



**BONLON INDUSTRIES LIMITED**

Our Company was incorporated on January 21, 1997 as a private limited company under the provisions of Companies Act, 1956 with the Registrar of Companies, Jaipur in the name and style of Bonlon Steels Private Limited. Subsequently, the registered office of our Company was shifted from Jaipur to New Delhi i.e. from one state to another w.e.f. December 01, 1998 with due approval of the Company Law Board, Northern Region Bench vide order dated October 29, 1998. Later on, the name of our Company was changed from Bon Lon Steels Private Limited to Bonlon Industries Private Limited w.e.f. February 26, 2019. Further, the name of the company was again changed to Bonlon Industries Limited pursuant to its conversion into a public company vide shareholder's approval dated March 01, 2019 and fresh certificate of incorporation dated March 29, 2019 issued by Registrar of Companies, Delhi. The Corporate Identification Number of our Company is U27108DL1998PLC097397. For further details please refer to chapter titled 'Our History and Certain Other Corporate Matters' beginning on page 137 of this Prospectus.

**Registered Office:** 7A/39 (12- First Floor), WEA Channa Market, Karol Bagh, New Delhi- 110005  
**Tel No:** 011 47532792; **Fax No:** 011 47532798; **E-mail:** info@bonlonindustries.com; **Website:** www.bonlonindustries.com  
**Contact Person:** Mr. Raj Jain, Managing Director **Promoter of our Company:** Mr. Arun Kumar Jain

**THE ISSUE**

**PUBLIC ISSUE OF 37,56,000 EQUITY SHARES OF FACE VALUE OF RS. 10/- EACH FULLY PAID UP OF BONLON INDUSTRIES LIMITED ("BONLON" OR THE "COMPANY" OR THE "ISSUER") FOR CASH AT A PRICE OF RS. 28/- PER EQUITY SHARE (THE "ISSUE PRICE") (INCLUDING A SHARE PREMIUM OF RS. 18/- PER EQUITY SHARE AGGREGATING RS. 1051.68 LAKHS (THE "ISSUE") BY OUR COMPANY, OF WHICH 1,88,000 EQUITY SHARES OF FACE VALUE OF RS. 10/-EACH FULLY PAID UP WILL BE RESERVED FOR SUBSCRIPTION BY MARKET MAKER TO THE ISSUE ("MARKET MAKER RESERVATION PORTION"). THE ISSUE LESS THE MARKET MAKER RESERVATION PORTION I.E. ISSUE OF 35,68,000 EQUITY SHARES OF FACE VALUE OF RS. 10/- EACH FULLY PAID UP IS HEREINAFTER REFERRED TO AS THE "NET ISSUE". THE ISSUE AND THE NET ISSUE WILL CONSTITUTE 26.48% AND 25.16% RESPECTIVELY OF THE POST ISSUE PAID UP EQUITY SHARE CAPITAL OF THE COMPANY.**

**THE FACE VALUE OF THE EQUITY SHARES IS RS. 10/- EACH.  
THE ISSUE PRICE IS RS. 28/- PER EQUITY SHARE. THE ISSUE PRICE IS 2.8 TIMES THE FACE VALUE.**

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 investors other than retail individual investor shall participate in this Issue mandatorily through the Applications Supported by Blocked Amount ("ASBA") process by providing details of their respective bank accounts which will be blocked by SCSBs. Further, pursuant to SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019, Retail Individual Investors applying in public issue shall compulsorily use UPI payment mechanism by providing UPI ID in the Bid Cum Application Form which is linked from Bank Account of the investor. For details in this regard, specific attention is invited to the chapter titled "Issue Procedure" beginning on page 267 of this Prospectus. A copy has been delivered for registration to the Registrar as required under Section 26 of the Companies Act, 2013.

**THIS ISSUE IS BEING IN TERMS OF CHAPTER IX OF THE SEBI (ICDR) REGULATIONS, 2018 (AS AMENDED FROM TIME TO TIME) ("SEBI (ICDR) REGULATIONS").**

*For further details please refer to "Section VIII - Issue Information" beginning on page 258 of this Prospectus.*

**RISK IN RELATION TO THE FIRST ISSUE**

This being the first issue of Equity Shares of our Company, there has been no formal market for the Equity Shares of our Company. The face value of the Equity Shares is Rs.10/- and the Issue Price is 2.8 times of the face value. The Issue Price (as determined and justified by the Company and the Lead Manager as stated under chapter titled "Basis for Issue Price" beginning on page 99 of this Prospectus) should not be taken to be indicative of the market price of the Equity Shares after the Equity Shares are listed. No assurance can be given regarding an active and/or sustained trading in the Equity Shares of our Company or regarding the price at which the Equity Shares will be traded after listing.

**GENERAL RISKS**

Investment in equity and equity related securities involve a degree of risk and investors should not invest any funds in this Issue unless they can afford to take the risk of losing their investment. Investors are advised to read the Risk Factors carefully before taking an investment decision in this Issue. For taking an investment decision, investors must rely on their own examination of our Company and the Issue including the risks involved. The Equity Shares offered in the Issue have not been recommended or approved by the Securities and Exchange Board of India ("SEBI") nor does SEBI guarantee the accuracy or adequacy of this Prospectus. Specific attention of the investors is invited to the section titled "Risk Factors" on page 28 of this Prospectus.

**COMPANY'S ABSOLUTE RESPONSIBILITY**

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

**LISTING**

The Equity Shares offered through this Prospectus are proposed to be listed on the SME Platform of BSE Limited. Our Company has received an In-Principle approval letter dated January 20, 2020 from BSE Limited ("BSE") for using its name in this offer document for listing of our Equity Shares on the SME Platform of BSE Limited. For the purpose of this Issue, the Designated Stock Exchange will be the BSE Limited.

