.00	0.00	0.00	6.00
Net cash (used) in investing activities	(59.03)	501.39	(836.08)	(146.26)
C. CASH FLOW FROM FINANCING ACTIVITIES				
a. Interest & Finance Cost	(461.62)	(666.81)	(253.77)	(72.25)
b. (Repayments) / Proceeds of Long Term Borrowings	(19.73)	2313.23	2025.20	1969.08
c. Proceeds from Issue of Share Capital	0.00	0.00	0.00	90.00
d. (Repayments) / Proceeds of Non Current Liabilities	0.00	0.00	(452.25)	452.25
Net cash generated/(used) in financing activities	(481.35)	1646.43	1319.18	2439.08
Net Increase / (Decrease) in cash and cash equivalents	(36.51)	(5.57)	(154.73)	221.72
Cash and cash equivalents at the beginning of the year	107.67	113.24	267.98	46.27
Cash and cash equivalents at the end of the year	71.17	107.67	113.24	267.99

Cash flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from regular revenue generating, financing and investing activities of the company are segregated.

SIGNIFICANT ACCOUNTING POLICY AND NOTES TO THE RESTATED CONSOLIDATED SUMMARY STATEMENTS

1. Significant accounting policies

The accounting policies set out below have been applied consistently to the periods presented in these financial statements.

1.1 Basis of preparation of consolidated financial statements

The consolidated financial statements relate to Rajat City Developers Limited ('the Company') and its subsidiary firm. The consolidated financial statements have been prepared on the following basis: a) The financial statements of the Company and its subsidiary company are combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after fully eliminating intra-group balances and intra-group transactions in accordance with Accounting Standard (AS) 21 - "Consolidated Financial Statements".

The financial statements are prepared on accrual basis under the historical cost convention, except for certain fixed Assets which are carried at revalued amounts. The financial statements are presented in Indian rupees.

1.2 INVENTORIES

Inventories are valued as follows:-

WIP Stocks Real Estate projects	Represents cost incurred in respect of unsold area of the real estate development projects or cost incurred on projects where the revenue is yet to be recognized. Real Estate work in progress is valued at lower of cost.
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1.3 Real estate Projects:

For projects commenced on or after 1-April-2012 and also to projects when have already commenced but where revenue is being recognized for the first time on or after 1-April-2012.

Revenue from constructed properties/project is recognized in accordance with the "Revised guidance note issued by the institute of Chartered Accountants of India ("ICAI") on "Accounting for Real Estate Transaction (Revised 2012).The estimates of salable area and cost are revised periodically by the management. The effect of such changes to estimates is recognized in the period such changes are determined. As per this guidance Note, the revenue have been recognized on percentage of completion method provided all of the following conditions are meet at the reporting date:-

- i) Required critical approvals for commencement of the project have been obtained.
- ii) At least 25% of estimated construction and development cost (Excluding land cost) have been incurred.
- iii) At least 25% of the saleable project area is secured by the agreements to sell/application form (containing salient terms of the agreement to sell) and .
- iv) At least 10% of the total revenue as per agreement to sell are realized in respect of these Agreements.

1.4 Cost of Revenue:

Cost of constructed properties/project includes cost of land (including cost of development right/land under agreements to purchase) estimated internal development charges, direct overheads construction costs and development/construction materials, which is to the statement of profit and loss based on the revenue recognized as per the accounting policy, in consonance with the concept of matching costs and revenue, final adjustment is made upon completions of the specific project. Cost incurred /items purchased specifically for projects are taken as consumed as and when incurred/received.

1.5 Unbilled receivable:

Unbilled receivables disclosed under annexure no. XVII. “Trade Receivable” represents revenue recognized based on percentage of completion method over and above the amount due as per the payment plans agreed with the customer.

1.6 FIXED ASSETS AND DEPRECIATION:

- (1) Fixed Assets are stated at cost net of cenvat, accumulated depreciation and impairment, if any. Cost of acquisition or construction is inclusive of freight, duties, taxes and incidental/preoperative expenses and interest on loans attributable to the acquisition of assets up to the date of commissioning of assets.
- (b) The depreciation on fixed assets is provided to the extent of depreciable amount on WDV method of depreciation. Depreciation is provided based on useful life of the asset as prescribed in schedule II to the Companies Act 2013. Depreciation in Silver Wings Life Spaces is as per Income Tax Act.

1.7 Borrowing costs :

Borrowing costs directly attributable to the acquisition and construction of an assets that necessarily takes a substantial period of time to get ready for its intended use are capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the period they occur . Borrowing costs consists of interest and other costs that an entity incurs in connection with the borrowing of funds.

1.8 INCOME TAX :

Current & Deferred Tax

Tax expense comprises of current tax and deferred tax. Current tax is measured at the amount expected to be paid to the tax authorities, using the applicable tax rates. Deferred income tax reflect the current period timing differences between taxable income and accounting income for the period and reversal of timing differences of earlier years/period. Deferred tax assets are recognised only to the extent that there is a reasonable certainty that sufficient future income will be available except that deferred tax assets, in case there are unabsorbed depreciation or losses, are recognised if there is virtual certainty that sufficient future taxable income will be available to realize the same.

Deferred tax assets and liabilities are measured using the tax rates and tax law that have been enacted or substantively enacted by the Balance Sheet date.

1.9 Impairment of assets:

The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset’s net selling price and value in use. In assessing value in use , the estimated future cash flows are discounted to their present value using pre tax discount rate that reflects current market assessment of the time value of money and risks specific to the asset .

After impairment , depreciation is provided on the revised carrying amount of the assets over its remaining useful life.

1.10 Provisions and contingent Liabilities and Assets :

A Provision is recognized when an enterprise has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settled the obligation , in respect of which a reliable estimate can be made. Provisions are not disclosed to its present value and are determined based on best management estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates . Other contingent liabilities are not recognized but are disclosed in the notes. Contingent assets are neither recognized nor disclosed in the financial statement.

1.11 Earning per Share:

Basic earnings per share is calculated by dividing the Net Profit or Loss for the period attributable to equity share holders (After deducting taxes etc.) by the weighted average number of the equity shares outstanding during the period.

For the purpose of calculating diluted earning per share, the net profit or loss for the period attributable to equity share holders and the weighted average number of shares outstanding during the period are adjusted for the effect of all dilutive potential equity shares.

1.12 Use of Estimate:

The preparation of financial statements in conformity with the generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amount of assets and Liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operation during the reporting period end. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates. Difference between the actual results and estimates is recognized in the period in which the results are known / materialized.

1.13 Cash and cash equivalents :

The Cash flow statement is prepared the "in direct method " set out in Accounting Standard – 3 cash flow statement "and presents the cash flow by operating, investing and financing activities of the company. Cash and Cash equivalents presented in the cash flow statement consist of cash on hand and highly liquid bank balances

1.14 Provisions

A provision is recognized when an enterprise has a present obligation as a result of a past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions, other than employee's benefits, are not discounted to their present value and are determined based on management estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current management estimates.

1.15 Previous year figures

Previous year figures have been regrouped/rearranged/reclassified, wherever necessary to conform to the current year presentation.

1.16 Disclosure required pursuant to Accounting Standard "Impairment of Assets" prescribed by Companies (Accounting Standards) rules, 2006 is as follows:

The company has carried out impairment test on its fixed assets as on the date of Balance Sheet and the management is of the opinion that there is no asset for which provision for impairment is required to be made as per Accounting Standard 28.

1.17 Micro & Small Enterprises

There are no Micro, Small and Medium Enterprises to whom the Company owes dues, which are outstanding more than 45 days at the Balance Sheet date.

2. CHANGES IN ACCOUNTING POLICIES IN THE PERIOD/YEARS COVERED IN THE RESTATED FINANCIALS

For the period ended December 31, 2018, depreciation has been calculated based on revised useful life as the earlier method was not consistent. The effect of the same has been given in earlier periods also. The impact on accounts of such short/excess depreciation has been adjusted in respective years.

3. NOTES ON RESTATEMENTS MADE IN THE RESTATED FINANCIALS

The financial statements including financial information have been prepared after making such regroupings and adjustments, considered appropriate to comply with the same. As result of these regroupings and adjustments, the amount reported in the financial statements/information may not necessarily be same as those appearing in the respective audited financial statements for the relevant years.

4. MATERIAL ADJUSTMENTS [AS PER SEBI (ICDR) REGULATIONS]

In Profit and Loss Account

Particulars	31.12.18	31.03.18	31.03.17	31.03.16
Consolidated Profit after Tax	134.71	62.72	-6.53	45.78
Add: -				
Depreciation provided in Audited Accounts of Rajat City Developers Limited		10.97	38.32	30.84
Less: -				
Depreciation as per Restated Financial Statements		20.52	27.107	24.379
Consolidated Restated Profit after Tax	134.71	53.17	4.68	52.24

In Balance Sheet

Particulars	31.12.18	31.03.18	31.03.17	31.03.16
Reserves & Surplus as Per Consolidated Financial Statements	134.71	62.72	-6.53	45.78
Add: -				
Depreciation Adjustment of Rajat City Developers Limited	0.00	9.16	18.71	7.51
Reserves & Surplus as Per Consolidated Restated Financial Statements	451.03	231.47	86.37	81.69

Other than above, there are no material adjustments the results of which will impact the restated financial statements. No reconciliation of Profit after tax as per audited results and the Profit after tax as per Restated Accounts is required.

5. Realizations:

In the opinion of the Board and to the best of its knowledge and belief, the value on realization of current assets, loans and advances will, in the ordinary course of business, not be less than the amounts at which they are stated in the Balance sheet.

6. Amounts in the financial statements

Amounts in the restated financial statements are reported in rupees in lac (unless otherwise stated) and rounded off to second digit of decimal.

Figures in brackets indicate negative values.

7. Auditors Qualifications –

Details of Auditors qualifications and their impact on restated financial statement is given below:

a) Qualification which required adjustment in restated financial statements: None

b) Qualification which does not require adjustment in restated financial statements: None

STATEMENT OF SHARE CAPITAL AS RESTATED

(₹ in Lakhs)

Particulars	31.12.18	31.03.18	31.03.17	31.03.16
Rajat City Developers Limited				
Authorised Capital	500.00	400.00	400.00	400.00
Issued, Subscribed & Fully Paid-up Capital	290.00	290.00	290.00	290.00

Note: The Company has only one class of equity shares of par value Rs. 10 each. Each equity shareholder is entitled to one vote per share held, and on liquidation entitled to receive balance of net assets remaining after settlement of all debts, creditors & preferential amounts, proportionate to their respective shareholding. No dividend is proposed.

Reconciliation of No. of Shares Outstanding at the end of the year

Particulars	31.12.18	31.03.18	31.03.17	31.03.16
Rajat City Developers Limited				
Face Value per Equity Share (Rs.)	10.00	100.00	100.00	100.00
Shares outstanding at the beginning of the year	2,90,000	2,90,000	2,90,000	2,00,000
Shares issued during the year	0	0	0	90,000
Bonus Issued during the year	0	0	0	0
Split of Equity Shares from Face Value of Rs.100/- each to Rs.10/- each	29,00,000	0	0	0
Share outstanding at the end of the year	29,00,000	2,90,000	2,90,000	2,90,000

Details of Shareholding more than 5% of the aggregate shares in the company

Particulars	31.12.18	31.03.18	31.03.17	31.03.16
Rajat City Developers Limited				
Dr. Rajat Arora				
No. of Shares	28,71,000	2,37,500	2,37,500	2,37,500
% Holding	99.00%	81.90%	81.90%	81.90%
Dr. Jagdish Kumar Arora				
No. of Shares	24,000	52,500	52,500	52,500
% Holding	0.83%	18.10%	18.10%	18.10%

Annexure I.2

STATEMENT OF CONSOLIDATED RESERVES AND SURPLUS AS RESTATED

(₹ in Lakhs)

Particulars	31.12.18	31.03.18	31.03.17	31.03.16
Rajat City Developers Limited				
Statement of Profit & Loss				
Opening balance	139.54	86.37	81.69	29.45
Add: Profit for the year	24.72	53.17	4.68	52.24
Adjustment towards change in Depreciation policy	0.00	0.00	0.00	0.00
Profit available for appropriation	164.26	139.54	86.37	81.69
Balance as at the end of the year	164.26	139.54	86.37	81.69
Silver Wings life Spaces				
Capital Reserve	286.77	91.93	0.00	0.00
Total Reserve & Surplus	451.03	231.47	86.37	81.69

Annexure I.3

STATEMENT OF CONSOLIDATED LONG TERM BORROWINGS AS RESTATED

(₹ in Lakhs)

Particulars	31.12.18	31.03.18	31.03.17	31.03.16
Secured Loans				
Term Loan				
Rajat City Developers Limited				
Tata Capital Financials Services Ltd.	0.00	0.00	0.00	7.64
Rajasthan Finance Corporation	0.00	0.00	750.00	500.00
AU small Finance Bank limited	1,650.38	1,632.59	0.00	0.00
Silver Wings life Spaces				
Punjab National Bank Ltd.	1,654.27	1,654.27	1,216.65	0.00
IDBI Bank Ltd.	1,140.00	1,140.00	860.00	0.00
Car Loan				
Rajat City Developers Limited				
State Bank Of Bikaner and Jaipur Ltd.	8.92	11.01	14.14	9.04
Silver Wings life Spaces				
HDFC Bank Ltd.	1.95	2.39	2.87	0.00
State Bank Of Bikaner and Jaipur Ltd.	5.86	8.61	11.64	14.59
Total(A)	4,461.37	4,448.88	2,855.31	531.28
UnSecured Loans				
Rajat City Developers Limited				
J.K. Residency, Kota	203.15	202.95	182.20	0.21
Zulfikar Pathan	390.35	321.10	0.00	0.00
Dr. Rajat Arora	878.98	830.35	417.10	0.07
Masrat Khan	51.16	0.72	1.30	0.00
Silver Wings life Spaces				
Kirshna Tour and Travels	5.00	5.00	5.00	5.00
Mayank Agrawal	0.00	0.00	0.00	21.00
Jayant Agrawal	0.00	0.00	0.00	28.50
Jyoti Prakash	8.97	8.97	8.97	8.97
Ram Choudhary	12.17	40.00	40.00	0.00
Ram Kishan Verma	405.00	405.00	445.00	610.00
Pooja Agrawal	0.00	0.00	0.00	20.00
Mahesh Kumar Jain (Huf)	0.00	0.00	0.00	10.00
Pushpa Rohini Agrawal	0.00	0.00	0.00	25.00
Pradeep Kumar Ahuja	6.00	6.00	6.00	6.00

Ravi Agrawal (Huf)	0.00	0.00	0.00	25.00
Prime Art Engineers Loan	0.00	0.00	0.00	20.00
Pramil	0.00	0.00	0.00	72.00
Rohit Agrawal (Huf)	0.00	0.00	0.00	24.00
Rohit Kumar Agrawal	0.00	0.00	0.00	19.00
Rohit Anil Malik	0.00	0.00	0.00	52.00
Aravali Cocnrete Pvt.Ltd.	0.00	0.00	0.00	50.00
Arun Agrawal (Huf)	0.00	0.00	0.00	22.00
Anil Gambhir	41.45	50.00	50.00	25.00
Anil Khanna	0.00	0.00	0.00	75.00
Anil Malik	0.00	0.00	0.00	56.50
Babita Agarawal	0.00	0.00	0.00	21.50
Bharti Malik	0.00	0.00	0.00	16.50
Dwarka Prasad Agrawal	0.00	0.00	0.00	18.00
Dhansuresh Jain	0.00	122.10	122.10	125.00
Friends Industries	0.00	0.00	2.20	101.88
Harshvardhan Agrawal	0.00	0.00	0.00	15.00
Shanti Lal Jain	9.03	9.03	9.03	9.03
Shri Adinath Jweelers	0.00	0.00	4.00	4.00
Sandeep Agrawal	0.00	0.00	0.00	11.50
Sandeep Kumar Agrawal HUF	0.00	0.00	0.00	20.00
Shashank Agrawal	0.00	0.00	0.00	29.50
Sujata Agrawal	0.00	0.00	0.00	5.00
Sourabh Chittora	7.00	7.00	7.00	7.00
Sugan Chand Jain	4.40	4.40	4.40	4.40
Yakub Ali Pathan	24.30	24.30	25.42	15.00
Yogesh Malav	0.00	0.00	50.00	50.00
Ambika Meena	4.51	4.51	0.00	0.00
Kuldeep Kumar Jain	0.00	18.50	0.00	0.00
VNV Group	0.00	20.00	0.00	0.00
Dr. Jagdish Kumar Arora	15.68	15.68	0.00	0.00
RCD Buildcon	0.00	3.79	0.00	0.00
Zyden Gentec Ltd.	0.00	0.00	0.00	50.00
Total(B)	2,067.14	2,099.40	1,379.72	1,678.56
Total	6,528.52	6,548.27	4,235.03	2,209.83

Annexure I.4

STATEMENT OF CONSOLIDATED OTHER NON CURRENT AS RESTATED

(₹ in Lakhs)

Particulars	31.12.18	31.03.18	31.03.17	31.03.16
Rajat City Developers Limited				
Customer Advances	0.00	0.00	0.00	452.25
Total	0.00	0.00	0.00	452.25

Annexure I.5

STATEMENT OF CONSOLIDATED TRADE PAYABLES AS RESTATED

(₹ in Lakhs)

Particulars	31.12.18	31.03.18	31.03.17	31.03.16
Trade Payables				
Rajat City Developers Limited				
Dues to Creditors	236.75	29.07	599.44	26.87
Silver Wings life Spaces				
Dues to Creditors	201.50	78.71	3.37	1.15
Total	438.25	107.78	602.81	28.02

Annexure I.6

STATEMENT OF CONSOLIDATED OTHER CURRENT LIABILITIES AS RESTATED

(₹ in Lakhs)

Particulars	31.12.18	31.03.18	31.03.17	31.03.16
Rajat City Developers Limited				
Other Paybles	39.50	19.77	41.71	20.45
Long term debt. (maturity)	2.53	3.05	10.51	206.64
Advance Booking (Park view)	4,178.70	3,493.76	1,954.98	1,044.86
Advance Booking (Rajat County)	95.70	0.00	0.00	0.00
Share Application Money Pending Allotment	0.00	0.00	0.00	200.00
Other creditors (bookings)	53.24	53.24	53.31	82.42
Silver Wings life Spaces				
Advance Booking (Platina)	2,262.89	2,078.40	1,611.59	1,457.86
Other Paybles	67.51	51.84	8.71	0.00
Total	6,700.06	5,700.06	3,680.80	3,012.23

Annexure I.7

STATEMENT OF CONSOLIDATED SHORT TERM PROVISIONS AS RESTATED

(₹ in Lakhs)

Particulars	31.12.18	31.03.18	31.03.17	31.03.16
Rajat City Developers Limited				
Provision for income tax	10.18	13.18	2.21	27.65
Others (Provision)	0.00	30.98	0.00	8.13
Silver Wings life Spaces				
Provision for income tax	49.18	0.00	0.00	0.00
Service Tax Payable	0.00	0.00	0.00	32.22
TDS Payable	0.00	0.00	0.00	1.18
Total	59.36	44.16	2.21	69.18

STATEMENT OF CONSOLIDATED FIXED ASSETS AS RESTATED

December 31, 2018

Rajat City Developers Limited

(₹ in Lakhs)

Particulars	Gross Block (At Cost)				Depreciation / Amortisation				Net Block	Net Block
	As At 01-04-2018	Additions during the Period	Sale/Adj. during the Period	As At 30-09-2018	Upto 01-04- 2018	For the Period	Sale/Adj. during the Period	Upto 31-12-2018	As At 31-12- 2018	As At 31-03- 2018
Tangible Assets -										
Car	99.65	0.00	0.00	99.65	69.65	7.06	0.00	76.71	22.95	30.01
Computer	6.13	0.00	0.00	6.13	4.18	0.58	0.00	4.76	1.37	1.95
Plant and machinery	2.28	0.00	0.00	2.28	1.16	0.15	0.00	1.32	0.96	1.12
Office equipment	25.86	0.36	0.00	26.22	19.39	2.25	0.00	21.64	4.58	6.47
Furniture	1.70	0.00	0.00	1.70	0.93	0.15	0.00	1.08	0.62	0.77
Current Period Total	135.62	0.36	0.00	135.98	95.32	10.19	0.00	105.51	30.48	40.31

Silver Wings Life Spaces

(₹ in Lakhs)

PARTICULARS	W.D.V.	ADDITION		SALE	VALUE	DEP.	DEP.	W.D.V.
	AS ON	DURING THE YEAR		DURING	AS ON	RATE	Amount	AS ON
	01.04.18	Morethan 180 Days	Lessthan 180 Days	THE YEAR	31.12.18			31.12.18
Furniture	3.10	0.00	0.00	0.00	3.10	10%	0.23	2.87
Vehicles	19.70	0.00	0.00	0.00	19.70	15%	2.22	17.48
Office Equipment	7.62	0.27	0.00	0.00	7.90	15%	0.89	7.01
	30.42	0.27	0.00	0.00	30.69		3.34	27.35

March 31, 2018

Rajat City Developers Limited

(₹ in Lakhs)

Particulars	Gross Block (At Cost)				Depreciation / Amortisation				Net Block	Net Block
	As At 01-04-2017	Additions during the Period	Sale/Adj. during the Period	As At 31-03-2018	Upto 01-04- 2017	For the Period	Sale/Adj. during the Period	Upto 31-03-2018	As At 31-03- 2018	As At 31-03- 2017
Tangible Assets -										
Car	99.65	0.00	0.00	99.65	56.01	13.63	0.00	69.65	30.01	43.64
Computer	5.56	0.58	0.00	6.13	3.07	1.12	0.00	4.18	1.95	2.49
Plant and machinery	2.28	0.00	0.00	2.28	0.92	0.25	0.00	1.16	1.12	1.36
Office equipment	25.63	0.23	0.00	25.86	14.13	5.26	0.00	19.39	6.47	11.50
Furniture	1.70	0.00	0.00	1.70	0.67	0.27	0.00	0.93	0.77	1.03
Current Period Total	134.82	0.80	0.00	135.62	74.80	20.52	0.00	95.32	40.31	60.03

Silver Wings Life Spaces

(₹ in Lakhs)

PARTICULARS	W.D.V. AS ON 01.04.17	ADDITION DURING THE YEAR		SALE DURING THE YEAR	VALUE AS ON 31.03.18	DEP. RATE	DEP. Amount	W.D.V. AS ON	W.D.V. AS ON
		More than 180 Days	Less than 180 Days					31.03.17	31.03.18
Furniture	3.44	-	-	-	3.44	10%	0.34	3.44	3.10
Vehicles	23.17	-	-	-	23.17	15%	3.48	23.17	19.70
Office Equipment	8.88	0.09	-	-	8.97	15%	1.35	8.88	7.62
Total	35.49	0.09	-	-	35.58		5.17	35.49	30.42

March 31, 2017

Rajat City Developers Limited

(₹ in Lakhs)

Particulars	Gross Block (At Cost)				Depreciation / Amortisation				Net Block	Net Block
	As At 01-04-2016	Additions during the Period	Sale/Adj. during the Period	As At 31-03-2017	Upto 01-04- 2016	For the Period	Sale/Adj. during the Period	Upto 31-03-2017	As At 31-03- 2017	As At 31-03- 2016
Tangible Assets -										
Car	85.93	13.73	0.00	99.65	40.23	15.78	0.00	56.01	43.64	45.69
Computer	5.19	0.37	0.00	5.56	1.63	1.44	0.00	3.07	2.49	3.56
Plant and machinery	2.28	0.00	0.00	2.28	0.62	0.30	0.00	0.92	1.36	1.66
Office equipment	21.33	4.30	0.00	25.63	4.90	9.23	0.00	14.13	11.50	16.43
Furniture	1.70	0.00	0.00	1.70	0.31	0.36	0.00	0.67	1.03	1.39
Current Period Total	116.43	18.40	0.00	134.82	47.69	27.11	0.00	74.80	60.03	68.74

Silver Wings Life Spaces

(₹ in Lakhs)

PARTICULARS	W.D.V. AS ON	ADDITION DURING THE YEAR		SALE DURING	VALUE AS ON	DEP. RATE	DEP. Amount	W.D.V. AS ON	W.D.V. AS ON
	01.04.16	Morethan 180 Days	Lessthan 180 Days	THE YEAR	31.03.17			31.03.16	31.03.17
Furniture	3.82	-	-	-	3.82	10%	0.38	3.82	3.44
Vehicles	20.34	-	6.36	-	26.70	15%	3.53	20.34	23.17
Office Equipment	1.42	8.18	0.82	-	10.42	15%	1.55	1.42	8.88
Total	25.58	8.18	7.18	-	40.95		5.46	25.58	35.49

March 31, 2016

Rajat City Developers Limited

(₹ in Lakhs)

Particulars	Gross Block (At Cost)				Depreciation / Amortisation				Net Block	Net Block
	As At 01-04-2015	Additions during the Period	Sale/Adj. during the Period	As At 31-03-2016	Upto 01-04- 2015	For the Period	Sale/Adj. during the Period	Upto 31-03-2016	As At 31-03- 2016	As At 31-03- 2015
Tangible Assets -										
Car	59.53	26.40	0.00	85.93	22.84	17.40	0.00	40.23	45.69	36.69
Computer	0.30	4.89	0.00	5.19	0.15	1.48	0.00	1.63	3.56	0.15
Plant and machinery	1.75	0.53	0.00	2.28	0.32	0.30	0.00	0.62	1.66	1.42
Office equipment	0.00	21.33	0.00	21.33	0.00	4.90	0.00	4.90	16.43	0.00
Furniture	0.00	1.70	0.00	1.70	0.00	0.31	0.00	0.31	1.39	0.00
Current Period Total	61.57	54.85	0.00	116.43	23.31	24.38	0.00	47.69	68.74	38.27

Silver Wings Life Spaces

(₹ in Lakhs)

PARTICULARS	W.D.V. AS ON	ADDITION DURING THE YEAR		SALE DURING	VALUE AS ON	DEP. RATE	DEP. Amount	W.D.V. AS ON	W.D.V. AS ON
	01.04.15	Morethan 180 Days	Lessthan 180 Days	THE YEAR	31.03.16			31.03.15	31.03.16
Furniture	-	4.25	-	-	4.25	10%	0.42	-	3.82
Vehicles	-		21.99	-	21.99	15%	1.65	-	20.34
Office Equipment	-	0.59	0.99	-	1.58	15%	0.16	-	1.42
Total	-	4.84	22.98	-	27.82		2.24	-	25.58

Annexure I.9

DETAILS OF MINORITY INTEREST AND COST OF CONTROL AS RESTATED

(₹ in Lakhs)

Particulars	31.12.18	31.03.18	31.03.17	31.03.16
Investment in SWLS	1,294.13	1,127.34	793.27	416.85
less: Capital of SWLS	1,349.91	1,092.75	664.24	397.11
less: Share in profit of SWLS	231.00	126.52	0.00	0.00
(Capital Reserve)/Goodwill	-286.78	-91.93	129.04	19.74

Particulars	31.12.18	31.03.18	31.03.17	31.03.16
Minority Interest in SWLS(Capital)	71.05	57.51	442.82	264.74
Minority Interest in SWLS(Profits)	12.26	6.66		
Total	83.31	64.17	442.82	264.74

Annexure I.10

STATEMENT OF CONSOLIDATED NON CURRENT INVESTMENT

(₹ in Lakhs)

Particulars	31.12.18	31.03.18	31.03.17	31.03.16
Silver Wings life Spaces				
Mutual Fund	0.00	0.00	3.00	0.00
Total	0.00	0.00	3.00	0.00

Annexure I.11

STATEMENT OF CONSOLIDATED LONG TERM LOANS AND ADVANCES AS RESTATED

(₹ in Lakhs)

Particulars	31.12.18	31.03.18	31.03.17	31.03.16
Silver Wings life Spaces				
Fire Deposits	23.18	23.18	23.18	23.18
FDR BOB (BG against UIT required)	6.18	6.18	6.18	5.75
FDR IDBI DSRA for 6 Months Interest on Disbursed Amount	84.93	84.93	73.89	0.00
TDS Receivable	0.77	0.77	0.17	0.24
Service Tax/ GST Receivable	152.97	79.51	18.27	41.35
Mobilization and Others (Construction Linked)	165.50	177.56	748.84	0.00
Total	433.54	372.14	870.53	70.52

Annexure I.12

STATEMENT OF DEFERRED TAX ASSETS AS RESTATED

(₹ in Lakhs)

Particulars	31.12.18	31.03.18	31.03.17	31.03.16
Rajat City Developers Limited				
Opening Deferred Tax Liability / (Asset)	(15.66)	(17.24)	(8.56)	(3.43)
Deferred Tax Asset				
On the Block of Fixed Assets	0.00	0.00	8.68	5.13
On Other Items	0.00	0.00	0.00	0.00
Sub Total	0.00	0.00	8.68	5.13

Deferred Tax Liability				
On the Block of Fixed Assets	2.82	1.58	0.00	0.00
On Other Items	0.00	0.00	0.00	0.00
Sub Total	2.82	1.58	0.00	0.00
Net Deferred Tax Liability / (Asset)	2.82	1.58	-8.68	(5.13)
Closing Deferred Tax Liability / (Asset)	(12.84)	(15.66)	(17.24)	(8.56)

Annexure I.13

STATEMENT OF CONCOLIDATED INVENTORIES AS RESTATED

(₹ in Lakhs)

Particulars	31.12.18	31.03.18	31.03.17	31.03.16
Rajat City Developers Limited				
Project Development (W.I.P Park View)	1,635.15	1,832.54	1,909.30	825.05
Project Development (W.I.P Rajat County)	631.22	562.94	0.00	0.00
Silver Wings life Spaces				
Project Development (W.I.P Platina) (Silver Wings Life Spaces)	4,207.19	5,872.04	4,057.18	3,291.09
Total	6,473.56	8,267.51	5,966.48	4,116.14

Annexure I.14

STATEMENT OF CONSOLIDATED TRADE RECEIVABLES AS RESTATED

(₹ in Lakhs)

Particulars	As at			
	31.12.18	31.03.18	31.03.17	31.03.16
Unsecured and considered good (more than six month)				
Rajat City Developers Limited				
For Park View	4,132.47	3014.504	1404.44	1044.859
For Queens Court	0.00	0.00	18.48	0.00
Silver Wings Life Spaces	2,652.72	0.00	0.00	185.86
Total	6785.19	3014.50	1422.92	1230.72

Annexure I.15

STATEMENT OF CONSOLIDATED CASH AND CASH EQUIVALENTS AS RESTATED

(₹ in Lakhs)

Particulars	31.12.18	31.03.18	31.03.17	31.03.16
Rajat City Developers Limited				
Balances with banks in current account	50.79	78.95	3.55	20.21
Cash in hand	11.31	5.61	25.42	18.54
Silver Wings Life Spaces				
Cash in hand	7.52	6.22	58.23	217.65
Balances with banks in current account	1.55	16.89	26.04	11.58
Total	71.17	107.67	113.24	267.98

Annexure I.16

STATEMENT OF CONSOLIDATED SHORT TERM LOANS AND ADVANCES AS RESTATED

(₹ in Lakhs)

Particulars	31.12.18	31.03.18	31.03.17	31.03.16
Rajat City Developers Limited				
Cenvat and GST Unutilised	53.80	43.73	56.14	44.86
Service Tax and GST Recoverable	254.33	180.94	61.48	19.32
Staff advances	2.95	1.03	0.13	0.16
Advances Recoverable in cash or or in kind	75.97	142.76	41.32	138.38
Sourabh Jain		4.00	0.00	0.00
Others	54.33	11.74	0.13	83.23
Silver Wings life Spaces				
Cenvat and GST Unutilised	81.29	0.00	18.27	0.00
Amardeep Singh	5.00	5.00	0.00	0.00
Staff advances	1.91	3.91	0.00	0.00
Service Tax and GST Recoverable	114.46	90.12	53.46	40.92
Gaurav Jain	0.00	1.00	0.00	0.00
Masrat Khan	0.00	2.25	0.00	0.00
Zulfikar Pathan	0.00	185.54	0.00	0.00
RCD Buildcon	0.92	0.00	93.85	31.50
Rajat Arora & Sons (Huf)	0.00	6.75	0.00	0.00
Prime Art Engineers (S.D.)	53.00	103.50	103.50	0.00
Suwalka & Suwalka	0.00	0.00	50.00	0.00
Yogesh Agrawal	0.00	150.00	150.00	0.00
Harvindar Singh Kapoor	0.00	20.00	0.00	30.00
Kanchan Sobha Finance	0.00	22.45	0.00	25.00
Others	4.33	149.72	81.33	0.00
Total	702.27	1,124.43	709.59	413.36

Annexure I.17

STATEMENT OF OTHER CURRENT ASSETS AS RESTATED

(₹ in Lakhs)

Particulars	31.12.18	31.03.18	31.03.17	31.03.16
Rajat City Developers Limited				
Accrued Interest on FDR	2.03	1.24	0.44	1.59
FDR- Central Bank of India	0.00	0.00	0.00	6.00
BSNL. Security Deposits	0.02	0.02	0.02	0.02
FDR- Punjab National Bank	12.00	12.00	12.00	0.00
FDR- State Bank Of Bikaner and Jaipur	0.00	0.00	0.00	150.00
Silver Wings life Spaces				
Accrued Interest on FDR	0.00	0.00	0.00	0.06
FD (Bank Guaranty)	0.00	0.00	0.00	5.75
Fire Deposits	0.00	0.00	0.00	23.18
Total	14.05	13.26	12.45	186.60

Annexure II.1

STATEMENT OF CONSOLIDATED REVENUE FROM OPERATIONS AS RESTATED

(₹ in Lakhs)

Particulars	For the FY/Period ended			
	31.12.18	31.03.18	31.03.17	31.03.16
Rajat City Developers Limited				
Revenue from Operations				
Flat sales(Queens Court)	0.00	0.00	21.06	221.55
Flat sales(Park View)	1,117.97	1,610.06	359.58	1,044.86
Silver Wings Life Spaces (Platina)	2652.72	0.00	0.00	0.00
Total	3,770.69	1,610.06	380.64	1,266.41

Annexure II.2

STATEMENT OF CONSOLIDATED OTHER INCOME AS RESTATED

(₹ in Lakhs)

Particulars	For the FY/ period ended			
	31.12.18	31.03.18	31.03.17	31.03.16
Other receipts	0.00	0.00	0.02	0.40
Interest on FDR	0.79	0.89	0.68	0.53
Total	0.79	0.89	0.70	0.93

Annexure II.3

STATEMENT OF CONSOLIDATED COST OF CONSTRUCTION AS RESTATED

(₹ in Lakhs)

Particulars	For the FY/Period ended			
	31.12.18	31.03.18	31.03.17	31.03.16
Rajat City Developers Limited				
Land at Naya Nohra	0.00	500.00	0.00	0.00
Steel	0.00	0.00	0.00	4.73
Tiles and marbles	0.00	0.00	0.00	16.23
Approval Charges	68.29	165.19	128.89	45.85
Construction	550.69	796.78	1045.04	223.57
Others	0.00	64.43	36.54	241.14
Silver Wings Life Spaces				
Consultancy charges	0.00	0.00	80.00	0.00
Electricity Expenses	12.87	33.13	15.39	3.05
Land at Kunhari	0.00	0.00	0.00	2595.88
Map Approval Charges	0.00	0.00	0.00	32.84
Construction	398.79	762.32	42.27	54.68
Cement Purchase	26.31	190.35	219.92	0.00
PURCHASE STEEL & IRON	25.56	244.42	551.30	6.77
Sec. Uit Kota(Bajrang Nagar Plot)	0.00	0.00	-517.86	517.86
Others	21.87	44.01	47.60	2.22
Total	1,104.38	2,800.63	1,649.09	3,744.80

Annexure II.4

CONSOLIDATED STATEMENT OF CHANGES IN INVENTORY AS RESTATED

(₹ in Lakhs)

Particulars	For the FY/Period ended			
	31.12.18	31.03.18	31.03.17	31.03.16
Rajat City Developers Limited				
Opening Stock	2,395.47	1,909.30	825.05	1,242.39
Closing Stock	2,266.37	2,395.47	1,909.30	825.05
Total (A)	129.10	-486.17	-1,084.26	417.34
Silver Wings Life Spaces				
Opening Stock	5,872.04	4,057.18	3,291.09	0.00
Closing Stock	4,207.19	5,872.04	4,057.18	3,291.09
Total (B)	1,664.85	-1,814.86	-766.09	-3,291.09
Total	1,793.95	-2,301.03	-1,850.35	-2,873.75

Annexure II.5

STATEMENT OF CONSOLIDATED EMPLOYEE BENEFIT EXPENSES AS RESTATED

(₹ in Lakhs)

Particulars	For the FY/Period ended			
	31.12.18	31.03.18	31.03.17	31.03.16
Rajat City Developers Limited				
Salary and Wages paid	55.68	59.73	46.89	44.47
Silver Wings Life Spaces				
Salary and Wages paid	24.45	49.35	43.93	0.49
Total	80.14	109.08	90.81	44.96

Annexure II.6

STATEMENT OF CONSOLIDATED OTHER EXPENSES AS RESTATED

(₹ in Lakhs)

Particulars	For the FY/Period ended			
	31.12.18	31.03.18	31.03.17	31.03.16
Rajat City Developers Limited				
Auditors Remuneration	0.00	0.50	0.00	0.50
Legal and other Professional Fees	7.02	29.82	9.73	5.80
Advertisement Expenses	27.17	7.83	2.59	14.45
Others administrative expenses	56.38	147.49	79.59	91.70
Silver Wings Life Spaces				
Auditors Remuneration	0.00	0.50	0.00	0.00
Security Charges	4.68	5.94	4.32	0.00
Professional Fees	5.23	4.50	3.58	0.00
Sales Promotion	0.00	5.99	19.08	0.00
Advertisement Expenses	5.64	1.02	51.98	23.25
Others	15.03	27.19	32.09	38.65
Total	121.15	230.78	202.96	174.35

Annexure II.7

STATEMENT OF CONSOLIDATED FINANCIAL COST AS RESTATED

(₹ in Lakhs)

Particulars	For the FY/Period ended			
	31.12.18	31.03.18	31.03.17	31.03.16
Rajat City Developers Limited				
Bank Charges	0.32	2.37	0.62	41.43
Interest	176.36	223.47	86.09	18.10
Silver Wings Life Spaces				
Bank Charges	0.08	54.19	98.10	0.34
Interest	284.86	386.78	68.96	10.80
Bank Commission	0.00	0.00	0.00	1.58
Total	461.62	666.81	253.77	72.25

STATEMENT OF CONSOLIDATED RELATED PARTY TRANSACTIONS AS RESTATED

List of Related Parties:

Name of Party	Relationship
Dr. Rajat Arora	Promoter
Dr. Jagdish Kumar Arora	Chairman
Masrat Khan	Director
Zulfikar Pathan	Director
Anil Gambhir	Promoter Group
RCD Buildcon	Group Entity
Rajat Arora & Sons (Huf)	Promoter's HUF
Jagdish Kumar Arora & Sons (Huf)	Promoter's Father's HUF

Particulars	31.12.2018	31.03.2018	31.03.2017	31.03.2016
Salary Paid				
Dr. Rajat Arora	18.00	12.00	9.00	9.00
Masrat Khan	9.00	12.60	0.00	0.00
Zulfikar Pathan	11.70	0.00	0.00	0.00
Rent Paid				
Dr. Jagdish Kumar Arora	1.80	1.80	1.20	1.20
Construction Expenses				
RCD Buildcon	550.69	751.46	1045.04	223.57
Unsecured Loan Received				
Dr. Rajat Arora	147.60	565.43	574.80	38.56
Jagdish Kumar Arora	0.20	25.75	241.49	50.70
Masrat Khan	51.00	32.77	67.50	0.00
Zulfikar Pathan	141.26	322.47	0.00	0.00
Unsecured Loan Repaid				
Dr. Rajat Arora	98.97	152.19	157.70	48.56
Jagdish Kumar Arora	0.00	5.00	59.50	72.00
Masrat Khan	0.56	33.35	66.20	0.00
Zulfikar Pathan	72.01	1.37	0.00	0.00
Closing Balances				
Unsecured Loan				
Dr. Rajat Arora	878.98	830.35	417.10	0.07
Jagdish Kumar Arora	203.15	202.95	182.20	0.21
Masrat Khan	51.16	0.72	1.30	0.00
Zulfikar Pathan	390.35	321.10	0.00	0.00
Silver Wings Life Spaces				

Unsecured Loan Received				
Anil Gambhir	0.00	0.00	25.00	25.00
RCD Buildcon	0.00	105.99	0.00	0.00
Dr. Jagdish Kumar Arora	0.00	0.00	0.00	0.00
Unsecured Loan Repaid				
Anil Gambhir	8.55	0.00	0.00	0.00
Dr. Jagdish Kumar Arora	0.00	45.32	0.00	0.00
RCD Buildcon	3.79	8.35	0.00	0.00
Short Term Loans and Advances(Received)				
Masrat Khan	2.25	1.13	1.13	0.00
Zulfikar Pathan	185.54	148.94	855.80	0.00
RCD Buildcon	6.02	0.00	68.35	50.00
Rajat Arora & Sons (Huf)	8.75	3.38	3.38	0.00
Jagdish Kumar Arora & Sons (Huf)	0	3.38	3.38	0.00
Short Term Loans and Advances(Repaid)				
Zulfikar Pathan	0	14.70	804.50	0.00
Jagdish Kumar Arora & Sons (Huf)	6.75			
Rajat Arora & Sons (Huf)	14.58			
RCD Buildcon	6.02	0.00	6.00	81.50
Long Term loan and Advances (Received)				
Dr. Rajat Arora	0.00	0.00	0.00	29.42
Long Term loan and Advances (Repaid)				
Dr. Rajat Arora	0.00	0.00	29.42	0.00
Closing Balances				
Unsecured Loan				
Anil Gambhir	41.45	50.00	50.00	25.00
Dr. Jagdish Kumar Arora	15.68	15.68	0.00	0.00
RCD Buildcon	0.00	3.79	0.00	0.00
Short Term Loans and Advances				
Masrat Khan	0.00	2.25	1.13	0.00
Zulfikar Pathan	0.00	185.54	51.30	0.00
RCD Buildcon	0.00	0.00	93.85	31.50
Rajat Arora & Sons (Huf)	0.92	6.75	3.38	0.00
Jagdish Kumar Arora & Sons (Huf)	0.00	6.75	3.38	0.00

STATEMENT OF CONSOLIDATED ACCOUNTING RATIOS AS RESTATED

Particulars	31.12.18	31.03.18	31.03.17	31.03.16
EBIDTA	671.86	771.49	288.83	176.98
Net Profit as restated (₹ in Lacs)	134.71	53.17	4.68	52.24
Net Worth (₹ in Lacs)	741.03	521.47	376.37	371.69
Return on Net worth (%)	18.18%	10.20%	1.24%	14.05%
Equity Share at the end of year (in Nos.)	2900000	2,90,000	2,90,000	2,90,000
Face Value	10	100.00	100.00	100.00
Weighted No. of Equity Shares	29,00,000	2,90,000	2,90,000	2,07,891
Weighted No. of Equity Shares considering face value of Rs. 10 per Equity Share	29,00,000	29,00,000	29,00,000	20,78,910
Basic and Diluted Earnings per Equity Share	4.65	18.34	0.00	2.51
Basic and Diluted Earnings per Equity Share considering face value of Rs. 10 per Equity Share	4.65	1.83	0.16	2.51
Net Asset Value/Book Value per Equity share (Based on no of share at the end of year considering Rs. 10 face value)	25.55	17.98	12.98	17.88

Note:- Earnings per share (Rs.) = Profit available to equity shareholders / weighted No. of shares outstanding at the end of the year.