**LEAD MANAGER TO THE ISSUE**

**SARTHI CAPITAL ADVISORS PRIVATE LIMITED**

Unit No. 411, Fourth Floor, Pratap Bhawan, 5, Bahadur Shah Zafar Marg, New Delhi-110002  
**Tel:** +91 011 23739425-27  
**Fax:** +91 011 23739424

**Investor Grievance Email:** ipo@sarthiwm.in

**Website:** www.sarthi.in

**Contact Person:** Mr. Anand Lakhota

**SEBI Registration No.:** INM000012011



**REGISTRAR TO THE ISSUE**

**BIGSHARE SERVICES PRIVATE LIMITED**

1<sup>st</sup> Floor, Bharat Tin Works Building, Opp. Vasant Oasis, Makwana Road, Marol, Andheri East, Mumbai - 400059  
**Tel:** +91 22 62638200  
**Fax:** +91 22 62638299

**E-mail:** ipo@bigshareonline.com

**Website:** www.bigshareonline.com

**Contact Person:** Mr. Arvind Tandel

**SEBI Registration No.:** INR000001385



**ISSUE PROGRAMME**

**ISSUE OPENS ON: JUNE 30, 2020**

**ISSUE CLOSES ON: JULY 03, 2020**

**THIS PAGE HAS BEEN KEPT BLANK PURSUANT TO SCHEDULE VI OF SECURITIES  
AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE  
REQUIREMENTS) REGULATIONS, 2018.**

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The Equity Shares have not been and will not be registered under the U.S Securities Act of 1933, as amended (U.S. Securities Act) or any state securities laws in the United States and may not be offered or sold within the United States or to, or for the account or benefit of, —U.S. Persons (as defined in Regulation S), except pursuant to exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities laws. Accordingly, the Equity Shares are being offered and sold only outside the United States in offshore transaction in reliance on Regulation S under the U.S Securities Act and the applicable laws of the jurisdiction where those offers and sale occur.

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.

## SECTION I – GENERAL

### DEFINITIONS AND ABBREVIATIONS

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

#### Company Related Terms

Term	Description
Articles or Articles of Association or AOA	The Articles of Association of our Company, as amended from time to time
“Bonlon Industries Limited”, or “Bonlon”, or “the Company”, or “our Company” or “we”, “us”, or “our” and the “Issuer Company”.	Bonlon Industries Limited, a public limited company incorporated under the provisions of the Companies Act, 1956.
Auditor or Statutory Auditor	The Auditor of the Company being Gaur & Associates Chartered Accountants, having their head office at 107, Laxmi Deep Building, Laxmi Nagar District Centre, Delhi-110092
Banker to our Company	Bank of India
“Board” or “Board of Directors” or “our Board”	The Board of Directors of our Company, as duly constituted from time to time, or committee(s) thereof.
Company Secretary and Compliance Officer	Mr. Naveen Kumar
Director(s)	The Director(s) of our Company, unless otherwise specified
Equity Shares	Equity Shares of our Company of face value of Rs.10/- each
Equity Shareholders	Persons/Entities holding equity shares of our Company
Group Companies	Companies which are covered under the applicable accounting standards and other companies as considered material by our Board, and disclosed in the chapter titled “Our Group Entities” beginning on page 164 of this Prospectus.
Key Management Personnel	Key management personnel of our Company in terms of regulation 2(1)(bb) of the SEBI Regulations, 2018 and section 2(51) of the Companies Act, 2013 and as disclosed in the section titled “Our Management” on page 145 of this Prospectus.
Memorandum of Association or Memorandum or MOA	The Memorandum of Association of our Company, as amended from time to time.
“Promoter” or “our Promoter”	Promoter of our company being Mr. Arun Kumar Jain

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Promoter Group	Includes such persons and entities constituting our promoter group in terms of Regulation 2(1)(pp) of the SEBI (ICDR) Regulations, 2018 and a list of which is provided in the chapter titled “Our Promoter and Promoter Group” beginning on page 160 of this Prospectus.
Registered Office	The Registered Office of our Company located at 7A/39 (12- First Floor), WEA Channa Market, Karol Bagh, New Delhi- 110005
ROC	Registrar of Companies, Delhi.
Subsidiary	Skill Generation Private Limited ( <i>Struck off on December 16, 2019</i> ); AKJ Metals Private Limited( <i>Incorporated on December 16, 2019</i> )

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## Issue Related Terms

Term	Description
Allocation / Allocation of Equity Shares	The Allocation of Equity Shares of our Company pursuant to Fresh Issue of Equity Shares to the successful Applicants.
Allotment/ Allot/ Allotted	Issue and allotment of Equity Shares of our Company pursuant to Fresh Issue of the Equity Shares to the successful Applicants.
Allottee(s)	Successful Applicants to whom Equity Shares of our Company shall have been allotted.
Applicant	Any prospective investor who makes an application for Equity Shares of our Company in terms of this Prospectus.
Application Amount	The amount at which the Applicant makes an application for Equity Shares of our Company in terms of this Prospectus.
Application Form	The Form in terms of which the prospective investors shall apply for our Equity Shares in the Issue.
ASBA/ Application Supported by Blocked Amount.	Applications Supported by Blocked Amount (ASBA) means an application for Subscribing to the Issue containing an authorization to block the application money in a bank account maintained with SCSB.
ASBA Account	Account maintained with SCSBs which will be blocked by such SCSBs to the extent of the Application Amount.
ASBA Application Location(s)/ Specified Cities	Locations at which ASBA Applications can be uploaded by the SCSBs, namely Mumbai, New Delhi, Chennai, Kolkata, Ahmedabad, Rajkot, Bangalore, Hyderabad, Pune, Baroda and Surat.
ASBA Investor/ASBA applicant	Any prospective investor(s)/applicant(s) in this Issue who apply (ies) through the ASBA process.
Banker(s) to the Issue/ Public Issue Bank(s).	The banks which are clearing members and registered with SEBI as Banker to an Issue with whom the Public Issue Account will be opened and in this case, being Axis bank Limited.
Basis of Allotment	The basis on which Equity Shares will be Allotted to the successful Applicants under the Issue and which is described under chapter titled “ <i>Issue Procedure</i> ” beginning on page 267 of this Prospectus.
BSE SME	The SME Platform of BSE for listing of Equity Shares offered under Chapter IX of the SEBI (ICDR) Regulations, 2018 which was approved by SEBI.
Controlling Branch	Such branch of the SCSBs which coordinate Applications under this Issue by the ASBA Applicants with the Registrar to the Issue and the Stock Exchange and a list of which is available at <a href="http://www.sebi.gov.in">http://www.sebi.gov.in</a> , or at such other website as may be prescribed by SEBI from time to time.