Return on Net worth (%) = Restated Profit after taxation / Net worth x 100

Net asset value / Book value per share (Rs.) = net worth / No. of equity shares

The company does not have any revaluation reserve or extra- ordinary items.

Annexure VII

STATEMENT OF CAPITALIZATION AS RESTATED

(₹ in Lakhs)

Particulars	Pre Issue	Post Issue
	As at 31.12.2017	
Debt :		
Short term debt	0.00	0.00
Long term debt	6,528.53	6,528.53
Total Debt	6,528.53	6,528.53
Shareholders Funds		
Equity Share Capital	290.00	400.16
Reserves and Surplus	451.03	1,442.47
Less: Revaluation Reserves	0.00	0.00
Less: Misc. Expenditure	0.00	0.00
Total Shareholders' Funds	741.03	1,842.63
Long Term Debt/ Shareholders' Funds	8.81	3.54
Total Debt / Shareholders Fund	8.81	3.54

Annexure VIII

STATEMENT OF CONTINGENT LIABILITIES AS RESTATED

(₹ in Lakhs)

Particulars	31.12.18	31.03.18	31.03.17	31.03.16
VAT	172.11	172.11	0.00	0.00
Service Tax	0.00	0.00	0.00	0.00
Total	172.11	172.11	0.00	0.00

STATEMENT OF CONSOLIDATED PRINCIPLE TERMS AND CONDITIONS OF SECURED LOANS

(₹ in Lakhs)

Sr. No.	Name of the Lender	Facility/Sanctioned Amount	Amount Outstanding (as on December 31, 2018) ₹ Lacs	Interest Rate	Security
	Rajat City Developers Limited				
1	AU Small Finance Bank Limited	Term Loan of Rs. 2000.00 Lakhs	1,650.38	16% p.a.	Project Loan
2	SBBJ Bank	Car Loan of Rs. 10.00 Lakhs	7.73	8.85% p.a.	Against Vehicle
3	SBBJ Bank	Car Loan of Rs. 10.00 Lakhs	3.72	9.45% p.a.	Against Vehicle
	Silver Wings Life Spaces				
4	PNB Bank	Term Loan of Rs. 2,500.00 Lakhs	1,654.27	13.30% p.a.	Project Loan
5	IDBI Bank	Term Loan of Rs. 2,000.00 Lakhs	1,140.00	13.30% p.a.	Project Loan
6	SBBJ Bank	Car Loan	4.03	9.45% p.a.	Against Vehicle
7	SBBJ Bank	Car Loan	1.83	11.55% p.a.	Against Vehicle
8	HDFC Bank	Car Loan	1.95	9.65% p.a.	Against Vehicle

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

You should read the following discussion of our financial condition and results of operations together with our restated financial statements included in the Draft Prospectus. You should also read the section entitled "Risk Factors" on page 18, which discusses a number of factors, risks and contingencies that could affect our financial condition and results of operations. The following discussion relates to our Company and, is based on our restated financial statements, which have been prepared in accordance with Indian GAAP, the Companies Act and the SEBI Regulations. Portions of the following discussion are also based on internally prepared statistical information and on other sources.

Our financial statements have been prepared in accordance with Indian GAAP, the Companies Act and the ICDR Regulations and restated as described in the report of our auditor dated April 8, 2019 which is included in this Draft Prospectus under "Financial Statements". The Restated Financial Information has been prepared on a basis that differs in certain material respects from generally accepted accounting principles in other jurisdictions, including US GAAP and IFRS. Our financial year ends on March 31 of each year, and all references to a particular financial year are to the twelve-month period ended March 31 of that year.

Significant developments subsequent to the last financial year:

In the opinion of the Board of Directors of our Company, since the date of the last financial statements disclosed in this Draft Prospectus, there have not arisen any circumstance that materially or adversely affect or are likely to affect the business or profitability of our Company or the value of its assets or its ability to pay its material liabilities within the next twelve months.

Key factors affecting the results of operation:

Our Company's future results of operations could be affected potentially by the following factors:

Fluctuations in market prices for our projects

Our total income is affected by the sales prices of our projects which are affected by prevailing market conditions and prices in the real estate sector in which the project is located and in India generally (including market forces of supply and demand), the nature and location of our projects, and other factors such as our brand and reputation and the design of the projects.

Supply and demand market conditions are affected by various factors outside our control, including:

- _ prevailing local economic, income and demographic conditions;
- _ availability of consumer financing (interest rates and eligibility criteria for loans);
- _ availability of and demand for projects comparable to those we develop;
- _ changes in governmental policies relating to zoning and land use;
- _ changes in applicable regulatory schemes; and
- _ competition from other real estate developers.

Cost of construction/development

In addition to the cost of land and development rights, our cost of construction/development comprises primarily the cost of raw materials (in particular cement and steel), contractors, architects and other consultants, construction materials and finishings amongst others. Any increase in prices resulting from higher construction costs could adversely affect our profit margins, demand for our projects and the relative affordability of our projects as compared to our competitors' products.

Competition

Our Company faces significant competition from other real estate companies operating in the markets in India in which it operates. Some of these firms have greater resources and/or a more widely recognised brand than we have, which may give them a competitive advantage. Our ability to grow revenues will depend on demand for our products and services in preference to those of its competitors.

Growth in the Indian economy

General economic conditions in India have a significant impact on our results of operations. The Indian economy has grown rapidly over the past decade and is expected to continue to grow in the future. We believe growth in the overall economy has driven, and will drive, the underlying demand for investment products and services both in terms of the availability of capital for investment and the availability of such products and services.

Interest Rate Risk: Increase in operations would require additional working capital. If we are required to finance our operations by raising working capital borrowings, at fixed /floating rates of interest our cost of servicing such debt will increase, thereby adversely impacting our results of operations, planned capital expenditures and cash flows. Our profits will also be impacted by interest rate variation.

Sundry Debtors /Recovery of receivables: Any delay in the recovery of outstanding receivables, may affect our results of operation, as we may then have to resort to increased borrowings for our working capital requirements, which may further exert pressure on outgo towards interest thereby reducing our profits.

Discussion on Results of Operation:

The following discussion on results of operations should be read in conjunction with the consolidated restated financial statements of our Company for the 9 months period ended December 31, 2018 and financial years ended March 31, 2018, 2017 and 2016.

OUR SIGNIFICANT ACCOUNTING POLICIES

For Significant accounting policies please refer *Significant Accounting Policies, “Annexure IV” beginning on page 109.*

RESULTS OF OUR OPERATION (CONSOLIDATED)

Revenue from constructed properties/project is recognized in accordance with the “Revised guidance note issued by the institute of Chartered Accountants of India (“ICAI”) on “Accounting for Real Estate Transaction (Revised 2012). The estimates of salable area and cost are revised periodically by the management. The effect of such changes to estimates is recognized in the period such changes are determined. As per this guidance Note, the revenue have been recognized on percentage of completion method provided all of the following conditions are met at the reporting date:-

- Required critical approvals for commencement of the project have been obtained.
- At least 25% of estimated construction and development cost (Excluding land cost) have been incurred.
- At least 25% of the saleable project area is secured by the agreements to sell/application form (containing salient terms of the agreement to sell) and .
- At least 10% of the total revenue as per agreement to sell are realized in respect of these Agreements.

In terms of the guidance note the Trade Receivable include unbilled receivables which represents revenue recognized based on percentage of completion method over and above the amount due as per the payment plans agreed with the customer. “Trade Receivable” represents the amount due as per the payment plans agreed with the customer over and above the revenue recognized based on percentage of completion method. Further the balance work to be completed for the booked units is also reflected under other current liabilities. The accounting is done as per the “Guidance note on Accounting for Real Estate Transactions”. Out of the total expenditure incurred on project, expense as per the “Guidance note on Accounting for Real Estate Transactions” is expensed in the Profit and Loss account and balance is accounted as WIP inventory.

REVENUE FROM OPERATIONS

(₹ Lakhs)

Particulars	For the FY			
	31.12.18	31.03.18	31.03.17	31.03.16
Queens Court	0.00	0.00	21.06	221.55
Park View	1,117.97	1,610.06	359.58	1,044.86
Silver Wings Life Spaces (Platina)	2652.72	0.00	0.00	0.00
Total	3,770.69	1,610.06	380.64	1,266.41

9 months period ended December 31, 2018 (Consolidated)

(₹ Lakhs)

Particulars	For the period ended 31-12-2018	% of Total Income
Income		
Revenue from Operations	3,770.69	
Other Income	0.79	
Effect of Changes in Inventory	-1,793.95	
Total Income	1,977.53	
Cost of Construction	1,104.38	55.85%
Employee Benefit Expenses	80.14	4.05%
Other Expenses	121.15	6.13%
Total Expenditure	1,305.67	66.03%
PBIDT	671.86	33.97%
Interest & Financial Charges	461.62	23.34%
Depreciation	13.53	0.68%
PBT	196.71	9.95%
Tax Expenses	62.00	3.14%
Profit After Tax as Restated	134.71	6.81%

Revenues: We recorded Consolidated revenues of ₹ 3770.69 lakhs and other income of ₹ 0.79 lakhs. The revenues include sale of commercial and residential flats in our Park View and Platina projects.

Decrease in inventory was to the extent of ₹ 1793.95 lakhs and due to this Total Income for the period ended December 31, 2018, is ₹ 1977.53 lakhs.

Operating Expenses: The total operating expenditure aggregated to ₹ 1305.67 lakhs which was 66.03% of the Total Income.

Cost of Construction stood at ₹ 1104.38 lakhs which was 84.58% of the total operating expenses and 55.85% of the Total Income.

Employee Benefit Expenses stood at ₹ 80.14 lakhs which was 6.14% of the total operating expenses and 4.05% of the Total Income.

Other Expenses stood at ₹ 121.15 lakhs which was 9.28% of the total operating expenses and 6.13% of the Total Income.

Interest and Financial Charges: Our interest and financial charges for the period ended December 31, 2018 stood at ₹ 461.62 lakhs, which is 23.34% of our Total Income.

Depreciation: We incurred Depreciation cost of ₹ 13.53 lakhs, which is 0.68% of our Total Income.

Tax Expenses: Tax Expenses for the period ended December 31, 2018 is ₹ 62.00 lakhs.

Profits

Our PBIDT stood at ₹ 671.86 lakhs for the 9 months period ended December 31, 2018 with the PBIDT margin of 33.97%. We recorded PBT of ₹ 196.71 lakhs and PBT margin stood at 9.95%. We recorded Net Profit of ₹ 134.71 lakhs. Our Net Profit Margin stood at 6.81%.

Comparison of Financial Years ended March 31, 2018, 2017 and 2016 (Consolidated)

(₹ Lakhs)

Particulars	31-Mar-18	31-Mar-17	31-Mar-16
Income			
Revenue from Operations	1,610.06	380.64	1,266.41
Increase/Decrease (%)	322.98%	-69.94%	
Other Income	0.89	0.70	0.93
Total	1,610.95	381.34	1,267.34
Effect of Changes in Inventory	2,301.03	1,850.35	2,873.75
Total Income	3,911.98	2,231.69	4,141.09
	75.29%	-46.11%	
Expenditure			
Cost of Construction	2,800.63	1,649.09	3,744.80
Increase/Decrease (%)	69.83%	-55.96%	
% to Total Income	71.59%	73.89%	90.43%
Employee Benefit Expenses	109.08	90.81	44.96
Increase/Decrease (%)	20.12%	102.00%	
% to Total Income	2.79%	4.07%	1.09%
Other Operating and Administrative Expenses	230.78	202.96	174.35
Increase/Decrease (%)	13.71%	16.41%	
% to Total Income	5.90%	9.09%	4.21%
Total Expenditure	3,140.49	1,942.86	3,964.11
Increase/Decrease (%)	61.64%	-50.99%	
% to Total Income	80.28%	87.06%	95.73%
PBIDT	771.49	288.83	176.98
Increase/Decrease (%)	167.11%	63.20%	
% to Total Income	19.72%	12.94%	4.27%
Depreciation	25.69	32.56	26.62
Increase/Decrease (%)	-21.12%	22.34%	
% to Total Income	0.66%	1.46%	0.64%
Interest & Financial Charges	666.81	253.77	72.25
Increase/Decrease (%)	162.76%	251.24%	
% to Total Income	17.05%	11.37%	1.74%
Profit before Taxation	79.00	2.49	78.11
Increase/Decrease (%)	3070.14%	-96.81%	
% to Total Income	2.02%	0.11%	1.89%
Tax Effect	25.83	-2.19	25.87
Increase/Decrease (%)	-1280.44%	-108.46%	
% to Total Income	0.66%	-0.10%	0.62%

Profit After Tax	53.17	4.68	52.24
Increase/Decrease (%)	1036.15%	-91.04%	
% to Total Income	1.36%	0.21%	1.26%

Comparison of FY 2018 with FY 2017:

Revenue from Operations

The Operating Revenue for the FY 2018 is ₹ 1,610.06 Lakhs as compared to ₹ 380.64 Lakhs for the FY 2017. There were no revenues from subsidiary firm/ Platina Project during FY 2018 and FY 2017. During FY 2018 we recorded revenue from flat sale (park view). During FY 2017 we recorded revenue of ₹ 21.06 Lakhs from flat sale (Queens Court) and ₹359.58 Lakhs from flat sale (Park View). Increase is primarily due to increase in sales from Park View Project.

Total Income

Other Income for the FY 2018 was ₹0.89 Lakhs as compared to ₹0.70 Lakhs during FY 2017. Changes in inventory stood at ₹2301.03 Lakhs for FY 2018 as compared to ₹1850.35 Lakhs for the FY 2017. Changes in inventory was both from Park View and Platina Projects. Hence the Total Income for the FY 2018 is ₹3911.98 Lakhs as compared to ₹ 2231.69 Lakhs during the FY 2017.

Expenditure:

Cost of Construction

Cost of Construction increased to ₹ 2800.63 lakhs for FY 2018 from ₹ 1649.09 lakhs for FY 2017 showing increase of 69.83%. This increase was mainly due increase in construction activities at our Platina Project and purchase of land of ₹500.00 Lakhs for our Rajat County Project. The Cost of construction was 71.59% of total income during FY 2018 as against that of 73.89% during FY 2017.

Employee Benefit Expenses

Employee Benefit Expenses were ₹ 109.08 Lakhs for the year ended March 31, 2018 and ₹90.81 Lakhs during FY 2017. This mainly consists of salary and Wages. Employee Benefit Expenses stood at 2.79% and 4.07% of Total income for FY 2018 and FY 2017 respectively.

Other Expenses

Other Expenses were ₹ 230.78 Lakhs for FY 2018 which was 13.71% of the Total Income. Other Expenses were ₹202.96 Lakhs for FY 2017 which was 9.09% of the total income. Other expenses include administrative expenses, advertisement expenses, legal and professional fees amongst others.

Profit before Depreciation, Interest and Tax (PBDIT)

PBDIT increased from ₹ 288.83 lakhs for FY 2017 to ₹ 771.49 lakhs for FY 2018, mainly on account of increase in Revenue from Operations. During FY 2018, our Company recorded PBDIT of 19.72% of the Total income as against 12.94% during FY 2017.

Depreciation

Depreciation on fixed assets was 0.66% of Total income during FY 2018 as compared to 1.46% during FY 2017. The total depreciation during FY 2017 was ₹ 32.56 lakhs and during FY 2018 it was ₹ 25.69 lakhs.

Interest and Financial Charges

Interest and Financial Charges were ₹ 666.81 Lakhs for FY 2018. Interest cost mainly includes interest on term loan from banks and bank charges. Interest and Financial Charges were ₹ 253.77 Lakhs for FY 2017 and consisted of interest on loans and bank charges.

Profit after Tax and restatement adjustment (PAT)

PAT increase from ₹ 4.68 lakhs for the FY 2017 to ₹ 53.17 lakhs in FY 2018. This increase was mainly due to increase in Revenue from Operations and other reasons as detailed above. During FY 2018, our Company recorded PAT margin of 1.36% as against 0.21% for FY 2017.

Comparison of FY 2017 with FY 2016:

Revenue from Operations

The Operating Revenue for the FY 2017 is ₹ 380.64 Lakhs as compared to ₹ 1266.41 Lakhs for the FY 2016. During FY 2017 we recorded revenue of ₹ 21.06 Lakhs from flat sale (queen's court) and ₹359.58 Lakhs from flat sale (park view). During FY 2016 we recorded revenue of ₹ 221.55 Lakhs from flat sale (queens court) and ₹1044.86 Lakhs from flat sale (park view). The decrease in revenue was due to decrease in sales of our Park View project due to adverse market conditions and managements decision to hold the inventory.

Total Income

Other Income for the FY 2017 was ₹0.70 Lakhs as compared to ₹0.93 Lakhs during FY 2016. Changes in inventory stood at ₹1850.35 Lakhs for FY 2017 as compared to ₹2873.75 Lakhs for the FY 2016. Hence the Total Income for the FY 2017 is ₹2231.69 Lakhs as compared to ₹ 4141.09 Lakhs during the FY 2016.

Expenditure:

Cost of Construction

Cost of Construction decreased to ₹ 1649.09 lakhs for FY 2017 from ₹ 3744.80 lakhs for FY 2016. The decrease was mainly due to purchase of land for Platina Project for ₹ 2595.88 lakhs. The Cost of construction was 73.89% of total income during FY 2017 as against that of 90.43% during FY 2016.

Employee Benefit Expenses

Employee Benefit Expenses were ₹ 90.81 Lakhs for the year ended March 31, 2017 and ₹44.96 Lakhs during FY 2016. This mainly consists of salary and Wages. Employee Benefit Expenses stood at 4.07% and 1.09% of Total income for FY 2017 and FY 2016 respectively.

Other Expenses

Other Expenses were ₹ 202.96 Lakhs for FY 2017 which was 9.09% of the Total Income. Other Expenses were ₹174.35 Lakhs for FY 2016 which was 4.25% of the total income.

Profit before Depreciation, Interest and Tax (PBDIT)

PBDIT increased from ₹ 176.98 lakhs for FY 2016 to ₹ 288.83 lakhs for FY 2017, mainly on account of decrease in cost of construction and material consumed. During FY 2017, our Company recorded PBDIT of 12.94% of the Total income as against 4.27% during FY 2016.

Depreciation

Depreciation on fixed assets was 1.46% of Total income during FY 2017 as compared to 0.64% during FY 2016. The total depreciation during FY 2017 was ₹ 32.56 lakhs and during FY 2016 it was ₹ 26.62 lakhs.

Interest and Financial Charges

Interest and Financial Charges were ₹ 253.77 Lakhs for FY 2017. Interest cost mainly includes interest and bank charges. Interest and Financial Charges were ₹ 72.25 Lakhs for FY 2016 and consisted of interest bank charges. The increase is due to increase in secured loans.

Profit after Tax and restatement adjustment (PAT)

PAT decrease from ₹ 52.24 lakhs for the FY 2016 to ₹ 4.68 lakhs in FY 2017. This decrease was mainly due to decrease in Revenue from Operations and increase in interest cost. During FY 2017, our Company recorded PAT margin of 0.21% as against 1.26% for FY 2016.

Related Party Transactions: For further information please refer “Related Party Transactions” beginning on page 127.

Financial Market Risks: We are exposed to financial market risks from changes in borrowing costs, interest rates and inflation.

Interest Rate Risk: Our Company is exposed to interest rate risks to the extent of our borrowings. Any future borrowings may increase our risk.

Effect of Inflation: We are affected by inflation as it has an impact on the operating cost, staff costs etc. In line with changing inflation rates, we rework our margins so as to absorb the inflationary impact.

FACTORS THAT MAY AFFECT THE RESULTS OF THE OPERATIONS:

1. Unusual or infrequent events or transactions

To our knowledge there have been no unusual or infrequent events or transactions that have taken place during the last three years.

2. Significant economic changes that materially affected or are likely to affect income from continuing operations.

Our business has been subject, and we expect it to continue to be subject, to significant economic changes arising from the trends identified above in ‘Factors Affecting our Results of Operations’ and the uncertainties described in the section entitled ‘Risk Factors’ beginning on page 18. To our knowledge, except as we have described in the Draft Prospectus, there are no known factors which we expect to bring about significant economic changes.

3. Known trends or uncertainties that have had or are expected to have a material adverse impact on sales, revenue or income from continuing operations.

Apart from the risks as disclosed under Section titled “Risk Factors” beginning on page 18, in our opinion there are no other known trends or uncertainties that have had or are expected to have a material adverse impact on revenue or income from continuing operations.

4. Future changes in relationship between costs and revenues, in case of events such as future increase in labour or material costs or prices that will cause a material change are known.

Our Company’s future costs and revenues will be determined by demand/supply situation, government policies and prices quoted by service providers.

5. Extent to which material increases in net sales or revenue are due to increased sales volume, introduction of new products or services or increased sales prices.

Increases in revenues are by and large linked to increases in volume of business.

6. Total turnover of each major industry segment in which the issuer company operated.

For details of the industry please refer to Chapter titled “Industry Overview” on page 65.

7. Status of any publicly announced new products or business segment.

Our Company has not announced any new product or business segment.

8. The extent to which business is seasonal.

Our Company’s business is not seasonal in nature.

9. Any significant dependence on a single or few suppliers or customers.

Customers' contribution:

We are not dependent on single or few customers for the sales of our residential units.

Suppliers contribution:

Most of the construction related work is being carried out by our Promoter Group Entity, RCD Buildcon, wherein our Promoter Dr. Rajat Arora and Director, Zulfiqar Pathan are partners. Sometime we supply procure the construction materials and supply to RCD Buildcon. The construction is done as per the specifications provided by us.

10. Competitive conditions.

Competitive conditions are as described under the *Chapters titled "Industry Overview" and "Our Business" on pages 65 and 69, respectively.*

FINANCIAL INDEBTEDNESS

Our Company utilises various credit facilities from banks for conducting its business. Following is a summary of our Company's outstanding borrowings on standalone basis as on December 31, 2018:

Sr. No.	Nature of Borrowing	Amount (₹ in lakhs)
1.	Secured Borrowings	
	Rajat City Developers Limited	1,661.83
	Silver Wings Life Spaces	2,802.08
2.	Unsecured Borrowings	
	Rajat City Developers Limited	1,523.64
	Silver Wings Life Spaces	543.51
	Total	6,531.06

I. Secured Borrowings

Set forth below is a summary of the outstanding secured borrowings of our Company as on December 31, 2018, together with a brief description of certain significant terms of such financing arrangements:

A. Secured Term Loans of our Company

Name of Lender	Type of Loan	Date of Sanction Letter	Amount Sanctioned (₹ in lakhs)	Terms of Re-payment	Amount Outstanding as on December 31, 2018 (₹ in lakhs)	Rate of Interest (%)	Securities Offered
AU Small Finance Bank Limited	Term Loan	August 04, 2017	2,000.00	Principal outstanding post the expiry of the moratorium period shall be paid in 36 monthly equated instalment computed based on principal outstanding as on last day of the moratorium period.	1650.38	16.00% p.a. (Fixed) payable on monthly basis, compounded monthly	Points no. (1) to (4) below

Security / Guarantee provided for the above loans:

(A) Charge by way of mortgage over:

- Land adm. 3599.75 sq. Mts. On which the project is being developed & constructed along with present and future constructions thereon, (excluding area sold against which home loan has been availed, presently being 25 units) & registered in favour of the lender;
- hypothecation of the entire receivables of the project (both present and future) including moveable & current assets and all rights, interest, titles, benefits, TDRs (if any), insurance claims (if any) and any amount received under the project of whatsoever nature it may be, in favour of the lender;
- Demand Promissory Note of Rs. 20 Crores; and
- Security Post Dated Cheques ("SPDC") of value as may be decided by the Lender.

There has not been any re-scheduling, prepayment, penalty or default by our Company in respect of the term loan detailed above, until the date of this Draft Prospectus.

Secured Loans for Purchase of Vehicles

Name of Lender	Amount Sanctioned (₹ in lakhs)	Re-payment	Amount Outstanding as on December 31, 2018 (₹ in lakhs)	Rate of Interest (%)	Securities Offered
SBBJ Bank	10.00	83 monthly EMIs of ₹ 16336/-	7.73	8.85%	Secured against Hypothecation of respective vehicle
	10.00	84 monthly EMIs of ₹ 16809/-	3.72	9.45%	Secured against Hypothecation of respective vehicle

Principal terms of the borrowings availed by us:

- Events of Default:** The occurrence of any one or more of the following events shall constitute an Event of Default; (1) if the borrower fails to pay any sum whether principal or interest or any outstanding amounts under the agreement at the time stipulated herein and in the manner specified herein or in accordance with the terms of any other document executed in pursuance hereof; (2) if the borrower defaults in the performance of any of the covenants, conditions under the agreement or any other agreement between the borrower and the lender and such default shall have continued over a period of thirty days after notice thereof shall have been given to the borrower by the lender; (3) if any information given by the borrower in its loan application form to the lender for facility or any other representation or warranty is found to be misleading or incorrect or any material fact/information is suppressed or concealed; (4) insolvency, (i) if the borrower or guarantor, suspends making payment on any of its debts or by reason of actual or anticipated financial difficulties, commences negotiations with any one or more of its creditors (or any class of them) with a view to rescheduling any of its indebtedness or makes a general assignment for the benefit of or composition with its creditors or admits or is ordered to pay any liability and such liability is not paid when due, (ii) the value of the assets of the borrower and/or guarantor is less than its liabilities, (iii) a moratorium is declared in respect of any indebtedness of the borrower and/or guarantor, (iv) a liquidation order has been passed against the borrower and/or guarantor in accordance with the provisions of the insolvency and bankruptcy code, 2016, (v) a resolution plan in respect of the borrower and or guarantor is not submitted to the adjudicating authority at the end of the insolvency and bankruptcy code, 2016, (vi) an application is filed by any financial creditor or any operational creditor of the borrower and or guarantor for the insolvency resolution process under the insolvency and bankruptcy code, 2016; (5) insolvency proceedings, (a) any corporate action, legal proceedings or other procedure or step is taken in relation to, (i) the suspension of payments, moratorium of any indebtedness, insolvency resolution, liquidation, dissolution, administration, provisional supervision or reorganisation (by way of voluntary arrangement, scheme of arrangement or otherwise) of the borrower and/or the guarantor, (ii) a composition, compromise or arrangement with any creditor of the borrower and/or the guarantor or an assignment for the benefit of the creditors generally of the borrower and/or the guarantor (or a class of such creditors, (iii) the appointment of a liquidator, receiver, administrator, administrative receiver, compulsory manager, provisional supervisor, insolvency professional or other similar officer in respect of the borrower and/or guarantor or any of their assets, (iv) enforcement of any security interest over any assets of the borrower; (b) the borrower and/or the guarantor (i) has been declared as a relief undertaking or proceedings have been filed in relation to the same; or (ii) is likely to be declared as a relief undertaking under the (Indian) Bombay Relief Undertakings (Special Provisions) Act, 1958 or any other law; or in each case of (i) and (ii) hereinabove, any analogous or step is taken in any jurisdiction; (6) if any default is made by the borrower under any other agreement between the borrower and any other bank or financial institution or any other agreement of indebtedness of the borrower or the performance of any covenant, or any indebtedness of the borrower is not paid when due or any creditor becomes entitled to declare any such indebtedness due and payable prior to the date on which it would otherwise have become due or any guarantee or indemnity given by the borrower is not honoured when due and called to do so; (7) if the property given as security depreciates in value to such extent that in the opinion of the lender further security to the satisfaction of the lender should be given and such security is not furnished within seven days of the borrower being called upon to do so; (8) if the property or any part thereof which is given as security for the loan is without prior written permission of the lender let out given on lease and license sold, disposed off, charged, encumbered or otherwise alienated or any charge/third party rights have created in respect thereof; (9) if an attachment or distraint is levied on the security or any part thereof and/or certificate proceedings are taken or commenced for recovery of any dues from the borrower; (10) if

the borrower fails to furnish information/documents as required by the lender in the form prescribed / approved by the lender in the terms of this agreement; (11) if the borrower ceases or threatens to cease to carry on business it carried on the date hereof; (12) if the borrower takes any action or any legal proceedings are initiated or other steps taken for (i) the borrower to be adjudicated or found insolvent or bankrupt, (ii) the winding up or dissolution of the borrower, or (iii) the appointment of liquidator, administrator, trustee or receiver or similar officer for the borrower of the whole or any part of its undertaking assets and properties; (13) if all or substantially all of the undertaking, assets or properties of the Borrower or its interest therein are seized, nationalized, or compulsorily acquired by the authority of government; (14) if the borrower/ guarantor(s) repudiates this agreement the security documents or does or causes to do any act or thing evidencing an intention to repudiate this agreement or the security documents; (15) if there is any breach of the terms & conditions of the repayment schedule; (16) if there is any change in the ownership, shareholding pattern, share capital, capital structure or management of the borrower, which in the sole opinion of the lender would prejudicially affect the interest of the lender; (17) if there occurs any event which in the opinion of the lender is prejudicial to the interest of the lender or in the sole opinion of the lender is likely to materially affect the financial condition of the borrower or its ability to perform all or any of its obligation under the agreement and to comply with any of the term or conditions of this agreement; (18) if the borrower misuses the facility or any part thereof for any purpose other than for which the facility has been sanctioned; (19) if an insolvency notice or a winding up notice is served on the borrower or a receiver is appointed or an attachment is levied on any of the borrower's properties or assets; (20) if any consent, authorization, approval or license of registration with or declaration to governmental or public bodies or authorities required by the borrower in connection with the execution, deliver, validity, enforceability or admissibility in evidence of the agreement or the performance by the borrower of its obligations hereunder is modified in a manner unacceptable to the lender or is not granted or revoked or terminated or expires and is not renewed or otherwise ceases to be full force and effect; (21) if there is any material changes in the proposal for which this facility is sanctioned; (22) if any material fact concerning borrower's profit or ability to repay or any other relevant aspect of its loan application is withheld, suppressed or concealed or not made known to the lender; (23) if the borrower fails to fulfil the terms of the undertaking furnished by it; (24) if any security for the facility becomes infructuous or is challenged by the borrower or any other person; (25) if the borrower/s dies; (26) there is any change in the constitution, management or existing ownership or control of share capital of the borrower (in case the borrower is a company) (i) where the borrower and /or guarantor is a partnership firm, if the borrower and/or is dissolved or a notice of dissolution is given to it or any of its partners or if the borrower and/or guarantor or any of their partners commits an act of insolvency or makes an application for being declared insolvent or an order is passed declaring it or them or any of them is insolvent/ where the borrower and/or guarantor is a company, if a resolution for winding up of the borrower and/or guarantor is passed or nay petition for its winding up is filed or nay order for winding up is made against the borrower and/or guarantor or if a liquidator is appointed in respect of any property or estate of the borrower and/or guarantor, (ii) if any permission, authorization, issued by the competent authority(ies) with respect to construction and/or legality of the project is withdrawn or cancelled or withheld for any reason whatsoever, (iii) if the borrower makes any default under any credit facility agreement or arrangement entered into by the borrower with the lender, its subsidiaries, affiliates or any bank, financial institution/ non banking financial company and/or other creditors, (iv) if the borrower fails to sign and deliver to the lender the balance confirmation of the facility as and when so required by the lender, (v) the security furnished by the borrower is subsequently found to be of inferior value compared to that as declared by the borrower to the lender at the time of execution of this agreement, (vi) the title of the property to be provided as security is found to be defective or any statutory authority including but not limited to governmental authority has initiated any action against the borrower or its director in relation to property secured, (vii) if for any unforeseen reason the transaction turns to be unviable for the lender, (viii) if the security or any part thereof is demolished by the governmental authority or any other authority for any reason whatsoever, (ix) if any notice of acquisition is received by the borrower from any authority under any law for the time being in force and (x) if the entire project or any part thereof collapses, destroys or comes down either because of earthquake, flood or any other calamity natural or caused by human being.

Silver Wings Life Spaces

Sr. No.	Name of the Lender	Facility/Sanctioned Amount	Amount Outstanding (as on December 31, 2018) ₹ Lacs	Interest Rate	Security
1	PNB Bank	Term Loan of Rs.	1,654.27	13.30% p.a.	Project Loan, Secured

		2,500.00 Lakhs			against Project assets
2	IDBI Bank	Term Loan of Rs. 2,000.00 Lakhs	1,140.00	13.30% p.a.	Project Loan Secured against Project assets
3	SBBJ Bank	Car Loan	4.03	9.45% p.a.	Against Vehicle
4	SBBJ Bank	Car Loan	1.83	11.55% p.a.	Against Vehicle
5	HDFC Bank	Car Loan	1.95	9.65% p.a.	Against Vehicle

B. Others:

1. Our company has given a personal guarantee for the Bank Guarantee of Rs. 23 lakhs from Bank of Baroda availed by M/s Silver Wings Life Spaces vide BG No. 31921GPER000516 dated February 16, 2016 in favour of The Secretary UIT(Urban Improvement Trust), Kota for conditions regarding installing of fire fighting system and rain water harvesting system at proposed residential building at K.C.P.1 Pratap Circle Kunhari, Kota, Rajasthan of M/s Silver Wings Life Spaces.

2. Our company has given a personal guarantee for the Consortium Arrangement between Punjab National Bank and IDBI Bank Limited (Term Loan of Rs. 2,500 lakhs from Punjab National Bank and Rs. 2,000 lakhs from IDBI Bank Limited) taken by M/s Silver Wings Life Spaces for construction of project “Platina” at Plot No. KCP-1, Maharana Pratap Circle, Kunhari, Kota.

II. Unsecured Borrowings

Following are the details of the unsecured borrowings of our Company as on December 31, 2018:

(₹ in lakhs)

Lender	Amount outstanding as on December 31, 2018	Repayment	Rate of Interest
Rajat City Developers Limited			
J.K. Residency, Kota	203.15	On Demand	Nil
Zulfikar Pathan	390.35	On Demand	Nil
Dr. Rajat Arora	878.98	On Demand	Nil
Masrat Khan	51.16	On Demand	Nil
Silver Wings life Spaces			
Kirshna Tour and Travels	5.00	On Demand	Nil
Jyoti Prakash	8.97	On Demand	Nil
Ram Choudhary	12.17	On Demand	Nil
Ram Kishan Verma	405.00	On Demand	Nil
Pradeep Kumar Ahuja	6.00	On Demand	Nil
Anil Gambhir	41.45	On Demand	Nil
Shanti Lal Jain	9.03	On Demand	Nil
Sourabh Chittora	7.00	On Demand	Nil
Sugan Chand Jain	4.40	On Demand	Nil
Yakub Ali Pathan	24.30	On Demand	Nil
Ambika Meena	4.51	On Demand	Nil
Dr. Jagdish Kumar Arora	15.68	On Demand	Nil
Total(B)	2,067.14		

SECTION VI – LEGAL AND OTHER INFORMATION OUTSTANDING LITIGATION AND MATERIAL DEVELOPMENTS

Except as stated below there is no (i) pending criminal litigation involving our Company, Directors, Promoter or Group Companies; (ii) actions taken by statutory or regulatory authorities involving our Company, Directors, Promoter or Group Companies; (iii) outstanding claims involving our Company, Directors, Promoter or Group Companies for any direct and indirect tax liabilities; (iv) outstanding proceedings initiated against our Company for economic offences; (v) defaults or non-payment of statutory dues by our Company; (vi) material fraud against our Company in the last five years immediately preceding the year of this Draft Prospectus; (vii) inquiry, inspection or investigation initiated or conducted under the Companies Act 2013 or any previous companies law against our Company during the last five years immediately preceding the year of this Draft Prospectus and if there were prosecutions filed (whether pending or not); (viii) fines imposed or compounding of offences for our Company in the last five years immediately preceding the year of this Draft Prospectus; (ix) litigation or legal action against our Promoter by any ministry or Government department or statutory authority during the last five years immediately preceding the year of this Draft Prospectus; (x) pending litigations involving our Company, Directors, Promoter, Group Companies or any other person, as determined to be material by the Company's Board of Directors in accordance with the SEBI (ICDR) Regulations; or (xi) outstanding dues to creditors of our Company as determined to be material by our Company's Board of Directors in accordance with the SEBI (ICDR) Regulations and dues to small scale undertakings and other creditors.

For the purpose of material litigation in (x) above, our Board has considered and adopted the following policy on materiality with regard to outstanding litigations to be disclosed by our Company in this Draft Prospectus:

- (a) All criminal proceedings, statutory or regulatory actions and taxation matters, involving our Company, Promoters, Directors, or Group Companies, as the case may be shall be deemed to be material;*
- (b) All pending litigation involving our Company, Promoter, Directors, or Group Companies as the case may be, other than criminal proceedings, statutory or regulatory actions and taxation matters, would be considered 'material' (a) the monetary amount of claim by or against the entity or person in any such pending matter(s) is in excess of ₹10,00,000/- (Rupees Ten lakhs only) or 5% of the net profits after tax of the Company for the most recent audited fiscal period whichever is lower; or (b) where the monetary liability is not quantifiable, each such case involving our Company, Promoter, Directors, or Group Companies, whose outcome would have a bearing on the business operations, prospects or reputation of our Company;*
- (c) Notices received by our Company, Promoter, Directors, or Group Companies, as the case may be, from third parties (excluding statutory/regulatory authorities or notices threatening criminal action) shall, in any event, not be evaluated for materiality until such time that the Company / Directors / Promoter / Group Companies, as the case may be, are impleaded as parties in proceedings before any judicial forum.*

Our Company, our Promoter and/or our Directors, have not been declared as wilful defaulters by the RBI or any governmental authority, have not been debarred from dealing in securities and/or accessing capital markets by the SEBI and no disciplinary action has been taken by the SEBI or any stock exchanges against our Company, our Promoter or our Directors, that may have a material adverse effect on our business or financial position, nor, so far as we are aware, are there any such proceedings pending or threatened.

Unless otherwise stated, all proceedings are pending as of the date of this Draft Prospectus. All information provided below is as of the date of this Draft Prospectus.

LITIGATION INVOLVING OUR COMPANY

1. Employee's Provident Fund and Miscellaneous Provisions Act, 1952

Assistant Provident Fund Commissioner has passed an order under section 14B of the Employee's Provident Fund and Miscellaneous Provisions Act, 1952 ("Act") against our company vide order no. RJ/KOTA/PD/1475503/2017-18/9007 dated March 21, 2018 imposing penal damages and u/s 14B and interest u/s 7Q amounting to ₹ 63,643 against our Company for the delayed payment of EPF and allied dues, to be remitted within 15 days if the receipt of the order. The penal charges consists of ₹39,031/- as provident fund contribution under section 6 of the act; ₹20,746/- as PPF/ Pension Fund Contribution under section 6A of the act; ₹2,125/- as administrative charges; ₹1,247/- as contribution to Employee's deposit Linked Insurance Scheme and ₹494/- as Employee's deposit Linked Insurance Scheme charges.

2. Consumer forum case

Smt. Purnima Soni (“**Complainant**”) having address at 2- Kh- 4, Vigyan Nagar, Kota, Rajasthan has filled a case against The Managing Director, Rajat City Developers Limited (“**Opponent**”), vide complaint no. 295/2017 before Court of District Consumer Forum (“**Court**”), Kota, Rajasthan for recovery of loss due to cancellation of booking of flat in project “Park View” which is manufactured by opponent no. 1 which is approximately of ₹33,000/-. The contention of complainant is that they cancelled the booking and entire amount was not refunded. Summons was issued by the court on dated November 06, 2017. Opponent No. 1 has denied all the allegations vide its written statement. The matter is pending before the Court.

LITIGATION INVOLVING OUR DIRECTORS

Criminal cases filed against our Directors

Nil

Civil cases filed against our Directors

Please refer to the “Litigations Involving Our Company” as detailed above.

LITIGATION INVOLVING OUR PROMOTER

Nil

LITIGATION INVOLVING OUR GROUP ENTITIES

Nil

TAX PROCEEDINGS

A summary of tax proceedings involving our Company, our Promoter, our Directors, or our Group Companies are stated below:

Nature of case	Number of cases	Amount involved (in ₹lakhs)
Company		
Direct Tax	3	4.12
Indirect Tax	2	172.12
Our Promoter		
Direct Tax	Nil	Nil
Indirect Tax	3	0.53
Our Directors		
Direct Tax	1	4.77
Indirect Tax	1	0.22
Our Group Companies		
Direct Tax	3	1.02
Indirect Tax	1	18.14

LEGAL NOTICES RECEIVED BY OUR COMPANY, OUR PROMOTER AND OUR DIRECTORS

Nil

MATERIAL FRAUDS AGAINST OUR COMPANY

There have been no material frauds committed against our Company in the five years proceeding the year of this Draft Prospectus.

PROCEEDINGS INITIATED AGAINST OUR COMPANY FOR ECONOMIC OFFENCES

There are no proceedings initiated against our Company for any economic offences.

NON PAYMENT OF STATUTORY DUES

As on the date of the Draft Prospectus there have been no (i) instances of non-payment or defaults in payment of statutory dues by our Company, (ii) over dues to companies or financial institutions by our Company, (iii) defaults against companies or financial institutions by our Company, or (iv) contingent liabilities not paid for.

PAST CASES WHERE PENALTIES WERE IMPOSED

Other than as mentioned above, there are no past cases where penalties were imposed on our Company by concerned authorities/courts.

OUTSTANDING LITIGATION AGAINST OTHER PERSONS AND COMPANIES WHOSE OUTCOME COULD HAVE AN ADVERSE EFFECT ON OUR COMPANY

As on the date of the Draft Prospectus, there is no outstanding litigation against other persons and companies whose outcome could have a material adverse effect on our Company.

PAST INQUIRIES, INSPECTIONS OR INVESTIGATIONS

There have been no inquiries, inspections or investigations initiated or conducted under the Companies Act, 2013 or any previous company law in the last five years immediately preceding the year of the Draft Prospectus in the case of our Company, Promoter, Directors. Other than as described above, there have been no prosecutions filed (whether pending or not) fines imposed, compounding of offences in the last five years immediately preceding the year of the Draft Prospectus.

Further, there is no legal action pending or taken by any Ministry or Department of the Government or a statutory authority against the Promoter during the last five years immediately preceding the year of the issue of the Draft Prospectus and any direction issued by such Ministry or Department or statutory authority upon conclusion of such litigation or legal action.

OUTSTANDING DUES TO CREDITORS

As per the Materiality Policy, our Board has approved that each creditor, to whom our Company individually owes a net aggregate amount that exceeds 5.00% of the trade payables as per the Restated Financial Statements for the most recent financial year, shall be considered as a material creditor of our Company. Our Board has also approved that dues owed by our Company to small scale undertakings as per the Restated Financial Statements for the most recent financial year shall be disclosed in a consolidated manner.

As of December 31, 2018, our Company, in its ordinary course of business, has an aggregate amount of ₹236.75 lakhs on standalone basis, which is due towards sundry and other creditors. As per the above policy, consolidated information of outstanding dues, as December 31, 2018 owed to small scale undertakings, material dues to creditors and other dues to creditors separately, giving details of number of cases and aggregate amount for such dues is as under:

Particulars	Number of cases	Amount Outstanding (₹ in lakhs)
Dues to small scale undertakings	Nil	Nil
Material dues to creditors	1	214.49
Other dues to creditors	17	22.26

Further, our Company has not received any intimation from suppliers regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 and hence disclosure, if any, in relation to amount unpaid as at the year end together with interest payable as required under the said Act have not been furnished. Our Company does not owe any small scale industries or any MSMEs any amounts exceeding ₹1.00 lakh which is outstanding for more than 30 days. There are no disputes with such entities in relation to payments to be made to them.

The details pertaining to net outstanding dues towards our creditors are available on the website of our Company at www.rajatcity.com. It is clarified that such details available on our website do not form a part of this Draft Prospectus. Anyone placing reliance on any other source of information, including our Company's website, www.secur.co.in, would be doing so at their own risk.

MATERIAL DEVELOPMENTS

Except as stated in “*Management’s Discussion and Analysis of Financial Condition and Results of Operation*” on page 132, there have not arisen, since the date of the last financial statements disclosed in the Draft Prospectus, any circumstances which materially and adversely affect or are likely to affect our profitability taken as a whole or the value of our assets or our ability to pay our liabilities within the next 12 months.

GOVERNMENT AND OTHER APPROVALS

We have set out below a list of material approvals, consents, licences and permissions from the governmental and regulatory authorities obtained by our Company which are considered material and necessary for the purpose of undertaking our business activities and operations. In view of the approvals listed herein, our Company can undertake the Offer and its current business activities. Unless otherwise stated, our Company has obtained all material approvals and the same are valid as of the date of this Draft Red Herring Prospectus. The material approvals, consents, licenses, registrations and permits obtained by our Company which enable it to undertake its current business activities are set forth below. Further, as on the date of this Draft Red Herring Prospectus, our Company does not have any material subsidiaries.

The main objects clause of the Memorandum of Association and objects incidental to the main objects enable our Company to undertake its existing business activities. For further details in connection with the regulatory and legal framework within which we operate, please refer “Key Regulations and Policies” on page 75.

A. Corporate / General Authorizations

Sr. No.	Authorisation granted	Issuing Authority	Registration No./Reference No./License No.	Date of Issue	Valid up to
1.	Certificate of Incorporation	Registrar of Companies, Jaipur	U45201RJ2008PTC026979	July 14, 2008	Valid until cancelled
2.	Certificate of Registration confirming change in registered address.	Registrar of Companies, Jaipur	U45201RJ2008PTC026979	August 01, 2015	Valid until cancelled
3.	Fresh certificate of incorporation consequent upon change of name to 'Rajat City Developers Limited'	Registrar of Companies, Jaipur	U45201RJ2008PLC026979	May 09, 2018	Valid until cancelled

B. Issue Related Authorizations

- Our Board of Directors has, pursuant to a resolution passed at its meeting held on April 6, 2019, authorised the Issue subject to the approval by the shareholders of our Company under Section 62(1)(c) of the Companies Act, 2013 and approvals by such other authorities as may be necessary.
- The shareholders of our Company have authorised the Issue, pursuant to a special resolution under Section 62(1)(c) of the Companies Act, 2013, passed at their EGM held on May 3, 2019.
- Our Company has obtained in-principle approval dated [●] from the BSE Limited.
- Our Company's International Securities Identification Number (“ISIN”) is [●].

C. Business Related Approvals:

Sr. No.	Authorisation Granted	Issuing Authority	Registration No. / Reference No. / License No.	Applicable Act/ Regulation	Date of Issue/ Date of Renewal	Valid up to
1.	Permanent Account Number (PAN)	Income Tax Department, GoI	AAFCR6847J	Income Tax Act, 1961	-	Valid until cancelled
2.	Tax Deduction and Collection Account Number (TAN)	Income Tax Department, GoI	JDHR08247B	Income Tax Act, 1961	-	Valid until cancelled
3.	Form GST REG- 06 Certificate of Registration	Government of India and Government of	08AAFCR6847J1ZU	Goods and Service Tax Act, 2017	September 24, 2017	Valid until cancelled

		Rajasthan.				
4.	Business Registration Number	Government of Rajasthan Directorate of Economics & Statistics Rajasthan Business Register	8006090010000112	--	--	Valid until cancelled
5.	Registration Certificate of Project (Rajat County at Vilege Naya Nohra, tehsil Ladpura, Baran Road, Kota-324001)	Rajasthan Real Estate Regulatory Authority	RAJ/P/2019/887	Real Estate (Regulation and Development) Act, 2016	March 12, 2019	January 7, 2021

- Our Company is registered as an Establishment with the Employee’s Provident Fund Organization, India under Establishment Code RJKOT1475503 under the Employee’s Provident Fund and Miscellaneous Provisions Act, 1952.

D. Intellectual Property Registration

Our Company does not own any trademarks registered under the Trademarks Act

E. Approvals applied for but not yet received / Renewals made in the usual course of business: Nil

F. Material licenses / approvals for which our Company is yet to apply for / Statutory Approvals / Licenses required: Nil

OUR GROUP COMPANY

Pursuant to resolution of our Board dated April 6, 2019, and in accordance with the SEBI ICDR Regulations, group companies of our Company shall include (i) companies (other than our Subsidiaries) with which there were related party transactions as per the Restated Financial Information of our Company, as covered under applicable accounting standards; and (ii) such other companies as considered material by our Board. Our Board has approved that for the purpose of disclosure in connection with the Offer, a company shall be considered material and disclosed as a group company of our Company, if (i) such company forms part of the promoter group of our Company; and (ii) companies with whom transactions entered into exceed 5% or more of the revenue of our Company as per the Restated Financial Information of our Company for the last completed Financial Year. Based on the above, as on the date of filing this Draft Prospectus, other than the partnership firm M/s RCD Buildcon there are no companies which are considered as material group companies for the purpose of disclosure in this Draft Prospectus.

OTHER REGULATORY AND STATUTORY DISCLOSURES

Authority for the Issue

Corporate Approvals

- Our Board has, pursuant to its resolution dated April 6, 2019, authorized the Issue, subject to the approval of the Equity Shareholders of our Company under Section 62(1)(c) of the Companies Act 2013.
- Our Equity Shareholders have, pursuant to a resolution dated May 3, 2019, under Section 62(1)(c) of the Companies Act, authorized the Issue.

We have received approval from BSE *vide* their letter dated [●], 2019 to use the name of BSE Limited in this Offer Document for listing of our Equity Shares on SME Platform of BSE Limited. BSE Limited is the Designated Stock Exchange.

Prohibition by SEBI, the RBI or other Governmental Authorities

Our Company, our Promoter, our Directors, the members of the Promoter Group, the persons in control of our Company and each of the Selling Shareholders have not been prohibited from accessing the capital markets and have not been debarred from buying, selling or dealing in securities under any order or direction passed by SEBI or any other regulatory or governmental authority or court, including any securities market regulator in any jurisdiction.

Prohibition by RBI

Neither our Company, our Promoter, our Directors, relatives (as per Companies Act, 2013) of Promoter or the person(s) in control of our Company have been identified as a wilful defaulter or a fugitive economic offender and there has been no violation of any securities law committed by any of them in the past and no such proceedings are pending against any of them.

Compliance with the Companies (Significant Beneficial Owners) Rules, 2018

Our Company, Promoter and members of the Promoter Group, are in compliance with the Companies (Significant Beneficial Owners) Rules, 2018, as amended (“SBO Rules”), to the extent applicable to each of them as on the date of this Draft Prospectus.

Directors associated with the Securities Market

None of our Directors are, in any manner, associated with the securities market and there has been no action initiated by SEBI against the Directors of our Company in the five years preceding the date of this Draft Prospectus.

Eligibility for this Issue

Our Company has complied with the conditions of Regulation 230 of SEBI (ICDR) Regulations, 2018 for this Issue.

Our Company is an “Unlisted Issuer” in terms of the SEBI (ICDR) Regulations; and this Issue is an “Initial Public Offer” in terms of the SEBI (ICDR) Regulations.

Our Company is eligible for the Issue in accordance with Regulation 229(1) and other provisions of Chapter IX of the SEBI (ICDR) Regulations, 2018 as we are an Issuer whose post issue paid up capital is less or equal to Rs. 1000 Lakhs and we may hence issue Equity Shares to the public and propose to list the same on the Small and Medium Enterprise Exchange (in this case being the “SME Platform of BSE Limited”).

We confirm that:

1. In accordance with Regulation 260 of the SEBI (ICDR) Regulations, this issue will be 100% underwritten and that the LM to the Issue shall underwrite minimum 15% of the Total Issue Size. For further details pertaining to said underwriting please refer to section titled “General Information -Underwriting” beginning on page 40.

2. In accordance with Regulation 268 of the SEBI (ICDR) Regulations, we shall ensure that the total number of proposed allottees in the Issue shall be greater than or equal to fifty (50), otherwise, the entire application money will be unblocked forthwith. If such money is not repaid within eight (8) Working Days from the date our Company becomes liable to repay it, then our Company and every officer in default shall, on and from expiry of eight (8) Working Days, be liable to repay such application money, with an interest at the rate as prescribed under the Companies Act 2013.
3. In terms of Regulation 246(5) of the SEBI (ICDR) Regulations, we shall ensure that our Lead Manager submits a copy of the Prospectus along with a Due Diligence Certificate including additional confirmations as required to SEBI at the time of filing the Prospectus with Stock Exchange and the Registrar of Companies. Further, in terms of Regulation 246(2), SEBI shall not issue observation on the Prospectus.
4. In accordance with Regulation 261 (1) of the SEBI (ICDR) Regulations, we hereby confirm that we shall enter into an agreement with the Lead Manager and with Market Maker to ensure compulsory Market Making for a minimum period of three (3) years from the date of listing of Equity Shares on the SME Platform of BSE. For further details of the arrangement of market making please refer to section titled "General Information - Details of the Market Making Arrangements for this Issue" beginning on page 40.

We further confirm that we shall be complying with all the other requirements as laid down for such an issue under Chapter IX of SEBI (ICDR) Regulations, 2018 as amended from time to time and subsequent circulars and guidelines issued by SEBI and the Stock Exchange.

We confirm that we comply with all the below requirements / conditions so as to be eligible to be listed on the SME Platform of the BSE:-

- a) There has been no change in the promoter/s of the Company in the preceding one year from date of filing application to BSE Limited for listing on SME Platform of BSE Limited.
- b) Our Company does not has a track record of atleast three years.
- c) Our Company has positive cash accruals (earnings before depreciation and tax) from operations.
- d) Our net-worth as on December 31, 2018 as per our Consolidated Restated Financial Statements is ₹ 741.03 lakhs.
- e) Our net tangible assets as on December 31, 2018 as per our Consolidated Restated Financial Statements is ₹ 7,339.14 lakhs.
- f) As on the date of this Draft Prospectus, our Company has a paid up capital of ₹290.00 lakhs and the Post Issue Paid-up Equity Share Capital will be ₹400.16 lakhs which is less than ₹2,500 lakhs.
- g) Our Company has not been referred to the Board for Industrial and Financial Reconstruction (BIFR).
- h) There is no winding up petition against the Company, which has been admitted by the court or a liquidator has not been appointed.
- i) We confirm that no material regulatory or disciplinary action by a stock exchange or regulatory authority has been taken in the past three years against our Company.
- j) We have a website: www.rajatcity.com

As per Regulation 230 (1) of the SEBI ICDR Regulations, our Company has ensured that:

- The Draft Prospectus has been filed with BSE and our Company has made an application to BSE for listing of its Equity Shares on the BSE SME platform. BSE is the Designated Stock Exchange.
- Our Company is in the process of entering into an agreement with both the depositories for dematerialisation of its Equity Shares already issued and proposed to be issued.
- The entire pre-Issue capital of our Company has shares fully paid-up Equity Shares and the Equity Shares proposed to be issued pursuant to this IPO will be fully paid-up.

- The entire Equity Shares held by the Promoters will be in dematerialised form before opening of the Issue for subscription.
- The requirement of firm arrangements of finance through verifiable means towards seventy five per cent of the stated means of finance for funding from the issue proceeds, excluding the amount to be raised through the proposed public offer or through existing identifiable internal accruals is not applicable to our Company. For details, please refer the chapter “Objects of the Issue” on page 54.

Our Company confirms that it will ensure compliance with the conditions specified in Regulation 230 (2) of the SEBI ICDR Regulations, to the extent applicable.

Further, our Company confirms that it is not ineligible to make the Issue in terms of Regulation 228 of the SEBI ICDR Regulations. 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.
- (d) None of our Promoters or Directors is a fugitive economic offender.

We further confirm that we shall be complying with all other requirements as laid down for such offer under Chapter IX of SEBI (ICDR) Regulations, as amended from time to time and subsequent circulars and guidelines issued by SEBI and the Stock Exchange.

Further, In accordance with Regulation 268(1) of the SEBI (ICDR) Regulations, we shall ensure that the total number of proposed allottees in the Issue shall be greater than or equal to fifty (50), otherwise, the entire application money will be unblocked forthwith. If such money is not repaid within eight (8) Working Days from the date our Company becomes liable to repay it, then our Company and every officer in default shall, on and from expiry of eight (8) Working Days, be liable to repay such application money, with an interest at the rate as prescribed under the Companies Act 2013. Further, in accordance with Section 40 of the Companies Act, 2013, the Company and each officer in default may be punishable with fine and/or imprisonment in such a case.

DISCLAIMER CLAUSE OF SEBI

IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF 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 ISSUE IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE OFFER DOCUMENT. THE LEAD MANAGER, INVENTURE MERCHANT BANKER SERVICES PRIVATE LIMITED HAS CERTIFIED THAT THE DISCLOSURES MADE IN THE OFFER DOCUMENT ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE REGULATIONS. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING AN INVESTMENT IN THE PROPOSED ISSUE.

IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE COMPANY IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THIS OFFER DOCUMENT, THE LEAD MANAGER, INVENTURE MERCHANT BANKER SERVICES PRIVATE LIMITED IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE COMPANY DISCHARGES ITS RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE LEAD MERCHANT BANKER, INVENTURE MERCHANT BANKER SERVICES PRIVATE LIMITED HAS FURNISHED TO SEBI, A DUE DILIGENCE CERTIFICATE DATED [●] 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 THIS OFFER DOCUMENT DOES NOT, HOWEVER, ABSOLVE THE COMPANY FROM ANY LIABILITIES UNDER THE COMPANIES ACT OR FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY OR OTHER CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE PROPOSED ISSUE. SEBI FURTHER RESERVES THE RIGHT TO TAKE UP AT ANY POINT OF TIME, WITH THE LEAD MANAGER ANY IRREGULARITIES OR LAPSES IN THE OFFER DOCUMENT.

All legal requirements pertaining to the Issue will be complied with at the time of registration of the Prospectus with the Registrar of Companies, Mumbai in terms of sections 26, 32 and 33 of the Companies Act, 2013.

Disclaimer from our Company and the Lead Manager

Our Company, its Directors and the Lead Manager accept no responsibility for statements made otherwise than those contained in this Draft Prospectus or, in case of the Company, in any advertisements or any other material issued by or at our Company's instance and anyone placing reliance on any other source of information would be doing so at his or her own risk.

The Lead Manager accepts no responsibility, save to the limited extent as provided in the MOU / Issue Agreement entered into between the Lead Manager and our Company dated May 6, 2019 and the Underwriting Agreement dated May 6, 2019 entered into between the Underwriter and our Company and the Market Making Agreement dated May 6, 2019 entered into among the Lead Manager, the Market Maker and our Company.

All information shall be made available by our Company and the Lead Manager to the Applicants and public at large and no selective or additional information would be available for a section of the investors in any manner whatsoever, including at road show presentations, in research or sales reports, at collection centres or elsewhere.

The Lead Manager and their respective associates and affiliates may engage in transactions with, and perform services for our Company, our Group Entities and our respective affiliates and associates in the ordinary course of business, and have engaged, or may in the future engage in commercial banking and investment banking transactions with our Company or our Group Entities or their respective affiliates or associates for which they have received, and may in future receive compensation.

Disclaimer in Respect of Jurisdiction

This Issue is being made in India to persons resident in India (including Indian nationals resident in India who are not minors, HUFs, companies, corporate bodies and societies registered under the applicable laws in India and authorised to invest in shares, Indian Mutual Funds registered with SEBI, Indian financial institutions, commercial banks, regional rural banks, co-operative banks (subject to RBI permission), or trusts under applicable trust law and who are authorised under their constitution to hold and invest in shares, public financial institutions as specified in Section 2 (72) of the Companies Act, 2013, scheduled commercial banks, mutual fund registered with SEBI, FII and sub-account (other than a sub-account which is a foreign corporate or foreign individual) registered with SEBI, Alternative Investment Fund, multilateral and bilateral development financial institution, venture capital fund registered with SEBI, foreign venture capital investor registered with SEBI, state industrial development corporation, insurance company registered with Insurance Regulatory and Development Authority, provident fund with minimum corpus of ₹2,500 lakhs, pension fund with minimum corpus of ₹2,500 lakhs, National Investment Fund set up by resolution no. F. No. 2/3/2005-DDII dated November 23, 2005 of the Government of India published in the Gazette of India, insurance funds set up and managed by army, navy or air force of the Union of India and Insurance funds set up and managed by the Department of Posts, India, provided that they are eligible under all applicable laws and regulations to hold Equity Shares of the Company this Draft Prospectus does not, however, constitute an invitation to purchase shares offered hereby in any jurisdiction other than India to any person to whom it is unlawful to make an offer or invitation in such jurisdiction. Any person into whose possession this Draft Prospectus comes is required to inform himself or herself about, and to observe, any such restrictions. Any dispute arising out of this Offer will be subject to the jurisdiction of appropriate court(s) in Maharashtra, India only.

No action has been, or will be, taken to permit a public offering in any jurisdiction where action would be required for that purpose, except that this Draft Prospectus has been filed with BSE Limited for its observations and BSE Limited shall give its observations in due course. Accordingly, the Equity Shares represented hereby may not be offered or sold, directly or indirectly, and this Draft Prospectus may not be distributed, in any jurisdiction, except in accordance with the legal requirements applicable in such jurisdiction. Neither the delivery of this Draft Prospectus nor any sale hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of our Company since the date hereof or that the information contained herein is correct as of any time subsequent to this date.

The Equity Shares have not been, and will not be, registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and applications may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

Further, each applicant where required agrees that such applicant will not sell or transfer any Equity Shares or create any economic interest therein, including any off-shore derivative instruments, such as participatory notes, issued against the Equity Shares or any similar security, other than pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and in compliance with applicable laws and legislations in each jurisdiction, including India.

Disclaimer Clause of the SME Platform of BSE Limited

As required, a copy of the Draft Prospectus shall be submitted to the SME Platform of BSE. The Disclaimer Clause as intimated by the SME Platform of BSE Limited to us, post scrutiny of the Draft Prospectus, shall be included in the Prospectus prior to the filing with RoC.

Track records of past issues handled by Inventure Merchant Banker Services Private Limited

For details regarding the track record of the Inventure Merchant Banker Services Private Limited, as specified under Circular reference CIR/MIRSD/1/2012 dated January 10, 2012 issued by the SEBI, please refer to the website of Inventure Merchant Banker Services Private Limited at www.inventuremerchantbanker.com

Listing

The Equity Shares of our Company are proposed to be listed on SME Platform of BSE. Our Company has obtained in-principle approval from BSE by way of its letter dated [●] for listing of equity shares on SME Platform of BSE.

BSE will be the Designated Stock Exchange, with which the Basis of Allotment will be finalized for the Issue. If the permission to deal in and for an official quotation of the Equity Shares on the SME Platform is not granted by BSE, our Company shall forthwith repay, without interest, all moneys received from the applicants in pursuance of this Draft Prospectus. If such money is not repaid within the prescribed time then our Company becomes liable to repay it, then our Company and every officer in default shall, shall be liable to repay such application money, with interest, as prescribed under the applicable law.

Our Company shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at the SME Platform of BSE mentioned above are taken within Six (6) Working Days of the Issue Closing Date. If Equity Shares are not Allotted pursuant to the Offer within Six (6) Working Days from the Issue Closing Date or within such timeline as prescribed by the SEBI, our Company shall repay with interest all monies received from applicants, failing which interest shall be due to be paid to the applicants at the rate of 15% per annum for the delayed period Subject to applicable law.

Impersonation

Attention of the Applicants is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act, 2013 which is reproduced below:

“Any person who –

- a) makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities, or*
- b) makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or*
- c) otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name, shall be liable for action under section 447.”*

The liability prescribed under Section 447 of the Companies Act, 2013, includes imprisonment for a term of not less than six months extending up to ten years (provided that where the fraud involves public interest, such term shall not be less

than three years) and fine of an amount not less than the amount involved in the fraud, extending up to three times of such amount.

Consents

Consents

Consents in writing of (a) Our Directors, Our Company Secretary & Compliance Officer, Chief Financial Officer, Our Statutory Auditor, Banker to the Company; (b) Lead Manager, Registrar to the Issue, Banker to the Issue/ Sponsor Bank*, Legal Advisor to the Issue, Underwriter to the Issue and Market Maker to the Issue to act in their respective capacities have been obtained and shall be filed along with a copy of the Prospectus with the RoC, as required under Sections 26 of the Companies Act, 2013 and such consents will not be withdrawn up to the time of delivery of the Prospectus for registration with the RoC.

**The aforesaid will be appointed prior to filing of 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. D.K. Saklecha & Co., Chartered Accountants, have agreed to provide their written consent to include its report dated May 4, 2019 on the Statement of Possible Tax Benefits, which may be available to the Company and its shareholders, included in this Draft Prospectus. M/s. D.K. Saklecha & Co., Chartered Accountants also have provided their written consent to the inclusion of their reports dated May 4, 2019 on the Restated Financial Statements of our Company 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 for the reports in the section “Financial Information of the Company” on Consolidated Restated Financial Information and “Statement of Tax Benefits” on page 101 and page 62, from the Statutory Auditors, our Company has not obtained any expert opinions.

Previous Rights and Public Issues during the Last Five Years

We have not made any previous rights and/or public issues during the last five years, and are an “Unlisted Issuer” in terms of the SEBI (ICDR) Regulations and this Issue is an “Initial Public Offering” in terms of the SEBI (ICDR) Regulations.

Commission and Brokerage Paid on Previous Issues of our Equity Shares

Since this is the 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.

Previous capital issue during the last three years by listed Group Companies and Subsidiary of our Company

None of the Group Companies of our Company are listed. Further, none of our Group Companies have made any public or rights issue of securities in the preceding three years.

Performance vis-à-vis objects

Our Company is an “Unlisted Issuer” in terms of the SEBI (ICDR) Regulations, and this Issue is an “Initial Public Offering” in terms of the SEBI (ICDR) Regulations. Therefore, data regarding promise versus performance is not applicable to us.

None of the Group Entities has made public issue of equity shares during the period of ten years immediately preceding the date of filing draft offer document with the BSE Limited.

Details of Fees Payable

Fees Payable to the Lead Manager

The total fees payable to the Lead Manager (including underwriting fees) will be as per the Memorandum of Understanding and Underwriting Agreement among our Company and the Lead Manager, copy of which is available for inspection at the Registered Office of our Company.

Fees Payable to the Registrar to the Issue

The fees payable to the Registrar to the Issue will be as per the Agreement signed by our Company and the Registrar to the Issue dated May 6, 2019 a copy of which is available for inspection at our Registered Office.

The Registrar to the Issue will be reimbursed for all out-of-pocket expenses including cost of stationery, postage, stamp duty and communication expenses. Adequate funds will be provided by the Company to the Registrar to the Issue to enable them to send refund orders or allotment advice by registered post/ speed post/ under certificate of posting.

Fees Payable to Others

The total fees payable to the Legal Advisor, Statutory Auditor and Advertisers, etc. will be as per the terms of their respective engagement letters, if any.

Statement on Price Information of Past Issues handled by Inventure Merchant Banker Services Private Limited:-

Price information of past issues handled by Inventure Merchant Banker Services Private Limited

Sr. No.	Issue Name	Issue Size (Cr)	Issue Price (Rs.)	Listing date	Opening price on listing date (Rs.)	+/- % change in closing price, [+/- % change in closing benchmark]- 30 th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 90 th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 180 th calendar days from listing
1	Univastu India Limited#	5.99	40	July 27, 2017	48.00	8.46%(-1.63%)	17.91% (2.74%)	76.87% (10.61%)
2	Vanta Bio Science Limited*	7.56	50	October 6, 2017	51.10	21.51% (5.88%)	29.98% (6.78%)	-1.39% (3.79%)
3	Secur Credentials Limited#	30.07	205	November 13, 2017	208.00	11.46% (-0.31%)	-4.73% (2.25%)	-20.95% (5.69%)
4	MRC Exim Limited*	4.50	15	December 18, 2017	15.00	-27.12% (4.40%)	-53.12 (-1.27%)	-54.40% (6.01%)
5	Rithwik Facility Management Services Ltd.*	4.05	50	January 11, 2018	60.00	-17.49% (-1.44%)	-16.50% (-1.63%)	-0.99% (5.03%)
6	CRP Risk Management Limited	30.82	60	January 31, 2018	48.00	21.73% (-5.33%)	17.81% (-2.24%)	-11.47% (4.25%)
7	Penta Gold Limited#	13.32	37	April 25, 2018	38.00	0.00% (0.33%)	0.00% (5.33%)	-8.11% (-3.08%)

#source: www.nseindia.com / *source: www.bseindia.com

Note:-

1. The BSE Sensex and Nifty are considered as the Benchmark Index
2. Prices on BSE/NSE are considered for all of the above calculations
3. In case the 30th/90th/180th day is a holiday, closing price on BSE/NSE of the previous trading day has been considered.
4. In case 30th/90th/180th days, scrips are not traded then closing price on BSE/NSE of the previous trading day has been considered.

Summary statement of price information of past issues handled by Inventure Merchant Banker Services Private Limited

Financial Year	Total no. of IPOs	Total Funds Raised (₹ Cr.)	Nos. of IPOs trading at discount as on 30 th calendar day from listing			Nos. of IPOs trading at premium as on 30 th calendar day from listing			Nos. of IPOs trading at discount as on 180 th calendar day from listing			Nos. of IPOs trading at premium as on 180 th calendar day from listing		
			Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%
2015-16	--	--	--	--	--	--	--	--	--	--	--	--	--	--
2016-17	--	--	--	--	--	--	--	--	--	--	--	--	--	--
2017-18	6	82.99	--	1	1	--	--	4	1	--	4	1	--	--
2018-19	1*	13.32	--	--	--	--	--	--	--	--	1	--	--	--

*As on 30th trading day the closing price of the script Penta Gold Limited was at par with the issue price. Hence, was not considered for counting the number of IPOs trading at discount and premium.

Outstanding Debentures or Bond Issues or Redeemable Preference Shares

As on the date of this Draft Prospectus, our Company has no outstanding debentures, bonds or redeemable preference shares.

Partly Paid-Up Shares

As on the date of this Draft Prospectus, there are no partly paid-up Equity Shares of our Company.

Outstanding Convertible Instruments

Our Company does not have any outstanding convertible instruments as on the date of filing this Draft Prospectus.

Option to Subscribe

- a. Investors will get the allotment of specified securities in dematerialization form only.
- b. The equity shares, on allotment, shall be traded on stock exchange in demat segment only.

Stock Market Data for our Equity Shares

Our Company is an “Unlisted Issuer” in terms of the SEBI (ICDR) Regulations, and this Issue is an “Initial Public Offering” in terms of the SEBI (ICDR) Regulations. Thus there is no stock market data available for the Equity Shares of our Company.

Investor Grievances and Redressal System

The Registrar Agreement provides for retention of records with the Registrar to the Offer for a period of at least eight years from the date of listing and commencement of trading of the Equity Shares to enable the investors to approach the Registrar to the Offer for redressal of their grievances.

All grievances relating to the present Issue may be addressed to the Registrar with a copy to the Compliance Officer, giving full details such as name, address of the applicant, number of Equity Shares applied for, amount paid on application and name of bank and branch. The Company would monitor the work of the Registrar to ensure that the investor grievances are settled expeditiously and satisfactorily.

Further, the Bidder shall also enclose a copy of the Acknowledgment Slip duly received from the concerned Designated Intermediary in addition to the information mentioned hereinabove.

The Registrar to the Offer shall obtain the required information from the SCSBs and Sponsor Banks for addressing any clarifications or grievances of ASBA Bidders. Our Company, the Lead Manager and the Registrar to the Issue accept no responsibility for errors, omissions, commission or any acts of SCSBs including any defaults in complying with its obligations under applicable SEBI ICDR Regulations. Investors can contact the Company Secretary and Compliance Officer or the Registrar to the Issue in case of any pre-Issue or post-Issue related problems such as non-receipt of letters of Allotment, non-credit of allotted Equity Shares in the respective beneficiary account, non-receipt of refund intimations and non-receipt of funds by electronic mode.

SEBI has launched a centralized web based complaints redress system “SCORES”. This would enable investors to lodge and follow up their complaints and track the status of redressal of such complaints from anywhere. For more details, investors are requested to visit the website www.scores.gov.in. Our 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.

The Board has constituted a Stakeholders Relationship Committee to review and redress the shareholders and investor grievances such as transfer of Equity Shares, non-recovery of balance payments, declared dividends, approve subdivision, consolidation, transfer and issue of duplicate shares. For further details, please refer to the “*Our Management*” on page 83.

As on the date of this Draft Prospectus, there are no pending investor complaints. Our Company has not received any investor complaint in the three years prior to the filing of this Draft Prospectus.

Our Company has also appointed Priyanka Dusad, Company Secretary of our Company as the Compliance Officer for the Offer and she may be contacted in case of any pre-Issue or post-Issue related problems. For details, see “*General Information*” beginning on page 36.

Our Company, Lead Manager and the Registrar accept no responsibility for errors, omissions, commission of any acts of the Designated Intermediaries, including any defaults in complying with its obligations under the SEBI ICDR Regulations.

Our Group Companies and our Subsidiaries are not listed on any stock exchange.

Disposal of Investor Grievances by our Company

Our Company estimates that the average time required by our Company or the Registrar to the Issue or the SCSB, for the redressal of routine investor grievances shall be 10 Working Days from the date of receipt of the complaint. In case of nonroutine complaints and complaints where external agencies are involved, our Company will seek to redress these complaints as expeditiously as possible.

SECTION VII – ISSUE RELATED INFORMATION

TERMS OF THE ISSUE

All Applicants should review the General Information Document for Investing in Public Issues prepared and issued in accordance with the circular (CIR/CFD/DIL/12/2013) dated October 23, 2013 notified by SEBI (“General Information Document”) which highlights the key rules, processes and procedures applicable to public issues in general in accordance with the provisions of the Companies Act 2013 (to the extent notified), the Companies Act, 1956 (to the extent not repealed by the Companies Act, 2013), the Securities Contracts (Regulation) Act, 1956, the Securities Contracts (Regulation) Rules, 1957 and the SEBI ICDR Regulations as amended. The General Information Document has been updated to reflect amendments to the SEBI ICDR Regulations and to include reference to the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014, SEBI Listing Regulations 2015 and certain notified provisions of the Companies Act, 2013, to the extent applicable to a public issue. The General Information Document is also available on the website of the Stock Exchange and the Lead Manager. Please refer to the relevant portions of the General Information Document which are applicable to this Issue.

Please note that, in terms of SEBI Circular No. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 and the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018, all the investors applying in a public Offer shall use only Application Supported by Blocked Amount (ASBA) facility for making payment. 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 may use either Application Supported by Blocked Amount (ASBA) facility for making application or also can use UPI as a payment mechanism with Application Supported by Blocked Amount for making application.

Further vide the said circular Registrar to the Issue 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 Issue and Depository Participants as and when the same is made available.

Ranking of Equity Shares

The Equity Shares being issued in the Issue shall be subject to the provisions of the Companies Act and the Memorandum and Articles of Association and shall rank *pari-passu* with the existing Equity Shares of our Company including rights in respect of the rights to receive dividends and other corporate benefits, if any, declared by us after the date of Allotment. The Allottees in receipt of Allotment of Equity Shares under this Issue will be entitled to dividends and other corporate benefits, if any, declared by our Company after the date of Allotment. For further details, please refer “Main Provisions of Articles of Association” on page 190.

Authority for the Issue

This Issue has been authorized by a resolution of the Board passed at their meeting held on April 6, 2019 subject to the approval of shareholders through a special resolution to be passed pursuant to section 62 (1) (c) of the Companies Act, 2013. The shareholders have authorized the Issue by a special resolution in accordance with Section 62 (1) (c) of the Companies Act, 2013 passed at the EGM of the Company held on May 3, 2019.

Mode of Payment of Dividend

The declaration and payment of dividend will be as per the provisions of Companies Act, 1956 and Companies Act, 2013, Article of Association, the provision of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 any other rules, regulations or guidelines as may be issued by Government of India in connection to recommendation by the Board of Directors and the Shareholders at their discretion and will depend on a number of factors, including but not limited to earnings, capital requirements and overall financial condition of our Company. We shall pay dividend, in cash as per the provisions of the Companies Act and our Articles of Association.

Face Value and Issue Price per Share

The face value of the Equity Shares is ₹10.00 each and the Issue Price is ₹100.00 per Equity Share.

The Issue Price is determined by our Company in consultation with the Lead Manager and is justified under “Basis for Issue Price” on page 59. At any given point of time there shall be only one denomination for the Equity Shares.

Compliance with SEBI (ICDR) Regulations

Our Company shall comply with all requirements of the SEBI (ICDR) Regulations. Our Company shall comply with all disclosure and accounting norms as specified by SEBI from time to time.

Rights of the Equity Shareholders

Subject to applicable laws, rules, regulations and guidelines and the Articles of Association, the Equity shareholders shall have the following rights:

- Right to receive dividend, if declared;
- Right to attend general meetings and exercise voting rights, unless prohibited by law;
- Right to vote on a poll either in person or by proxy;
- Right to receive offer for rights shares and be allotted bonus shares, if announced;
- Right to receive surplus on liquidation subject to any statutory and preferential claim being satisfied;
- Right of free transferability subject to applicable law, including any RBI rules and regulations; and
- Such other rights, as may be available to a shareholder of a listed public limited company under the Companies Act, the terms of the listing agreements with the Stock Exchange(s) and the Memorandum and Articles of Association of our Company.

For a detailed description of the main provisions of the Articles of Association relating to voting rights, dividend, forfeiture and lien and/or consolidation/splitting, please refer “*Main Provisions of Articles of Association*” on page 190.

Jurisdiction

Exclusive jurisdiction for the purpose of this Issue is with the competent courts/authorities in Maharashtra, 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 Applications may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

The above information is given for the benefit of the Applicants. Our Company and the 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 and ensure that the number of Equity Shares applied for do not exceed the applicable limits under laws or regulations.

Joint Holders

Where two or more persons are registered as the holders of any Equity Shares, they shall be deemed to hold the same as joint – tenants with benefits of survivorship.

Allotment only in Dematerialised Form

Pursuant to Section 29 of the Companies Act, 2013 and the SEBI ICDR Regulations, the Equity Shares shall be Allotted only in dematerialised form. As per the SEBI ICDR Regulations, the trading of the Equity Shares shall only be in dematerialised form. In this context, two agreements have been signed amongst our Company, the respective Depositories and the Registrar to the Offer:

- Agreement dated [●], 2019 amongst NSDL, our Company and the Registrar to the Offer; and
- Agreement dated [●], 2019 amongst CDSL, our Company and the Registrar to the Offer.

Market Lot and Trading Lot

The trading of the Equity Shares will happen in the minimum contract size of 1,200 Equity Shares and the same may be modified by the SME platform of BSE from time to time by giving prior notice to investors at large.

Nomination Facility to Investor

In accordance with Section 72 of the Companies Act, 2013 the sole or first Applicant, along with other joint Applicants, may nominate any one person in whom, in the event of the death of sole Applicant or in case of joint Applicants, death of all the Applicants, as the case may be, the Equity Shares Allotted, if any, shall vest. A person, being a nominee, entitled

to the Equity Shares by reason of the death of the original holder(s), shall in accordance with Section 72 of the Companies Act, 2013 be entitled to the same advantages to which he or she would be entitled if he or she were the registered holder of the Equity Share(s). Where the nominee is a minor, the holder(s) may make a nomination to appoint, in the prescribed manner, any person to become entitled to Equity Share(s) in the event of his or her death during the minority. A nomination shall stand rescinded upon a sale of Equity Share(s) by the person nominating. A buyer will be entitled to make a fresh nomination in the manner prescribed. Fresh nomination can be made only on the prescribed form available on request at our Registered Office or to the registrar and transfer agents of our Company.

In accordance with Section 72 of the Companies Act, 2013 any person who becomes a nominee by virtue of the provisions of Section 72 of the Companies Act, 2013 shall upon the production of such evidence as may be required by the Board, elect either:

- a) to register himself or herself as the holder of the Equity Shares; or
- b) to make such transfer of the Equity Shares, as the deceased holder could have made.

Further, the Board may at any time give notice requiring any nominee to choose either to be registered himself or herself or to transfer the Equity Shares, and if the notice is not complied with within a period of 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 Issue will be made only in dematerialized mode there is no need to make a separate nomination with our Company. Nominations registered with respective depository participant of the applicant would prevail. If the investor wants to change the nomination, they are requested to inform their respective depository participant.

Minimum Number of Allottees

Further in accordance with the Regulation 268 of SEBI (ICDR) Regulations, the minimum number of allottees in this Offer shall be 50 shareholders. In case the minimum number of prospective allottees is less than 50, no allotment will be made pursuant to this Offer and the monies blocked by the SCSBs and sponsor bank, shall be unblocked within 4 working days of closure of Offer.