Term	Description
Demographic Details	The demographic details of the Applicants such as their address, PAN, occupation and bank account details.
Depository Participant	A Depository Participant as defined under the Depositories Act, 1996.
Designated Branches	Such branches of the SCSBs which shall collect the ASBA Forms from the ASBA Applicants and a list of which is available at <a href="http://www.sebi.gov.in">www.sebi.gov.in</a> , or at such other website as may be prescribed by SEBI from time to time.
Designated Date	The date on which funds are transferred from the amount blocked by the SCSBs is transferred from the ASBA Account to the Public Issue Accountor the instructions are given to the SCSBs to unblock the ASBA Accounts including the accounts linked with UPI ID,as appropriate, after the Issue is closed, following which the Equity Shares shall be allotted/transfer to the successful Applicants.
Designated Stock Exchange	BSE SME
Prospectus	The Prospectus issued in accordance with section 26 of the Companies Act, 2013 and filed with the BSE under SEBI (ICDR) Regulations.
Eligible NRIs	NRIs from jurisdictions outside India where it is not unlawful to make an issue or invitation under the Issue and in relation to whom this Prospectus constitutes an invitation to subscribe to the Equity Shares offered herein.
First/ Sole Applicant	The Applicant whose name appears first in the Application Form or Revision Formand in case of joint bids, whose name shall also appear as the first holder of the beneficiary account or UPI linked account number held in joint names.
Fugitive Economic Offender	An individual who has committed the specified offence(s) under the Fugitive Economic Offenders Act, 2018 involving an amount of one hundred crore rupees or more and has absconded from India or refused to come back to India to avoid or face criminal prosecution in India.
General Information Document	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, 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 and SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 01, 2018 notified by SEBI suitably modified and included in “ <i>Issue Procedure</i> ” beginning on page 267 of this Prospectus.
Issue/ Issue Size/ Initial Public Issue/ Initial Public Offer/ Initial Public Offering/ IPO	Public Issue of 37,56,000 Equity Shares of face value of Rs. 10/- each fully paid of Bonlon Industries Limited for cash at a price of Rs. 28/- per Equity Share (including a premium of Rs.18/- per Equity Share) aggregating Rs. 1051.68 Lakhs.
Issue Agreement	The agreement dated August 06, 2019 and between our Company and the Lead Manager, pursuant to which certain arrangements are agreed to in relation to the Issue.



Term	Description
Issue Closing Date	The date on which Issue closes for subscription
Issue Opening Date	The date on which Issue opens for subscription
Issue Period	The period between the Issue Opening Date and the Issue Closing Date inclusive of both the days during which prospective Investors may submit their application.
Issue Price	The price at which the Equity Shares are being issued by our Company under this Prospectus being Rs.28/- per Equity Share of face value of Rs.10/- each fully paid.
Issue Proceeds	Proceeds from the fresh Issue that will be available to our Company, being Rs. 1051.68 Lakhs.
Listing Agreement	The Equity Listing Agreement to be signed between our Company and the BSE.
Lead Manager/ LM	Lead Manager to the Issue in this case being Sarthi Capital Advisors Private Limited, SEBI Registered Category I Merchant Banker.
Market Making Agreement	Market Making Agreement dated August 06, 2019 between our Company, LM and Market Maker
Market Maker	Market Maker appointed by our Company from time to time, in this case being Choice Equity Broking Private Limited, who has agreed to receive or deliver the specified securities in the market making process for a period of three years from the date of listing of our Equity Shares or for any other period as may be notified by SEBI from time to time.
Market Maker Reservation Portion	The Reserved Portion of 1,88,000 Equity Shares of face value of Rs.10/- each fully paid for cash at a price of Rs. 28/- per Equity Share aggregating Rs. 52.64 Lakhs for the Market Maker in this Issue.
Mutual Fund(s)	A mutual fund registered with SEBI under the SEBI (Mutual Funds) Regulations, 1996, as amended from time to time.
NIF	National Investment Fund set up by resolution F. No. 2/3/2005-DD-II dated November 23, 2005 of Government of India published in the Gazette of India.
Net Issue	The Issue excluding the Market Maker Reservation Portion of 35,68,000 Equity Shares of face value of Rs. 10/- each fully paid for cash at a price of Rs. 28/- Equity Share aggregating Rs. 999.04 Lakhs by our Company.
Net Proceeds	The Issue Proceeds, less the Issue related expenses, received by the Company. For further information about use of the Issue Proceeds and the Issue expenses, please refer to the chapter titled “Objects of the Issue” beginning on page 94 of this Prospectus.
Non-Institutional Investors	All Applicants that are not Qualified Institutional Buyers or Retail Individual Investors and who have Applied for Equity Shares for an amount more than Rs. 2,00,000.

Term	Description
OCB/Overseas Corporate Body	A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% by NRIs, including overseas trusts in which not less than 60% of beneficial interest is irrevocably held by NRIs directly or indirectly as defined under the Foreign Exchange Management (Deposit) Regulations, 2000, as amended from time to time. OCBs are not allowed to invest in this Issue.
Payment through electronic transfer of funds	Payment through NECS, NEFT or Direct Credit, as applicable.
Person/Persons	Any individual, sole proprietorship, unincorporated association, unincorporated organization, body corporate, corporation, company, partnership, limited liability company, joint venture, or trust or any other entity or organization validly constituted and/or incorporated in the jurisdiction in which it exists and operates, as the context requires.
Prospectus	The Prospectus to be filed with ROC containing, <i>inter alia</i> , the issue opening and closing dates and other information.
Public Issue Account	Account opened with the Banker to the Issue/Public Issue Bank i.e. Axis Bank Limited by our Company to receive monies from the Escrow Account and the SCSBs from the bank accounts of the ASBA Applicants on the Designated Date.
Public Issue Account Agreement	Agreement to be entered into by our Company, the Registrar to the Issue, the Lead Manager, and the Public Issue Bank/Banker to the Issue for collection of the Application Amounts.
Qualified Institutional Buyers or QIBs	QIBs, as defined in terms of Regulation 2(1)(ss) of the SEBI ICDR Regulations, 2018, including public financial institutions as specified in Section 2(72) of the Companies Act, 2013 scheduled commercial banks, mutual fund registered with SEBI, FII and sub-account (other than a sub-account which is a foreign corporate or foreign individual) registered with SEBI, multilateral and bilateral development financial institution, venture capital fund and alternative investment fund registered with SEBI, foreign venture capital investor registered with SEBI, state industrial development corporation, insurance company registered with Insurance Regulatory and Development Authority, provident fund with minimum corpus of Rs. 2,500 lakhs, pension fund with minimum corpus of Rs. 2,500 lakhs, NIF, insurance funds set up and managed by army, navy or air force of the Union of India, insurance funds set up and managed by the Department of Posts, India and systemically important non-banking financial companies.
Refund Account (s)	Account(s) to which monies to be refunded to the Applicants shall be transferred from the Public Issue Account in case listing of the Equity Shares does not occur.
Refund Bank(s) / Refund Banker(s)	Bank(s) which is / are clearing member(s) and registered with the SEBI as Bankers to the Issue at which the Refund Accounts will be opened in case listing of the Equity Shares does not occur, in this case being Axis Bank Limited.
Registrar /Registrar to the Issue	Registrar to the Issue, in this case being Bigshare Services Private Limited having office at 1st Floor, Bharat Tin Works Building, Opp. Vasant Oasis, Makwana