Period of the Subscription list of the Public Issue

Event	Indicative Date
Bid/Offer Opening Date	[●]
Bid/Offer Closing Date	[●]
Finalization of Basis of Allotment with the Designated Stock Exchange	[●]
Initiation of Refunds	[●]
Credit of Equity Shares to Demat Accounts of Allottees	[●]
Commencement of trading of the Equity Shares on the Stock Exchange	[●]

The above timetable is indicative and does not constitute any obligation on our Company and 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 Bid/Issue Closing Date, the timetable may change due to various factors, such as extension of the Bid/Issue 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.

Minimum Subscription

This Issue is not restricted to any minimum subscription level. This Issue is 100% underwritten. If the Issuer does not receive the subscription of 100% of the Issue through this offer document including devolvement of Underwriters within sixty days from the date of closure of the Issue, the Issuer shall forthwith refund the entire subscription amount received. If there is a delay beyond eight days after the Issuer becomes liable to pay the amount, the Issuer shall pay interest prescribed under section 40 of the Companies Act, 2013.

In terms of Regulation 260 of the SEBI ICDR Regulations, 2018, the Issue is 100% underwritten. For details of underwriting arrangement, kindly refer the chapter titled “*General Information – Underwriting*” on page 40.

Further, in accordance with Regulation 267 of the SEBI ICDR Regulations, 2018, the minimum application size in terms of number of specified securities shall not be less than Rupees One Lakh per application.

Arrangements for Disposal of Odd Lots

The trading of the equity shares will happen in the minimum contract size of 1,200 shares. However, the market maker shall buy the entire shareholding of a shareholder in one lot, where value of such shareholding is less than the minimum contract size allowed for trading on the SME Platform of BSE Limited.

Option to receive Equity Shares in Dematerialized Form

Pursuant to Section 29 of the Companies Act, the Equity Shares in the Issue shall be allotted only in dematerialised form. Further, as per the SEBI (ICDR) Regulations, the trading of the Equity Shares shall only be in dematerialised form on the Stock Exchange.

Migration to Main Board

In accordance with the BSE Limited Circular dated March 10, 2014, our Company will have to be mandatorily listed and traded on the SME Platform of the BSE Limited for a minimum period of 2 (Two) years from the date of listing and only after that it can migrate to the Main Board of BSE Limited as per the guidelines specified by SEBI and as per the procedures laid down under Chapter XB of the SEBI (ICDR) Regulations. Our Company may migrate to the main board of BSE Limited from the SME Platform on a later date subject to the following:

- a) If the Paid up Capital of the company is likely to increase above ₹25 crores by virtue of any further issue of capital by way of rights, preferential issue, bonus issue etc. (which has been approved by a special resolution through postal ballot wherein the votes cast by the shareholders other than the Promoters in favour of the proposal amount to at least two times the number of votes cast by shareholders other than promoter shareholders against the proposal and for which the company has obtained in-principal approval from the main board), we shall have to apply to BSE Limited 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.

OR

- b) If the Paid up Capital of the company is more than ₹10 crores but below ₹25 crores, we may still apply for migration to the main board if the same has been approved by a special resolution through postal ballot wherein the votes cast by the shareholders other than the promoters in favour of the proposal amount to at least two times the number of votes cast by shareholders other than promoter shareholders against the proposal.

Market Making

The shares issued and transferred through this Offer are proposed to be listed on the BSE SME 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 the SME Platform of BSE Limited. For further details of the market making arrangement please refer to chapter titled “General Information” beginning on page 36 of this Draft Prospectus.

As per the extent Guideline of the Government of India, OCBs cannot participate in this Issue.

The current provisions of the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000, provides a general permission for the NRIs, FPIs and foreign venture capital investors registered with SEBI to invest in shares of Indian companies by way of subscription in an IPO. However, such investments would be subject to other investment restrictions under the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000, RBI and/or SEBI regulations as may be applicable to such investors.

The Allotment of the Equity Shares to Non-Residents shall be subject to the conditions, if any, as may be prescribed by the Government of India/RBI while granting such approvals.

New Financial Instruments

The Issuer Company is not issuing any new financial instruments through this Issue.

Application by Eligible NRI's, FPI's, VCF's, AIF's registered with SEBI

It is to be understood that there is no reservation for Eligible NRIs, FPIs or VCF registered with SEBI. Such Eligible NRIs, FPIs or VCF registered with SEBI will be treated on the same basis with other categories for the purpose of Allocation.

Restrictions, if any on Transfer and Transmission of Equity Shares

Except for the lock-in of the pre-Issue capital of our Company, Promoters' minimum contribution as provided in "*Capital Structure*" on page 44, and except as provided in the Articles of Association there are no restrictions on transfer of Equity Shares. Further, there are no restrictions on the transmission of shares/debentures and on their consolidation/splitting, except as provided in the Articles of Association. For details, please refer "*Main Provisions of Articles of Association*" on page 190.

ISSUE STRUCTURE

This Issue is being made in terms of Regulation 229(1) of Chapter IX of the SEBI (ICDR) Regulations, 2018, as amended from time to time, whereby, an issuer whose post issue face value capital is less than or equal to ten crores rupees, shall issue shares to the public and propose to list the same on the Small and Medium Enterprise Exchange ("SME Exchange", in this case being the SME Platform of BSE). For further details regarding the salient features and terms of such an issue please refer "*Terms of the Issue*" and "*Issue Procedure*" on page 162 and 170, respectively.

Following is the Issue structure:

PUBLIC ISSUE OF 11,01,600 EQUITY SHARES OF FACE VALUE OF ₹10.00 EACH OF RAJAT CITY DEVELOPERS LIMITED ("OUR COMPANY" OR "THE ISSUER") FOR CASH AT A PRICE OF ₹100 PER EQUITY SHARE (INCLUDING A SHARE PREMIUM OF ₹90 PER EQUITY SHARE) ("ISSUE PRICE") AGGREGATING TO ₹1101.60 LAKHS ("THE ISSUE"). OF THE ISSUE, 55,200 EQUITY SHARES AGGREGATING TO ₹55.20 LAKHS WILL BE RESERVED FOR SUBSCRIPTION BY MARKET MAKER ("MARKET MAKER RESERVATION PORTION"). THE ISSUE LESS THE MARKET MAKER RESERVATION PORTION I.E. ISSUE OF 10,46,400 EQUITY SHARES OF FACE VALUE OF ₹10.00 EACH AT AN ISSUE PRICE OF ₹100 PER EQUITY SHARE AGGREGATING TO ₹1046.40 LAKHS IS HERINAFTER REFERRED TO AS THE "NET ISSUE". THE ISSUE AND THE NET ISSUE WILL CONSTITUTE 27.53% AND 26.15%, RESPECTIVELY OF THE POST ISSUE PAID UP EQUITY SHARE CAPITAL OF OUR COMPANY.

Particulars	Net Issue to Public [^]	Market Maker reservation portion
Number of Equity Shares	10,46,400 Equity Shares	55,200 Equity Shares
Percentage of Issue Size available for allocation	94.99% of the Issue Size (50% for the Retail Individual Investors and the balance 50% for Other than Retail Individual Investors).	5.01% of the Issue Size
Basis of Allotment/Allocation if respective category is oversubscribed	Proportionate subject to minimum allotment of 1,200 Equity Shares and Further allotment in multiples of 1,200 Equity Shares each. For further details please refer to the section titled " <i>Issue Procedure</i> " on page 170.	Firm Allotment
Mode of Application*	All Applications by the Applicants must be made compulsorily through ASBA mode (Online or Physical). However, Retail Individual Investors may either apply through ASBA process or by using UPI ID for payment.	Through ASBA mode
Minimum Application Size	<u>For OIB and NII:</u> Such number of Equity Shares in multiples of 1,200 Equity Shares such that the Application Value exceeds ₹2,00,000 <u>For Retail Individuals:</u> 1,200 Equity Shares.	55,200 Equity Shares
Maximum Application	<u>For OIB and NII:</u> The maximum application size is the Net	55,200 Equity Shares

Particulars	Net Issue to Public [^]	Market Maker reservation portion
	Issue to public subject to limits the investor has to adhere under the relevant laws and regulations as applicable. <u>For Retail Individuals:</u> 1,200 Equity Shares.	
Mode of Allotment	Dematerialized Form	Dematerialized Form
Trading Lot	1,200 Equity Shares	1,200 Equity Shares. However the Market Makers may accept odd lots if any in the market as required under the SEBI (ICDR) Regulations.
Terms of payment	Full Application Amount shall be blocked by the SCSBs in the bank account of the ASBA Applicant that is specified in the Application Form at the time of submission of the Application Form.	

*As per Regulation 253(2) of the SEBI (ICDR) Regulations, as amended, as present issue is a fixed price offer the allocation in the net offer to the public category shall be made as follows:

- d) Minimum fifty percent to retail individual investors; and
- e) Remaining to:
 - i. Other investors including corporate bodies or institutions, irrespective of the number of specified securities applied for;
- f) 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 on proportionate basis, accordingly the retail individual investors shall be allocated that higher percentage.

** In case of joint Application, 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.*

Withdrawal of the Issue

The Company, in consultation with the Lead Manager, reserves the right not to proceed with the Issue at any time before the Issue Opening Date, without assigning any reason thereof. Notwithstanding the foregoing, the Issue is also subject to obtaining the following:

1. The final listing and trading approvals of BSE Limited for listing of Equity Shares offered through this issue on its SME Platform, which the Company shall apply for after Allotment and,
2. The final ROC approval of the Prospectus after it is filed with the ROC.

In case, the Company wishes to withdraw the Issue after Issue opening but before allotment, the Company will give public notice giving reasons for withdrawal of Issue. The public notice will appear in two widely circulated national newspapers (One each in English and Hindi) and one in regional newspaper.

The Lead Manager, through the Registrar to the Issue, will instruct the SCSBs to unblock the ASBA Accounts within one Working Day from the day of receipt of such instruction. The notice of withdrawal will be issued in the same newspapers where the pre-Issue advertisements have appeared and the Stock Exchange will also be informed promptly.

If our Company withdraws the Issue after the Issue Closing Date and subsequently decides to undertake a public offering of Equity Shares, our Company will file a fresh offer document with the stock exchange where the Equity Shares may be proposed to be listed.

Issue Programme

Issue Opening Date	●
Issue Closing Date	●

Applications and any revisions to the same will be accepted only between 10.00 a.m. and 5.00 p.m. (Indian Standard Time) during the Issue Period at the Application Centres mentioned in the Application Form except that on the Issue Closing Date applications will be accepted only between 10.00 a.m. and 3.00 p.m. (Indian Standard Time).

Standardization of cut-off time for uploading of Applications on the Issue Closing Date:

- a) A standard cut-off time of 3.00 p.m. for acceptance of Applications.
- b) A standard cut-off time of 4.00 p.m. for uploading of Applications received from other than Retail Individual Applicants.
- c) A standard cut-off time of 5.00 p.m. for uploading of Applications received from only Retail Individual Applicants, which may be extended up to such time as deemed fit by BSE Limited after taking into account the total number of Applications received up to the closure of timings and reported by Lead Manager to BSE Limited within half an hour of such closure.

It is clarified that Applications not uploaded, would be rejected. In case of discrepancy in the data entered in the electronic book vis-à-vis the data contained in the physical Application Form, for a particular Applicant, the details as per physical application form of that Applicant may be taken as the final data for the purpose of Allotment.

Applications will be accepted only on Working days i.e. all days excluding Saturdays, Sundays and public holidays, on which the commercial banks in the city as notified in the offer document are open for business.

ISSUE PROCEDURE

All Applicants should review the General Information Document for Investing in Public Issues prepared and issued in accordance with the circular (CIR/CFD/DIL/12/2013) dated October 23, 2013 notified by SEBI (“General Information Document”) which highlights the key rules, processes and procedures applicable to public issues in general in accordance with the provisions of the Companies Act 2013 (to the extent notified), the Companies Act, 1956 (to the extent not repealed by the Companies Act, 2013), the Securities Contracts (Regulation) Act, 1956, the Securities Contracts (Regulation) Rules, 1957 and the SEBI ICDR Regulations as amended. The General Information Document has been updated to reflect amendments to the SEBI ICDR Regulations and to include reference to the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014, SEBI Listing Regulations 2015 and certain notified provisions of the Companies Act, 2013, to the extent applicable to a public issue. The General Information Document is available on the website of the Stock Exchange and the Lead Manager. Please refer to the relevant portions of the General Information Document which are applicable to this Issue.

Our Company and the Lead Manager do not accept any responsibility for the completeness and accuracy of the information stated in this section, and are not liable for any amendment, modification or change in the applicable law which may occur after the date of 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 the Equity Shares that can be held by them under applicable law or as specified in this Draft Prospectus and the Prospectus.

Further, our Company and the Lead Manager do not accept any responsibility for any adverse occurrences consequent to the implementation of the UPI mechanism for application in this Issue.

FIXED PRICE ISSUE PROCEDURE

The Issue is being made in compliance with the provisions of Chapter IX of the SEBI (ICDR) Regulations, 2018 and through the Fixed Price Process. As per Regulation 253(2) of the SEBI (ICDR) Regulations, as amended, as present issue is a fixed price issue the allocation in the net offer to the public category shall be made as follows:

- g) Minimum fifty percent to retail individual investors; and
- h) Remaining to:
 - i. Other investors including corporate bodies or institutions, irrespective of the number of specified securities applied for;
- i) 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 on proportionate basis, accordingly the retail individual investors shall be allocated that higher percentage.

Applicants are required to submit their Applications to the Application collecting intermediaries i.e. SCSB or Registered Brokers of Stock Exchanges or Registered Registrar to the Issue and Share Transfer Agents (RTAs) or Depository Participants (DPs) registered with SEBI. In case of QIB Applicants, the Company in consultation with the Lead Manager may reject Applications at the time of acceptance of Application Form provided that the reasons for such rejection shall be provided to such Applicant in writing.

Subject to the valid Applications being received at or above the Issue Price, allocation to all categories in the Net Issue, shall be made on a proportionate basis, except for the Retail Portion where Allotment to each Retail Individual Applicants shall not be less than the minimum lot, subject to availability of Equity Shares in Retail Portion, and the remaining available Equity Shares, if any, shall be allotted on a proportionate basis. Under subscription, if any, in any category, would be allowed to be met with spillover from any other category or a combination of categories at the discretion of our Company in consultation with the Lead Manager and the Stock Exchange.

Investors should note that according to section 29(1) of the Companies Act, 2013, allotment of Equity Shares to all successful Applicants will only be in the dematerialised form. The Application Forms which do not have the details of the Applicant’s depository account including DP ID, PAN, UPI ID (in case of RIBs using the UPI mechanism) and Beneficiary Account Number 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 exchange, 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.

Phased implementation of UPI for Bids by Retail Individual Bidders as per the UPI Circular

SEBI has issued a circular bearing number SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018 (the “**UPI Circular**”) in relation to streamlining the process of public issue of equity shares and convertibles. Pursuant to the UPI Circular, UPI will be introduced in a phased manner as a payment mechanism (in addition to mechanism of blocking funds in the account maintained with SCSBs under the ASBA) for applications by RIBs through intermediaries with the objective to reduce the time duration from public issue closure to listing from six Working Days to up to three Working Days. Considering the time required for making necessary changes to the systems and to ensure complete and smooth transition to the UPI payment mechanism, the UPI Circular proposes to introduce and implement the UPI payment mechanism in three phases in the following manner:

a) **Phase I:** This phase has become applicable from January 1, 2019 and SEBI vide circular bearing number SEBI/HO/CFD/DIL2/CIR/P/2019/50 dated April 3, 2019 has extended the implementation of Phase I till June 30, 2019. Under this phase, a RIB would also have the option to submit the Application Form with any of the intermediary and use his / her UPI ID for the purpose of blocking of funds. The time duration from public issue closure to listing would continue to be six Working Days.

b) **Phase II:** This phase will commence upon completion of Phase I and will continue for a period of three months or floating of five main board public issues, whichever is later. Under this phase, submission of the Bid cum Application Form by a RIB through intermediaries to SCSBs for blocking of funds will be discontinued and will be replaced by the UPI payment mechanism. However, the time duration from public issue closure to listing would continue to be six Working Days during this phase.

c) **Phase III:** The commencement period of Phase III is yet to be notified. In this phase, the time duration from public issue closure to listing would be reduced to be three Working Days.

All SCSBs offering facility of making application in public issues shall also provide facility to make application using UPI payment. 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 RIBs into the UPI mechanism.

APPLICATION FORM

Copies of the Application Form and the abridged prospectus will be available at the offices of the Lead Manager, the Designated Intermediaries, and Registered Office of our Company. An electronic copy of the Application Form will also be available for download on the websites of the BSE Limited (www.bseindia.com), the SCSBs, the Registered Brokers, the RTAs and the CDPs at least one day prior to the Issue Opening Date.

ASBA Applicants shall ensure that the Applications are made on Application Forms bearing the stamp of the Designated Intermediary, submitted at the Collection Centres only (except in case of electronic Application Forms) and the Application Forms not bearing such specified stamp are liable to be rejected. Retail Individual Investors using UPI mechanism, may submit their ASBA Forms with Syndicate Members, Registered Brokers, RTA or Depository Participants. ASBA Bidders are also required to ensure that the ASBA Account has sufficient credit balance as an amount equivalent to the full Bid Amount which can be blocked by the SCSB.

Category	Colour ⁽¹⁾
Indian Public / eligible NRI's applying on a non-repatriation basis (ASBA)	White
Non-Residents including eligible NRI's, FPI's, FII's, FVCI's, etc. applying on a repatriation basis (ASBA)	Blue

(1) Excluding electronic Application Form.

RIBs using UPI mechanism, may submit their ASBA Forms with Syndicate Members, Registered Brokers, RTA or Depository Participants. ASBA Bidders are also required to ensure that the ASBA Account has sufficient credit balance as an amount equivalent to the full Bid Amount which can be blocked by the SCSB.

Further, for applications submitted to designated intermediaries (other than SCSBs), with use of UPI for payment, after accepting the application form, respective intermediary shall capture and upload the relevant bid details, including UPI ID, in the electronic bidding system of stock exchange(s).

Applicants shall only use the specified Application Form for the purpose of making an Application in terms of this Draft Prospectus. An Investor, intending to subscribe to this Issue, shall submit a completed application form to any of the following Intermediaries (Collectively called “Designated Intermediaries”)

Sr. No.	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 issue and share transfer agent (“RTA”)(whose name is mentioned on the website of the stock exchange as eligible for this activity)

Retails investors submitting application with any of the entities at (ii) to (v) above (hereinafter referred as ‘Intermediaries’), and intending to use UPI, shall also enter their UPI ID in the bid-cum-application form.

The aforesaid intermediaries shall, at the time of receipt of application, give an acknowledgement to investor, by giving the counter foil or specifying the application number to the investor, as proof of having accepted the application form, in physical form or electronic mode respectively.

The upload of the details in the electronic bidding system of the stock exchange will be done by:

For the applications submitted by the investors to SCSB	After accepting the form, SCSB shall capture and upload the relevant details in the electronic bidding system as specified by the stock exchange and may begin blocking funds available in the Bank account specified in the form, to the extent of the application money specified.
For applications submitted by investors to intermediaries other than SCSBs without use of UPI for payment	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 the Issue.
For applications submitted by investors to intermediaries other than SCSBs with use of UPI for payment	<p>After accepting the application form, respective intermediary shall capture and upload the relevant bid details, including UPI ID, in the electronic bidding system of stock exchange(s).</p> <p>Stock Exchange shall share bid 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.</p> <p>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.</p>

Stock exchange(s) shall validate the electronic 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(s) shall allow modification of selected fields viz. DP ID/Client ID, Bank code and Location code, in the bid details already uploaded.

Who Can Apply?

1. Indian nationals resident in India, who are not minors (except through their Legal Guardians), in single or joint names (not more than three);
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 Karta. 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 equity shares;
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 Issue;
6. Indian financial institutions, scheduled commercial banks (excluding foreign banks), regional rural banks, cooperative banks (subject to RBI regulations and the SEBI Regulations and other laws, as applicable);
7. FIIs and sub-accounts registered with SEBI, other than a sub-account which is a foreign corporate or foreign individual under the QIB portion;
8. Sub-accounts of FIIs registered with SEBI, which are foreign corporate or foreign individuals only under the Non-Institutional Applications portion;
9. Venture Capital Funds registered with SEBI;
10. Foreign Venture Capital Investors registered with SEBI;
11. Eligible Qualified Foreign Investors;
12. Foreign Nationals and other non-residents (subject to eligibility norms specified in SEBI FPI Regulations, 2014 and other applicable provisions);
13. Multilateral and bilateral development financial institutions;
14. State Industrial Development Corporations;
15. Trusts/societies registered under the Societies Registration Act, 1860, as amended, or under any other law relating to trusts/societies and who are authorized under their respective constitutions to hold and invest in equity shares;
16. Scientific and/or industrial research organizations authorized in India to invest in equity shares;
17. Insurance companies registered with Insurance Regulatory and Development Authority;
18. Provident Funds with a minimum corpus of ₹250 million and who are authorised under their constitution to hold and invest in equity shares;
19. Pension Funds with a minimum corpus of ₹250 million and who are authorised under their constitution to hold and invest in equity shares;
20. Limited liability partnerships;
21. National Investment Fund set up by resolution no. F.NO.2/3/2005-DDII dated November 23, 2005 of the Government of India, published in the Gazette of India;
22. Nominated Investor and Market Maker;
23. Insurance funds set up and managed by the army, navy or air force of the Union of India and by the Department of Posts, India;
24. Any other person eligible to Apply in this Issue, under the laws, rules, regulations, guidelines and policies applicable to them and under Indian laws.

25. As per the existing policy of the Government of India, OCBs cannot participate in this Issue. 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.
26. Applications not to be made by:
1. Minors (except through their Guardians)
 2. Partnership firms or their nominations
 3. Overseas Corporate Bodies

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.

Maximum and Minimum Application Size

a) For Retail Individual Applicants:

The Application must be for a minimum of 1,200 Equity Shares and in multiples of 1,200 Equity Shares thereafter, so as to ensure that the Application Amount payable by the Applicant does not exceed ₹2,00,000. In case of revision of the Application, the Retail Individual Applicants have to ensure that the Application Amount does not exceed ₹2,00,000.

b) For Other Applicants [Non-Institutional Applicants and Qualified Institutional Buyer(s) (QIB)]:

The Application must be for a minimum of such number of Equity Shares such that the Application Amount exceeds ₹2,00,000 and in multiples of 1,200 Equity Shares thereafter. Application cannot be submitted for more than the Issue Size. However, the maximum application size by a QIB investor should not exceed the investment limits prescribed for them by applicable laws. **A QIB and a Non-Institutional Applicant cannot withdraw or lower the size of their Application at any stage and are required to pay the entire Application Amount upon submission of the Application.** Under the existing SEBI regulations, a QIB Applicant cannot withdraw its Application after the Issue Closing Date and is required to pay 100% QIB Margin upon submission of Application.

The identity of QIBs applying in the Net Issue shall not be made public during the Issue Period. In case of revision in Application, the Non-Institutional Applicants, 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.

The above Information is given for the benefits of the Applicants. Our Company and the Lead Manager do not accept any responsibility for the completeness and accuracy of the information stated in this section. Applicants are advised to make their independent investigations and ensure that their Applications do not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or as specified in this Draft Prospectus and the Prospectus.

Participation by associates and affiliates of the Lead Manager and the Syndicate Members

The Lead Manager shall not be allowed to subscribe to this Issue in any manner except towards fulfilling their underwriting obligations. However, the associates and affiliates of the Lead Manager may subscribe to Equity Shares in the Issue in non Retail Portion, where the allocation is on a proportionate basis and such subscription may be on their own account or on the behalf of their clients.

Option to subscribe in the Issue

- a) As per Section 29(1) of the Companies Act, 2013, allotment of Equity Shares shall be dematerialized form only. Investors will not have the option of getting of specified securities in physical form. However, they may get the specified securities re-materialized subsequent to allotment.
- b) The Equity Shares, on allotment, shall be traded on the Stock Exchange in demat segment only.
- c) A single application from any investor shall not exceed the investment limit/minimum number of Equity Shares that can be held by him/her/it under the relevant regulations/statutory guidelines and applicable laws.

Applications by Mutual Funds

With respect to Applications by Mutual Funds, a certified copy of their SEBI registration certificate must be lodged along with the Application Form. Failing this, our Company reserves the right to reject the Application without assigning any reason thereof.

Applications made by asset management companies or custodians of Mutual Funds shall specifically state names of the concerned schemes for which such Applications are made.

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 equity shares or equity related instruments of any single company provided that the limit of 10% shall not be applicable for investments in case of index funds or sector or industry specific schemes. No Mutual Fund under all its schemes should own more than 10% of any company's paid-up share capital carrying voting rights.

Applications by Eligible NRIs

Eligible NRIs may obtain copies of Application Form from the Designated Intermediaries. Eligible NRI Applicants applying on a repatriation basis by using the Non-Resident Forms should authorize their SCSB to block their Non-Resident External (**NRE**) accounts, or Foreign Currency Non-Resident (**FCNR**) Accounts, and eligible NRI Applicants applying on a non-repatriation basis by using Resident Forms should authorize their SCSB to block their Non-Resident Ordinary (**NRO**) accounts for the full application amount, at the time of the submission of the Application Form.

Eligible NRIs applying on non-repatriation basis are advised to use the Application Form for residents (white in colour). Eligible NRIs applying on a repatriation basis are advised to use the Application Form meant for Non-Residents (blue in colour).

Application by FPIs (including FIIs)

In terms of the SEBI FPI Regulations, an FII who holds a valid certificate of registration from SEBI shall be deemed to be a registered FPI until the expiry of the block of three years for which fees have been paid as per the SEBI FII Regulations. An FII or sub-account may, subject to payment of conversion fees under the SEBI FPI Regulations participate in the Issue until the expiry of its registration with SEBI as an FII or sub-account, or if it has obtained a certificate of registration as an FPI, whichever is earlier. Accordingly, such FIIs can, subject to the payment of conversion fees under the SEBI FPI Regulations, participate in this Issue in accordance with Schedule 2 of the FEMA Regulations. An FII shall not be eligible to invest as an FII after registering as an FPI under the SEBI FPI Regulations.

In terms of the SEBI FPI Regulations, the purchase of Equity Shares and total holding by a single FPI or an investor group (which means the same set of ultimate beneficial owner(s) investing through multiple entities) must be below 10% of our post-issue Equity Share capital. Further, in terms of the FEMA Regulations, the total holding by each FPI shall be below 10% of the total paid-up Equity Share capital of our Company and the total holdings of all FPIs put together shall not exceed 24% of the paid-up Equity Share capital of our Company. The aggregate limit of 24% may be increased up to the sectoral cap by way of a resolution passed by the Board of Directors followed by a special resolution passed by the Shareholders of our Company and subject to prior intimation to RBI. In terms of the FEMA Regulations, for calculating the aggregate holding of FPIs in a company, holding of all registered FPIs as well as holding of FIIs (being deemed FPIs) shall be included.

FPIs are permitted to participate in the Issue subject to compliance with conditions and restrictions which may be specified by the Government from time to time.

Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of Regulation 22 of the SEBI FPI Regulations, an FPI, other than Category III foreign portfolio investor and unregulated broad based funds, which are classified as Category II foreign portfolio investor by virtue of their investment manager being appropriately regulated, may issue, 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 that are listed or proposed to be listed on any recognised stock exchange in India, as its underlying) directly or

indirectly, only in the event (i) such offshore derivative instruments are issued only to persons who are regulated by an appropriate regulatory authority; and (ii) such offshore derivative instruments are issued after compliance with ‘know your client’ norms. Further, pursuant to a Circular dated November 24, 2014 issued by the SEBI, FPIs are permitted to issue offshore derivative instruments only to subscribers that (i) meet the eligibility criteria set forth in Regulation 4 of the SEBI FPI Regulations; and (ii) do not have opaque structures, as defined under the SEBI FPI Regulations. An FPI is also required to ensure that no further issue or transfer of any offshore derivative instrument is made by or on behalf of it to any persons that are not regulated by an appropriate foreign regulatory authority. Further, where an investor has investments as FPI and also holds positions as an overseas direct investment subscriber, investment restrictions under the SEBI FPI Regulations shall apply on the aggregate of FPI investments and overseas direct investment positions held in the underlying Indian company.

Applications by SEBI registered Venture Capital Funds, Alternative Investment Fund (AIF) and Foreign Venture Capital Investors

The Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996 as amended, (the “**SEBI VCF Regulations**”) and the Securities and Exchange Board of India (Foreign Venture Capital Investor) Regulations, 2000, as amended, among other things prescribe the investment restrictions on VCFs and FVCIs registered with SEBI. Further, the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012 (the “**SEBI AIF Regulations**”) prescribe, amongst others, the investment restrictions on AIFs.

The holding by any individual VCF registered with SEBI in one venture capital undertaking should not exceed 25% of the corpus of the VCF. Further, VCFs and FVCIs can invest only up to 33.33% of the investible funds by way of subscription to an initial public offering.

The category I and II AIFs cannot invest more than 25% of the corpus in one Investee Company. A category III AIF cannot invest more than 10% of the corpus in one Investee Company. A venture capital fund registered as a category I AIF, as defined in the SEBI AIF Regulations, cannot invest more than 1/3rd of its corpus by way of subscription to an initial public offering of a venture capital undertaking. Additionally, the VCFs which have not re-registered as an AIF under the SEBI AIF Regulations shall continue to be regulated by the VCF Regulation until the existing fund or scheme managed by the fund is wound up and such funds shall not launch any new scheme after the notification of the SEBI AIF Regulations.

All FIIs and FVCIs should note that refunds, dividends and other distributions, if any, will be payable in Indian Rupees only and net of Bank charges and commission.

Our Company or the Lead Manager will not be responsible for loss, if any, incurred by the Applicant on account of conversion of foreign currency.

There is no reservation for Eligible NRIs, FPIs and FVCIs and all Applicants will be treated on the same basis with other categories for the purpose of allocation.

Applications by Limited Liability Partnerships

In case of Applications made by limited liability partnerships registered under the Limited Liability Partnership Act, 2008, a certified copy of certificate of registration issued under the Limited Liability Partnership Act, 2008, must be attached to the Application Form. Failing this, our Company reserves the right to reject any Application without assigning any reason thereof. Limited Liability Partnerships can participate in the Issue only through the ASBA Process.

Applications by Insurance Companies

In case of Applications made by insurance companies registered with the IRDA, a certified copy of certificate of registration issued by IRDA must be attached to the Application Form. Failing this, our Company reserves the right to reject any Application without assigning any reason thereof. The exposure norms for insurers, prescribed under the Insurance Regulatory and Development Authority (Investment) Regulations, 2000 (“**IRDA Investment Regulations**”), as amended, as amended, are broadly set forth below:

- 1) Equity shares of a company: the least of 10.00% of the investee company’s subscribed capital (face value) or 10.00% of the respective fund in case of life insurer or 10.00% of investment assets in case of general insurer or reinsurer;

- 2) The entire group of the investee company: not more than 15% of the respective fund in case of a life insurer or 15% of investment assets in case of a general insurer or reinsurer or 15% of the investment assets in all companies belonging to the group, whichever is lower; and
- 3) The industry sector in which the investee company belongs to: not more than 15% of the fund of a life insurer or a general insurer or a reinsurer or 15% of the investment asset, whichever is lower.

The maximum exposure limit, in the case of an investment in equity shares, cannot exceed the lower of an amount of 10% of the investment assets of a life insurer or general insurer and the amount calculated under (a), (b) and (c) above, as the case may be. Insurance companies participating in this Issue shall comply with all applicable regulations, guidelines and circulars issued by IRDAI from time to time.

Applications under Power of Attorney

In case of applications made pursuant to a power of attorney by limited companies, corporate bodies, registered societies, Mutual Funds, insurance companies and provident funds with minimum corpus of ₹25 Crores (subject to applicable law) and pension funds with a minimum corpus of ₹25 Crores a certified copy of the power of attorney or the relevant resolution or authority, as the case may be, along with a certified copy of the memorandum of association and articles of association and/or bye laws must be lodged with the Application Form. Failing this, our Company reserves the right to accept or reject any application in whole or in part, in either case, without assigning any reason therefore.

In addition to the above, certain additional documents are required to be submitted by the following entities:

- (a). With respect to applications by Mutual Funds, a certified copy of their SEBI registration certificate must be lodged along with the Application Form. Failing this, our Company reserves the right to accept or reject any application, in whole or in part, in either case without assigning any reasons thereof.
- (b). With respect to applications by insurance companies registered with the Insurance Regulatory and Development Authority, in addition to the above, a certified copy of the certificate of registration issued by the Insurance Regulatory and Development Authority must be lodged with the Application Form as applicable. Failing this, our Company reserves the right to accept or reject any application, in whole or in part, in either case without assigning any reasons thereof.
- (c). With respect to applications made by provident funds with minimum corpus of ₹25 Crores (subject to applicable law) and pension funds with a minimum corpus of ₹25 Crores, a certified copy of a certificate from a chartered accountant certifying the corpus of the provident fund/pension fund must be lodged along with the Application Form. Failing this, our Company reserves the right to accept or reject such application, in whole or in part, in either case without assigning any reasons thereof.

Our Company in its absolute discretion, reserves the right to relax the above condition of simultaneous lodging of the power of attorney along with the Application Form, subject to such terms and conditions that our Company, the lead manager may deem fit.

Our Company, in its absolute discretion, reserves the right to permit the holder of the power of attorney to request the Registrar to the Issue that, for the purpose of printing particulars and mailing of the Allotment Advice / CANs / letters notifying the unblocking of the bank accounts of ASBA applicants, the Demographic Details given on the Application Form should be used (and not those obtained from the Depository of the application). In such cases, the Registrar to the Issue shall use Demographic Details as given on the Application Form instead of those obtained from the Depositories.

The above information is given for the benefit of the Applicants. The Company and the Lead Manager are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of the Prospectus. Applicants are advised to make their independent investigations and ensure that the number of Equity Shares applied for do not exceed the applicable limits under laws or regulations.

Applications by Provident Funds / Pension Funds

In case of Applications made by provident funds with minimum corpus of ₹25 crores (subject to applicable law) and pension funds with minimum corpus of ₹ 25 crores, a certified copy of certificate from a chartered accountant certifying the corpus of the provident fund/ pension fund must be lodged along with the Application Form. Failing this, our

Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason thereof.

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 reserves the right to reject any Application without assigning any reason therefore.

The investment limit for banking companies in non-financial services companies as per the Banking Regulation Act, 1949 (the "**Banking Regulation Act**"), and Master Circular – Para-banking Activities dated July 1, 2015 is 10% of the paid-up share capital of the investee company or 10% of the banks' own paid-up share capital and reserves, whichever is less. Further, the investment in a non-financial services company by a banking company together with its subsidiaries, associates, joint ventures, entities directly or indirectly controlled by the bank and mutual funds managed by asset management companies controlled by the banking company cannot exceed 20% of the investee company's paid-up share capital. A banking company may hold up to 30% of the paid-up share capital of the investee company with the prior approval of the RBI provided that the investee company is engaged in non-financial activities in which banking companies are permitted to engage under the Banking Regulation Act.

Applications by Self Certified Syndicate Banks (SCSBs)

SCSBs participating in the Issue are required to comply with the terms of the SEBI circulars dated September 13, 2012 and January 2, 2013. Such SCSBs are required to ensure that for making applications on their own account using ASBA, they should have a separate account in their own name with any other SEBI registered SCSBs. Further, such account shall be used solely for the purpose of making application in public issues and clear demarcated funds should be available in such account for ASBA applications.

Information for the Applicants

1. Our Company and the Lead Manager shall declare the Issue Opening Date and Issue Closing Date in the Prospectus to be registered with the RoC and also publish the same in two national newspapers (one each in English and Hindi) and in a regional newspaper with wide circulation. This advertisement shall be in prescribed format.
2. Our Company will file the Prospectus with the RoC at least 3 (three) days before the Issue Opening Date.
3. Copies of the Application Form along with Abridged Prospectus and copies of the Prospectus will be available with the Lead Manager, the Registrar to the Issue, and at the Registered Office of our Company. Electronic Application Forms will also be available on the websites of the Stock Exchange.
4. Any applicant who would like to obtain the Prospectus and/ or the Application Form can obtain the same from our Registered Office.
5. Applicants who are interested in subscribing for the Equity Shares should approach Designated Intermediaries to register their applications.
6. Application Forms submitted directly to the SCSBs should bear the stamp of the SCSBs and/or the Designated Branch, or the respective Designated Intermediaries. Application Form submitted by Applicants whose beneficiary account is inactive shall be rejected. The Application Form can be submitted either in physical or electronic mode, to the SCSBs with whom the ASBA Account is maintained, or other Designated Intermediaries (Other than SCSBs). SCSBs may provide the electronic mode of collecting either through an internet enabled collecting and banking facility or such other secured, electronically enabled mechanism for applying and blocking funds in the ASBA Account or alternatively, the Retail Individual Applicants wishing to apply through UPI Channel, may provide the UPI ID and validate the blocking of the funds and the Application Forms that do not contain such details are liable to be rejected.
7. Applicants applying directly through the SCSBs should ensure that the Application Form is submitted to a Designated Branch of SCSB, where the ASBA Account is maintained. Applications submitted directly to the SCSBs or other Designated Intermediaries (Other than SCSBs), the relevant SCSB, shall block an amount in the

ASBA Account equal to the Application Amount specified in the Application Form, before entering the ASBA application into the electronic system.

8. Except for applications by or on behalf of the Central or State Government and the Officials appointed by the courts and by investors residing in the State of Sikkim, the Applicants, or in the case of application in joint names, the first Applicant (the first name under which the beneficiary account is held), should mention his/her PAN allotted under the Income Tax Act. In accordance with the SEBI Regulations, the PAN would be the sole identification number for participating transacting in the securities market, irrespective of the amount of transaction. Any Application Form without PAN is liable to be rejected. The demat accounts of Applicants for whom PAN details have not been verified, excluding persons resident in the State of Sikkim or persons who may be exempted from specifying their PAN for transacting in the securities market, shall be “suspended for credit” and no credit of Equity Shares pursuant to the Issue will be made into the accounts of such Applicants.
9. The Applicants may note that in case the PAN, the DP ID and Client ID mentioned in the Application Form and entered into the electronic collecting system of the Stock Exchange. Designated Intermediaries do not match with PAN, the DP ID and Client ID available in the Depository database, the Application Form is liable to be rejected.

ISSUE 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

1. Applicants are required to submit their applications during the Issue Period only through the Designated Intermediaries.
2. The Issue Period shall be for a minimum of three (3) Working Days and shall not exceed ten (10) Working Days. The Issue Period may be extended, if required, by an additional three Working Days, subject to the total Issue Period not exceeding ten (10) Working Days.
3. During the Issue Period, Applicants who are interested in subscribing to the Equity Shares should approach the Designated Intermediaries to register their applications.
4. 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 be 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 Issue.
5. The Designated Intermediaries shall, at the time of receipt of application, give an acknowledgement to investor, by giving the counter foil or specifying the application number to the investor, as a proof of having accepted the application form, in physical or electronic mode, respectively. The upload of the details in the electronic bidding system of stock exchange and post that blocking of funds will be done by as given below:

For the applications submitted by the investors to SCSB	After accepting the form, SCSB shall capture and upload the relevant details in the electronic bidding system as specified by the stock exchange and may begin blocking funds available in the Bank account specified in the form, to the extent of the application money specified.
For applications submitted by investors to intermediaries other than SCSBs without use of UPI for payment	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 the Issue.
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6. 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.
7. 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.
8. 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.
9. 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 Issue Account, or until withdrawal/ failure of the Issue or until withdrawal/ rejection of the Application Form, as the case may be. Once the Basis of Allotment is finalized, the Registrar to the Issue shall send an appropriate request to the Controlling Branch of the SCSB for unblocking the relevant ASBA Accounts and for transferring the amount allocable to the successful Applicants to the Public Issue Account. In case of withdrawal/ failure of the Issue, the blocked amount shall be unblocked on receipt of such information from the Registrar to the Issue.

Terms of payment

The entire Issue price of ₹ 100 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 or Sponsor Bank to unblock the excess amount paid on Application to the Applicants.

SCSBs or Sponsor Bank will transfer the amount as per the instruction of the Registrar to the Public Issue Account, the balance amount after transfer will be unblocked by the SCSBs or Sponsor Bank.

The applicants should note that the arrangement with Banker to the Issue or the Registrar or Sponsor Bank is not prescribed by SEBI and has been established as an arrangement between our Company, Banker to the Issue and the Registrar to the Issue to facilitate collections from the Applicants.

Payment mechanism for Applicants

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 sent by the Sponsor Bank. The SCSB or Sponsor Bank 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 Applicants 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 Issue 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 Issue and consequent transfer of the Application Amount to the Public Issue Account, or until withdrawal/ failure of the Issue 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 (Issue of Capital and Disclosure Requirements) Regulations, 2018, 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 may use either Application Supported by Blocked Amount (ASBA) facility for making application or also can use UPI as a payment mechanism with Application Supported by Blocked Amount for making application.

Electronic Registration of Applications

The Designated Intermediary may register the Applications using the on-line facilities of the Stock Exchange. The Designated Intermediaries can also set up facilities for off-line electronic registration of Applications, subject to the condition that they may subsequently upload the off-line data file into the on-line facilities on a regular basis before the closure of the issue.

On the Issue Closing Date, the Designated Intermediaries may upload the applications till such time as may be permitted by the Stock Exchange.

c) Only Applications that are uploaded on the Stock Exchange Platform are considered for allocation/Allotment. In the Phase 1, the Designated Intermediaries are given till 1:00 pm on the day following the Issue Closing Date to modify select fields uploaded in the Stock Exchange Platform during the Issue Period after which the Stock Exchange send the bid information to the Registrar to the Issue for further processing.

Other Instructions

Joint Applications in the case of Individuals

Applications may be made in single or joint names (not more than three). In the case of joint Applications, all payments will be made out in favour of the Applicant whose name appears first in the Application Form or Revision Form. All communications will be addressed to the First Applicant and will be dispatched to his or her address as per the Demographic Details received from the Depository.

Multiple Applications

An Applicant should submit only one Application (and not more than one) for the total number of Equity Shares required. Two or more Applications will be deemed to be multiple Applications if the sole or First Applicant is one and the same.

In this regard, the procedures which would be followed by the Registrar to the Issue to detect multiple applications are given below:

- i. All applications are electronically strung on first name, address (1st line) and applicant's status. Further, these applications are electronically matched for common first name and address and if matched, these are checked manually for age, signature and father/ husband's name to determine if they are multiple applications.
- ii. Applications which do not qualify as multiple applications as per above procedure are further checked for common DP ID/ beneficiary ID. In case of applications with common DP ID/ beneficiary ID, are manually checked to eliminate possibility of data entry error to determine if they are multiple applications.
- iii. Applications which do not qualify as multiple applications as per above procedure are further checked for common PAN. All such matched applications with common PAN are manually checked to eliminate possibility of data capture error to determine if they are multiple applications.

In case of a mutual fund, a separate Application can be made in respect of each scheme of the mutual fund registered with SEBI and such Applications in respect of more than one scheme of the mutual fund will not be treated as multiple Applications provided that the Applications clearly indicate the scheme concerned for which the Application has been made.

In cases where there are more than 20 valid applications having a common address, such shares will be kept in abeyance, post allotment and released on confirmation of "know your client" norms by the depositories. The Company reserves the right to reject, in our absolute discretion, all or any multiple Applications in any or all categories.

Permanent Account Number or PAN

Pursuant to the circular MRD/DoP/Circ 05/2007 dated April 27, 2007, SEBI has mandated Permanent Account Number ("PAN") to be the sole identification number for all participants transacting in the securities market, irrespective of the amount of the transaction w.e.f. July 2, 2007. Each of the Applicants should mention his/her PAN allotted under the IT Act. **Applications without this information will be considered incomplete and are liable to be rejected.** It is to be specifically noted that Applicants should not submit the GIR number instead of the PAN, as the Application is liable to be rejected on this ground.

Allocation of Equity shares

- 1) The Issue is being made through the Fixed Price Process wherein 55,200 Equity Shares shall be reserved for Market Maker. 5,23,200 Equity Shares having face value of ₹10.00 each at a price of ₹100 per Equity Share aggregating ₹523.20 lakhs will be available for allocation to Retail Individual Investors. 5,23,200 Equity Shares having face value of ₹10.00 each at a price of ₹100 per Equity Share aggregating ₹523.20 lakhs will be available for allocation to other investors including corporate bodies or institutions, irrespective of the number of specified securities applied for.
- 2) Under- subscription if any, in any category, would be allowed to be met with spill-over from any other category or combination of categories at the discretion of our Company in consultation with the Lead Manager and the Stock Exchange.
- 3) Allocation to Non-Residents, including Eligible NRIs, Eligible QFIs, FIIs and FVCIs registered with SEBI, applying on repatriation basis will be subject to applicable law, rules, regulations, guidelines and approvals.
- 4) In terms of SEBI Regulations, Non Retail Applicants shall not be allowed to either withdraw or lower the size of their applications at any stage.
- 5) Allotment status details shall be available on the website of the Registrar to the Issue.

Signing of Underwriting Agreement

Vide an Underwriting Agreement dated May 6, 2019 this issue is 100% Underwritten.

Filing of the Prospectus with the ROC

The Company will file a copy of the Prospectus with the ROC in terms of 26 of the Companies Act, 2013.

Pre-Issue Advertisement

Subject to Section 30 of the Companies Act, 2013 the Company shall, after registering the Prospectus with the ROC, publish a pre-Issue advertisement, in the form prescribed by the SEBI Regulations, in one widely circulated English language national daily newspaper; one widely circulated Hindi language national daily newspaper and one regional newspaper with wide circulation.

Issuance of Allotment Advice

- 1) Upon approval of the Basis of Allotment by the Designated Stock Exchange.
- 2) On the basis of approved Basis of Allotment, the Issuer shall pass necessary corporate action to facilitate the allotment and credit of equity shares. Applicants are advised to instruct their Depository Participants to accept the Equity Shares that may be allotted to them pursuant to the issue. The Lead Manager or the Registrar to the Issue will dispatch an Allotment Advice to their Applicants who have been allocated Equity Shares in the Issue. The dispatch of Allotment Advice shall be deemed a valid, binding and irrevocable contract for the Allotment to such Applicant.
- 3) Issuer will make the allotment of the Equity Shares and initiate corporate action for credit of shares to the successful applicants Depository Account within 4 working days of the Issue Closing date. The Issuer also ensures the credit of shares to the successful Applicants Depository Account is completed within one working Day from the date of allotment, after the funds are transferred from ASBA Public Issue Account to Public Issue account of the issuer.

Designated Date

On the Designated Date, the Registrar to the Offer shall instruct the SCSBs or Sponsor Bank to unblock funds represented by allocation of Equity Shares from ASBA Accounts into the Public Offer Account.

GENERAL INSTRUCTIONS

Do's:

- Check if you are eligible to apply;

- Read all the instructions carefully and complete the applicable Application Form;
- Ensure that the details about the Depository Participant and the beneficiary account are correct as Allotment of Equity Shares will be in the dematerialized form only;
- Applicant shall use only his / her own bank account or only his / her own bank account linked UPI ID to make an application.
- Each of the Applicants should mention their Permanent Account Number (PAN) allotted under the Income Tax Act, 1961;
- Ensure that the Demographic Details are updated, true and correct in all respects;
- Ensure that the name(s) given in the Application Form is exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant.
- Ensure that you have funds equal to the Application Amount in the ASBA account or UPI ID linked Bank Account maintained with the SCSB before submitting the Application Form under the ASBA process the SCSBs where the Applicant has a bank account or a UPI ID linked Bank Account, the Registered Broker (at the Broker Centre's), the RTA (at the Designated RTA Locations) or CDP (at the Designated CDP Locations);
- Instruct your respective Banks to release the funds blocked in the ASBA Account/UPI ID linked Bank Account under the ASBA process;
- Ensure that the Application Form is signed by the account holder in case the applicant is not the account holder.
- Ensure that you have mentioned the correct bank account number in the Application Form and in case of Retail Individual Applicants applying through UPI Channel, ensure that you have mentioned the correct UPI ID;
- Ensure that the Application Forms are delivered by the applicants within the time prescribed as per the Application Form and the Prospectus;
- Ensure that you have requested for and receive a TRS;
- Ensure that you request for and receive a stamped acknowledgement of the Application Form for all your application options;
- Ensure that you have correctly signed the authorization/ undertaking box in the Application Form, or have otherwise provided an authorisation to the SCSB via the electronic mode, for blocking funds in the ASBA Account/ UPI ID linked Bank Account, as the case may be, equivalent to the Application Amount mentioned in the Application Form;
- Ensure that you receive an acknowledgement from the concerned Designated Intermediary, for the submission of your Application Form; and
- The Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.

Don'ts:

- Do not apply for lower than the minimum Application size;
- Do not apply for a price different from the price mentioned herein or in the Application Form;
- Do not use third party bank account or third party UPI ID linked Bank Account for making the Application;
- Do not apply on another Application Form after you have submitted an application to the Designated Intermediary;
- Do not pay the Application Price in cash, cheque, by money order or by postal order or by stock invest;
- Do not send Application Forms by post, instead submit the Designated Intermediary only;
- Do not submit the Application Forms to any non-SCSB bank or our Company
- Do not apply on an Application Form that does not have the stamp of the relevant Designated Intermediary;
- Do not submit the application without ensuring that funds equivalent to the entire application Amount are blocked in the relevant ASBA Account;
- Do not apply for an Application Amount exceeding Rs.2,00,000 (for applications by Retail Individual Applicants);
- Do not fill up the Application Form such that the Equity Shares applied for exceeds the Issue Size and/or investment limit or maximum number of Equity Shares that can be held under the applicable laws or regulations or maximum amount permissible under the applicable regulations;
- Do not submit the GIR number instead of the PAN as the application is liable to be rejected on this ground;
- Do not submit incorrect details of the DP ID, beneficiary account number and PAN or provide details for a beneficiary account which is suspended or for which details cannot be verified by the Registrar to the Issue;
- Do not submit applications on plain paper or incomplete or illegible Application Forms in a colour prescribed for another category of Applicant; and
- Do not make Applications if you are not competent to contract under the Indian Contract Act, 1872, as amended.

Instructions for Completing the Application Form

The Applications should be submitted on the prescribed Application Form and in BLOCK LETTERS in ENGLISH only in accordance with the instructions contained herein and in the Application Form. Applications not so made are liable to be rejected. Applications made using a third party bank account or using third party UPI ID linked bank account are liable to be rejected. Application Forms should bear the stamp of the Designated Intermediaries. ASBA Application Forms, which do not bear the stamp of the Designated Intermediaries, will be rejected.

SEBI, vide Circular No. CIR/CFD/14/2012 dated October 04, 2012 has introduced an additional mechanism for investors to submit Application forms in public issues using the stock broker (broker) network of Stock Exchange, who may not be syndicate members in an issue with effect from January 01, 2013. The list of Broker Centre is available on the website of BSE i.e. www.bseindia.com. With a view to broad base the reach of Investors by substantial), enhancing the points for submission of applications, SEBI vide Circular No. CIR/CFD/POLICY CELL/11/2015 dated November 10, 2015 has permitted Registrar to the Issue and Share Transfer Agent and Depository Participants registered with SEBI to accept the Application forms in Public Issue with effect front January 01, 2016. The List of RTA and DPs centres for collecting the application shall be disclosed is available on the website of BSE i.e. www.bseindia.com

For details of instruction in relation to the Application Form, Applicants may refer to the relevant section of GID.

Applicant's Depository Account and Bank Details

Please note that, providing bank account details, PAN Nos, UPI ID (if applicable), Client ID and DP ID in the space provided in the application form is mandatory and applications that do not contain such details are liable to be rejected.

Applicants should note that on the basis of name of the Applicants, Depository Participant's name, Depository Participant Identification number and Beneficiary Account Number provided by them in the Application Form as entered into the Stock Exchange online system, the Registrar to the Issue will obtain front the Depository the demographic details including address, Applicants bank account details, MICR code and occupation (hereinafter referred to as 'Demographic Details'). These Demographic Details would be used for all correspondence with the Applicants including mailing of the Allotment Advice. The Demographic Details given by Applicants in the Application Form would not be used for any other purpose by the Registrar to the Issue.

By signing the Application Form, the Applicant would be deemed to have authorized the depositories to provide, upon request, to the Registrar to the Issue, the required Demographic Details as available on its records.

Submission of Application Form

All Application Forms duly completed shall be submitted to the Designated Intermediaries. The aforesaid intermediaries shall, at the time of receipt of application, give an acknowledgement to investor, by giving the counter foil or specifying the application number to the investor, as a proof of having accepted the application form, in physical or electronic mode, respectively.

Communications

All future communications in connection with Applications made in this Issue should be addressed to the Registrar to the Issue quoting the full name of the sole or First Applicant, Application Form number, Applicants Depository Account Details, number of Equity Shares applied for, date of Application form, name and address of the Designated Intermediary where the Application was submitted thereof and a copy of the acknowledgement slip.

Investors can contact the Compliance Officer or the Registrar to the Issue in case of any pre Issue or post Issue related problems such as non-receipt of letters of allotment, credit of allotted shares in the respective beneficiary accounts, etc.

Disposal of Application and Application Moneys and Interest in Case of Delay

The Company shall ensure the dispatch of Allotment advice, and give benefit to the beneficiary account with Depository Participants and submit the documents pertaining to the Allotment to the Stock Exchange within two working days of date of Allotment of Equity Shares.

The Company shall use best efforts to ensure that all steps for completion of the necessary formalities for listing and commencement of trading at SME Platform of BSE where the Equity Shares are proposed to be listed are taken within 6 working days from Issue Closing Date.

In accordance with the Companies Act, the requirements of the Stock Exchange and the SEBI Regulations, the Company further undertakes that:

1. Allotment and Listing of Equity Shares shall be made within three (3) days of the Issue Closing Date;
2. Giving of Instructions for refund by unblocking of amount via ASBA not later than 4(four) working days of the Issue Closing Date, would be ensured; and
3. If such money is not repaid within prescribed time from the date our Company becomes liable to repay it, then our Company and every officer in default shall, on and from expiry of prescribed time, be liable to repay such application money, with interest as prescribed under SEBI (ICDR) Regulations, the Companies Act, 2013 and applicable law. Further, in accordance with Section 40 of the Companies Act, 2013, the Company and each officer in default may be punishable with fine and/or imprisonment in such a case.

Impersonation

Attention of the Applicants is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act, 2013 which is reproduced below:

"Any person who—

- (a) makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or*
- (b) makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or*
- (c) otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name, shall be liable for action under Section 447 of Companies Act, 2013 and shall be treated as Fraud."*

Undertakings by our Company

We undertake as follows:

- i. That the complaints received in respect of the Issue shall be attended to by us expeditiously and satisfactorily;
- ii. That all steps will be taken for the completion of the necessary formalities for listing and commencement of trading at the Stock Exchange where the Equity Shares are proposed to be listed within the period prescribed by the Board;
- iii. That the funds required for making refunds as per the modes disclosed or dispatch of allotment advice by registered post or speed post shall be made available to the Registrar and Share Transfer Agent to the Issue by our Company;
- iv. Where refunds (to the extent applicable) are made through electronic transfer of funds, a suitable communication shall be sent to the applicant within six Working Days from the Offer Closing Date, giving details of the bank where refunds shall be credited along with amount and expected date of electronic credit of refund;
- v. That no further Issue of Equity Shares shall be made till the Equity Shares issued through the Prospectus are listed or until the Application monies are refunded on account of non-listing, under-subscription etc.;
- vi. That adequate arrangement shall be made to collect all Applications Supported by Blocked Amount while finalizing the Basis of Allotment;
- vii. That if our Company do not proceed with the Issue, the reason thereof shall be given as a public notice to be issued by our Company within two days of the Issue Closing Date. The public notice shall be issued in the same newspapers where the pre-Issue advertisements were published. The stock exchange on which the Equity Shares are proposed to be listed shall also be informed promptly;
- viii. If our Company withdraws the Issue after the Issue Closing Date, our Company shall be required to file a fresh Draft Prospectus with the Stock exchange/RoC/SEBI, in the event our Company subsequently decides to proceed with the Offer;

UTILIZATION OF THE ISSUE PROCEEDS

The Board of Directors of our Company certifies that:

1. all monies received out of the Issue shall be transferred to a separate Bank Account other than the bank account referred to in Sub-Section (3) of Section 40 of the Companies Act, 2013;
2. details of all monies utilized out of the Issue referred above shall be disclosed and continue to be disclosed till the time any part of the Offer Proceeds remains unutilised, under an appropriate separate head in the balance sheet of our Company indicating the purpose for which such monies have been utilized;
3. details of all unutilized monies out of the Issue, if any, shall be disclosed under an appropriate separate head in the balance sheet of our Company indicating the form in which such unutilized 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 Foreign Exchange Management Act, 1999 ("FEMA"). While the Industrial Policy, 1991 prescribes the limits and the conditions subject to which foreign investment can be made in different sectors of the Indian economy, FEMA regulates the precise manner in which such investment may be made. Under the Industrial Policy, unless specifically restricted, foreign investment is freely permitted in all sectors of Indian economy up to any extent and without any prior approvals, but the foreign investor is required to follow certain prescribed procedures for making such investment. The government bodies responsible for granting foreign investment approvals are the Reserve Bank of India ("RBI") and Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India ("DIPP").

The Government of India, from time to time, has made policy pronouncements on Foreign Direct Investment ("FDI") through press notes and press releases. The DIPP, has issued consolidated FDI Policy Circular of 2017 ("FDI Policy 2017"), with effect from August 28, 2017, which 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 issues an updated circular.

The RBI also issues 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 issue fresh shares to people resident outside India (who is eligible to make investments in India, for which eligibility criteria are as prescribed). Such fresh issue of shares shall be subject to inter-alia, the pricing guidelines prescribed under the Master Circular. The Indian company making such fresh issue of shares would be subject to the reporting requirements, inter-alia with respect to consideration for issue of shares and also subject to making certain filings including filing of Form FC-GPR.

In case of investment in sectors through Government Route, approval from competent authority as mentioned in Chapter 4 of the FDI Policy 2017 has to be obtained.

The transfer of shares between an Indian resident to a non-resident does not require the prior approval of the RBI, subject to fulfilment of certain conditions as specified by DIPP/RBI, from time to time. Such conditions include:

- (i) where the transfer of shares requires the prior approval of the Government as per the extant FDI policy provided that:
 - (a) the requisite approval of the Government has been obtained; and
 - (b) the transfer of shares adheres with the pricing guidelines and documentation requirements as specified by the Reserve Bank of India from time to time.;
- (ii) where the transfer of shares attract SEBI (SAST) Regulations subject to the adherence with the pricing guidelines and documentation requirements as specified by Reserve Bank of India from time to time;
- (iii) where the transfer of shares does not meet the pricing guidelines under the FEMA, 1999 provided that:
 - (a) The resultant FDI is in compliance with the extant FDI policy and FEMA regulations in terms of sectoral caps, conditionality's (such as minimum capitalization, etc.), reporting requirements, documentation etc.;
 - (b) The pricing for the transaction is compliant with the specific/explicit, extant and relevant SEBI regulations/guidelines (such as IPO, Book building, block deals, delisting, exit, open offer/substantial acquisition/SEBI SAST); and Chartered Accountants Certificate to the effect that compliance with the relevant SEBI regulations/guidelines as indicated above is attached to the form FC-TRS to be filed with the AD bank; and
- (iv) where the investee company is in the financial sector provided that:
 - (a) Any fit and proper/due diligence requirements as regards the non-resident investor as stipulated by the respective financial sector regulator, from time to time, have been complied with; and
 - (b) The FDI policy and FEMA regulations in terms of sectoral caps, conditionalities (such as minimum capitalization, pricing, etc.), reporting requirements, documentation etc., are complied with.

As per the existing policy of the Government of India, OCBs cannot participate in this Issue and in accordance with the extant FDI guidelines on sectoral caps, pricing guidelines etc. as amended by Reserve bank of India, from time to time.

Investors are advised to confirm their eligibility under the relevant laws before investing and / or subsequent purchase or sale transaction in the Equity Shares of our Company. Investors will not offer, sell, pledge or transfer the Equity Shares of our Company to any person who is not eligible under applicable laws, rules, regulations, guidelines. Our Company, the Underwriters and their respective directors, officers, agents, affiliates and representatives, as applicable, accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire Equity Shares of our Company.

Investment conditions/restrictions for overseas entities

Under the current FDI Policy 2017, the maximum amount of Investment (sectoral cap) by foreign investor in an issuing entity is composite unless it is explicitly provided otherwise including all types of foreign investments, direct and indirect, regardless of whether it has been made for FDI, FPI, NRI/OCI, LLPs, FVCI, Investment Vehicles and DRs under Schedule 1, 2, 3, 6, 7, 8, 9, 10 and 11 of FEMA (Transfer or Issue of Security by Persons Resident outside India) Regulations, 2017. Any equity holding by a person resident outside India resulting from conversion of any debt instrument under any arrangement shall be reckoned as foreign investment under the composite cap.

Portfolio Investment upto aggregate foreign investment level of 49% or sectoral/statutory cap, whichever is lower, will not be subject to either Government approval or compliance of sectoral conditions, if such investment does not result in transfer of ownership and/or control of Indian entities from resident Indian citizens to non-resident entities. Other foreign investments will be subject to conditions of Government approval and compliance of sectoral conditions as per FDI Policy. The total foreign investment, direct and indirect, in the issuing entity will not exceed the sectoral/statutory cap.

Investment by FPIs under Portfolio Investment Scheme (PIS)

With regards to purchase/sale of capital instruments of an Indian company by an FPI under PIS the total holding by each FPI or an investor group as referred in SEBI (FPI) Regulations, 2014 shall not exceed 10% of the total paid-up equity capital on a fully diluted basis or less than 10% 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 FPIs put together shall not exceed 24% of paid-up equity capital on fully diluted basis or paid-up value of each series of debentures or preference shares or share warrants. The said limit of 10% and 24% will be called the individual and aggregate limit, respectively. However, this limit of 24 % may be increased up to sectoral cap/statutory ceiling, as applicable, by the Indian company concerned by passing a resolution by its Board of Directors followed by passing of a special resolution to that effect by its general body.

Investment by NRI or OCI on repatriation basis:

The purchase/sale of equity shares, debentures, preference shares and share warrants issued by an Indian company (hereinafter referred to as "Capital Instruments") of a listed Indian company on a recognised stock exchange in India by Non-Resident Indian (NRI) or Overseas Citizen of India (OCI) on repatriation basis is allowed subject to certain conditions under Schedule 3 of the FEMA (Transfer or Issue of security by a person resident outside India) Regulations, 2017.

The total holding by any individual NRI or OCI shall not exceed 5% of the total paid-up equity capital on a fully diluted basis or should 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 warrants; 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.

Investment by NRI or OCI on non-repatriation basis

As per current FDI Policy 2017, schedule 4 of FEMA (Transfer or Issue of Security by Persons Resident outside India) Regulations – Purchase/ sale of Capital Instruments or convertible notes or units or contribution to the capital of an LLP by a NRI or OCI on non- repatriation basis – will be deemed to be domestic investment at par with the investment made by residents. This is further subject to remittance channel restrictions.

The Equity Shares have not been and will not be registered under the U.S. Securities Act of 1933, as amended ("US Securities Act") or any other state securities laws in the United States of America and may not be sold or offered within the United States of America, or to, or for the account or benefit of "US Persons" as defined in

Regulation S of the U.S. Securities Act, except pursuant to exemption from, or in a transaction not subject to, the registration requirements of US Securities Act and applicable state securities laws.

Accordingly, the equity shares are being offered and sold only outside the United States of America in an offshore transaction in reliance upon Regulation S under the US Securities Act and the applicable laws of the jurisdiction where those offers and sale occur. Further, no offer to the public (as defined under Directive 2003/71/EC, together with any amendments) and implementing measures thereto, (the "Prospectus Directive") has been or will be made in respect of the Issue in any member State of the European Economic Area which has implemented the Prospectus Directive except for any such offer made under exemptions available under the Prospectus Directive, provided that no such offer shall result in a requirement to publish or supplement a prospectus pursuant to the Prospectus Directive, in respect of the Issue.

Any forwarding, distribution or reproduction of this document in whole or in part may be unauthorised. Failure to comply with this directive may result in a violation of the Securities Act or the applicable laws of other jurisdictions. Any investment decision should be made on the basis of the final terms and conditions and the information contained in this Draft Prospectus.

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 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 and ensure that the Applications are not in violation of laws or regulations applicable to them and do not exceed the applicable limits under the laws and regulations.

SECTION VIII – MAIN PROVISIONS OF THE ARTICLES OF ASSOCIATION

1. CONSTITUTION OF THE COMPANY

- (a) *The regulations contained in Table “F” of Schedule I to the Companies Act, 2013 shall apply only in so far as the same are not provided for or are not inconsistent with these Articles. In the event of any conflict or inconsistency between the provisions of these Articles and Table F, these Articles shall prevail.*
- (b) *The regulations for the management of the Company and for the observance of the members thereof and their representatives shall be such as are contained in these Articles subject however to the exercise of the statutory powers of the Company in respect of repeal, additions, alterations, substitution, modifications and variations thereto by Special Resolution.*

2. INTERPRETATION

A. DEFINITIONS

In the interpretation of these Articles the following words and expressions shall have the following meanings unless repugnant to the subject or context or otherwise.

- (a) **“Act”** shall mean the (i) Companies Act, 2013 and the rules and clarifications issued thereunder to the extent in force pursuant to the notification of the Notified Sections; and (ii) Companies Act, 1956 and the rules thereunder (without reference to the provisions thereof that have ceased to have effect upon the notification of the Notified Sections).
- (b) **“ADRs”** shall mean American depository receipts, representing ADSs.
- (c) **“Annual General Meeting”** shall mean a general meeting of the holders of Equity Shares held in accordance with the applicable provisions of the Act.
- (d) **“ADSs”** shall mean American depository shares, each of which represents a certain number of Equity Shares.
- (e) **“Articles”** shall mean the articles of association as adopted or as altered from time to time in accordance with the provisions of these articles and the Act.
- (f) **“Auditors”** shall mean and include those Persons appointed as such for the time being by the Company.
- (g) **“Board”** shall mean the board of directors of the Company, as constituted from time to time, in accordance with Law and the provisions of these Articles.
- (h) **“Board Meeting”** shall mean any meeting of the Board, as convened from time to time and any adjournment thereof, in accordance with Law and the provisions of these Articles.
- (i) **“Beneficial Owner”** shall mean beneficial owner as defined in clause (a) of sub-section (1) of section (2) of the Depositories Act.
- (j) **“Business Day”** shall mean a day (other than a Saturday or a Sunday or any public holiday) on which scheduled commercial banks are generally open for business in India.
- (k) **“Capital” or “Share Capital”** shall mean the share capital for the time being, raised or authorized to be raised for the purpose of the Company.
- (l) **“Chairman”** shall mean such Person as is nominated or appointed in accordance with Article 37 herein below.
- (m) **“Companies Act, 1956”** shall mean the Companies act, 1956(Act I of 1956) as may be in force for the time being.
- (n) **“Company” or “this Company”** shall mean **Rajat City Developers Limited**.
- (o) **“Committees”** shall have the meaning ascribed to such term in Article 73.
- (p) **“Debenture”** shall include debenture stock, bonds and any other securities of the Company, evidencing a debt, whether constituting a charge on the assets of the Company or not.
- (q) **“Depositories Act”** shall mean The Depositories Act, 1996 and shall include any statutory notification or re-enactment thereof.
- (r) **“Depository”** shall mean a Depository as defined in clause (e) of sub-section (1) of section 2 of the Depositories Act.

- (s) “**Director**” shall mean any director of the Company, including alternate directors, Independent Directors and nominee directors appointed in accordance with Law and the provisions of these Articles.
- (t) “**Dividend**” shall mean such dividend as is declared by the Company in accordance with the Act and shall include interim dividends.
- (u) “**Equity Share Capital**” shall mean the total issued and Paid up equity share capital of the Company, calculated on a Fully Diluted Basis.
- (v) “**Equity Shares**” shall mean fully Paid up equity shares of the Company having a par value of INR 10 (Rupees ten only) per equity share, and one vote per equity share or any other issued Share Capital of the Company that is reclassified, reorganized, reconstituted or converted into equity shares.
- (w) “**Executor**” or “**Administrator**” shall mean a person who has obtained probate or letters of administration, as the case may be, from a court of competent jurisdiction and shall include the holder of succession certificate authorizing the holder thereof, to negotiate or Transfer the Equity Share or Equity Shares of the deceased Shareholder and shall also include the holder of a certificate granted by the administrator-general appointed under the Administrator Generals Act, 1963.
- (x) “**Extraordinary General Meeting**” shall mean an extraordinary general meeting of the holders of the Equity Shares duly called and constituted in accordance with the provisions of the Act;
- (y) “**Financial Year**” shall mean any fiscal year of the company, beginning on April 1 of each calendar year and ending on March 31 of the following calendar year.
- (z) “**Fully Diluted Basis**” shall mean, in reference to any calculation, that the calculation should be made in relation to the Equity Share Capital of any Person, assuming that all outstanding convertible preference shares or debentures, options, warrants and other equity Securities convertible into or exercisable or exchangeable for Equity Shares of that Person (whether or not by their terms then currently convertible, exercisable or exchangeable) have been so converted, exercised or exchanged to the maximum number of Equity Shares possible under the terms thereof.
- (aa) “**Global Depository Receipt**” shall mean any instrument in the form of a depository receipt, by whatever name called, created by a foreign depository outside India and authorized by the Company making an issue of such depository receipts.
- (bb) “**GDRs**” shall mean the registered Global Depository Receipts, representing GDSs.
- (cc) “**GDSs**” shall mean the global depository shares, each of which represents certain number of Equity Shares.
- (dd) “**General Meeting**” shall mean any meeting of the Shareholders of the Company, including Annual General Meetings as well as Extraordinary General Meetings of the Shareholders of the Company, convened from time to time in accordance with the Law and the provisions of these Articles and any adjournments thereof.
- (ee) “**Independent Director**” shall mean an independent director as defined under the Act.
- (ff) “**India**” shall mean the Republic of India.
- (gg) “**Law**” shall mean all applicable provisions of all (i) constitutions, treaties, statutes, laws (including the common law), codes, rules, regulations, circulars, ordinances or orders of any governmental authority and SEBI; (ii) governmental approvals; (iii) orders, decisions, injunctions, judgments, awards and decrees of or agreements with any governmental authority; (iv) rules of any stock exchanges; (v) international treaties, conventions and protocols; and (vi) Indian GAAP or any generally accepted accounting principles.
- (hh) “**Managing Director**” shall have the meaning assigned to it under the Act.
- (ii) “**MCA**” shall mean the Ministry of Corporate Affairs, Government of India.
- (jj) “**Memorandum**” shall mean the memorandum of association of the Company as amended from time to time.
- (kk) “**Notified Sections**” shall mean the sections of the Companies Act, 2013 that have been notified by Ministry of Corporate Affairs, Government of India and are currently in effect.
- (ll) “**Office**” shall mean the registered office for the time being of the Company.
- (mm) “**Officer**” shall have the meaning assigned thereto by section 2(59) of the Act.
- (nn) “**Ordinary Resolution**” shall have the meaning assigned thereto by section 114 of the Act.

- (oo) **“Paid up”** shall include such aggregate amount of money credited as paid-up as is equivalent to the amount received as paid up in respect of shares issued and also includes any amount credited as paid-up in respect of shares of the Company, but does not include any other amount received in respect of such shares, by whatever name called.
- (pp) **“Person”** shall mean any natural person, sole proprietorship, partnership, company, body corporate, governmental authority, joint venture, trust, association or other entity (whether registered or not and whether or not having separate legal personality).
- (qq) **“Register of Members”** shall mean register of shareholders to be kept pursuant to section 88 of the Act.
- (rr) **“Registrar”** shall mean Registrar of Companies, from time to time having jurisdiction over the Company.
- (ss) **“Rules”** shall mean the rules made under the Act and notified from time to time.
- (tt) **“Seal”** shall mean common seal(s) for the time being of the Company.
- (uu) **“SEBI”** shall mean the Securities and Exchange Board of India, constituted under the Securities and Exchange Board of India Act, 1992.
- (vv) **“Secretary”** shall mean company secretary within the meaning of clause (c) of sub-section 1 of section 2 of the Company Secretaries Act, 1980 and includes any other individual possessing the prescribed qualifications and appointed to perform the duties which may be performed by a secretary under the act and any other administrative duties.
- (ww) **“Security”** or **“Securities”** shall mean any Equity Shares or any other securities, debentures warrants or options whether or not, directly or indirectly convertible into, or exercisable or exchangeable into or for Equity Shares.
- (xx) **“Share Equivalents”** shall mean any Debentures, preference shares, foreign currency convertible bonds, floating rate notes, options (including options to be approved by the Board (whether or not issued) pursuant to an employee stock option plan) or warrants or other securities or rights which are by their terms convertible or exchangeable into or for Equity Shares.
- (yy) **“Shareholder”** shall mean any Person holding shares of the Company, from time to time.
- (zz) **“Special Resolution”** shall have the meaning assigned to it under section 114 of the Act.
- (aaa) **“Transfer”** shall mean (i) any direct or indirect, transfer or other disposition of any shares, Securities (including convertible securities) or voting interests or any interest therein, including, without limitation, by operation of Law, by court order, or judicial process, or by foreclosure, levy or attachment; (ii) any, direct or indirect, sale, assignment, gift, donation, redemption, conversion or other disposition of such shares, Securities (including convertible securities) or voting interests or any interest therein, pursuant to an agreement, arrangement, instrument or understanding by which legal title to or beneficial ownership of such shares, Securities (including convertible securities) or voting interests or any interest therein passes from one Person to another Person or to the same Person in a different legal capacity, whether or not for value; (iii) the granting of any security interest or encumbrance in, or extending or attaching to, such shares, Securities (including convertible securities) or voting interests or any interest therein, and the word **“Transferred”** shall be construed accordingly.
- (bbb) **“Tribunal”** shall mean the National Company Law tribunal constituted under section 408 of the Act.

B. CONSTRUCTION

In these Articles (unless the context requires otherwise):

- (a) References to a party shall, where the context permits, include such party’s respective successors, legal heirs and permitted assigns.
- (b) The descriptive headings of Articles are inserted solely for convenience of reference and are not intended as complete or accurate descriptions of content thereof and shall not be used to interpret the provisions of these Articles and shall not affect the construction of these Articles.
- (c) References to articles and sub-articles are references to Articles and sub-articles of and to these Articles unless otherwise stated and references to these Articles include references to these articles and sub-articles herein.
- (d) Words importing the singular include the plural and vice versa, pronouns importing a gender include each of the masculine, feminine, neutral genders and where a word or phrase is defined, other parts of speech and grammatical of that word or phrase shall have the corresponding meanings.

- (e) Wherever the words “include”, “includes” or “including” is used in these Articles, such words shall be deemed to be followed by the words “without limitation”.
- (f) The terms “hereof”, “herein”, “hereto”, “hereunder” or similar expressions used in these Articles mean and refer to these Articles and not to any particular article of these Articles, unless expressly stated otherwise.
- (g) Unless otherwise specified, time periods within or following which any payment is to be made or act is to be done shall be calculated by excluding the day on which the period commences and including the day on which the period ends and by extending the period to the next Business Day following if the last day of such period is not a Business Day and whenever any payment is to be made or action to be taken under these Articles is required to be made or taken on a day other than a Business Day, such payment shall be made or action taken on the next Business Day following.
- (h) A reference to party being liable to another party, or to liability, includes, but is not limited to, any liability in equity, contract or tort (including negligence).
- (i) Reference to statutory provisions shall be construed as meaning and including references also to any amendment or re-enactment for the time being in force and to all statutory instruments or orders made pursuant to such statutory provisions.
- (j) References to any particular number or percentage of Securities of a Person (whether on a Fully Diluted Basis or otherwise) shall be adjusted for any form of restructuring of the share capital of that Person, including without limitation, consolidation or subdivision or splitting of its shares, issue of bonus shares, issue of shares in a scheme of arrangement (including amalgamation or de-merger) and reclassification of Equity Shares or variations of rights into other kinds of Securities.
- (k) References made to any provision of the Act shall be construed as meaning and including the references to the rules and regulations made in relation to the same by the MCA. The applicable provisions of the Companies Act, 1956 shall cease to have effect from the date on which the corresponding provisions under the Act shall be notified.
- (l) In the event any of the provisions of the Articles are contrary to the provisions of the Act and the Rules, the provisions of the Act and the Rules shall prevail.

3. EXPRESSIONS IN THE ACT AND THESE ARTICLES

Save as aforesaid, any words or expressions defined in the Act shall, if not inconsistent with the subject or context, bear the same meaning in these Articles.

4. SHARE CAPITAL

- (a) The authorized Share Capital of the Company shall be as stated under clause V of the Memorandum from time to time.
- (b) The Paid up Share Capital shall be at all times be as required under the Act.
- (c) The Company has power, from time to time, to increase its authorized or issued and Paid up Share Capital.
- (d) The Share Capital of the Company may be classified into Equity shares with differential rights as to Dividend, voting or otherwise in accordance with applicable provisions of the Act, Rules, and Law, from time to time.
- (e) Subject to Article 4(d) all the Equity Shares shall be of the same class and shall be alike in all respects and the holders thereof shall be entitled to identical rights and privileges including without limitation to identical rights and privileges with respect to Dividends, voting rights and distribution of assets in the event of voluntary or involuntary liquidation, dissolution or winding up of the Company.
- (f) The Board may allot and issue shares of the Company as payment or part payment for any property purchased by the Company or in respect of goods sold or transferred or machinery or appliances supplied or for services rendered to the Company in or about the formation of the Company or the acquisition and/or in the conduct of its business or for any goodwill provided to the Company; and any shares which maybe so allotted maybe issued as fully/partly Paid up shares and if so issued shall be deemed as fully/partly Paid up shares. However, the aforesaid shall be subject to the approval of Shareholders under the relevant provisions of the Act and Rules.
- (g) Nothing herein contained shall prevent the Directors from issuing fully Paid up shares either on payment of the entire nominal value thereof in cash or in satisfaction of any outstanding debt or obligation of the Company.
- (h) Except so far as otherwise provided by the conditions of issue or by these presents, any Capital raised by the creation of new Equity 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.
- (i) All of the provisions of these Articles shall apply to the Shareholders.

- (j) Any application signed by or on behalf of an applicant for shares in the Company, followed by an allotment of any Equity 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 of Members shall for the purposes of the Articles be a Shareholder.
- (k) 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 immediately on the insertion of the name of the allottee, in the Register of Members as the name of the holder of such Equity Shares, become a debt due to and recoverable by the Company from the allottee thereof, and shall be paid by him accordingly.

5. BRANCH OFFICES

The Company shall have the power to establish one or more branch offices, in addition to the Office, in such places as the Board may deem fit.

6. PREFERENCE SHARES

(a) Redeemable Preference Shares

The Company, subject to the applicable provisions of the Act and the consent of the Board, shall have the power to issue on a cumulative or non-cumulative basis, preference shares liable to be redeemed in any manner permissible under the Act and the Directors may, subject to the applicable provisions of the Act, exercise such power in any manner as they deem fit and provide for redemption of such shares on such terms including the right to redeem at a premium or otherwise as they deem fit.

(b) Convertible Redeemable Preference Shares

The Company, subject to the applicable provisions of the Act and the consent of the Board, shall have power to issue on a cumulative or non-cumulative basis convertible redeemable preference shares liable to be redeemed in any manner permissible under the Act and the Directors may, subject to the applicable provisions of the Act, exercise such power as they deem fit and provide for redemption at a premium or otherwise and/or conversion of such shares into such Securities on such terms as they may deem fit.

7. PROVISIONS IN CASE OF PREFERENCE SHARES

Upon the issue of preference shares pursuant to Article 6, above, the following provisions shall apply:

- (a) No such shares shall be redeemed except out of profits of the Company which would otherwise be available for Dividend or out of the proceeds of fresh issue of shares made for the purposes of the redemption;
- (b) No such shares shall be redeemed unless they are fully paid;
- (c) 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 securities premium account, before the shares are redeemed;
- (d) Where any such shares are proposed to be redeemed out of the profits of the Company, there shall, out of such profits be Transferred, a sum equal to the nominal amount of the shares to be redeemed, to a reserve, to be called the "**Capital Redemption Reserve Account**" and the applicable provisions of the Act relating to the reduction of the Share Capital of the Company shall, except as provided by section 55 of the Act apply as if the Capital Redemption Reserve Account were the Paid up Share Capital of the Company.
- (e) The redemption of preference shares under this Article by the Company shall not be taken as reduction of Share Capital;
- (f) The Capital Redemption Reserve Account may, notwithstanding anything in this Article, be applied by the Company, in paying up un-issued shares of the Company to be issued to the Shareholders as fully paid bonus shares; and
- (g) Whenever the Company shall redeem any redeemable preference shares or cumulative convertible redeemable preference shares, the Company shall, within 30 (thirty) days thereafter, give notice thereof to the Registrar as required by section 64 of the Act.

8. SHARE EQUIVALENT

The Company shall, subject to the applicable provisions of the Act, compliance with Law and the consent of the Board, have the power to issue Share Equivalents on such terms and in such manner as the Board deems fit including their conversion, repayment, and redemption whether at a premium or otherwise.

9. ADRs/GDRs

The Company shall, subject to the applicable provisions of the Act, compliance with all Laws and the consent of the Board, have the power to issue ADRs or GDRs on such terms and such manner as the Board deems fit including their conversion and repayment. Such terms may include at the discretion of the Board, limitations on voting by holders of ADRs or GDRs, including without limitation, exercise of voting rights in accordance with the directions of the Board.

10. ALTERATION OF SHARE CAPITAL

Subject to these Articles and the applicable provisions of the Act (including section 61 of the Act), the Company may, by Ordinary Resolution in General Meeting from time to time, alter the conditions of its Memorandum as follows that is to say it may:

- (a) increase its authorized share Capital by such amount as it thinks expedient;
- (b) consolidate and divide all or any of its Share Capital into shares of larger amount than its existing shares;

Provided that, no consolidation and division which results in changes in the voting percentage of Shareholders shall take effect unless it is approved by the Tribunal on an application made in the prescribed manner.
- (c) convert all or any of its fully Paid-up shares into stock and reconvert that stock into fully Paid-up shares of any denomination.
- (d) sub-divide its shares, or any of them, into shares of smaller amount than is fixed by the Memorandum, so however, that in the sub-division the proportion between the amount paid and the amount, if any, unpaid on each reduced share shall be the same as it was in the case of the share from which the reduced share is derived; and
- (e) cancel shares which, at the date of the passing of the resolution in that behalf, have not been taken or agreed to be taken by any Person, and diminish the amount of its Share Capital by the amount of the shares so cancelled. A cancellation of shares in pursuance of this Article shall not be deemed to be a reduction of Share Capital within the meaning of the Act.