Term	Description
	Road, Marol, Andheri East, Mumbai-400059.
Retail Individual Investor	Individual Applicants, or minors applying through their natural guardians, including HUFs (applying through their <i>Karta</i> ) and ASBA Applicants, who apply for an amount less than or equal to Rs. 2,00,000.
Revision Form	The form used by the Applicants to modify the quantity of Equity Shares in any of their Application Forms or any previous Revision Form(s).
SCSB/ Self Certified Syndicate Banker.	Shall mean a Banker to an Issue registered under SEBI (Bankers to an Issue) Regulations, 1994, as amended from time to time, and which offer the service of making Application/s Supported by Blocked Amount including blocking of bank account and a list of which is available on <a href="https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=35">https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=35</a> or at such other website as may be prescribed by SEBI from time to time.
Sponsor Bank	Shall mean a Banker to the Issue registered with SEBI which is appointed by the issuer to act as a conduit between the Stock Exchanges and National Payments Corporation of India in order to push the mandate collect requests and/or payment instructions of the retail investors into the UPI.
Underwriter	Sarathi Capital Advisors Private Limited.
Underwriting Agreement	The agreement dated August 06, 2019 entered into between the Underwriter and our Company.
UPI Mechanism	The bidding mechanism that may be used by a RII to make an application in the issue in accordance with SEBI circular SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 01, 2018.
Unified Payments Interface	It is an instant payment system developed by National Payments Corporation of India which allows instant transfer of money between any two persons' bankaccounts using a payment address which uniquely identifies a person's Bank account.
UPI ID	ID created on Unified Payment Interface.
UPI Mandate Request	A request (intimating the RII by way of a notification on the UPI application and by way of a SMS directing the RII to such UPI application) to the RII initiated by the Sponsor Bank to authorize blocking of funds on the UPI application equivalent to Application Amount and subsequent debit of funds in case of Allotment.
UPI PIN	Password to authenticate transaction through UPI mechanism.
Wilful Defaulter	As defined under Regulation 2(1)(III) of SEBI (ICDR) Regulations, 2018 which means a person or an issuer who or which is categorized as a wilful defaulter by any bank or financial institution (as defined under the Companies Act, 2013) or consortium thereof, in accordance with the guidelines on wilful defaulters issued by the Reserve Bank of India.

Term	Description
Working Day	Unless the context otherwise requires: Working Days shall be all trading days of stock exchange excluding Sundays and bank holidays in accordance with the SEBI circular no. SEBI/HO/CFD/DIL/CIR/P/2016/26 dated January 21, 2016.

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## Technical and Industry Terms

Term	Description
Aluminum	Aluminum is a soft, durable, lightweight, ductile and malleable metal with appearance ranging from silvery to dull gray, depending on the surface roughness. Aluminum is non magnetic and does not easily ignite.
Continuous casting machine	The principal machine used in the continuous casting process.
Continuous casting process	A process whereby molten metal is solidified by converting it into a strand of desired shape and size through a group of operations like mould operation, spray cooling zone etc.
Copper	A common metal of a reddish colour, both ductile and malleable and very tenacious. It is one of the best conductors of heat and electricity. It is one of the most useful metals in itself, and also in its alloys, brass and bronze.
Copper rod	Copper rod is used as raw material for the manufacturing of electric wire and cables.
Ferrous Metal	Ferrous metals are the metals that contain iron and have high carbon content. They are magnetic in nature and are prone to rust. Examples are Steel, Carbon Steel, Stainless Steel, Cast Iron etc.
FIU-IND	Financial Intelligence Unit of India
FV	Fair Value
HP	Horse Power
HSN	Harmonized System of Nomenclature
KW	Kilowatt
M.T.	Metric Tonne
MCX	Multi Commodities Exchange
Non-ferrous Metal	Non-ferrous metals are the metals that do not contain iron and are non-magnetic in nature. They are more comparatively more corrosion resistant than ferrous metals. Aluminum and copper are the closest examples of non-ferrous metals.
Transferor Company no. 1	Smita Global Private Limited
Transferor Company no. 2	Harshit Promoters Private Limited
Transferor Company no. 3	Harshit Infratech Private Limited
Zinc	Zinc is bluish-white, lustrous, diamagnetic metal and is chemically similar to magnesium. It is the 24 <sup>th</sup> most abundant element in Earth's crust. Zinc is most commonly used as an anti-corrosion agent, and galvanization (coating of iron or steel) is the most familiar form.
R & D	Research & Development

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RO

Reverse Osmosis

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## Conventional and General Terms/ Abbreviations

Term	Description
A/C	Account
Act	Unless specified otherwise, this would imply to the provisions of the Companies Act, 2013 (to the extent notified) and /or Provisions of Companies Act, 1956 w.r.t. the sections which have not yet been replaced by the Companies Act, 2013 through any official notification.
AGM	Annual General Meeting
Articles	Articles of Association of the Company as originally framed or as altered from time to time in pursuance of any previous companies' law or of this Act
AS	Accounting Standards as issued by the Institute of Chartered Accountants of India.
A.Y.	Assessment Year
ASBA	Applications Supported by Blocked Amount
B. A	Bachelor of Arts
B. Com	Bachelor's Degree in Commerce
BIFR	Board for Industrial and Financial Reconstruction
BSE	Bombay Stock Exchange
CAGR	Compounded Annual Growth Rate
CDSL	Central Depository Services (India) Limited
CESTAT	Customs, Excise and Service Tax Appellate Tribunal
CENVAT	Central Value Added Tax
CIN	Corporate Identification Number
Companies Act	Unless specified otherwise, this would imply to the provisions of the Companies Act, 2013 (to the extent notified) and /or Provisions of Companies Act, 1956 w.r.t. the sections which have not yet been replaced by the Companies Act, 2013 through any official notification.
COVID- 19	Novel Coronavirus, 2019
CSO	Central Statistical Organization
Depositories	NSDL and CDSL; Depositories registered with the SEBI under the Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996, as amended from time to time.
Depositories Act	The Depositories Act, 1996, as amended from time to time.

DIN	Director Identification Number
DP	Depository Participant
DP ID	Depository Participant's Identity
DB	Designated Branch
EBIDTA	Earnings before Interest, Depreciation, Tax, Amortization and extraordinary items.
ECS	Electronic Clearing Services
EGM	Extraordinary General Meeting
ESIC	Employee State Insurance Corporation
ESOP	Employee Stock Option Plan
EPS	Earnings per Share
FDI	Foreign Direct Investment
FCNR Account	Foreign Currency Non-Resident Account
FEMA	Foreign Exchange Management Act, 1999 as amended from time to time and the regulations framed there under.
FEMA Regulations	FEMA (Transfer or Issue of Security by Person Resident Outside India) Regulations, 2000 and amendments thereto.
FII(s)	Foreign Institutional Investors
FIs	Financial Institutions
FIPB	The Foreign Investment Promotion Board, Ministry of Finance, Government of India.
FV	Face Value
FVCI	Foreign Venture Capital Investor registered under the Securities and Exchange Board of India (Foreign Venture Capital Investor) Regulations, 2000.
F. Y	Financial Year
GAAP	Generally Accepted Accounting Principles
GDP	Gross Domestic Product
GOI	Government of India.
GST	Goods & Service Tax



HNI	High Net Worth Individual
HUF	Hindu Undivided Family
ICDR Regulations/ Regulations/ SEBI Regulations	SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 as amended from time to time.
Indian GAAP	Generally accepted accounting principles in India.
ICAI	Institute of Chartered Accountants of India
ICSI	Institute of Company Secretaries of India
IFRS	International financial reporting standards.
Ind AS	Indian Accounting Standards
IPC	Indian Penal Code
IPO	Initial Public Offering
IPR	Intellectual Property Right
IT	Information Technology
IT Act	The Income-tax Act, 1961 as amended from time to time except as stated otherwise.
IT Rules	The Income-tax Rules, 1962, as amended from time to time
INR	Indian National Rupee
JV	Joint venture
KMP	The officers declared as a Key Managerial Personnel and as mentioned in the chapter titled “ <i>Our Management</i> ” beginning on page 145 of this Prospectus.
Ltd.	Limited
MBA	Master in Business Administration
M.Com	Master Degree in Commerce
MD	Managing Director
MOU	Memorandum of Understanding
MNC	Multinational corporation
N/A or NA	Not Applicable
NAV	Net Asset Value

NECS	National Electronic Clearing Services
NEFT	National Electronic Fund Transfer
Net Worth	The aggregate of the paid-up share capital, and all reserves created out of the profit [securities premium account and debit or credit balance of profit and loss account], after deducting the aggregate value of the accumulated losses, deferred expenditure and miscellaneous expenditure not written off, as per the audited balance sheet, but does not include reserves created out of revaluation of assets, write-back of depreciation and amalgamation.
NOC	No Objection Certificate
NPV	Net Present Value
NR	Non-Resident
NRE Account	Non-Resident External Account
NRI	Non-Resident Indian, is a person resident outside India, who is a citizen of India or a person of Indian origin and shall have the same meaning as ascribed to such term in the Foreign Exchange Management (Deposit) Regulations, 2000, as amended from time to time.
NRO Account	Non-Resident Ordinary Account
NSDL	National Securities Depository Limited.
p.a.	Per Annum
PAN	Permanent Account Number
PAT	Profit After Tax
PMLA	Prevention of Money Laundering Act
PML Rules	Prevention of Money Laundering Rules
Pvt.	Private
PBT	Profit Before Tax
P/E Ratio	Price Earnings Ratio
POA	Power of Attorney
PIO	Persons of Indian Origin
QIB	Qualified Institutional Buyer
RBI	Reserve Bank of India
RBI Act	The Reserve Bank of India Act, 1934, as amended from time to time

Ron	Return on Net Worth.
Rs. / INR	Indian Rupees
RTGS	Real Time Gross Settlement
SCRA	Securities Contracts (Regulation) Act, 1956
SCRR	Securities Contracts (Regulation) Rules, 1957
SCSB	Self-Certified Syndicate Bank
SEBI	Securities and Exchange Board of India.
SEBI Act	Securities and Exchange Board of India Act, 1992, as amended from time to time.
SEBI Depository Regulations	Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018.
SEBI Regulations	Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018.
SEBI Listing Regulations	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
SEBI Insider Trading Regulations	The SEBI (Prohibition of Insider Trading) Regulations, 2015, as amended from time to time, including instructions and clarifications issued by SEBI from time to time.
SEBI Takeover Regulations / Takeover Regulations / Takeover Code	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended from time to time, including instructions and clarifications issued by SEBI from time to time.
Sec.	Section
SICA	Sick Industrial Companies (Special Provisions) Act, 1985, as amended from time to time.
SSI Undertaking	Small Scale Industrial Undertaking
Stock Exchange (s)	BSE
Sq.	Square
Sq. mtr	Square Meter
TAN	Tax Deduction Account Number
TRS	Transaction Registration Slip
TIN	Taxpayers Identification Number
TNW	Total Net Worth

u/s	Under Section
UIN	Unique Identification Number
US/ U.S. / USA	United States of America
USD or US\$	United States Dollar
U.S. GAAP	Generally accepted accounting principles in the United States of America
UPI	Unified Payment Interface
UOI	Union of India
Venture Capital Fund(s)/ VCF(s)	Venture capital funds as defined and registered with SEBI under the Securities and Exchange Board of India (Venture Capital Fund) Regulations, 1996, as amended from time to time.
WDV	Written Down Value
w.e.f.	With effect from
YoY	Year over Year

Notwithstanding the following: -

- (i) In the section titled '*Main Provisions of the Articles of Association*' beginning on page 292 of this Prospectus, defined terms shall have the meaning given to such terms in that section;
- (ii) In the section titled '*Financial Statements*' beginning on page 184 of this Prospectus, defined terms shall have the meaning given to such terms in that section;
- (iii) In the chapter titled "*Statement of Possible Tax Benefits*" beginning on page 101 of this Prospectus, defined terms shall have the meaning given to such terms in that chapter.

## PRESENTATION OF FINANCIAL, INDUSTRY AND MARKET DATA

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

### FINANCIAL DATA

Unless stated otherwise, the financial data included in this Prospectus are extracted from the restated financial statements of our Company, prepared in accordance with the applicable provisions of the Companies Act and Indian GAAP and restated in accordance with SEBI (ICDR) Regulations, as stated in the report of our Peer Reviewed Auditors, set out in the section titled ‘Financial Statements’ beginning on page 184 of this Prospectus. Our restated financial statements are derived from our audited financial statements prepared in accordance with Indian GAAP and the Companies Act, and have been restated in accordance with the SEBI (ICDR) Regulations.

Our fiscal year commences on 1<sup>st</sup> April of each year and ends on 31<sup>st</sup> March of the next year. All references to a particular fiscal year are to the 12 months period ended 31<sup>st</sup> March of that year. In this Prospectus, any discrepancies in any table between the total and the sums of the amounts listed are due to rounding-off. All decimals have been rounded off to two decimal points.