11. REDUCTION OF SHARE CAPITAL

The Company may, subject to the applicable provisions of the Act, from time to time, reduce its Capital, any capital redemption reserve account and the securities premium account in any manner for the time being authorized by Law. This Article is not to derogate any power the Company would have under Law, if it were omitted.

12. POWER OF COMPANY TO PURCHASE ITS OWN SECURITIES

Notwithstanding anything contained in these Articles, pursuant to a resolution of the Board, the Company may purchase its own Equity Shares or other Securities as may be specified by the MCA, by way of a buy-back arrangement, in accordance with sections 68, 69 and 70 of the Act, the Rules and subject to compliance with Law.

13. POWER TO MODIFY RIGHTS

Where, the Capital, is divided (unless otherwise provided by the terms of issue of the shares of that class) into different classes of shares, all or any of the rights and privileges attached to each class may, subject to the provisions of section 48 of the Companies Act, 2013 and Law, whether or not the Company is being wound up, be modified, commuted, affected or abrogated or dealt with by agreement between the Company and any Person purporting to contract on behalf of that class, provided the same is affected with consent in writing and by way of a Special Resolution passed at a separate meeting of the holders of the issued shares of the class.

14. REGISTERS TO BE MAINTAINED BY THE COMPANY

- (a) The Company shall, in terms of provisions of the section 88 of the Act, cause to be kept the following registers in terms of the applicable provisions of the Act.
 - (i) A Register of Members indicating separately for each class of Equity Shares and preference shares held by each Shareholder residing in or outside India;
 - (ii) A register of Debenture holders;
 - (iii) A register of any other security holders.
- (b) The Company shall also be entitled to keep in any country outside India, a part of the registers referred above, called “foreign register” containing names and particulars of the Shareholders, Debenture holders or holders of other Securities or Beneficial Owners residing outside India.
- (c) The registers mentioned in this Article shall be kept and maintained in the manner prescribed under the Companies (Management and Administration) Rules, 2014.

15. SHARES AND SHARE CERTIFICATES

- (a) The Company shall issue, re-issue share certificates and issue duplicate share certificates in accordance with the provisions of the Act and in the form and manner prescribed under the Companies (Share Capital and Debenture) Rules, 2014.
- (b) A duplicate certificate of shares may be issued, if such certificate:
 - (i) is proved to have been lost or destroyed; or
 - (ii) has been defaced, mutilated or torn and is surrendered to the Company.
- (c) The Company shall be entitled to dematerialize its existing shares, rematerialize its shares held in the Depository and/or to offer its fresh shares in a dematerialized form pursuant to the Depositories Act, and the rules framed thereunder, if any.
- (d) A certificate, issued under the Seal, specifying the shares held by any Person shall be prima facie evidence of the title of the Person to such shares. Where the shares are held in depository form, the record of the Depository shall be prima facie evidence of the interest of the Beneficial Owner.
- (e) If any certificate be worn out, defaced, mutilated or torn or 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 is lost or destroyed then upon proof thereof, to the satisfaction of the Company and on execution of such indemnity as the Company deems accurate, 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 Articles shall be issued without payment of fees if the Directors so decide, or on payment of such fees (not exceeding Rupees two for each certificate) as the Directors shall prescribe. Provided that, no fee shall be charged for issue of a new certificate in replacement of those which are old, defaced or worn out or where there is no further space on the back thereof for endorsement of Transfer.

Provided that notwithstanding that what is stated above, the Directors shall comply with the applicable provisions of the Act and Law.
- (f) The provisions of this Article shall mutatis mutandis apply to Debentures and other Securities of the Company.
- (g) When a new certificate has been issued in pursuance sub-article (e) of this Article, it shall be in the form and manner stated under the Companies (Share Capital and Debenture) Rules, 2014.
- (h) Where a new share certificate has been issued in pursuance of sub-articles (e) and (f) of this Article, particulars of every such share certificate shall be entered in a register of renewed and duplicate certificates maintained in the form and manner specified under the Companies (Share Capital and Debenture) Rules, 2014.
- (i) All books referred to in this Article, shall be preserved in the manner specified in the Companies (Share Capital and Debenture) Rules, 2014.
- (j) The details in relation to any renewal or duplicate share certificate shall be entered in the register of renewed and duplicate share certificates, as prescribed under the Companies (Share Capital and Debenture) Rules, 2014.
- (k) If any Share stands in the name of 2 (two) or more Persons, the Person first named in the Register of Members shall as regards receipt of Dividends or bonus, or service of notices and all or any other matters connected with the Company except voting at meetings and the Transfer of shares, be deemed the sole holder thereof, but the joint holders of a share shall be severally as well as jointly liable for the payment of all installments and calls due in respect of such shares, and for all incidents thereof according to these Articles.
- (l) Except as ordered by a court of competent jurisdiction or as may be required by Law, the Company shall be entitled to treat the Shareholder whose name appears on the Register of Members as the holder of any share or whose name appears as a Beneficial Owner of shares in the records of the Depository, as the absolute owner thereof and accordingly shall not be bound to recognize any benami, trust or equity or equitable, contingent or other claim to or interest in such share on the part of any other Person whether or not he shall have express or implied notice thereof. The Board shall be entitled at their sole discretion to register any shares in the joint names of any 2 (two) or more Persons or the survivor or survivors of them.

16. SHARES AT THE DISPOSAL OF THE DIRECTORS

- (a) Subject to the provisions of section 62, other applicable provisions of the Act and these Articles, the shares in the Capital of the Company for the time being (including any shares forming part of any increased Capital of the Company) shall be under the control of the Board 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 at such time as they may, from time to time think fit.
- (b) If, by the conditions of allotment of any share, the whole or part of the amount thereof shall be payable by installments, every such installment shall, when due, be paid to the Company by the Person who, for the time being, shall be the registered holder of the shares or by his Executor or Administrator.

- (c) Every Shareholder, or his heirs, Executors or Administrators 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 Articles require or fix for the payment thereof.
- (d) In accordance with section 56 and other applicable provisions of the Act and the Rules:
 - (i) Every Shareholder or allottee of shares shall be entitled without payment, to receive one or more certificates specifying the name of the Person in whose favor it is issued, the shares to which it relates and the amount Paid up thereon. Such certificates 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 coupon of requisite value, save in cases of issue of share certificates against letters of acceptance or of renunciation, or in cases of issue of bonus shares. Such share certificates shall also be issued in the event of consolidation or sub-division of shares of the Company. Provided however, no Shareholder shall be entitled to sub-divide/consolidate share certificates without the prior permission from the Company. Every such certificate shall specify the shares to which it relates and the amount paid thereon be issued under the Seal which shall be affixed in the presence of 2 (two) Directors or Persons acting on behalf of the Board under a duly registered power of attorney and the Secretary or some other Person appointed by the Board for that purpose and the 2 (two) Directors and their attorneys the Secretary or some other Person shall sign the share certificate(s), provided if the composition of the Board permits at least 1 (one) of the aforesaid 2 (two) directors shall be a Person other than a Managing Director(s), or an executive Director(s). 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. For any further certificate, the Board shall be entitled, but shall not be bound to prescribe a charge not exceeding rupees two;
 - (ii) Every Shareholder shall be entitled without payment, to one or more certificates, in marketable slots, for all the shares of each class or denomination registered in his name, or if the Directors so approve (upon paying such fees as the Directors may from time to time determine) to several certificates, each for one or more of such shares and the Company shall complete and have ready for delivery such certificates within 2 (two) months from the date of allotment, or within 1 (one) month of the receipt of instrument of Transfer, transmission, sub-division, consolidation, or renewal of its shares as the case may be. Every certificate of shares shall be in the form and manner specified in Article 15 above and 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 the first named joint holders shall be sufficient delivery to all such holders;
 - (iii) the Board may, at their absolute discretion, refuse any applications for the sub-division of share certificates or Debenture certificates, into denominations less than marketable lots except where sub-division is required to be made to comply with any statutory provision or an order of a competent court of Law or at a request from a Shareholder or to convert holding of odd lot into transferrable/marketable lot;
 - (iv) A Director may sign a share certificate by affixing his signature thereon by means of a machine, equipment or other mechanical 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 that purpose.

17. UNDERWRITING AND BROKERAGE

- (a) Subject to the applicable provisions of the Act, the Company may at any time pay a commission to any Person in consideration of his subscribing or agreeing to subscribe or procuring or agreeing to procure subscription, (whether absolutely or conditionally), for any shares or Debentures in the Company in accordance with the provisions of the Companies (Prospectus and Allotment of Securities) Rules, 2014.
- (b) The Company may also, on any issue of shares or Debentures, pay such brokerage as may be lawful.

18. CALLS

- (a) Subject to the provisions of section 49 of the Act, 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 circular resolution), make such call as it thinks fit upon the Shareholders in respect of all money unpaid on the shares held by them respectively and each Shareholder shall pay the amount of every call so made on him to the Person or Persons and Shareholders and at the times and places appointed by the Board. A call may be made payable by installments. Provided that the Board shall not give the option or right to call on shares to any Person except with the sanction of the Company in the General Meeting.
- (b) A 30 (thirty) days' notice in writing at the least of every call (otherwise than on allotment) shall be given by the Company specifying the time and place of payment and if payable to any Person other than the Company, the name of the Person to whom the call shall be paid, provided that before the time for payment of such call, the Board may by notice in writing to the Shareholders revoke the same.

- (c) The Board of Directors may, when making a call by resolution, determine the date on which such call shall be deemed to have been made, not being earlier than the date of resolution making such call and thereupon the call shall be deemed to have been made on the date so determined and if no date is determined, the call shall be deemed to have been made at the time when the resolution of the Board authorizing such call was passed and may be made payable by the Shareholders whose names appear on the Register of Members on such date or at the discretion of the Board on such subsequent date as shall be fixed by the Board. A call may be revoked or postponed at the discretion of the Board.
- (d) The joint holder of a share shall be jointly and severally liable to pay all installments and calls due in respect thereof.
- (e) 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 Shareholders who, from residence at a distance or other cause the Board may deem fairly entitled to such extension; but no Shareholders shall be entitled to such extension save as a matter of grace and favour.
- (f) If any Shareholder or allottee fails to pay the whole or any part of any call or installment, 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 but nothing in this Article shall render it obligatory for the Board to demand or recover any interest from any such Shareholder.
- (g) Any sum, which by the terms of issue of a share or otherwise, becomes payable on allotment or at any fixed date or by installments at a fixed time whether on account of the nominal value of the share or by way of premium shall for the purposes of these Articles be deemed to be a call duly made and payable on the date on which by the terms of issue or otherwise the same became payable, and in case of non-payment, all the relevant provisions of these Articles as to payment of call, interest, expenses, forfeiture or otherwise shall apply as if such sum became payable by virtue of a call duly made and notified.
- (h) On the trial or hearing of any action or suit brought by the Company against any Shareholder or his legal 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 Shareholder in respect of whose shares the money is sought to be recovered appears entered on the Register of Members as the holder, or one of the holders at or subsequent to the date at which the money sought to be recovered is alleged to have become due on the shares; that the resolution making the call is duly recorded in the minute book, and that notice of such call was duly given to the Shareholder or his representatives so sued in pursuance of these Articles; and 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, nor that the meeting 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.
- (i) Neither a judgment nor a decree in favour of the Company for calls or other money due in respect of any share 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 Shareholder to the Company in respect of his shares, either by way of principal or interest, nor any indulgence granted by the Company in respect of the payment of any such money shall preclude the Company from thereafter proceeding to enforce a forfeiture of such shares as hereinafter provided.
- (j) The Board may, if it thinks fit (subject to the provisions of section 50 of the Act) agree to and receive from any Shareholder willing to advance the same, the whole or any part of the money due upon the shares held by him beyond the sums actually called up, and upon the amount so paid or satisfied in advance or so much thereof as 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 in respect of which such advance has been made, the Company may pay interest, as the Shareholder paying such sum in advance and the Board agree upon, provided that the money paid in advance of calls on any share may carry interest but shall not confer a right to participate in profits or Dividend. The Directors may at any time repay the amount so advanced.
- (k) No Shareholder shall be entitled to voting rights in respect of the money (ies) so paid by him until the same would but for such payment, become presently payable.
- (l) The provisions of these Articles shall *mutatis mutandis* apply to the calls on Debentures of the Company.

19. COMPANY'S LIEN:

A. ON SHARES:

- (a) The Company shall have a first and paramount lien:
- (i) on every share (not being a fully paid share), for all money (whether presently payable or not) called, or payable at a fixed time, in respect of that share;
- (ii) on all shares (not being fully paid shares) standing registered in the name of a single Person, for all money presently payable by him or his estate to the Company.

Provided that, the Board may at any time, declare any shares wholly or in part to be exempt from the provisions of this Article.

- (b) The Company's lien, if any, on the shares, shall extend to all the Dividends payable and bonuses declared from time to time in respect of such shares.
- (c) Unless otherwise agreed, the registration of the Transfer of shares shall operate as a waiver of the Company's lien, if any, on such shares. The fully Paid up shares shall be free from all lien and that in case of partly paid shares, the Company's lien shall be restricted to money called or payable at a fixed price in respect of such shares.
- (d) For the purpose of enforcing such lien, the Board may sell the shares, subject thereto in such manner as they shall think fit, and may authorize one of their Shareholders to execute and register the Transfer thereof on behalf of and in the name of any purchaser. The purchaser shall not be bound to see to the application of the purchase money, nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings in reference to the sale.

Provided that no sale shall be made:

- (i) Unless a sum in respect of which the lien exists is presently payable; or
- (ii) Until the expiration of 14 days after a notice in writing stating and demanding payment of such part of the amount in respect of which the lien exists as is presently payable, has been given to the registered holder for the time being of the share or the Person entitled thereto by reason of his death or insolvency.

The net proceeds of any such sale shall be received by the Company and applied in payment of such part of the amount in respect of which the lien exists as is presently payable. The residue, if any, shall (subject to a like lien for sums not presently payable as existed upon the shares before the sale) be paid to the Person entitled to the shares at the date of the sale.

- (e) No Shareholder shall exercise any voting right 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 of lien.

B. ON DEBENTURES:

- (a) The Company shall have a first and paramount lien:
- (i) on every Debenture (not being a fully paid Debenture), for all money (whether presently payable or not) called, or payable at a fixed time, in respect of that Debenture;
 - (ii) on all Debentures (not being fully paid Debentures) standing registered in the name of a single Person, for all money presently payable by him or his estate to the Company.

Provided that the Board may, at any time, declare any Debentures wholly or in part to be exempt from the provisions of this Article.

- (b) Company's lien, if any, on the Debentures, shall extend to all interest and premium payable in respect of such Debentures.
- (c) Unless otherwise agreed, the registration of a transfer of Debentures shall operate as a waiver of the Company's lien, if any, on such Debentures. The fully Paid up Debentures shall be free from all lien and that in case of partly paid Debentures, the Company's lien shall be restricted to money called or payable at a fixed price in respect of such Debentures.
- (d) For the purpose of enforcing such lien, the Board may sell the Debentures, subject thereto in such manner as they shall think fit, and for that purpose may cause to be issued a duplicate certificate in respect of such Debentures and may authorize the Debenture trustee acting as trustee for the holders of Debentures or one of the holder of Debentures to execute and register the transfer thereof on behalf of and in the name of any purchaser. The purchaser shall not be bound to see to the application of the purchase money, nor shall his title to the Debentures be affected by any irregularity or invalidity in the proceedings in reference to the sale.

Provided that no sale shall be made:

- (i) unless a sum in respect of which the lien exists is presently payable; or
- (ii) until the expiration of 14 (fourteen) days after a notice in writing stating and demanding payment of such part of the amount in respect of which the lien exists as is presently payable, has been given to the registered holder for the time being of the Debenture or the Person entitled thereto by reason of his death or insolvency.

The net proceeds of any such sale shall be received by the Company and applied in payment of such part of the amount in respect of which the lien exists as is presently payable. The residue, if any, shall (subject to a like lien for sums not presently payable as existed upon the Debentures before the sale) be paid to the Person entitled to the Debentures at the date of the sale.

- (e) No holder of Debentures shall exercise any voting right in respect of any Debentures 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 of lien.

20. FORFEITURE OF SHARES

- (a) If any Shareholder fails to pay any call or installment or any part thereof or any money 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 or any such extension thereof as aforesaid, the Board may, at any time thereafter, during such time as the call or installment or any part thereof or other money remain unpaid or a judgment or decree in respect thereof remain unsatisfied, give notice to him or his legal representatives requiring him to pay the same together with any interest that may have accrued and all expenses that may have been incurred by the Company by reason of such non-payment.
- (b) The notice shall name a day, (not being less than 14 (fourteen) days from the date of the notice), and a place or places on or before which such call or installment or such part or other money as aforesaid and interest thereon, (at such rate as the Board shall determine and payable from the date on which such call or installment ought to have been paid), and expenses as aforesaid are to be paid. The notice shall also state that in the event of non-payment at or before the time and at the place appointed, the shares in respect of which the call was made or installment is payable, will be liable to be forfeited.
- (c) If the requirements of any such notice as aforesaid are not be complied with, any share in respect of which such notice has been given, may at any time, thereafter before payment of all calls, installments, other money due in respect thereof, interest and expenses as required by the notice has been made, be forfeited by a resolution of the Board to that effect. Such forfeiture shall include all Dividends declared or any other money payable in respect of the forfeited share and not actually paid before the forfeiture subject to the applicable provisions of the Act. There shall be no forfeiture of unclaimed Dividends before the claim becomes barred by Law.
- (d) When any share shall have been so forfeited, notice of the forfeiture shall be given to the Shareholder on whose name it stood immediately prior to the forfeiture or if any of his legal representatives or to any of the Persons entitled to the shares by transmission, and an entry of the forfeiture with the date thereof, shall forth-with be made in the Register of Members, but no

forfeiture shall be in any manner invalidated by any omission or neglect to give such notice or to make any such entry as aforesaid.

- (e) Any share 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 shall think fit.
- (f) Any Shareholder 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 and other money 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, (if it thinks fit), payment thereof as if it were a new call made at the date of forfeiture.
- (g) The forfeiture of a share shall involve extinction at the time of the forfeiture of all interest in all claims and demands against the Company, in respect of the share and all other rights incidental to the share, except only such of these rights as by these Articles are expressly saved.
- (h) A duly verified declaration in writing that the declarant is a Director, the manager or Secretary of the Company and that a share in the Company has 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.
- (i) 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 purchaser 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.
- (j) Upon any sale, re-allotment or other disposal under the provisions of the preceding Articles, the certificate or certificates originally issued in respect of the relevant shares shall, (unless the same shall on demand by the Company have been previously surrendered to it by the defaulting Shareholder), stand cancelled and become null and void and of no effect and the Board shall be entitled to issue a new certificate or certificates in respect of the said shares to the Person or Persons entitled thereto.
- (k) The Board may, at any time, before any share so forfeited shall have been sold, re-allotted or otherwise disposed of, annul the forfeiture thereof upon such conditions as it thinks fit.

21. FURTHER ISSUE OF SHARE CAPITAL

- (a) Where at any time, the Company proposes to increase its subscribed capital by the issue of further shares, such shares shall be offered—
 - (i) to Persons who, at the date of the offer, are holders of Equity Shares of the Company in proportion, as nearly as circumstances admit, to the Paid up Share Capital on those shares by sending a letter of offer subject to the following conditions, namely:-
 - a. the offer shall be made by notice specifying the number of shares offered and limiting a time not being less than 15 (fifteen) days and not exceeding 30 (thirty) days from the date of the offer within which the offer, if not accepted, shall be deemed to have been declined;
 - b. the offer aforesaid shall be deemed-to include a right exercisable by the Person concerned to renounce the shares offered to him or any of them in favour of any other Person; and the notice referred to in clause a. above shall contain a statement of this right;
 - c. after the expiry of the time specified in the notice aforesaid, or on receipt of earlier intimation from the Person to whom such notice is given that he declines to accept the shares offered, the Board may dispose of them in such manner which is not disadvantageous to the Shareholders and the Company;
 - (ii) to employees under a scheme of employees' stock option, subject to Special Resolution passed by the Company and subject to the Rules and such other conditions, as may be prescribed under the Law; or
 - (iii) to any Persons, if it is authorized by a Special Resolution, whether or not those Persons include the Persons referred to in clause (i) or clause (ii) above, either for cash or for a consideration other than cash, if the price of such shares is determined by the valuation report of a registered valuer subject to the Rules.
- (b) the notice referred to in sub-clause a. of clause (i) of sub-article (a) shall be dispatched through registered post or speed post or through electronic mode to all the existing Shareholders at least 3 (three) days before the opening of the issue.

- (c) Nothing in this Article shall apply to the increase of the subscribed capital of a Company caused by the exercise of an option as a term attached to the Debentures issued or loan raised by the Company to convert such Debentures or loans into shares in the Company:

Provided that the terms of issue of such Debentures or loan containing such an option have been approved before the issue of such Debentures or the raising of loan by a Special Resolution passed by the Company in a General Meeting.

- (d) The provisions contained in this Article shall be subject to the provisions of the section 42 and section 62 of the Act, the Rules and the applicable provisions of the Companies Act, 2013.

22. TRANSFER AND TRANSMISSION OF SHARES

- (a) The Company shall maintain a register of Transfers and shall have recorded therein fairly and distinctly particulars of every Transfer or transmission of any Share, Debenture or other Security held in a material form.
- (b) In accordance with section 56 of the Act, the Rules and such other conditions as may be prescribed under Law, every instrument of Transfer of shares held in physical form shall be in writing. In case of Transfer of shares where the Company has not issued any certificates and where the shares are held in dematerialized form, the provisions of the Depositories Act shall apply.
- (c) An application for the registration of a Transfer of the shares in the Company may be made either by the transferor or the transferee within the time frame prescribed under the Act.
- (d) Where the application is made by the transferor and relates to partly paid shares, the Transfer shall not be registered unless the Company gives notice of the application to the transferee in a prescribed manner and the transferee communicates no objection to the Transfer within 2 (two) weeks from the receipt of the notice.
- (e) Every such instrument of Transfer shall be executed by both, the transferor and the transferee and attested and the transferor shall be deemed to remain the holder of such share until the name of the transferee shall have been entered in the Register of Members in respect thereof.
- (f) The Board shall have power on giving not less than 7 (seven) days previous notice by advertisement in a vernacular newspaper and in an English newspaper having wide circulation in the city, town or village in which the Office is situated, and publishing the notice on the website as may be notified by the Central Government and on the website of the Company, to close the transfer books, the Register of Members and/or register of Debenture-holders at such time or times and for such period or periods, not exceeding 30 (thirty) days at a time and not exceeding in the aggregate 45 (forty-five) days in each year, as it may deem expedient.
- (g) Subject to the provisions of sections 58 and 59 of the Act, these Articles and other applicable provisions of the Act or any other Law for the time being in force, the Board may, refuse to register the Transfer of, or the transmission by operation of Law of the right to, any Securities or interest of a Shareholder in the Company. The Company shall, within 30 (thirty) days from the date on which the instrument of Transfer, or the intimation of such transmission, as the case may be, was delivered to the Company, send a notice of refusal to the transferee and transferor or to the Person giving notice of such transmission, as the case may be, giving reasons for such refusal.

Provided that, registration of a Transfer shall not be refused on the ground of the transferor being either alone or jointly with any other Person or Persons indebted to the Company on any account whatsoever.

- (h) Subject to the applicable provisions of the Act and these Articles, the Directors shall have the absolute and uncontrolled discretion to refuse to register a Person entitled by transmission to any shares or his nominee as if he were the transferee named in any ordinary Transfer presented for registration, and shall not be bound to give any reason for such refusal and in particular may also decline in respect of shares upon which the Company has a lien.
- (i) Subject to the provisions of these Articles, any Transfer of shares in whatever lot should not be refused, though there would be no objection to the Company refusing to split a share certificate into several scripts of any small denominations or, to consider a proposal for Transfer of shares comprised in a share certificate to several Shareholders, involving such splitting, if on the face of it such splitting/transfer appears to be unreasonable or without a genuine need. The Company should not, therefore, refuse Transfer of shares in violation of the stock exchange listing requirements on the ground that the number of shares to be transferred is less than any specified number.
- (j) In case of the death of any one or more Shareholders named in the Register of Members as the joint-holders of any shares, the survivors shall be the only Shareholder or Shareholders recognized by the Company as having any title to or interest in such shares, but nothing therein contained shall be taken to release the estate of a deceased joint-holder from any liability on shares held by him jointly with any other Person.
- (k) The Executors or Administrators or holder of the succession certificate or the legal representatives of a deceased Shareholder, (not being one of two or more joint-holders), shall be the only Shareholders recognized by the Company as having any title to

the shares registered in the name of such Shareholder, and the Company shall not be bound to recognize such Executors or Administrators or holders of succession certificate or the legal representatives unless such Executors or Administrators or legal representatives shall have first obtained probate or letters of administration or succession certificate, as the case may be, from a duly constituted court in India, provided that the Board may in its absolute discretion dispense with production of probate or letters of administration or succession certificate, upon such terms as to indemnity or otherwise as the Board may in its absolute discretion deem fit and may under Article 22(a) of these Articles register the name of any Person who claims to be absolutely entitled to the shares standing in the name of a deceased Shareholder, as a Shareholder.

- (l) The Board shall not knowingly issue or register a Transfer of any share to a minor or insolvent or Person of unsound mind, except fully paid shares through a legal guardian.
- (m) Subject to the provisions of the Articles, any Person becoming entitled to shares in consequence of the death, lunacy, bankruptcy of any Shareholder or Shareholders, or by any lawful means other than by a Transfer in accordance with these Articles, may with the consent of the Board, (which it 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 his title, as the Board thinks sufficient, either be registered himself as the holder of the shares or elect to have some Person nominated by him and approved by the Board, registered as such holder; provided nevertheless, that if such Person shall elect to have his nominee registered, he shall testify the election by executing in favour of his nominee an instrument of Transfer in accordance with the provisions herein contained and until he does so, he shall not be freed from any liability in respect of the shares.
- (n) A Person becoming entitled to a share by reason of the death or insolvency of a Shareholder shall be entitled to the same Dividends and other advantages to which he would be entitled if he were the registered holder of the shares, except that he shall not, before being registered as a Shareholder in respect of the shares, be entitled to exercise any right conferred by membership in relation to the meetings of the Company.

Provided that the Directors shall, at any time, give notice requiring any such Person to elect either to be registered himself or to Transfer the shares, and if such notice is not complied with within 90 (ninety) days, the Directors may thereafter withhold payment of all Dividends, bonuses or other monies payable in respect of the shares until the requirements of the notice have been complied with.

- (o) Every instrument of Transfer shall be presented to the Company duly stamped for registration accompanied by such evidence as the Board may require to prove the title of the transferor, his right to Transfer the shares. Every registered instrument of Transfer shall remain in the custody of the Company until destroyed by order of the Board.
- (p) Where any instrument of Transfer of shares has been received by the Company for registration and the Transfer of such shares has not been registered by the Company for any reason whatsoever, the Company shall transfer the Dividends in relation to such shares to a special account unless the Company is authorized by the registered holder of such shares, in writing, to pay such Dividends to the transferee and will keep in abeyance any offer of right shares and/or bonus shares in relation to such shares.
- (q) In case of Transfer and transmission of shares or other marketable Securities where the Company has not issued any certificates and where such shares or Securities are being held in any electronic and fungible form in a Depository, the provisions of the Depositories Act shall apply.
- (r) Before the registration of a Transfer, the certificate or certificates of the share or shares to be transferred must be delivered to the Company along with a properly stamped and executed instrument of Transfer in accordance with the provisions of section 56 of the Act.
- (s) No fee shall be payable to the Company, in respect of the registration of Transfer or transmission of shares, or for registration of any power of attorney, probate, letters of administration and succession certificate, certificate of death or marriage or other similar documents, sub division and/or consolidation of shares and Debentures and sub-divisions of letters of allotment, renounceable letters of right and split, consolidation, renewal and genuine transfer receipts into denomination corresponding to the market unit of trading.
- (t) 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 of Members), to the prejudice of a Person or Persons having or claiming any equitable right, title or interest to or in the said shares, notwithstanding that the Company may have had any notice of such equitable right, title or interest or notice prohibiting registration of such Transfer, and may have entered such notice or referred thereto, in any book of the Company and the Company shall not be bound or required to regard or attend or give effect to any notice which may be given to it of any equitable right, title or interest or be under any liability 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 Board shall so think-fit.
- (u) There shall be a common form of Transfer in accordance with the Act and Rules.

- (v) The provision of these Articles shall subject to the applicable provisions of the Act, the Rules and any requirements of Law. Such provisions shall mutatis mutandis apply to the Transfer or transmission by operation of Law to other Securities of the Company.

23. DEMATERIALIZATION OF SECURITIES

- (a) Dematerialization:

Notwithstanding anything contained in these Articles, the Company shall be entitled to dematerialize its existing Securities, rematerialize its Securities held in the Depositories and/or to offer its fresh Securities in a dematerialized form pursuant to the Depositories Act, and the rules framed thereunder, if any.

- (b) Subject to the applicable provisions of the Act, either the Company or the investor may exercise an option to issue, dematerialize, hold the Securities (including shares) with a Depository in electronic form and the certificates in respect thereof shall be dematerialized, in which event the rights and obligations of the parties concerned and matters connected therewith or incidental thereto shall be governed by the provisions of the Depositories Act.

- (c) Notwithstanding anything contained in these Articles to the contrary, in the event the Securities of the Company are dematerialized, the Company shall issue appropriate instructions to the Depository not to Transfer the Securities of any Shareholder except in accordance with these Articles. The Company shall cause the Promoters to direct the respective Depository participants not to accept any instruction slip or delivery slip or other authorization for Transfer in contravention of these Articles.

- (d) If a Person opts to hold his Securities with a Depository, the Company shall intimate such Depository the details of allotment or the Securities and on receipt of the information, the Depository shall enter in its record the name of the allottee as the Beneficial Owner of the Securities.

- (e) Securities in Depositories to be in fungible form:

All Securities held by a Depository shall be dematerialized and be held in fungible form. Nothing contained in sections 88, 89 and 186 of the Act shall apply to a Depository in respect of the Securities held by it on behalf of the Beneficial Owners.

- (f) Rights of Depositories & Beneficial Owners:

- (i) Notwithstanding anything to the contrary contained in the Act or these Articles, a Depository shall be deemed to be the Registered Owner for the purposes of effecting transfer of ownership of Securities on behalf of the Beneficial Owner;

- (ii) Save as otherwise provided in (i) above, the Depository as the Registered Owner of the Securities shall not have any voting rights or any other rights in respect of the Securities held by it;

- (iii) Every Person holding shares of the Company and whose name is entered as the Beneficial Owner in the records of the Depository shall be deemed to be a Shareholder;

- (iv) The Beneficial Owner of Securities shall, in accordance with the provisions of these Articles and the Act, be entitled to all the rights and subject to all the liabilities in respect of his Securities, which are held by a Depository.

- (g) Except as ordered by a court of competent jurisdiction or as may be required by Law and subject to the applicable provisions of the Act, the Company shall be entitled to treat the Person whose name appears in the register as the holder of any share or whose name appears as the Beneficial Owner of any share in the records of the Depository as the absolute owner thereof and accordingly shall not be bound to recognize any benami trust or equity, equitable contingent, future, partial interest, other claim to or interest in respect of such shares or (except only as by these Articles otherwise expressly provided) any right in respect of a share other than an absolute right thereto in accordance with these Articles, on the part of any other Person whether or not it has expressed or implied notice thereof but the Board shall at their sole discretion register any share in the joint names of any two or more Persons or the survivor or survivors of them.

- (h) Register and Index of Beneficial Owners:

The Company shall cause to keep a register and index of members with details of shares and Debentures held in materialized and dematerialized forms in any media as may be permitted by Law including any form of electronic media.

The register and index of Beneficial Owners maintained by a Depository under the Depositories Act shall be deemed to be a register and index of members for the purposes of the Act. The Company shall have the power to keep in any state or country outside India a register resident in that state or country.

- (i) Cancellation of Certificates upon surrender by Person:

Upon receipt of certificate of Securities on surrender by a Person who has entered into an agreement with the Depository through a participant, the Company shall cancel such certificates and shall substitute in its record, the name of the Depository as the registered owner in respect of the said Securities and shall also inform the Depository accordingly.

(j) Service of Documents:

Notwithstanding anything contained in the Act or these Articles to the contrary, where Securities are held in a Depository, the records of the beneficial ownership may be served by such Depository on the Company by electronic mode or by delivery of floppies or discs.

(k) Transfer of Securities:

(i) Nothing contained in section 56 of the Act or these Articles shall apply to a transfer of Securities effected by transferor and transferee both of whom are entered as Beneficial Owners in the records of a Depository;

(ii) In the case of Transfer or transmission of shares or other marketable Securities where the Company has not issued any certificates and where such shares or Securities are being held in any electronic or fungible form in a Depository, the provisions of the Depositories Act shall apply.

(l) Allotment of Securities dealt within a Depository:

Notwithstanding anything in the Act or these Articles, where Securities are dealt with by a Depository, the Company shall intimate the details of allotment of relevant Securities thereof to the Depository immediately on allotment of such Securities.

(m) Certificate Number and other details of Securities in Depository:

Nothing contained in the Act or these Articles regarding the necessity of having certificate number/distinctive numbers for Securities issued by the Company shall apply to Securities held with a Depository.

(n) Register and Index of Beneficial Owners:

The register and index of beneficial owners maintained by a Depository under the Depositories Act, shall be deemed to be the register and index (if applicable) of Shareholders and Security-holders for the purposes of these Articles.

(o) Provisions of Articles to apply to Shares held in Depository:

Except as specifically provided in these Articles, the provisions relating to joint holders of shares, calls, lien on shares, forfeiture of shares and Transfer and transmission of shares shall be applicable to shares held in the Depository so far as they apply to shares held in physical form subject to the provisions of the Depositories Act.

(p) Depository to furnish information:

Every Depository shall furnish to the Company information about the transfer of Securities in the name of the Beneficial Owner at such intervals and in such manner as may be specified by Law and the Company in that behalf.

(q) Option to opt out in respect of any such Security:

If a Beneficial Owner seeks to opt out of a Depository in respect of any Security, he shall inform the Depository accordingly. The Depository shall on receipt of such information make appropriate entries in its records and shall inform the Company. The Company shall within 30 (thirty) days of the receipt of intimation from a Depository and on fulfillment of such conditions and on payment of such fees as may be specified by the regulations, issue the certificate of Securities to the Beneficial Owner or the transferee as the case may be.

(r) Overriding effect of this Article:

Provisions of this Article will have full effect and force notwithstanding anything to the contrary or inconsistent contained in any other Article.

24. NOMINATION BY SECURITIES HOLDERS

(a) Every holder of Securities of the Company may, at any time, nominate, in the manner prescribed under the Companies (Share Capital and Debentures) Rules, 2014, a Person as his nominee in whom the Securities of the Company held by him shall vest in the event of his death.

(b) Where the Securities of the Company are held by more than one Person jointly, the joint holders may together nominate, in the manner prescribed under the Companies (Share Capital and Debentures) Rules, 2014, a Person as their nominee in whom all the rights in the Securities Company shall vest in the event of death of all the joint holders.

- (c) Notwithstanding anything contained in any other Law for the time being in force or in any disposition, whether testamentary or otherwise, in respect of the Securities of the Company, where a nomination made in the manner prescribed under the Companies (Share Capital and Debentures) Rules, 2014, purports to confer on any Person the right to vest the Securities of the Company, the nominee shall, on the death of the holder of Securities of the Company or, as the case may be, on the death of the joint holders become entitled to all the rights in Securities of the holder or, as the case may be, of all the joint holders, in relation to such Securities of the Company to the exclusion of all other Persons, unless the nomination is varied or cancelled in the prescribed manner under the Companies (Share Capital and Debentures) Rules, 2014.
- (d) Where the nominee is a minor, the holder of the Securities concerned, can make the nomination to appoint in prescribed manner under the Companies (Share Capital and Debentures) Rules, 2014, any Person to become entitled to the Securities of the Company in the event of his death, during the minority.
- (e) The transmission of Securities of the Company by the holders of such Securities and Transfer in case of nomination shall be subject to and in accordance with the provisions of the Companies (Share Capital and Debentures) Rules, 2014.

25. NOMINATION FOR FIXED DEPOSITS

A depositor (who shall be the member of the Company) may, at any time, make a nomination and the provisions of section 72 of the Act shall, as far as may be, apply to the nominations made in relation to the deposits made subject to the provisions of the Rules as may be prescribed in this regard.

26. NOMINATION IN CERTAIN OTHER CASES

Subject to the applicable provisions of the Act and these Articles, any Person becoming entitled to the Securities in consequence of death, lunacy, bankruptcy or insolvency of any holder of the Securities, or by any lawful means other than by a Transfer in accordance with these Articles, may, with the consent of the Board (which it 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 such title as the Board thinks sufficient, either be registered himself as the holder of the Securities or elect to have some Person nominated by him and approved by the Board registered as such holder; provided nevertheless that, if such Person shall elect to have his nominee registered, he shall testify the election by executing in favour of his nominee an instrument of Transfer in accordance with the provisions herein contained and until he does so, he shall not be freed from any liability in respect of the Securities.

27. COPIES OF MEMORANDUM AND ARTICLES TO BE SENT TO MEMBERS

Copies of the Memorandum and Articles and other documents referred to in section 17 of the Act shall be sent by the Company to every Shareholder at his request within 7 (seven) days of the request on payment of such sum as prescribed under the Companies (Incorporation) Rules, 2014.

28. BORROWING POWERS

- (a) Subject to the provisions of sections 73, 179 and 180, and other applicable provisions of the Act and these Articles, the Board may, from time to time, at its discretion by resolution passed at the meeting of a Board:
 - (i) accept or renew deposits from Shareholders;
 - (ii) borrow money by way of issuance of Debentures;
 - (iii) borrow money otherwise than on Debentures;
 - (iv) accept deposits from Shareholders either in advance of calls or otherwise; and
 - (v) generally raise or borrow or secure the payment of any sum or sums of money for the purposes of the Company.

Provided, however, that where the money to be borrowed together with the money already borrowed (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) exceed the aggregate of the Paid-up capital of the Company and its free reserves (not being reserves set apart for any specific purpose), the Board shall not borrow such money without the consent of the Company by way of a Special Resolution in a General Meeting.

- (b) Subject to the provisions of these Articles, the payment or repayment of money borrowed as aforesaid may be secured in such manner and upon such terms and conditions in all respects as the resolution of the Board shall prescribe including by the issue of bonds, perpetual or redeemable Debentures or debenture-stock, or any mortgage, charge, hypothecation, pledge, lien or other security on the undertaking of the whole or any part of the property of the Company, both present and future. Provided however that the Board shall not, except with the consent of the Company by way of a Special Resolution in the General Meeting, mortgage, charge or otherwise encumber, the Company's uncalled Capital for the time being or any part thereof and Debentures and other Securities may be assignable free from any equities between the Company and the Person to whom the same may be issued.

- (c) Any bonds, Debentures, debenture-stock or other Securities may if permissible in Law be issued at a discount, premium or otherwise by the Company and shall with the consent of the Board be issued upon such terms and conditions and in such manner and for such consideration as the Board shall consider to be for the benefit of the Company, and on the condition that they or any part of them may be convertible into Equity Shares of any denomination, and with any privileges and conditions as to the redemption, surrender, allotment of shares, appointment of Directors or otherwise. Provided that Debentures with rights to allotment of or conversion into Equity Shares shall not be issued except with, the sanction of the Company in a General Meeting accorded by a Special Resolution.
- (d) Subject to the applicable provisions of the Act and these Articles, if any uncalled Capital of the Company is included in or charged by any mortgage or other Security, the Board shall make calls on the Shareholders in respect of such uncalled Capital in trust for the Person in whose favour such mortgage or Security is executed, or if permitted by the Act, may by instrument under Seal authorize the Person in whose favour such mortgage or Security is executed or any other Person in trust for him to make calls on the Shareholders in respect of such uncalled Capital and the provisions hereinafter contained in regard to calls shall *mutatis mutandis* apply to calls made under such authority and such authority may be made exercisable either conditionally or unconditionally or either presently or contingently and either to the exclusion of the Board's power or otherwise and shall be assignable if expressed so to be.
- (e) The Board shall cause a proper Register to be kept in accordance with the provisions of section 85 of the Act of all mortgages, Debentures and charges specifically affecting the property of the Company; and shall cause the requirements of the relevant provisions of the Act in that behalf to be duly complied within the time prescribed under the Act or such extensions thereof as may be permitted under the Act, as the case may be, so far as they are required to be complied with by the Board.
- (f) Any capital required by the Company for its working capital and other capital funding requirements may be obtained in such form as decided by the Board from time to time.
- (g) The Company shall also comply with the provisions of the Companies (Registration of Charges) Rules, 2014 in relation to the creation and registration of aforesaid charges by the Company.