There are significant differences between Indian GAAP, IFRS and US GAAP. The Company has not attempted to quantify their impact on the financial data included herein and urges you to consult your own advisors regarding such differences and their impact on the Company’s financial data. Accordingly, to what extent, the financial statements included in this Prospectus will provide meaningful information is entirely dependent on the reader’s level of familiarity with Indian accounting practices / Indian GAAP. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in this Prospectus should accordingly be limited.

Any percentage amounts, as set forth in “Risk Factors”, “Our Business”, “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and elsewhere in this Prospectus unless otherwise indicated, have been calculated on the basis of the Company’s restated financial statements prepared in accordance with the applicable provisions of the Companies Act and Indian GAAP and restated in accordance with SEBI (ICDR) Regulations, as stated in the report of our Peer Reviewed Auditors, set out in the section titled ‘Financial Statements’ beginning on page 184 of this Prospectus.

### CURRENCY OF PRESENTATION

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

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

### INDUSTRY & MARKET DATA

Unless otherwise stated, Industry & Market data used throughout this Prospectus have been obtained from Ministry of Statistics and Programme Implementation (MOSPI), RBI, Department of Industrial Policy & Promotion, India Brand Equity Foundation (IBEF), International Monetary Fund (IMF). Industry publications generally state that the information contained in those publications has been obtained from sources believed to be reliable but their accuracy and completeness are not guaranteed and their reliability cannot be assured. Although we believe that industry data used in this Prospectus is reliable, it has not been independently verified. Similarly, internal Company reports, while believed by us to be reliable, have not been verified by any independent sources.

Further the extent to which the market and industry data presented in this Prospectus is meaningful depends on the reader's familiarity with and understanding of the methodologies used in compiling such data. There are no standard data gathering methodologies in the industry in which we conduct our business, and methodologies and assumptions may vary widely among different industry sources.

## FORWARD-LOOKING STATEMENTS

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

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

- The occurrence of any pandemic like COVID-19;
- Fluctuations in price of copper and other metals;
- Our ability to maintain quality of our products;
- Our ability to carry on diversified business activities under one name;
- Our ability to provide satisfactory services to our Hotel customers;
- Fluctuations in other operating costs;
- Our ability to meet our working capital requirements;
- Our ability to successfully implement our business strategy and plans;
- General economic and business conditions in the markets in which we operate and in the local, regional, national and international economies;
- Changes in political and social conditions in India, the monetary and interest rate policies of India and other countries;
- Changes in government policies and regulatory actions that apply to or affect our business;
- Inflation, deflation, unanticipated turbulence in interest rates, equity prices or other rates or prices;
- The performance of the financial markets in India and globally;
- The occurrence of natural disasters or calamities;
- Other factors beyond our control;
- Our ability to manage risks that arise from these factors.

For a further discussion of factors that could cause our actual results to differ, refer to section titled “Risk Factors” and chapter titled “Management’s Discussion and Analysis of Financial Condition and Results of Operations” beginning on pages 28 and 213 respectively of this Prospectus. By their nature, certain market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual future gains or losses could materially differ from those that have been estimated.

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

## SECTION II - SUMMARY OF THE OFFER DOCUMENT

### OVERVIEW OF THE INDUSTRY

India **metals and mining sector** has witnessed strong growth over the past few years. Rise in infrastructure development and automotive production are driving growth in the sector.

In the **hotel and tourism sector**, 100% FDI is allowed through the automatic route. India is the destination for spiritual tourism. International hotel chains are increasing their presence, as it will account for around 47% share in this sector in India by 2020 & 50% by 2022.

The **infrastructure sector** has become the biggest focus area of the Government of India. Under Union Budget 2019-20, US\$ 63.20 billion was allocated to the sector.

### OVERVIEW OF THE BUSINESS

Incorporated in the year 1997, our Company has been principally engaged in the business of both manufacturing as well as trading of various kinds of ferrous and non-ferrous metals for more than 21 years. However, in order to synergize the operations and attaining higher business efficiencies, three of our group companies, the details of which has been provided in chapter titled “*Our Business*” on page no. 112 were amalgamated with our company. Consequently, our Company is continuing its operations in all the segments in which the transferor companies were dealing i.e. metal, hotel and construction business.

### OUR PROMOTERS

Our Company is promoted by Mr. Arun Kumar Jain.

### ISSUE SIZE

Initial Public issue of 37,56,000 equity shares of face value of Rs. 10/- each fully paid up for cash at a price of Rs. 28/- per equity share (including a share premium of Rs. 18/- per equity share) aggregating Rs. 1051.68 Lakhs by our company, of which 1,88,000 equity shares of face value of Rs. 10/- each fully paid up will be reserved for subscription by Market Maker to the issue (“Market Maker reservation portion”). The issue less the Market Maker reservation portion i.e. issue of 35,68,000 equity shares of face value of Rs. 10/- each fully paid up is hereinafter referred to as the “net issue”. The issue and the net issue will constitute 26.48% and 25.16% respectively of the post issue paid up equity share capital of the company.

### OBJECTS OF THE ISSUE

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

(Rs. In lakhs)

Sr. No.	Particulars	Amount
1.	Working Capital Requirements	1,011.68
2.	*Issue Expenses	40.00
	<b>Total</b>	<b>1,051.68</b>

\*As on June 23, 2020, our Company has incurred a sum of Rs. 7,62,400/- (Rupees Seven Lakhs Sixty Two Thousand Four Hundred Only) towards issue expenses.



### SHAREHOLDING OF PROMOTER AND PROMOTER GROUP

The table below presents the current shareholding pattern of our Promoters and Promoter Group (Individuals and company):

Sr. No.	Name of the Shareholder	Pre – Issue		Post – Issue	
		No. of Equity Shares	% of Pre-Issue Capital	No. of Equity Shares	% of Post-Issue Capital
(I)	(II)	(III)	(IV)	(V)	(VI)
	<b>Promoters</b>				
1.	Arun Kumar Jain	65,53,278	62.85	65,53,278	46.20
	<b>Promoter Group</b>				
2.	Smita Jain	15,45,420	14.82	15,45,420	10.90
3.	Vinco Metals Private Limited	77,012	0.74	77,012	0.54
4.	Bon Lon Securities Private Limited	3,22,974	3.10	3,22,974	2.28
5.	Bon Lon Private Limited	2,05,024	1.97	2,05,024	1.45
6.	Harshit Finvest Private Limited	2,65,010	2.54	2,65,010	1.87
7.	Arun Kumar Jain HUF	5,82,925	5.59	5,82,925	4.11
	<b>Total</b>	<b>95,51,643</b>	<b>91.61</b>	<b>95,51,643</b>	<b>67.35</b>

### SUMMARY OF CONSOLIDATED FINANCIAL INFORMATION

(Rs. In Lakhs)

Particulars	As on Dec. 31, 2019	As at March 31		
		2019	2018	2017
Share Capital	1042.73	1042.73	299.92	299.92
Net Worth	6,085.45	4,697.90	1,160.16	1,132.26
Total Revenue	18,699.12	21,744.31	24,313.49	23,881.15
Profit After Tax	1,251.15	282.32	27.78	17.47
Earnings per share (in Rs.)	12.00	3.79	0.93	0.58
NAV per equity (in Rs.)	58.39	46.40	43.35	42.42
Total Borrowing (as per Balance Sheet)	-	311.50	0.83	657.47

### AUDITOR QUALIFICATIONS

There is no Auditor's qualification which has not been given effect to in the Restated Financial Statements.