29. SHARE WARRANTS

- (a) The Company may issue share warrants subject to, and in accordance with, the provisions of Act; and accordingly the Board may in its discretion, with respect to any Share which is fully Paid-up, on 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 Person signing the application, and on receiving the certificate (if any) of the Share, and the amount of the stamp duty on the warrant and such fee as the Board may from time to time require, issue a share warrant.
- (b) The bearer of a share warrant may at any time deposit the warrant at the Office, and so long as the warrant remains so deposited, the depositor shall have the same right of signing a requisition for calling a meeting of the Company, and of attending, and voting and exercising the other privileges of a Shareholder at any meeting held after the expiry of 2 (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 deposited warrant.
 - (i) Not more than one Person shall be recognized as depositor of the share warrant;
 - (ii) The Company shall, on 2 (two) day's written notice, return the deposited share warrant to the depositor.
- (c) Subject as herein otherwise expressly provided, no Person shall, as bearer of a share warrant, sign a requisition for calling a meeting of the Company, or attend, or vote or exercise any other privileges of a Shareholder at a meeting of the Company, or be entitled to receive any notices from the Company.
- (d) 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 Shareholder included in the warrant, and he shall be a Shareholder.
- (e) The Board may, from time to time, make rules as to the terms on which (if it shall think fit) a new share warrant or coupon may be issued by way of renewal in case of defacement, loss or destruction.
- (f) The provisions contained under this Article shall cease to have effect post the notification of section 465 of the Act which shall repeal the provisions of Companies Act, 1956.

30. CONVERSION OF SHARES INTO STOCK AND RECONVERSION

- (a) The Company in the General Meeting may, by an Ordinary Resolution, convert any Paid-up shares into stock and when any shares shall have been converted into stock, the several holders of such stock may henceforth transfer their respective interest therein, or any part of such interests, in the same manner and subject to the same regulations as those subject to which shares from which the stock arose might have been transferred, if no such conversion had taken place or as near thereto as

circumstances will admit. The Company may, by an Ordinary Resolution, at any time reconvert any stock into Paid-up shares of any denomination. Provided that the Board may, from time to time, fix the minimum amount of stock transferable, so however such minimum shall not exceed the nominal account from which the stock arose.

- (b) The holders of stock shall, according to the amount of stock held by them, have the same rights, privileges and advantages as regards Dividends, voting at meetings of the Company, and other matters, as if they held the shares from which the stock arose, but no such privileges or advantages, (except participation in the Dividends and profits of the Company and in the assets on winding-up), shall be conferred by an amount of stock which would not, if existing in shares, have conferred that privilege or advantage.

31. ANNUAL GENERAL MEETING

In accordance with the provisions of the Act, the Company shall in each year hold a General Meeting specified as its Annual General Meeting and shall specify the meeting as such in the notices convening such meetings. Further, not more than 15 (fifteen) months gap shall exist between the date of one Annual General Meeting and the date of the next. All General Meetings other than the Annual General Meetings shall be the Extraordinary General Meetings.

32. WHEN ANNUAL GENERAL MEETING TO BE HELD

Nothing contained in the foregoing provisions shall be taken as affecting the right conferred upon the Registrar under the provisions of section 96(1) of the Act to extend the time within which any Annual General Meeting may be held.

33. VENUE, DAY AND TIME FOR HOLDING ANNUAL GENERAL MEETING

- (a) Every Annual General Meeting shall be called during business hours, that is, between 9 A.M. and 6 P.M. on a day that is not a national holiday, and shall be held at the Office or at some other place within the city, town or village in which the Office is situated, as the Board may determine and the notices calling the Meeting shall specify it as the Annual General Meeting.
- (b) Every Shareholder shall be entitled to attend the Annual General Meeting either in person or by proxy and the Auditor of the Company shall have the right to attend and to be heard at any General Meeting which he attends on any part of the business which concerns him as the Auditor. At every Annual General Meeting of the Company there shall be laid on the table, the directors' report and audited statement of accounts, auditors' report, (if not already incorporated in the audited statement of accounts), the proxy register with proxies and the register of directors' shareholdings which latter register shall remain open and accessible during the continuance of the Meeting. The Board shall cause to be prepared the Annual Return and forward the same to the concerned Registrar, in accordance with sections 92 and 137 of the Act. The Directors are also entitled to attend the Annual General Meeting.

34. NOTICE OF GENERAL MEETINGS

- (a) Number of day's notice of General Meeting to be given: A General Meeting of the Company may be called by giving not less than 21 (twenty one) days clear notice in writing or in electronic mode, excluding the day on which notice is served or deemed to be served (i.e., on expiry of 48 (forty eight) hours after the letter containing the same is posted). However, a General Meeting may be called after giving shorter notice if consent is given in writing or by electronic mode by not less than 95 (ninety five) percent of the Shareholders entitled to vote at that meeting.

The notice of every meeting shall be given to:

- (i) Every Shareholder, legal representative of any deceased Shareholder or the assignee of an insolvent member of the Company;
 - (ii) Auditor or Auditors of the Company; and
 - (iii) All Directors.
- (b) Notice of meeting to specify place, etc., and to contain statement of business: Notice of every meeting of the Company shall specify the place, date, day and hour of the meeting, and shall contain a statement of the business to be transacted thereat shall be given in the manner prescribed under section 102 of the Act.
 - (c) Special Business: Subject to the applicable provisions of the Act, where any items of business to be transacted at the meeting are deemed to be special, there shall be annexed to the notice of the meeting a statement setting out all material facts concerning each item of business including any particular nature of the concern or interest if any therein of every Director or manager (as defined under the provisions of the Act), if any or key managerial personnel (as defined under the provisions of the Act) or the relatives of any of the aforesaid and where any item of special business relates to or affects any other company, the extent of shareholding interest in that other company of every Director or manager (as defined under the provisions of the Act), if any or key managerial personnel (as defined under the provisions of the Act) or the relatives of any of the aforesaid of the first mentioned company shall also be set out in the statement if the extent of such interest is not less than 2 per cent of the Paid up share capital of that other company. All business transacted at any meeting of the Company shall be deemed to be special

and all business transacted at the Annual General Meeting of the Company with the exception of the business specified in section 102 of the Act shall be deemed to be special.

- (d) Resolutions requiring Special Notice: With regard to resolutions in respect of which special notice is required to be given by the Act, a special notice shall be given as required by section 115 of the Act.
- (e) Notice of Adjourned Meeting when necessary: When a meeting is adjourned for 30 (thirty) days or more, notice of the adjourned meeting shall be given as in the case of an original meeting in accordance with the applicable provisions of the Act.
- (f) Notice when not necessary: 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.
- (g) The notice of the General Meeting shall comply with the provisions of Companies (Management and Administration) Rules, 2014.

35. REQUISITION OF EXTRAORDINARY GENERAL MEETING

- (a) The Directors may, whenever it thinks fit, call an Extraordinary General Meeting and it shall do so upon a requisition received from such number of Shareholders who hold, on the date of receipt of the requisition, not less than one-tenth of such of the Paid up Share Capital of the Company as on that date carries the right of voting and such meeting shall be held at the Office or at such place and at such time as the Board thinks fit.
- (b) Any valid requisition so made by Shareholders must state the object or objects of the meeting proposed to be called, and must be signed by the requisitionists and be deposited at the Office; provided that such requisition may consist of several documents in like form each signed by one or more requisitionists.
- (c) Upon the receipt of any such valid requisition, the Board shall forthwith call an Extraordinary General Meeting and if they do not proceed within 21 (twenty-one) days from the date of the requisition being deposited at the Office to cause a meeting to be called on a day not later than 45 (forty-five) days from the date of deposit of the requisition, the requisitionists or such of their number as represent either a majority in value of the Paid up Share Capital held by all of them or not less than one-tenth of such of the Paid-up Share Capital of the Company as is referred to in section 100 of the Act, whichever is less, may themselves call the meeting, but in either case any meeting so called shall be held within three months from the date of the delivery of the requisition as aforesaid.
- (d) Any meeting called under the foregoing sub-articles by the requisitionists, shall be called in the same manner, as nearly as possible, as that in which a meeting is to be called by the Board.
- (e) The accidental omission to give any such notice as aforesaid to any of the Shareholders, or the non-receipt thereof, shall not invalidate any resolution passed at any such meeting.
- (f) No General Meeting, Annual or Extraordinary, shall be competent to enter into, discuss or transact any business which has not been mentioned in the notice or notices by which it was convened.
- (g) The Extraordinary General Meeting called under this article shall be subject to and in accordance with the provisions contained under the Companies (Management and Administration) Rules, 2014.

36. NO BUSINESS TO BE TRANSACTED IN GENERAL MEETING IF QUORUM IS NOT PRESENT

The quorum for the Shareholder's Meeting shall be in accordance with section 103 of the Act. Subject to the provisions of section 103(2) of the Act, if such a quorum is not present within half an hour from the time set for the Shareholder's Meeting, the General Meeting shall be adjourned to the same time and place or to such other date and such other time and place as the Board may determine and the agenda for the adjourned Shareholder's Meeting shall remain the same. If at such an adjourned meeting also, a quorum is not present, at the expiration of half an hour from the time appointed for holding the meeting, the members present shall be a quorum, and may transact the business for which the meeting was called.

37. CHAIRMAN OF THE GENERAL MEETING

The Chairman of the Board shall be entitled to take the chair at every General Meeting, whether Annual or Extraordinary. If there is no such Chairman of the Board or if at any meeting he shall not be 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 Directors present shall elect one of them as Chairman. If no Director is present or if all the Directors present decline to take the chair, then the Shareholders present shall elect one of their member to be the Chairman of the meeting. No business shall be discussed at any General Meeting except the election of a Chairman while the chair is vacant.

38. CHAIRMAN CAN ADJOURN THE GENERAL MEETING

The Chairman may, with the consent given in the meeting at which a quorum is present (and if so directed by the meeting) adjourn the General Meeting from time to time and from place to place within the city, town or village in which the Office is situated but no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.

39. QUESTIONS AT GENERAL MEETING HOW DECIDED

- (a) At any General Meeting, a resolution put to the vote of the General Meeting shall, unless a poll is demanded, be decided by a show of hands. Before or on the declaration of the result of the voting on any resolution by a show of hands, a poll may be carried out in accordance with the applicable provisions of the Act or the voting is carried out electronically. Unless a poll is demanded, a declaration by the Chairman that a resolution has, on a show of hands, been carried or carried unanimously, or by a particular majority, or lost and an entry to that effect in the minute book of the Company shall be conclusive evidence of the fact, of passing of such resolution or otherwise.
- (b) In the case of equal votes, the Chairman shall both on a show of hands and at a poll, (if any), have a casting vote in addition to the vote or votes to which he may be entitled as a Shareholder.
- (c) If a poll is demanded as aforesaid, the same shall subject to anything stated in these Articles be taken at such time, (not later than forty-eight hours from the time when the demand was made), and place within the city, town or village in which the Office is situated and either by a show of hands or by ballot or by postal ballot, as the Chairman shall direct and either at once or after an interval or adjournment, or otherwise and the result of the poll shall be deemed to be the decision of the meeting at which the poll was demanded. Any business other than that upon which a poll has been demanded may be proceeded with, pending the taking of the poll. The demand for a poll may be withdrawn at any time by the Person or Persons who made the demand.
- (d) Any poll duly demanded on the election of a Chairman of a meeting or any question of adjournment, shall be taken at the meeting forthwith. A poll demanded on any other question shall be taken at such time not later than 48 hours from the time of demand, as the Chairman of the meeting directs.
- (e) 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.
- (f) No report of the proceedings of any General Meeting of the Company shall be circulated or advertised at the expense of the Company unless it includes the matters required by these Articles or section 118 of the Act to be contained in the minutes of the proceedings of such meeting.
- (g) The Shareholders will do nothing to prevent the taking of any action by the Company or act contrary to or with the intent to evade or defeat the terms as contained in these Articles.

40. PASSING RESOLUTIONS BY POSTAL BALLOT

- (a) Notwithstanding any of the provisions of these Articles, the Company may, and in the case of resolutions relating to such business as notified under the Companies (Management and Administration) Rules, 2014, as amended, or other Law required to be passed by postal ballot, shall get any resolution passed by means of a postal ballot, instead of transacting the business in the General Meeting of the Company. Also, the Company may, in respect of any item of business other than ordinary business and any business in respect of which Directors or Auditors have a right to be heard at any meeting, transact the same by way of postal ballot.
- (b) Where the Company decides to pass any resolution by resorting to postal ballot, it shall follow the procedures as prescribed under section 110 of the Act and the companies (Management and Administration) Rules, 2014, as amended from time any other law as may be applicable to the Company

41. VOTES OF MEMBERS

- (a) No Shareholder 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 or upon a poll in respect of any shares registered in his name on which calls or other sums presently payable by him have not been paid or in regard to which the Company has exercised any right of lien.
- (b) No member shall be entitled to vote at a General Meeting unless all calls or other sums presently payable by him have been paid, or in regard to which the Company has lien and has exercised any right of lien.
- (c) Subject to the provisions of these Articles, without prejudice to any special privilege or restrictions as to voting for the time being attached to any class of shares for the time being forming a part of the Capital of the Company, every Shareholder not disqualified by the last preceding Article, shall be entitled to be present, and to speak and vote at such meeting, and on a show of hands, every Shareholder present in person shall have one vote and upon a poll, the voting right of such Shareholder present, either in person or by proxy, shall be in proportion to his share of the Paid up Share Capital of the Company held alone or jointly with any other Person or Persons.

Provided however, if any Shareholder holding preference shares be present at any meeting of the Company, save as provided in section 47(2) of the Act, he shall have a right to vote only on resolutions placed before the Meeting, which directly affect the rights attached to his preference shares.

- (d) On a poll taken at a meeting of the Company, a Shareholder entitled to more than one vote, or his proxy, or any other Person entitled to vote for him (as the case may be), need not, if he votes, use or cast all his votes in the same way.
- (e) A Shareholder of unsound mind or in respect of whom an order has been made by any court having jurisdiction in lunacy, may vote, whether on a show of hands or on a poll, through a committee or through his legal guardian; and any such committee or guardian may, on a poll vote by proxy. If any Shareholder be a minor his vote in respect of his share(s) shall be exercised by his guardian(s), who may be selected (in case of dispute), by the Chairman of the meeting.
- (f) If there be joint registered holders of any shares, any one of such Persons may vote at any meeting or may appoint another Person, (whether a Shareholder or not) as his proxy in respect of such shares, as if he were solely entitled thereto; but the proxy so appointed shall not have any right to speak at the meeting and if more than one of such joint-holders be present at any meeting, then one of the said Persons so present whose name stands higher in the Register of Members shall alone be entitled to speak and to vote in respect of such shares, but the other joint- holders shall be entitled to be present at the meeting. Several Executors or Administrators of a deceased Shareholder in whose name shares stand shall for the purpose of these Articles be deemed joint-holders thereof.
- (g) Subject to the provision of these Articles, votes may be given personally or by an attorney or by proxy. A body corporate, whether or not a Company within the meaning of the Act, being a Shareholder may vote either by a proxy or by a representative duly authorized in accordance with section 113 of the Act and such representative shall be entitled to exercise the same rights and powers, (including the right to vote by proxy), on behalf of the body corporate which he represents as that body could have exercised if it were an individual Shareholder.
- (h) Any Person entitled to Transfer any shares of the Company 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 forty-eight hours at least 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 Board of his right to such shares and give such indemnity (if any) as the Board may require unless the Board shall have previously admitted his right to vote at such meeting in respect thereof.
- (i) Every proxy, (whether a Shareholder or not), shall be appointed in writing under the hand of the appointer or his attorney, or if such appointer is a corporation under the common seal of such corporation or be signed by an officer or an attorney duly authorized by it, and any committee or guardian may appoint proxy. The proxy so appointed shall not have any right to speak at a meeting.
- (j) An instrument of proxy may appoint a proxy either for (i) the purposes of a particular meeting (as specified in the instrument); or (ii) for any adjournment thereof; or (iii) it may appoint a proxy for the purposes of every meeting of the Company; or (iv) of every meeting to be held before a date specified in the instrument for every adjournment of any such meeting.
- (k) A Shareholder present by proxy shall be entitled to vote only on a poll.
- (l) An instrument appointing a proxy and a power of attorney or other authority (including by way of a Board Resolution, (if any), under which it is signed or a notarially certified copy of that power or authority or resolution as the case may be, shall be deposited at the Office not later than forty-eight hours before the time for holding the meeting at which the Person named in the instrument proposes to vote and in default the instrument of proxy shall not be treated as valid. No instrument appointing a proxy shall be valid after the expiration of 12 months from the date of its execution. An attorney shall not be entitled to vote unless the power of attorney or other instrument or resolution as the case may be appointing him or a notarially certified copy thereof has either been registered in the records of the Company at any time not less than forty-eight hours before the time for holding the meeting at which the attorney proposes to vote, or is deposited at the Office not less than forty-eight hours before the time fixed for such meeting as aforesaid. Notwithstanding that a power of attorney or other authority has been registered in the records of the Company, the Company may, by notice in writing addressed to the Shareholder or the attorney, given at least 48 (forty eight) hours before the meeting, require him to produce the original power of attorney or authority or resolution as the case may be and unless the same is deposited with the Company not less than forty-eight hours before the time fixed for the meeting, the attorney shall not be entitled to vote at such meeting unless the Board in their absolute discretion excuse such non-production and deposit.
- (m) Every instrument of proxy whether for a specified meeting or otherwise should, as far as circumstances admit, be in any of the forms set out in the Companies (Management and Administration) Rules, 2014.
- (n) If any such instrument of appointment be confined to the object of appointing an attorney or proxy for voting at meetings of the Company it shall remain permanently or for such time as the Directors may determine in the custody of the Company; if embracing other objects a copy thereof, examined with the original, shall be delivered to the Company to remain in the custody of the Company.

- (o) A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the previous death or insanity of the principal, or the revocation of the proxy or of any power of attorney under which such proxy was signed, or the transfer of the share in respect of which the vote is given, provided that no intimation in writing of the death, revocation or Transfer shall have been received at the Office before the meeting.
- (p) No objection shall be made to the validity of any vote, except at the Meeting or poll at which such vote shall be tendered, and every vote whether given personally or by proxy, not disallowed at such meeting or poll shall be deemed valid for all purposes of such meeting or poll whatsoever.
- (q) The Chairman of any meeting shall be the sole judge of the validity of every vote tendered at such meeting. The Chairman present at the taking of a poll shall be in the sole judge of the validity of every vote tendered at such poll.
 - (i) The Company shall cause minutes of all proceedings of every General Meeting to be kept by making within 30 (thirty) days of the conclusion of every such meeting concerned, entries thereof in books kept for that purpose with their pages consecutively numbered;
 - (ii) Each page of every such book shall be initialed or signed and the last page of the record of proceedings of each meeting in such book shall be dated and signed by the Chairman of the same meeting within the aforesaid period of 30 (thirty) days or in the event of the death or inability of that Chairman within that period, by a Director duly authorized by the Board for that purpose;
 - (iii) In no case the minutes of proceedings of a meeting shall be attached to any such book as aforesaid by pasting or otherwise;
 - (iv) The Minutes of each meeting shall contain a fair and correct summary of the proceedings thereat;
 - (v) All appointments of Directors of the Company made at any meeting aforesaid shall be included in the minutes of the meeting;
 - (vi) Nothing herein contained shall require or be deemed to require the inclusion in any such Minutes of any matter which in the opinion of the Chairman of the Meeting (i) is or could reasonably be regarded as, defamatory of any Person; or (ii) is irrelevant or immaterial to the proceedings; or (iii) is detrimental to the interests of the Company. The Chairman of the meeting shall exercise an absolute discretion in regard to the inclusion or non-inclusion of any matter in the minutes on the aforesaid grounds;
 - (vii) Any such minutes shall be evidence of the proceedings recorded therein;
 - (viii) The book containing the minutes of proceedings of the General Meetings shall be kept at the Office and shall be open, during business hours, for such periods not being less in the aggregate than two hours in each day as the Board determines, for the inspection of any Shareholder without charge;
 - (ix) The Company shall cause minutes to be duly entered in books provided for the purpose of: -
 - a. the names of the Directors and alternate Directors present at each General Meeting;
 - b. all resolutions and proceedings of the General Meeting.
- (r) The Shareholders shall vote (whether in person or by proxy) all of the shares owned or held on record by them at any Annual or Extraordinary General Meeting of the Company called for the purpose of filling positions to the Board, appointed as a Director of the Company under sections 152 and 164(l) of the Act in accordance with these Articles.
- (s) The Shareholders will do nothing to prevent the taking of any action by the Company or act contrary to or with the intent to evade or defeat the terms as contained in these Articles.
- (t) All matters arising at a General Meeting of the Company, other than as specified in the Act or these Articles if any shall be decided by a majority vote.
- (u) The Shareholders shall exercise their voting rights to ensure that the Act or these Articles are implemented and acted upon by the Shareholders, and by the Company and to prevent the taking of any action by the Company or by any Shareholder, which is contrary to or with a view or intention to evade or defeat the terms as contained in these Articles.
- (v) Any corporation which is a Shareholder of the Company may, by resolution of the Board or other governing body, authorize such Person as it thinks fit to act as its representative at any meeting of the Company and the said Person so authorized shall be entitled to exercise the same powers on behalf of the corporation which he represents as that corporation could have exercised if it were an individual Shareholder in the Company (including the right to vote by proxy).

- (w) The Company shall also provide e-voting facility to the Shareholders in terms of the provisions of the Companies (Management and Administration) Rules, 2014, or any other Law, if applicable to the Company.

42. DIRECTORS

Subject to the applicable provisions of the Act, the number of Directors of the Company shall not be less than 3 (three) and not more than 15 (fifteen). The Company shall also comply with the provisions of the Companies (Appointment and Qualification of Directors) Rules, 2014.

43. CHAIRMAN OF THE BOARD OF DIRECTORS

- (a) The members of the Board shall elect any one of them as the Chairman of the Board. The Chairman shall preside at all meetings of the Board and the General Meeting of the Company. The Chairman shall have a casting vote in the event of a tie.
- (b) If for any reason the Chairman is not present at the meeting or is unwilling to act as Chairman, the members of the Board shall appoint any one of the remaining Directors as the Chairman.

44. APPOINTMENT OF ALTERNATE DIRECTORS

Subject to section 161 of the Act, any Director (hereinafter called "**the Original Director**") shall be entitled to nominate an alternate director (subject to such Person being acceptable to the Chairman) (the "**Alternate Director**") to act for him during his absence for a period of not less than 3 (three) months from India. The Board may appoint such a Person as an Alternate Director to act for a Director during the Original Director's absence for a period of not less than three months from India. An Alternate Director appointed under this Article shall not hold office for a 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 the State. If the term of the office of the Original Director is determined before he so returns to the state, any provisions in the Act or in these Articles for automatic re-appointment shall apply to the Original Director and not to the Alternate Director.

45. CASUAL VACANCY AND ADDITIONAL DIRECTORS

Subject to the applicable provisions of the Act and these Articles, the Board shall have the power at any time and from time to time to appoint any qualified Person to be a Director either as an addition to the Board or to fill a casual vacancy but so that the total number of Directors shall not at any time exceed the maximum number fixed under Article 42. Any Person so appointed as an addition shall hold office only up to the earlier of the date of the next Annual General Meeting or at the last date on which the Annual General Meeting should have been held but shall be eligible for appointment by the Company as a Director at that meeting subject to the applicable provisions of the Act.

46. DEBENTURE DIRECTORS

If it is provided by a trust deed, securing or otherwise, in connection with any issue of Debentures of the Company, that any Person/lender or Persons/lenders shall have power to nominate a Director, then in the case of any and every such issue of Debentures, the Person/lender or Persons/lenders having such power may exercise such power from time to time and appoint a Director accordingly. Any Director so appointed is herein referred to as the Debenture Director. The Debenture Director may be removed from office at any time by the Person/lender or Persons/lenders in whom for the time being is vested the power under which he was appointed and another Director may be appointed in his place. The Debenture Director shall not be bound to hold any qualification shares and shall not be liable to retire by rotation or be removed by the Company. The trust deed may contain ancillary provisions as may be arranged between the Company and the trustees and all such provisions shall have effect notwithstanding any other provisions contained herein.

47. INDEPENDENT DIRECTORS

The Company shall have such number of Independent Directors on the Board of the Company, as may be required in terms of the provisions of section 149 of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 or any other Law, as may be applicable. Further, the appointment of such Independent Directors shall be in terms of the aforesaid provisions of Law.

48. EQUAL POWER TO DIRECTOR

Except as, otherwise provided in these Articles, all the Directors of the Company shall have in all matters, equal rights and privileges and shall be subject to equal obligations and duties in respect of the affairs of the Company.

49. NOMINEE DIRECTORS

- (a) Whenever the Board enters into a contract with any lenders for borrowing any money or for providing any guarantee or security or for technical collaboration or assistance or enter into any other arrangement, the Board shall have, subject to the provisions of section 152 of the Act the power to agree that such lenders shall have the right to appoint or nominate by a notice

in writing addressed to the Company one or more Directors on the Board for such period and upon such conditions as may be mentioned in the common loan agreement/ facility agreement. The nominee director representing lenders shall not be required to hold qualification shares and not be liable to retire by rotation. The Directors may also agree that any such Director, or Directors may be removed from time to time by the lenders entitled to appoint or nominate them and such lenders may appoint another or other or others in his or their place and also fill in any vacancy which may occur as a result of any such Director, or Directors ceasing to hold that office for any reason whatsoever. The nominee director shall hold office only so long as any monies remain owed by the Company to such lenders.

- (b) The nominee director shall be entitled to all the rights and privileges of other Directors including the sitting fees and expenses as payable to the other Directors but, if any other fees, commission, monies or remuneration in any form are payable to the Directors, the fees, commission, monies and remuneration in relation to such nominee director shall accrue to the lenders and the same shall accordingly be paid by the Company directly to the lenders.

Provided that if any such nominee director is an officer of any of the lenders, the sittings fees in relation to such nominee director shall also accrue to the lenders concerned and the same shall accordingly be paid by the Company directly to that lenders.

- (c) Any expenditure that may be incurred by the lenders or the nominee director in connection with the appointment or directorship shall be borne by the Company.
- (d) The nominee director so appointed shall be a member of the project management sub-committee, audit sub-committee and other sub-committees of the Board, if so desired by the lenders.
- (e) The nominee director shall be entitled to receive all notices, agenda, etc. and to attend all the General Meetings and the Board Meetings and meetings of any committee(s) of the Board of which he is a member and to receive all notices, agenda and minutes, etc. of the said meeting.
- (f) If at any time, the nominee director is not able to attend a meeting of Board or any of its committees, of which he is a member, the lenders may depute an observer to attend the meeting. The expenses incurred by the lenders in this connection shall be borne by the Company.

50. NO QUALIFICATION SHARES FOR DIRECTORS

A Director shall not be required to hold any qualification shares of the Company.

51. REMUNERATION OF DIRECTORS

- (a) Subject to the applicable provisions of the Act, the Rules, Law, the Managing Director and any other Directors of the Company may be paid remuneration either by a way of monthly payment or at a specified percentage of the net profits of the Company or partly by one way and partly by the other, subject to the limits prescribed under the Act.
- (b) Subject to the applicable provisions of the Act, a Director (other than a Managing Director or an executive Director) may receive a sitting fee not exceeding such sum as may be prescribed by the Act or the central government from time to time for each meeting of the Board or any Committee thereof attended by him.
- (c) The remuneration payable to each Director for every meeting of the Board or Committee of the Board attended by them shall be such sum as may be determined by the Board from time to time within the maximum limits prescribed from time to time by the Central Government pursuant to the first proviso to section 197 of the Act.

52. SPECIAL REMUNERATION FOR EXTRA SERVICES RENDERED BY A DIRECTOR

If any Director be called upon to perform extra services or special exertions or efforts (which expression shall include work done by a Director as a member of any Committee formed by the Directors), the Board may arrange with such Director for such special remuneration for such extra services or special exertions or efforts either by a fixed-sum or otherwise as may be determined by the Board. Such remuneration may either be in addition, to or in substitution for his remuneration otherwise provided, subject to the applicable provisions of the Act.

53. TRAVEL EXPENSES OF DIRECTORS

The Board may allow and pay to any Director, who is not a bona fide resident of the place where the meetings of the Board/Committee meetings are ordinarily held; and who shall come to such place for the purpose of attending any meeting, such sum as the Board may consider fair compensation for travelling, lodging and/ or other expenses, in addition to his fee for attending such Board / Committee meetings as above specified; and if any Director be called upon to go or reside out of his ordinary place of his residence on the Company's business, he shall be entitled to be repaid and reimbursed travelling and other expenses incurred in connection with the business of the Company in accordance with the provisions of the Act.

54. CONTINUING DIRECTORS

The continuing Directors may act notwithstanding any vacancy in their body, but if, and so long as their number is reduced below the minimum number fixed by Article 42 hereof, the continuing Directors not being less than 2(two) may act for the purpose of increasing the number of Directors to that number, or for summoning a General Meeting, but for no other purpose.

55. VACATION OF OFFICE BY DIRECTOR

- (a) Subject to relevant provisions of sections 167 and 188 of the Act, the office of a Director, shall *ipso facto* be vacated if:
- (i) he is found to be of unsound mind by a court of competent jurisdiction; or
 - (ii) he applies to be adjudicated an insolvent; or
 - (iii) he is adjudged an insolvent; or
 - (iv) he is convicted by a court of any offence involving moral turpitude and is sentenced in respect thereof to imprisonment for not less than 6 (six) months; or
 - (v) he fails to pay any calls made on him in respect of shares of the Company held by him whether alone or jointly with others, within 6 (six) months from the date fixed for the payment of such call, unless the Central Government has by notification in the Official Gazette removed the disqualification incurred by such failure; or
 - (vi) he, (whether by himself or by any Person for his benefit or on his account), or any firm in which he is a partner, or any private company of which he is a director, accepts a loan, or any guarantee or security for a loan, from the Company, in contravention of section 185 of the Act; or
 - (vii) having been appointed a Director by virtue of his holding any office or other employment in the Company, he ceases to hold such office or other employment in the Company; or
 - (viii) he acts in contravention of section 184 of the Act; or
 - (ix) he is removed in pursuance of section 169 of the Act; or
 - (x) he is disqualified under section 164 of the Act.

Subject to the applicable provisions of the Act, a Director may resign his office at any time by notice in writing addressed to the Board and such resignation shall become effective upon its acceptance by the Board.

56. RELATED PARTY TRANSACTIONS

- (a) Except with the consent of the Board and as may be required in terms of the provisions of section 188 of the Companies Act, 2013 and the Companies (Meetings of Board and its Powers) Rules, 2014, no company shall enter into any contract or arrangement with a related party with respect to:
- (h) Sale, purchase or supply of any goods or materials;
 - (ii) Selling or otherwise disposing of, or buying, property of any kind;
 - (iii) Leasing property of any kind;
 - (iv) Availing or rendering of any services;
 - (v) Appointment of any agent for purchase or sale of goods, materials, services or property;
 - (vi) Such related party's appointment to any office or place of profit in the Company, its subsidiary company or associate company; and
 - (vii) Underwriting the subscription of any Securities or derivatives thereof, of the Company:

Without the consent of the Shareholders by way of a Special Resolution in accordance with section 188 of the Act.

- (b) no Shareholder shall vote on such Special Resolution, to approve any contract or arrangement which may be entered into by the Company, if such Shareholder is a related party.
- (c) Nothing in this Article shall apply to any transactions entered into by the Company in its ordinary-course of business other than transactions which are not on an arm's length basis.
- (d) The Director, so contracting or being so interested shall not be liable to the Company for any profit realized by any such contract or the fiduciary relation thereby established.
- (e) The terms 'office of profit' and 'arm's length basis' shall have the meaning ascribed to them under section 188 of the Act.

- (f) The term related party shall have the same meaning as ascribed to it under the Companies Act, 2013.
- (g) The compliance of the Companies (Meetings of Board and its Powers) Rules, 2014 shall be made for the aforesaid contracts and arrangements.

57. DISCLOSURE OF INTEREST

- (a) A Director of the Company who is in any way, whether directly or indirectly concerned or interested in a contract or arrangement, or proposed contract or arrangement entered into or to be entered into by or on behalf of the Company, shall disclose the nature of his concern or interest at a meeting of the Board in the manner provided in section 184 of the Act; Provided that it shall not be necessary for a Director to disclose his concern or interest in any such contract or arrangement entered into or to be entered into with any other company where any of the Directors of the company or two or more of them together holds or hold not more than 2% (two per cent) of the paid-up share capital in the other company or the Company as the case may be. A general notice given to the Board by the Director, to the effect that he is a director or member of a specified body corporate or is a member of a specified firm and is to be regarded as concerned or interested in any contract or arrangement which may, after the date of the notice, be entered into with that body corporate or firm, shall be deemed to be a sufficient disclosure of concern or interest in relation to any contract or arrangement so made. Any such general notice shall expire at the end of the Financial Year in which it is given but may be renewed for a further period of one Financial Year at a time by a fresh notice given in the last month of the Financial Year in which it would have otherwise expired. No such general notice, and no renewal thereof shall be of effect unless, either it is given at a meeting of the Board or the Director concerned takes reasonable steps to secure that it is brought up and read at the first meeting of the Board after it is given.
- (b) No Director shall as a Director, take any part in the discussion of, vote on any contract or arrangement entered into or to be entered into by or on behalf of the Company, if he is in any way, whether directly or indirectly, concerned or interested in such contract or arrangements; nor shall his presence count for the purpose of forming a quorum at the time of any such discussion or vote; and if he does vote, his vote shall be void; provided however that nothing herein contained shall apply to:-
 - (i) any contract or indemnity against any loss which the Directors, or any one or more of them, may suffer by reason of becoming or being sureties or a surety for the Company;
 - (ii) any contract or arrangement entered into or to be entered into with a public company or a private company which is subsidiary of a public company in which the interest of the Director consists solely,
 - a. in his being —
 - i. director of such company; and
 - ii. the holder of not more than shares of such number or value therein as is requisite to qualify him for appointment as a Director thereof, he having been nominated as such Director by this Company; or
 - b. in his being a member holding not more than 2 (two) per cent of its paid-up share capital.

Subject to the provisions of section 188 of the Act and other applicable provisions, if any, of the Act, any Director, any partner or relative of such Director, any firm in which such Director or a relative of such Director is a partner, any private company of which such Director is a director or member, and any director or manager of such private company, may hold any office or place of profit in the Company.

- (c) The Company shall keep a register in accordance with section 189 of the Act and shall within the time specified therein enter therein such of the particulars as may be. The register aforesaid shall also specify, in relation to each Director of the Company, the names of the bodies corporate and firms of which notice has been given by him under Article 57(a). The Register shall be kept at the Office and shall be open to inspection at the Office, and extracts may be taken therefrom and copies thereof may be required by any Shareholder to the same extent, in the same manner, and on payment of the same fee as in the case of the Register of Members of the Company and the provisions of section 94 of the Act shall apply accordingly.
- (d) A Director may be or become a Director of any Company promoted by the Company, or on which it may be interested as a vendor, shareholder, or otherwise, and no such Director shall be accountable for any benefits received as director or shareholder of such Company except in so far as section 188 or section 197 of the Act as may be applicable.

58. ONE-THIRD OF DIRECTORS TO RETIRE EVERY YEAR

At the Annual General Meeting of the Company to be held every year, one third of such of the Directors as are liable to retire by rotation for the time being, or, if their number is not three or a multiple of three then the number nearest to one third shall retire from office, and they will be eligible for re-election. Provided nevertheless that the Managing Director or whole-time Director(s), appointed or the Directors appointed as a Debenture Director, or the Directors appointed as Independent Director(s) under the Articles hereto shall not retire by rotation under this Article nor shall they be included in calculating the total number of Directors of whom one third shall retire from office under this Article.

59. PROCEDURE, IF PLACE OF RETIRING DIRECTORS IS NOT FILLED UP

- (a) If the place of the retiring Director is not so filled up and the meeting has not expressly resolved not to fill the vacancy, the meeting shall stand adjourned till the same day in the next week, at the same time and place, or if that day is a national holiday, till the next succeeding day which is not a national holiday, at the same time and place.
- (b) If at the adjourned meeting also, the place of the retiring Director is not filled up and that meeting also has not expressly resolved not to fill the vacancy, the retiring Director shall be deemed to have been reappointed at the adjourned meeting, unless:-
 - (i) at that meeting or at the previous meeting a resolution for the reappointment of such Director has been put to the meeting and lost;
 - (ii) retiring Director has, by a notice in writing addressed to the Company or the Board expressed his unwillingness to be so reappointed;
 - (iii) he is not qualified or is disqualified for appointment; or
 - (iv) a resolution whether special or ordinary is required for the appointment or reappointment by virtue of any applicable provisions of the Act.

60. COMPANY MAY INCREASE OR REDUCE THE NUMBER OF DIRECTORS.

Subject to Article 42 and sections 149, 152 and 164 of the Act, the Company may, by Ordinary Resolution, from time to time, increase or reduce the number of Directors, and may alter their qualifications and the Company may, (subject to the provisions of section 169 of the Act), remove any Director before the expiration of his period of office and appoint another qualified in his stead. The Person so appointed shall hold office during such time as the Director in whose place he is appointed would have held the same if he had not been removed.

61. REGISTER OF DIRECTORS ETC.

The Company shall keep at its registered office, a register containing the particulars of its Directors, Managing Directors, Manager, Secretaries and other Persons mentioned in section 170 of the Act and shall otherwise comply with the provisions of the said section in all respects.

62. DISCLOSURE BY DIRECTOR OF APPOINTMENT TO ANY OTHER BODY CORPORATE.

Every Director shall in accordance with the provisions of Companies (Meeting of Board and its Powers) Rules, 2014 shall disclose his concern or interest in any company or companies or bodies corporate (including shareholding interest), firms or other association of individuals by giving a notice in accordance with such rules.

63. MANAGING DIRECTOR(S)/ WHOLE TIME DIRECTOR(S) / EXECUTIVE DIRECTOR(S)/ MANAGER

Subject to the provisions of section 203 of the Act and of these Articles, the Board shall have the power to appoint from time to time any full time employee of the Company as Managing Director/ whole time director or executive director or manager of the Company. The Managing Director(s) or the whole time director(s) manager or executive director(s), as the case may be, so appointed, shall be responsible for and in charge of the day to day management and affairs of the Company and subject to the applicable provisions of the Act and these Articles, the Board shall vest in such Managing Director/s or the whole time director(s) or manager or executive director(s), as the case may be, all the powers vested in the Board generally. The remuneration of a Managing Director/ whole time director or executive director or manager may be by way of monthly payment, fee for each meeting or participation in profits, or by any or all those modes or any other mode not expressly prohibited by the Act.

64. PROVISIONS TO WHICH MANAGING DIRECTOR(S)/ WHOLE TIME DIRECTOR(S) / EXECUTIVE DIRECTOR(S)/ MANAGER ARE SUBJECT

Notwithstanding anything contained herein, the Managing Director(s)/whole time director(s)/executive director(s)/ manager(s) shall subject to the provisions of any contract between him and the Company be subject to the same provisions as to resignation and removal as the other Directors of the Company, and if he ceases to hold the office of a Director he shall ipso facto and immediately cease to be a Managing Director(s) / whole time director(s) / executive director(s) / manager, and if he ceases to hold the office of a Managing Director(s) / whole time director(s) / executive director(s)/ manager he shall ipso facto and immediately cease to be a Director,

65. REMUNERATION OF MANAGING DIRECTOR(S)/ WHOLE TIME DIRECTOR(S) / EXECUTIVE DIRECTOR(S)/ MANAGER

The remuneration of the Managing Director(s)/whole time director(s)/executive director(s)/ manager shall (subject to sections 196, 197 and 203 and other applicable provisions of the Act and of these Articles and of any contract between him and the Company) be

fixed by the Directors, from time to time and may be by way of fixed salary and/or perquisites or commission or profits of the Company or by participation in such profits, or by any or all these modes or any other mode not expressly prohibited by the Act.

66. POWER AND DUTIES OF MANAGING DIRECTOR(S)/ WHOLE TIME DIRECTOR(S) / EXECUTIVE DIRECTOR(S)/ MANAGER

Subject to the superintendence, control and direction of the Board, the day-to-day management of the Company shall be in the hands of the Managing Director(s)/ whole time director(s)/executive director(s)/manager(s) in the manner as deemed fit by the Board and subject to the applicable provisions of the Act, and these Articles, the Board may by resolution vest any such Managing Director(s)/whole time director(s)/ executive director(s)/ manager with such of the powers hereby vested in the Board generally as it thinks fit and such powers may be made exercisable for such period or periods and upon such conditions and subject to the applicable provisions of the Act, and these Articles confer such power either collaterally with or to the exclusion of or in substitution for all or any of the Directors in that behalf and may from time to time revoke, withdraw, alter or vary all or any of such powers.