## SUMMARY OF OUTSTANDING LITIGATIONS

The brief details of the outstanding litigations are as follows:

### LITIGATION RELATING TO OUR COMPANY

(Amount in Lakhs)

Nature of Cases	No. of Cases Outstanding	Amount Involved
Civil proceedings	2	200.65
Criminal proceedings	Nil	Nil
Taxation matters	3	Cannot be quantified
Statutory or Regulatory authorities matters	Nil	Nil
Others	1	206.68
<b>Total</b>	<b>5</b>	<b>407.33</b>

### LITIGATIONS RELATING TO THE PROMOTER OF OUR COMPANY

(Amount in Lakhs)

Nature of Cases	No. of Cases Outstanding	Amount Involved
Civil proceedings	1	8.50
Criminal proceedings	Nil	Nil
Taxation matters	3	2,902.98
Statutory or Regulatory authorities matters	Nil	Nil
Others	1	8.68
<b>Total</b>	<b>5</b>	<b>2,920.16</b>

### LITIGATIONS RELATING TO THE DIRECTORS OTHER THAN PROMOTERS OF THE COMPANY

(Amount in Lakhs)

Nature of Cases	No. of Cases Outstanding	Amount Involved
Civil proceedings	Nil	Nil
Criminal proceedings	Nil	Nil
Taxation matters	3	1.88
Statutory or Regulatory authorities matters	Nil	Nil
Others	Nil	Nil
<b>Total</b>	<b>3</b>	<b>1.88</b>

### LITIGATIONS RELATING TO THE GROUP COMPANY/ENTITY

(Amount in Lakhs)

Nature of Cases	No. of Cases Outstanding	Amount Involved
Civil proceedings	2	7.30
Criminal proceedings*	1	-
Taxation matters	10	Cannot be quantified
Statutory or Regulatory authorities matters	Nil	Nil
Others	1	133.75
<b>Total</b>	<b>14</b>	<b>141.05</b>

\*Our group company B.C. Power Controls Limited has lodged a FIR under Section 397/394/34 of Indian Penal Code, 1860 bearing no 0292 and dated 09.09.2018 at the G.T.B. Enclave Police Station against the robbery of goods that took place at the Godown of the Company located at 488-D1, Dilshad Garden, New Delhi- 110095 on September 09, 2018. The Metropolitan Magistrate, Karkardooma Court, Delhi in their order dated February

22, 2019 stated the recovery of the robbed goods along with Cash from two people.. The matter stands adjourned and the charge sheet is yet to be filed.

For details, kindly refer chapter titled “Outstanding Litigations and Material Developments” beginning on page no 229 of this Prospectus.

## RISK FACTORS

Please refer section titled “Risk Factors” on page no 28 of this Prospectus.

## SUMMARY OF CONTINGENT LIABILITIES

Following is the summary of the Contingent Liabilities of the Company for the nine months ending December 31, 2019 and financial year ending March 31, 2019, 2018 and 2017:

(Rs. In Lakhs)

Particulars	Dec. 31, 2019	March 31, 2019	March 31, 2018	March 31, 2017
Bank Guarantee	2,495.00*	2,800.00	3,400.00	3,400.00

\*Modification of the same is yet to be filed with the RoC.

## SUMMARY OF RELATED PARTY TRANSACTIONS

Following is the summary of the related party transactions entered into by our Company for the nine months ending December 31, 2019 and financial year ending March 31, 2019, 2018 and 2017:

(Rs. In Lakhs)

Nature of Transactions	Name of Related Parties	Dec. 31, 2019	As at March 31		
			2019	2018	2017
Managerial Remuneration	Arun Kumar Jain	5.40	7.20	6.20	4.20
	Smita Jain	1.50	3.50	3.00	3.00
	Raj Jain	5.40	5.40	-	-
	<b>Total</b>	<b>12.30</b>	<b>16.10</b>	<b>9.20</b>	<b>7.20</b>
Rent Paid	Smita Jain	6.75	6.75	-	-
	<b>Total</b>	<b>6.75</b>	<b>6.75</b>	<b>-</b>	<b>-</b>
Sales	Smita Global Pvt Ltd	-	-	1,544.11	1,234.13
	B.C. Power Controls Ltd	11,092.86	4,949.14	7,983.07	4,692.88
	<b>Total</b>	<b>11,092.86</b>	<b>4,949.14</b>	<b>9,527.18</b>	<b>5,927.00</b>
Purchase	Smita Global Pvt Ltd	-	389.79	244.05	243.56
	B.C. Power Controls Ltd	199.88	2,904.35	12,185.85	5,245.12
	<b>Total</b>	<b>199.88</b>	<b>3,294.14</b>	<b>12,429.90</b>	<b>5,488.69</b>
Investment in Wholly Owned Subsidiary i.e. AKJ Metals Private Limited		231.00	-	-	-
	<b>Total</b>	<b>231.00</b>	<b>-</b>	<b>-</b>	<b>-</b>
Job Work Income	B.C. Power Controls Ltd	-	-	-	27.02
	<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>27.02</b>
Freight Paid	B.C. Power Controls Ltd	-	-	0.14	0.35
	<b>Total</b>	<b>-</b>	<b>-</b>	<b>0.14</b>	<b>0.35</b>
Freight Received	Smita Global Pvt Ltd	-	-	-	0.38
	<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.38</b>
Consignment Income Received	Smita Global Pvt Ltd	-	-	-	0.25
	<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.25</b>
Interest Received	Bonlon Securities	34.94	13.33	-	-