67. POWER TO BE EXERCISED BY THE BOARD ONLY BY MEETING

- (a) The Board shall exercise the following powers on behalf of the Company and the said powers shall be exercised only by resolutions passed at the meeting of the Board:
- (i) to make calls on the Shareholders in respect of money unpaid on their shares;
 - (ii) to authorize buy-back of the Securities under section 68 of the Act;
 - (iii) to issue the Securities whether in or outside India;
 - (iv) to borrow money(ies);
 - (v) to invest the funds of the Company;
 - (vi) to grant loans or give guarantee or provide security in respect of loans;
 - (vii) to approve financial statements and the Board's report;
 - (viii) to diversify the business of the Company;
 - (ix) to approve amalgamation, merger or reconstruction;
 - (x) to take over a company or acquire a controlling or substantial stake in another company;
 - (xi) fees/compensation payable to non-executive directors including independent directors of the Company; and
 - (xii) any other matter which may be prescribed under the Companies (Meetings of Board and its Powers) Rules, 2014
- (b) The Board may, by a resolution passed at a meeting, delegate to any Committee of Directors, the Managing Director, or to any Person permitted by Law the powers specified in sub clauses(iv) to (vi) above.
- (c) The aforesaid powers shall be exercised in accordance with the provisions of the Companies (Meetings of Board and its Powers) Rules, 2014 and shall be subject to the provisions of section 180 of the Act.
- (d) In terms of section 180 of the Act, the Board may exercise the following powers subject to receipt of consent by the Company by way of a Special Resolution:
- (i) to sell, lease or otherwise dispose of the whole or substantial part of the undertaking of the Company;
 - (ii) to borrow money; and
 - (iii) any such other matter as may be prescribed under the Act, and other applicable provisions of Law.

68. PROCEEDINGS OF THE BOARD OF DIRECTORS

- (a) The Board Meetings shall be held at least once in every 3 (three) month period and there shall be at least 4 (four) Board Meetings in any calendar year and there should not be a gap of more than 120 (one hundred twenty) days between two consecutive Board Meetings.
- (b) The participation of Directors in a meeting of the Board may be either in Person or through video conferencing or other audio visual means, as may be prescribed, which are capable of recording and recognizing the participation of the Directors and of

recording and storing the proceedings of such meetings along with the date and time. However, such matters as provided under the Companies (Meetings of Board and its Powers) Rules, 2014 shall not be dealt with in a meeting through video conferencing or other audio visual means. Any meeting of the Board held through video conferencing or other audio visual means shall only be held in accordance with the Companies (Meetings of Board and its Powers) Rules, 2014.

- (c) The Secretary or any Director shall, as and when directed by the Chairman convene a meeting of the Board by giving a notice in writing to every Director in accordance with the provisions of the Act and the Companies (Meetings of Board and its Powers) Rules, 2014.
- (d) The Board may meet either at the Office, or at any other location in India or outside India as the Chairman may determine.
- (e) At least 7 (seven) days' notice of every meeting of the Board shall be given in writing to every Director for the time being at his address registered with the Company and such notice shall be sent by hand delivery or by post or by electronic means. A meeting of the Board may be convened in accordance with these Articles by a shorter notice in case of any emergency as directed by the Chairman or the Managing Director or the executive director, as the case may be, subject to the presence of 1 (one) Independent Director, if any, in the said meeting. If an Independent Director is not present in the said meeting, then decisions taken at the said meeting shall be circulated to all the Directors and shall be final only upon ratification by one Independent Director, if any. Such notice or shorter notice may be sent by post or by fax or e-mail depending upon the circumstances.
- (f) At any Board Meeting, each Director may exercise 1 (one) vote. The adoption of any resolution of the Board shall require the affirmative vote of a majority of the Directors present at a duly constituted Board Meeting.

69. QUORUM FOR BOARD MEETING

(a) Quorum for Board Meetings

Subject to the provisions of section 174 of the Act, the quorum for each Board Meeting shall be one-third of its total strength and the presence of Directors by video conferencing or by other audio visual means shall also be counted for the purposes of calculating quorum.

If any duly convened Board Meeting cannot be held for want of a quorum, then such a meeting shall automatically stand adjourned for 7 (seven) days, alter the original meeting at the same time and place, or if that day is a national holiday, on the succeeding day which is not a public holiday to the same time and place. Provided however, the adjourned meeting may be held on such other date and such other place as may be unanimously agreed to by all the Directors in accordance with the provisions of the Act.

- (b) If in the event of a quorum once again not being available at such an adjourned meeting, the Directors present shall constitute the quorum and may transact business for which the meeting has been called.

70. QUESTIONS AT THE BOARD MEETINGS HOW DECIDED

- (a) Questions arising at any meeting of the Board, other than as specified in these Articles and the Act, if any, shall be decided by a majority vote. In the case of an equality of votes, the Chairman shall have a second or casting vote.
- (b) No regulation made by the Company in the General Meeting, shall invalidate any prior act of the Board, which would have been valid if that regulation had not been made.

71. ELECTION OF CHAIRMAN OF BOARD

- (a) The Board may elect a Chairman of its meeting and determine the period for which he is to hold office.
- (b) If no such Chairman is elected, or at any meeting the Chairman is not present within five minutes after the time appointed for holding the meeting the Directors present may choose one among themselves to be the Chairman of the meeting.

72. POWERS OF THE BOARD

Subject to the applicable provisions of the Act, these Articles and other applicable provisions of Law:

- (a) The Board shall be entitled to exercise all such power and to do all such acts and things as the Company is authorized to exercise and do under the applicable provisions of the Act or by the Memorandum and Articles.
- (b) The Board is vested with the entire management and control of the Company, including as regards any and all decisions and resolutions to be passed, for and on behalf of the Company.
- (c) Provided that the Board shall not, except with the consent of the Company by a Special Resolution:-

- (i) Sell, lease or otherwise dispose of the whole, or substantially the whole, of the undertaking of the Company, or where the Company owns more than one undertaking, of the whole, or substantially the whole, of any such undertaking. The term 'undertaking' and the expression 'substantially the whole of the undertaking' shall have the meaning prescribed to them under the provisions of section 180 of the Act;
- (ii) Remit, or give time for repayment of, any debt due by a Director;
- (iii) Invest otherwise than in trust securities the amount of compensation received by the Company as a result of any merger or amalgamation; and
- (iv) Borrow money (ies) where the money (ies) to be borrowed together with the money (ies) already borrowed by the Company (apart from temporary loans obtained from the Company's bankers in the ordinary course of businesses), will exceed the aggregate of the Paid up Capital of the Company and its free reserves.

73. COMMITTEES AND DELEGATION BY THE BOARD

- (a) The Company shall constitute such Committees as may be required under the Act and applicable provisions of Law. Without prejudice to the powers conferred by the other Articles and so as not to in any way to limit or restrict those powers, the Board may, subject to the provisions of section 179 of the Act, delegate any of its powers to the Managing Director, the executive director (s) or manager or the chief executive officer of the Company. The Managing Director, the executive director(s) or the manager or the chief executive officer(s) as aforesaid shall, in the exercise of the powers so delegated, conform to any regulations that may from time to time be imposed on them by the Board and all acts done by them in exercise of the powers so delegated and in conformity with such regulations shall have the like force and effect as if done by the Board.
- (b) Subject to the applicable provisions of the Act, the requirements of Law and these Articles, the Board may delegate any of its powers to Committees of the Board consisting of such member or members of the Board as it thinks fit, and it may from time to time revoke and discharge any such committee of the Board either wholly or in part and either as to Persons or purposes. Every Committee of the Board so formed shall, in the exercise of the powers so delegated, conform to any regulations that may from time to time be imposed on it by the Board. All acts done by any such Committee of the Board in conformity with such regulations and in fulfillment of the purposes of their appointment but not otherwise, shall have the like force and effect as if done by the Board.
- (c) 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 regulation made by the Directors under the last preceding Article.
- (d) The Board of the Company shall in accordance with the provisions of the Companies (Meetings of the Board and its Powers) Rules, 2014 or any other applicable Law form such committees as may be required under such rules in the manner specified therein, if the same are applicable to the Company.

74. ACTS OF BOARD OR COMMITTEE VALID NOTWITHSTANDING INFORMAL APPOINTMENT

All acts undertaken at any meeting of the Board or of a Committee of the Board, or by any Person acting as a Director shall, notwithstanding that it may 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. Provided that nothing in this Article shall be deemed to give validity to the acts undertaken by a Director after his appointment has been shown to the Company to be invalid or to have been terminated.

75. PASSING OF RESOLUTION BY CIRCULATION

No resolution shall be deemed to have been duly passed by the Board or by a Committee thereof by circulation, unless the resolution has been circulated in draft form, together with the necessary papers, if any, to all the Directors, or members of the Committee, as the case may be, at their addresses registered with the Company in India by hand delivery or by post or by courier, or through such electronic means as may be provided under the Companies (Meetings of Board and its Powers) Rules, 2014 and has been approved by majority of Directors or members, who are entitled to vote on the resolution. However, in case one-third of the total number of Directors for the time being require that any resolution under circulation must be decided at a meeting, the chairperson shall put the resolution to be decided at a meeting of the Board.

A resolution mentioned above shall be noted at a subsequent meeting of the Board or the Committee thereof, as the case may be, and made part of the minutes of such meeting.

76. MINUTES OF THE PROCEEDINGS OF THE MEETING OF THE BOARD

- (a) The Company shall prepare minutes of each Board Meeting and the entries thereof in books kept for that purpose with their pages consecutively numbered. Such minutes shall contain a fair and correct summary of the proceedings conducted at the Board Meeting.
- (b) The Company shall circulate the minutes of the meeting to each Director within 7 (seven) Business Days after the Board Meeting.
- (c) Each page of every such book shall be initialed or signed and the last page of the record of proceedings of each meeting in such book shall be dated and signed by the Chairman of the said meeting or the Chairman of the next succeeding meeting.
- (d) In no case the minutes of proceedings of a meeting shall be attached to any such book as aforesaid by pasting or otherwise.
- (e) The minutes of each meeting shall contain a fair and correct summary of the proceedings thereat and shall also contain: -
 - (i) all appointments of Officers;
 - (ii) the names of the Directors present at each meeting of the Board;
 - (iii) all resolutions and proceedings of the meetings of the Board;
 - (iv) the names of the Directors, if any, dissenting from, or not concurring in, any resolution passed by the Board.
- (f) Nothing contained in sub-articles (a) to (c) above shall be deemed to require the inclusion in any such minutes of any matter which in the opinion of the Chairman of the meeting: -
 - (i) is or could reasonably be regarded as defamatory of any Person;
 - (ii) is irrelevant or immaterial to the proceedings; or
 - (iii) is detrimental to the interests of the Company.
- (g) The Chairman shall exercise absolute discretion in regard to the inclusion or non-inclusion of any matter in the minutes on the ground specified in sub-article (f) above.
- (h) Minutes of meetings kept in accordance with the aforesaid provisions shall be evidence of the proceedings recorded therein.
- (i) The minutes kept and recorded under this Article shall also comply with the provisions of secretarial standard 3 issued by the Institute of Company Secretaries of India constituted under the Company Secretaries Act, 1980 and approved as such by the central government and applicable provisions of the Act and Law.

77. REGISTER OF CHARGES

The Directors shall cause a proper register to be kept, in accordance with the applicable provisions of the Act, of all mortgages and charges specifically affecting the property of the Company and shall duly comply with the requirements of the applicable provisions of the Act in regard to the registration of mortgages and charges therein specified.

78. CHARGE OF UNCALLED CAPITAL

Where any uncalled capital of the Company is charged as security or other security is created on such uncalled capital, the Directors may authorize, subject to the applicable provisions of the Act and these Articles, making calls on the Shareholders in respect of such uncalled capital in trust for the Person in whose favour such charge is executed.

79. SUBSEQUENT ASSIGNS OF UNCALLED CAPITAL

Where, any uncalled capital of the Company is charged, all Persons taking any subsequent charge thereon shall take the same, subject to such prior charges and shall not be entitled to obtain priority over such prior charge.

80. CHARGE IN FAVOUR OF DIRECTOR FOR INDEMNITY

If the Director or any Person, shall become personally liable for the payment of any sum primarily due from the Company, the Board may execute or cause to be executed, any mortgage, charge or security over or affecting the whole or part of the assets of the Company by way of indemnity to secure the Directors or other Persons so becoming liable as aforesaid from any loss in respect of such liability.

81. OFFICERS

- (a) The Company shall have its own professional management and such officers shall be appointed from time to time as designated by its Board. The officers of the Company shall serve at the discretion of the Board.

- (b) The officers of the Company shall be responsible for the implementation of the decisions of the Board, subject to the authority and directions of the Board and shall conduct the day to day business of the Company.
- (c) The officers of the Company shall be the Persons in charge of and responsible to the Company for the conduct of the business of the Company and shall be concerned and responsible to ensure full and due compliance with all statutory Laws, rules and regulations as are required to be complied with by the Company and/or by the Board of the Company.
- (d) Qualified experienced managerial and marketing executives and other officers shall be appointed for the operation and conduct of the business of the Company.
- (e) The Board shall appoint with the approval of the Chairman, the president and/or chief executive officer and/or chief operating officer of the Company, as well as Persons who will be appointed to the posts of senior executive management.

82. THE SECRETARY

- (a) Subject to the provisions of section 203 of the Act, the Board may, from time to time, appoint any individual as Secretary of the Company to perform such functions, which by the Act or these Articles for the time being of the Company are to be performed by the Secretary and to execute any other duties which may from time to time be assigned to him by the Board. The Board may confer upon the Secretary so appointed any powers and duties as are not by the Act or by these Articles required to be exercised by the Secretary and may from time to time revoke, withdraw, alter or vary all or any of them. The Board may also at any time appoint some individual (who need not be the Secretary), to maintain the Registers required to be kept by the Company.
- (b) The Secretary shall be an individual responsible to ensure that there shall be no default, non-compliance, failure, refusal or contravention of any of the applicable provisions of the Act, or any rules, regulations or directions which the Company is required to conform to or which the Board of the Company are required to conform to and shall be designated as such and be the officer in default.

83. DIRECTOR'S & OFFICER'S LIABILITY INSURANCE

Subject to the provisions of the Act and applicable Laws, the Company shall procure, at its own cost, comprehensive directors and officers liability insurance for each Director which shall not form a part of the remuneration payable to the Directors in the circumstances described under section 197 of the Act: -

- (a) on terms approved by the Board;
- (b) which includes each Director as a policyholder;
- (c) is from a reputed insurer approved by the Board; and
- (d) such amount as may be decided by the Board, from time to time.

84. SEAL

- (a) The Board shall provide a Seal for the purposes of the Company, and shall have power from time to time to destroy the same and substitute a new Seal in lieu thereof, and the Board shall provide for the safe custody of the Seal for the time being, and the Seal shall never be used except by the authority of the Board or a Committee of the Board, previously given.
- (b) The Company shall also be at the liberty to have an official Seal in accordance with the Act for use in any territory, district or place outside India.
- (c) Every deed or other instrument to which the Seal of the Company shall be affixed shall be signed by at least one Authorized Person as the Board may appoint for the purpose; and such Authorized Person aforesaid shall sign every instrument to which the seal of the Company is so affixed in his presence.

85. ACCOUNTS

- (a) The Company shall prepare and keep at the Office, books of accounts or other relevant books and papers and financial statements for every Financial Year which give a true and fair view of the state of affairs of the Company, including its branch office or offices, if any, and explain the transactions effected both at the Office and its branches and such books shall be kept on accrual basis and according to the double entry system of accounting.
- (b) Where the Board decides to keep all or any of the books of account at any place other than the Office, the Company shall, within 7 (seven) days of the decision, file with the Registrar, a notice in writing giving the full address of that other place. The Company may also keep such books of accounts or other relevant papers in electronic mode in accordance with the provisions of the Act.

- (c) The Company shall preserve in good order the books of account relating to a period of not less than eight years preceding the current year.
- (d) When the Company has a branch office, whether in or outside India, the Company shall be deemed to have complied with this Article if proper books of account relating to the transactions effected at the branch office are kept at the branch office and proper summarized returns made up to dates at intervals of not more than three months, are sent by the branch office to the Company at its office or at the other place in India, at which the Company's books of account are kept as aforesaid.
- (e) No Shareholder (not being a Director) shall have any right of inspecting any account or books or documents of the Company except specified under the Act and Law.
- (f) In accordance with the provisions of the Act, along with the financial statements laid before the Shareholders, there shall be laid a Board's report which shall include:
 - (i) the extract of the annual return as provided under sub-section (3) of section 92 of the Act;
 - (ii) number of meetings of the Board;
 - (iii) Directors' responsibility statement as per the provisions of section 134 (5) of the Act;
 - (iv) a statement on declaration given by the Independent Directors under sub-section (6) of section 149 of the Act;
 - (v) in the event applicable, as specified under sub-section (1) of section 178 of the Act, Company's policy on Director's appointment and remuneration including criteria for determining qualifications, positive attributes, independence of a Director and other matters provided under sub-section (3) of section 178 of the Act;
 - (vi) Explanations or comments by the Board on every qualification, reservation or adverse remark or disclaimer made-
 - a. by the auditor in his report; and
 - b. by the Secretary in practice in his secretarial audit report;
 - (vii) Particulars of loans, guarantees or investments under section 186 of the Act;
 - (viii) Particulars of contracts or arrangements with related parties referred to in sub-section (1) of section 188 in the prescribed form;
 - (ix) the state of the Company's affairs;
 - (x) the amounts, if any, which it proposes to carry to any reserves;
 - (xi) the amount, if any, which it recommends should be paid by way of Dividends;
 - (xii) material changes and commitments, if any, affecting the financial position of the Company which have occurred between the end of the Financial Year of the Company to which the financial statements relate and the date of the report;
 - (xiii) the conservation of energy, technology absorption, foreign exchange earnings and outgo, in such manner as may be prescribed;
 - (xiv) a statement indicating development and implementation of a risk management policy for the Company including identification therein of elements of risk, if any, which in the opinion of the Board may threaten the existence of the Company;
 - (xv) the details about the policy developed and implemented by the Company on corporate social responsibility initiatives taken during the year;
 - (xvi) in case of a listed company and every other public company having such paid-up share capital as may be prescribed, a statement indicating the manner in which formal annual evaluation has been made by the Board of its own performance and that of its committees and individual directors; and
 - (xvii) such other matters as may be prescribed under the Law, from time to time.
- (g) All the aforesaid books shall give a fair and true view of the affairs of the Company or its branch office, as the case may be, with respect to the matters herein and explain its transactions.

86. AUDIT AND AUDITORS

- (a) The Auditors shall be appointed and their rights and duties shall be regulated in accordance with sections 139 to 147 of the Act and as specified under Law.
- (b) Every account of the Company when audited shall be approved by the General Meeting and shall be conclusive except as regards any error discovered therein within three months next after the approval thereof. Whenever any such error is discovered within that period the account shall forthwith be corrected, and henceforth shall be conclusive.
- (c) Every balance sheet and profit and loss account shall be audited by one or more Auditors to be appointed as hereinafter set out.
- (d) The Company at the Annual General Meeting in each year shall appoint an Auditor or Auditors to hold office from the conclusion of that meeting until conclusion of the next Annual General Meeting and every Auditor so appointed shall be intimated of his appointment within 7 (seven) days.
- (e) Where at an Annual General Meeting, no Auditors are appointed, the Central Government may appoint a Person to fill the vacancy and fix the remuneration to be paid to him by the Company for his services.
- (f) The Company shall within 7 (seven) days of the central government's power under sub clause (b) becoming exercisable, give notice of that fact to the government.
- (g) The Directors may fill any casual vacancy in the office of an Auditor but while any such vacancy continues, the remaining Auditors (if any) may act. Where such a vacancy is caused by the resignation of an Auditor, the vacancy shall only be filled by the Company in the General Meeting.
- (h) A Person, other than a retiring Auditor, shall not be capable of being appointed at an Annual General Meeting unless special notice of a resolution of appointment of that Person to the office of Auditor has been given by a Shareholder to the Company not less than 14 (fourteen) days before the meeting in accordance with section 115 of the Act, and the Company shall send a copy of any such notice to the retiring Auditor and shall give notice thereof to the Shareholders in accordance with provisions of section 115 of the Act and all the other provision of section 140 of the Act shall apply in the matter. The provisions of this sub-article shall also apply to a resolution that a retiring auditor shall not be re-appointed.
- (i) The Persons qualified for appointment as Auditors shall be only those referred to in section 141 of the Act.
- (j) None of the Persons mentioned in section 141 of the Act as are not qualified for appointment as auditors shall be appointed as Auditors of the Company.

87. AUDIT OF BRANCH OFFICES

The Company shall comply with the applicable provisions of the Act and the Companies (Audit and Auditor) Rules, 2014 in relation to the audit of the accounts of branch offices of the Company.

88. REMUNERATION OF AUDITORS

The remuneration of the Auditors shall be fixed by the Company as authorized in General Meeting from time to time in accordance with the provisions of the Act and the Companies (Audit and Auditor) Rules, 2014.

89. DOCUMENTS AND NOTICES

- (a) A document or notice may be given or served by the Company to or on any Shareholder whether having his registered address within or outside India either personally or by sending it by post to him to his registered address.
- (b) Where a document or notice is sent by post, service of the document or notice shall be deemed to be effected by properly addressing, prepaying and posting a letter containing the document or notice, provided that where a Shareholder has intimated to the Company in advance that documents or notices should be sent to him under a certificate of posting or by registered post with or without acknowledgement due or by cable or telegram and has deposited with the Company a sum sufficient to defray the expenses of doing so, service of the document or notice shall be deemed to be effected unless it is sent in the manner intimated by the Shareholder. Such service shall be deemed to have effected in the case of a notice of a meeting, at the expiration of forty eight hours after the letter containing the document or notice is posted or after a telegram has been dispatched and in any case, at the time at which the letter would be delivered in the ordinary course of post or the cable or telegram would be transmitted in the ordinary course.
- (c) A document or notice may be given or served by the Company to or on the joint-holders of a share by giving or serving the document or notice to or on the joint-holder named first in the Register of Members in respect of the share.
- (d) Every Person, who by operation of Law, Transfer or other means whatsoever, shall become entitled to any share, shall be bound by every document or notice in respect of such share, which previous to his name and address being entered on the register of Shareholders, shall have been duly served on or given to the Person from whom he derives his title to such share.

- (e) Any document or notice to be given or served by the Company may be signed by a Director or the Secretary or some Person duly authorized by the Board for such purpose and the signature thereto may be written, printed, photostat or lithographed.
- (f) All documents or notices to be given or served by Shareholders on or to the Company or to any officer thereof shall be served or given by sending the same to the Company or officer at the Office by post under a certificate of posting or by registered post or by leaving it at the Office.
- (g) Where a document is sent by electronic mail, service thereof shall be deemed to be effected properly, where a member has registered his electronic mail address with the Company and has intimated the Company that documents should be sent to his registered email address, without acknowledgement due. Provided that the Company, shall provide each member an opportunity to register his email address and change therein from time to time with the Company or the concerned depository. The Company shall fulfill all conditions required by Law, in this regard.

90. SHAREHOLDERS TO NOTIFY ADDRESS IN INDIA

Each registered Shareholder from time to time notify in writing to the Company such place in India to be registered as his address and such registered place of address shall for all purposes be deemed to be his place of residence.

91. SERVICE ON MEMBERS HAVING NO REGISTERED ADDRESS

If a Shareholder does not have registered address in India, and has not supplied to the Company any address within India, for the giving of the notices to him, a document advertised in a newspaper circulating in the neighborhood of the Office shall be deemed to be duly served to him on the day on which the advertisement appears.

92. SERVICE ON PERSONS ACQUIRING SHARES ON DEATH OR INSOLVENCY OF SHAREHOLDERS

A document may be served by the Company on the Persons entitled to a share in consequence of the death or insolvency of a Shareholders by sending it through the post in a prepaid letter addressed to them by name or by the title or representatives of the deceased, assignees of the insolvent by any like description at the address (if any) in India supplied for the purpose by the Persons claiming to be so entitled, or (until such an address has been so supplied) by serving the document in any manner in which the same might have been served as if the death or insolvency had not occurred.

93. PERSONS ENTITLED TO NOTICE OF GENERAL MEETINGS

Subject to the applicable provisions of the Act and these Articles, notice of General Meeting shall be given:

- (a) To the Shareholders as provided by these Articles.
- (b) To the Persons entitled to a share in consequence of the death or insolvency of a Shareholder.
- (c) To the Auditors for the time being of the Company in the manner authorized by as in the case of any Shareholder.

94. NOTICE BY ADVERTISEMENT

Subject to the applicable provisions of the Act, any document required to be served or sent by the Company on or to the Shareholders, or any of them and not expressly provided for by these Articles, shall be deemed to be duly served or sent if advertised in a newspaper circulating in the district in which the Office is situated.

95. DIVIDEND POLICY

- (a) The profits of the Company subject to any special rights relating thereto being created or authorized to be created by the Memorandum or these Articles and subject to the provisions of these Articles shall be divisible among the Shareholders in proportion to the amount of Capital Paid-up or credited as Paid-up and to the period during the year for which the Capital is Paid-up on the shares held by them respectively. Provided always that, (subject as aforesaid), any Capital Paid-up on a Share during the period in respect of which a Dividend is declared, shall unless the Directors otherwise determine, only entitle the holder of such share to an apportioned amount of such Dividend as from the date of payment.
- (b) Subject to the provisions of section 123 of the Act the Company in General Meeting may declare Dividends, to be paid to the Shareholders according to their respective rights and interests in the profits. No Dividends shall exceed the amount recommended by the Board, but the Company in General Meeting may, declare a smaller Dividend, and may fix the time for payments not exceeding 30 (thirty) days from the declaration thereof.
- (c) No Dividend shall be declared or paid otherwise than out of profits of the Financial Year arrived at after providing for depreciation in accordance with the provisions of section 123 of the Act or out of the profits of the Company for any previous

Financial Year or years arrived at after providing for depreciation in accordance with those provisions and remaining undistributed or out of both provided that: -

- (i) if the Company has not provided for depreciation for any previous Financial Year or years it shall, before declaring or paying a Dividend for any Financial Year provide for such depreciation out of the profits of that Financial Year or out of the profits of any other previous Financial Year or years; and
 - (ii) if the Company has incurred any loss in any previous Financial Year or years the amount of the loss or an amount which is equal to the amount provided for depreciation for that year or those years whichever is less, shall be set off against the profits of the Company for the year for which the Dividend is proposed to be declared or paid or against the profits of the Company for any previous Financial Year or years arrived at in both cases after providing for depreciation in accordance with the provisions of section 123 of the Act or against both;
 - (iii) The declaration of the Board as to the amount of the net profits shall be conclusive.
- (d) The Board may, from time to time, pay to the Shareholders such interim dividend as in their judgment the position of the Company justifies.
- (e) Where Capital is paid in advance of calls upon the footing that the same shall carry interest, such Capital shall not whilst carrying interest, confer a right to participate in profits or Dividend.
- (f) Subject to the rights of Persons, if any, entitled to shares with special rights as to Dividend, all Dividends shall be declared and paid according to the amounts paid or credited as paid on the shares in respect whereof Dividend is paid but if and so long as nothing is Paid upon any shares in the Company, Dividends may be declared and paid according to the amount of the shares.
- (i) No amount paid or credited as paid on shares in advance of calls shall be treated for the purpose of this regulation as paid on shares;
 - (ii) All Dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the shares during any portion or portions of the period in respect of which the Dividend is paid, but if any shares are issued on terms providing that it shall rank for Dividend as from a particular date such shares shall rank for Dividend accordingly.
- (g) Subject to the applicable provisions of the Act and these Articles, the Board may retain the Dividends payable upon shares in respect of any Person, until such Person shall have become a Shareholder, in respect of such shares or until such shares shall have been duly transferred to him.
- (h) Any one of several Persons who are registered as the joint-holders of any Share may give effectual receipts for all Dividends or bonus and payments on account of Dividends or bonus or sale proceeds of fractional certificates or other money (ies) payable in respect of such shares.
- (i) Subject to the applicable provisions of the Act, no Shareholder shall be entitled to receive payment of any interest or Dividends in respect of his share(s), whilst any money may be due or owing from him to the Company in respect of such share(s); either alone or jointly with any other Person or Persons; and the Board may deduct from the interest or Dividend payable to any such Shareholder all sums of money so due from him to the Company.
- (j) Subject to section 126 of the Act, a transfer of shares shall not pass the right to any Dividend declared thereon before the registration of the transfer.
- (k) Unless otherwise directed any Dividend may be paid by cheque or warrant or by a pay slip or receipt (having the force of a cheque or warrant) and sent by post or courier or by any other legally permissible means to the registered address of the Shareholder or Person entitled or in case of joint-holders to that one of them first named in the Register of Members in respect of the joint-holding. Every such cheque or warrant shall be made payable to the order of the Person to whom it is sent and in case of joint-holders to that one of them first named in the Register of Members in respect of the joint-holding. The Company shall not be liable or responsible for any cheque or warrant or pay slip or receipt lost in transmission, or for any Dividend lost to a Shareholder or Person entitled thereto, by a forged endorsement of any cheque or warrant or a forged signature on any pay slip or receipt or a fraudulent recovery of Dividend. If 2 (two) or more Persons are registered as joint-holders of any share(s) any one of them can give effectual receipts for any money (ies) payable in respect thereof. Several Executors or Administrators of a deceased Shareholder in whose sole name any share stands shall for the purposes of this Article be deemed to the joint-holders thereof.
- (l) No unpaid Dividend shall bear interest as against the Company.
- (m) Any General Meeting declaring a Dividend may on the recommendation of the Board, make a call on the Shareholders of such amount as the meeting fixes, but so that the call on each Shareholder shall not exceed the Dividend payable to him, and so that the call will be made payable at the same time as the Dividend; and the Dividend may, if so arranged as between the Company and the Shareholders, be set-off against such calls.

- (n) Notwithstanding anything contained in this Article, the dividend policy of the Company shall be governed by the applicable provisions of the Act and Law.
- (o) The Company may pay dividends on shares in proportion to the amount paid-up on each Share in accordance with section 51 of the Act.

96. UNPAID OR UNCLAIMED DIVIDEND

- (a) If the Company has declared a Dividend but which has not been paid or the Dividend warrant in respect thereof has not been posted or sent within 30 (thirty) days from the date of declaration, transfer the total amount of Dividend, which remained unpaid or unclaimed within 7 (seven) days from the date of expiry of the said period of 30 (thirty) days to a special account to be opened by the Company in that behalf in any scheduled bank to be called the “Unpaid Dividend of Rajat City Developers Limited”.
- (b) Any money so transferred to the unpaid Dividend account of the Company which remains unpaid or unclaimed for a period of 7 (seven) years from the date of such transfer, shall be transferred by the Company to the fund established under sub-section (1) of section 125 of the Act, viz. "Investors Education and Protection Fund".
- (c) No unpaid or unclaimed Dividend shall be forfeited by the Board before the claim becomes barred by Law.

97. CAPITALIZATION OF PROFITS

The Company in the General Meeting may, upon the recommendation of the Board, resolve:

- (a) that it is desirable to capitalize any part of the amount for the time being standing to the credit of any of the Company's reserve accounts or to the credit of the Company's profit and loss account or otherwise, as available for distribution; and
- (b) that such sum be accordingly set free for distribution in the manner specified herein below in sub-article (iii) as amongst the Shareholders who would have been entitled thereto, if distributed by way of Dividends and in the same proportions.
- (c) The sum aforesaid shall not be paid in cash but shall be applied either in or towards:
 - (i) paying up any amounts for the time being unpaid on any shares held by such Shareholders respectively;
 - (ii) paying up in full, un-issued shares of the Company to be allotted, distributed and credited as fully Paid up, to and amongst such Shareholders in the proportions aforesaid; or
 - (iii) partly in the way specified in sub-article (i) and partly in the way specified in sub-article (ii).
- (d) A share premium account may be applied as per section 52 of the Act, and a capital redemption reserve account may, duly be applied in paying up of unissued shares to be issued to Shareholders as fully paid bonus shares.

98. RESOLUTION FOR CAPITALISATION OF RESERVES AND ISSUE OF FRACTIONAL CERTIFICATE

- (a) The Board shall give effect to a resolution passed by the Company in pursuance of this regulation.
- (b) Whenever such a resolution as aforesaid shall have been passed, the Board shall:
 - (i) make all appropriation and applications of undivided profits (resolved to be capitalized thereby), and all allotments and issues of fully paid shares or Securities, if any; and
 - (ii) generally do all acts and things required to give effect thereto.
- (c) The Board shall have full power:
 - (i) to make such provisions, by the issue of fractional certificates or by payments in cash or otherwise as it thinks fit, in the case of shares or Debentures becoming distributable in fraction; and
 - (ii) to authorize any Person, on behalf of all the Shareholders entitled thereto, to enter into an agreement with the Company providing for the allotment to such Shareholders, credited as fully paid up, of any further shares or Debentures to which they may be entitled upon such capitalization or (as the case may require) for the payment of 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 parts of the amounts remaining unpaid on the shares.
- (d) Any agreement made under such authority shall be effective and binding on all such Shareholders.

99. DISTRIBUTION OF ASSETS IN SPECIE OR KIND UPON WINDING UP

- (a) 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 Shareholders, 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.
- (b) 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 Shareholders or different classes of Shareholders.
- (c) 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.

100. DIRECTOR'S AND OTHER'S RIGHTS TO INDEMNITY

Subject to the provisions of section 197 of the Act, every Director, manager and other officer or employee of the Company shall be indemnified by the Company against any liability incurred by him and it shall be the duty of the Directors to pay out the funds of the Company all costs, losses and expenses which any Director, manager, officer or employee may incur or become liable to by reason of any contact entered into by him on behalf of the Company or in any way in the discharge of his duties and in particular, and so as not to limit the generality of the foregoing provisions against all liabilities incurred by him as such Director, manager, Officer or employee in defending any proceedings whether civil or criminal in which judgment is given in his favour or he is acquitted or in connection with any application under section 463 of the Act in which relief is granted by the court and the amount for which such indemnity is provided shall immediately attach as a lien on the property of the Company and have priority as between the Shareholders over all the claims.

101. DIRECTOR'S ETC. NOT LIABLE FOR CERTAIN ACTS

Subject to the provision of section 197 of the Act, no Director, manager, Officer or employee of the Company shall be liable for the acts, defaults, receipts and neglects of any other Director, manager, Officer or employee or for joining in any receipts or other acts for the sake of conformity or for any loss or expenses happening to the Company through the insufficiency or deficiency of any Security in or upon which any of the monies of the Company shall be invested or for any loss or damage arising from the bankruptcy, insolvency or tortuous act of any Person with whom any monies, Securities or effects shall be deposited or for any loss occasioned by an error of judgment or oversight on his part, or for any other loss, damage or misfortune whatsoever which shall happen in the execution thereof unless the same shall happen through negligence, default, misfeasance, breach of duty or breach of trust. Without prejudice to the generality of the foregoing, it is hereby expressly declared that any filing fee payable or any document required to be filed with the Registrar in respect of any act done or required to be done by any Director or other officer by reason of his holding the said office shall be paid and borne by the Company.

102. INSPECTION BY SHAREHOLDERS

The register of charges, register of investments, Register of Members, books of accounts and the minutes or the meeting of the board and Shareholders shall be kept at the Office and shall be open, during business hours, for such periods not being less in the aggregate than two hours in each day as the board determines for inspection of any Shareholder without charge. In the event such Shareholder conducting inspection of the abovementioned documents requires extracts of the same, the Company may charge a fee which shall not exceed Rupees ten per page or such other limit as may be prescribed under the Act or other applicable provisions of Law.

103. AMENDMENT TO MEMORANDUM AND ARTICLES OF ASSOCIATION

- (a) The Shareholders shall vote for all the Equity Shares owned or held on record by such Shareholders at any Annual or Extraordinary General Meeting of the company in accordance with these Articles.
- (b) The Shareholders shall not pass any resolution or take any decision which is contrary to any of the terms of these Articles.
- (c) The Articles shall be amended in accordance with the applicable provisions under the Act.

104. SECRECY

No Shareholder shall be entitled to inspect the Company's work without permission of the Managing Director/Directors or to require discovery of any information respectively any details of the Company's trading or any matter which is or may be in the nature of a trade secret, history of trade or secret process which may be related to the conduct of the business of the Company and which in the opinion of the Managing Director/Directors will be inexpedient in the interest of the Shareholders to communicate to the public.

105. DUTIES OF THE OFFICER TO OBSERVE SECRECY

Every Director, Managing Director, manager, Secretary, Auditor, trustee, members of the committee, officer, servant, agent, accountant or other Persons employed in the business of the Company shall, if so required by the Director before entering upon his duties, or any time during his term of office, sign a declaration pledging himself to observe secrecy relating to all transactions of the

Company and the state of accounts and in matters relating thereto and shall by such declaration pledge himself not to reveal any of such matters which may come to his knowledge in the discharge of his official duties except which are required so to do by the Directors or the Auditors, or by resolution of the Company in the General Meeting or by a court of Law and except so far as may be necessary in order to comply with any of the provision of these Articles or Law. Nothing herein contained shall affect the powers of the central government or any officer appointed by the government to require or to hold an investigation into the Company's affair.

106. PROVISIONS OF THE COMPANIES ACT, 1956 SHALL CEASE TO HAVE EFFECT

Notwithstanding anything contained in these Articles, the provisions of the Companies Act, 1956, as are mentioned under these Articles shall cease to have any effect once the said provisions are repealed upon notification of the corresponding provisions under the Act.

SECTION IX – OTHER INFORMATION MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The following contracts (not being contracts entered into in the ordinary course of business carried on by our Company or contracts entered into more than two (2) years before the date of filing of this Draft Prospectus) which are or may be deemed material have been entered or are to be entered into by our Company. These contracts, copies of which will be attached to the copy of the Prospectus will be delivered to the RoC for registration and also the documents for inspection referred to hereunder, may be inspected at the Registered Office of our Company located at Plot No. 3&4, Commercial Complex, Rajeev Gandhi Nagar, Kota– 324 005, Rajasthan, India, from 10.00 a.m. to 5.00 p.m. on working days from the date of the Draft Prospectus until the Issue Closing Date.

Material Contracts

1. Memorandum of Understanding dated May 6, 2019 between our Company and the Lead Manager.
2. Agreement between Bigshare Services Private Limited and our Company dated May 6, 2019 appointing them as the Registrar to the Issue.
3. Underwriting Agreement dated May 6, 2019 between our Company and Underwriters.
4. Market Making Agreement dated May 6, 2019 between our Company, Lead Manager and Market Maker.
5. Tripartite agreement among the NSDL, our Company and Registrar to the Issue dated [●], 2019.
6. Tripartite agreement among the CDSL, our Company and Registrar to the Issue dated [●], 2019.
7. Banker to the Issue Agreement dated [●], 2019 between our Company, the Lead Manager, Banker to the Issue and Registrar to the Issue.

Material Documents

1. Certificate of Incorporation of our Company dated July 14, 2008 issued by the Registrar of Companies, Rajasthan, Jaipur .
2. Fresh certificate of incorporation consequent upon change of name from '*Rajat City Developers Private Limited*' to '*Rajat City Developers Limited*' dated May 9, 2018 issued by the Registrar of Companies, Rajasthan, Jaipur.
3. Certified true copy of the Memorandum and Articles of Association of our Company, as amended.
4. Copy of the resolution passed at the meeting of the Board of Directors held April 6, 2019 authorizing the Issue.
5. Special Resolution of the Shareholders passed at the Extraordinary General Meeting dated May 3, 2019 authorizing the Issue.
6. Report of our Statutory Auditor, M/s. D.K. Saklecha & Co., Chartered Accountants dated May 4, 2019, on the Restated Financial Statements included in this Draft Prospectus.
7. Statement of Tax Benefits report by our statutory auditors, M/s. D.K. Saklecha & Co., Chartered Accountants dated May 4, 2019.
8. Copies of annual reports of our Company for Fiscal 2016, 2017 and 2018 and financial statements for the 9 months period ended December 31, 2018..
9. Copy of the resolution dated May 18, 2018 passed at the extra ordinary general meeting of the shareholders of our Company for appointment of Dr. Rajat Arora as the Managing Director of our Company.
10. Copy of the resolution dated May 18, 2018 passed at the extra ordinary general meeting of the shareholders of our Company for appointment of Masrat Khan as the Executive Director of our Company.

11. Consents of Directors, Chief Financial Officer, Company Secretary and Compliance Officer, Statutory Auditor, Legal Advisor to the Issue, Banker to our Company, the Lead Manager, Registrar to the Issue, Underwriter, Market Maker, Banker to the Issue, Sponsor Banker, Lender to our Company, to act in their respective capacities.
12. Due Diligence Certificate dated [●] from the Lead Manager to SEBI.
13. Copy of approval from BSE *vide* letter dated [●] to use the name of BSE in this document for listing of Equity Shares on SME Platform of BSE Limited.

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 reference to the shareholders subject to compliance of the provisions contained in the Companies Act and other relevant statutes.

DECLARATION

We, hereby declare that all the relevant provisions of the Companies Act, 2013 and the guidelines/regulations issued by the Government of India or the guidelines/regulations issued by the Securities and Exchange Board of India, established under Section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Draft Prospectus is contrary to the provisions of the Companies Act, 2013 the Securities and Exchange Board of India Act, 1992 or rules made or guidelines or regulations issued there under, as the case may be. We further certify that all statements are true and correct.

Signed by all the Directors of Rajat City Developers Limited

Name and designation	Signature
Dr. Jagdish Kumar Arora <i>Chairman and Non-Executive Director</i>	Sd-
Dr. Rajat Arora <i>Managing Director</i>	Sd-
Masrat Khan <i>Executive Director</i>	Sd-
Zulfikar Pathan <i>Non Executive Director</i>	Sd-
Mohammed Saif <i>Independent Director</i>	Sd-
Sanjay Singh <i>Independent Director</i>	Sd-

Signed by the – Chief Financial Officer

Sd-
Bhupendra Tewani
Chief Financial Officer

Place: Kota

Date: May 7, 2019