	Limited				
	Harshit Finvest Pvt Ltd	19.94	7.30	-	-
	<b>Total</b>	<b>54.87</b>	<b>20.63</b>	-	-
Interest Paid	Bonlon Private Limited	-	15.21	-	-
	<b>Total</b>	-	<b>15.21</b>	-	-
Commission Paid	B.C. Power Controls Ltd	-	-	0.73	0.40
	<b>Total</b>	-	-	<b>0.73</b>	<b>0.40</b>
Loading & Unloading Paid	B.C. Power Controls Ltd	-	-	0.01	0.06
	<b>Total</b>	-	-	<b>0.01</b>	<b>0.06</b>
Unsecured Loan	Arun Kumar Jain	-	307.50	0.25	10.75
	Smita Jain	-	4.00	0.30	21.80
<b>5) The figures disclosed above are based on the Restated Consolidated Financial Statements of the Company.</b>			<b>311.50</b>	<b>0.55</b>	<b>32.55</b>
Payables	Smita Global Pvt Ltd	-		90.47	939.33
	Arun Kumar Jain	-	307.50	0.25	10.75
	Smita Jain	-	4.00	0.30	21.80
	Expenses Payable	4.77	0.51	-	-
	B.C. Power Controls Limite	1,404.84	-	-	-
	Vinco Metals Private Limited	456.50	-	-	-
	<b>Total</b>	<b>1866.11</b>	<b>312.01</b>	<b>91.02</b>	<b>971.88</b>
Receivables	B.C. Power Controls Ltd	-	-	-	1,244.45
	Bonlon Pvt Ltd	1,490.50	-	-	-
	Bonlon Securities Ltd	2,077.00	-	-	-
	Harshit Finvest Pvt Ltd	1,138.60	-	-	-
	<b>Total</b>	<b>4706.10</b>	-	-	<b>1,244.45</b>

For details of Related Party Transactions entered into by our Company, please refer to the chapter titled“*Related Party Transactions*” beginning on page 182 of this Prospectus.

#### **DETAILS OF FINANCING ARRANGEMENTS**

There are no financing arrangements whereby the promoter, members of the promoter group, the directors of our Company which is a promoter of our Company, 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 this Prospectus.

#### **WEIGHTED AVERAGE COST OF ACQUISITION OF EQUITY SHARES BY OUR PROMOTER**

No equity shares were acquired by our Promoter in the last one year from the date of this Prospectus.

#### **AVERAGE COST OF ACQUISITION OF EQUITY SHARES BY OUR PROMOTER**

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

Name of the Promoter	No. of Shares held	Average cost of Acquisition (in Rs.)
Arun Kumar Jain	6,553,278	23.08

**PRE-IPO PLACEMENT**

Our Company does not contemplate any pre-issuance or pre-placement of equity shares from the date of this Prospectus till the listing of the equity shares.

**EQUITY SHARES ISSUED IN CONSIDERATION OTHER THAN CASH**

Except as disclosed in the chapter titled “*Capital Structure*” beginning on page 62 of this Prospectus, we have not issued any Equity Shares for consideration other than cash.

**SPLIT OR CONSOLIDATION OF EQUITY SHARES**

There has been no split or consolidation of equity shares in our Company in the last one year from the date of this Prospectus.

### SECTION III – RISK FACTORS

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

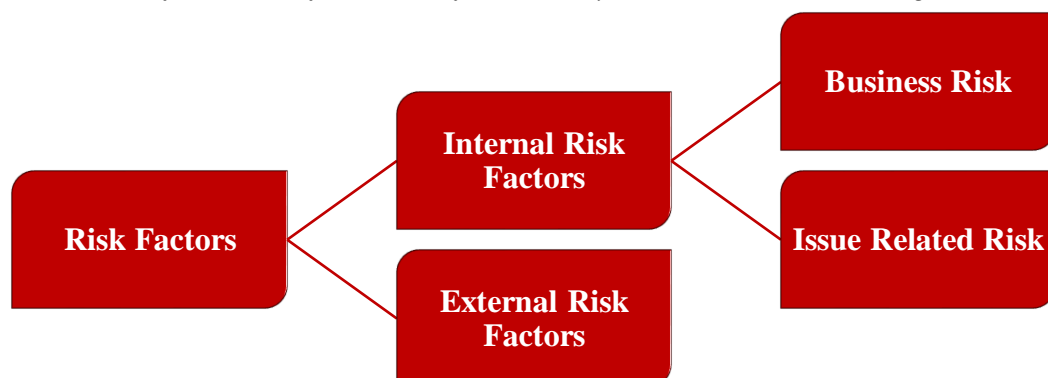
*Unless otherwise stated in the relevant risk factors set forth below, we are not in a position to specify or quantify the financial or other implications of any of the risks mentioned herein. To obtain a complete understanding, you should read this section in conjunction with the chapters titled “Our Business” beginning on page 112, “Our Industry” beginning on page 103 and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” beginning on page 213 respectively, of this Prospectus as well as other financial information contained herein.*

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

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

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

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



## 1. INTERNAL RISK FACTORS

### 1. Business Risks/ Company specific Risk

#### A. Sector specific risks:

#### METAL BUSINESS:

#### 1. Our manufacturing activity is not constant and has to be suspended at times leading to low capacity utilisation.

Our business includes both manufacturing and trading of products made from different kinds of metals like copper, aluminum, zinc, predominantly copper. We have our manufacturing unit located at Plot No.G-1-663, RIICO Industrial Area, Bhiwadi, Alwar, Rajasthan to manufacture our products. However, the scale of our manufacturing activity is the function of the cost of production and the intensity of demand for our products along with certain other factors. Copper prices are known to change every day, impacted by copper supply and demand. Resultantly, we have not been carrying on our production activities at a stretch in the past few years and have suspended production at length, as a result of which our capacity utilisation has been very low. We cannot assure you that we will be carrying on the manufacturing activities on a regular basis or there would not be any fluctuations in it in the foreseeable time. Further, such fluctuations or any prolonged halt in the manufacturing activities may require us to make substantial capital expenditures in our plant and machineries. Additionally, our inability to restart the manufacturing activities after such halt would adversely affect our business and our results of operations.

#### 2. There are certain outstanding litigations involving our Company, our Promoter, our Directors and our Group Entities and any adverse outcome in any of these proceedings may adversely affect our profitability and reputation and may have an adverse effect on our results of operations and financial condition.

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

#### LITIGATION RELATING TO OUR COMPANY

(Amount in Lakhs)

Nature of Cases	No. of Cases Outstanding	Amount Involved
Civil proceedings	2	200.65
Criminal proceedings	Nil	Nil
Taxation matters	3	Cannot be quantified
Statutory or Regulatory authorities matters	Nil	Nil
Others	1	206.68
<b>Total</b>	<b>5</b>	<b>407.33</b>

#### LITIGATIONS RELATING TO THE PROMOTER OF OUR COMPANY

(Amount in Lakhs)

Nature of Cases	No. of Cases Outstanding	Amount Involved
Civil proceedings	1	8.50
Criminal proceedings	Nil	Nil

Taxation matters	3	2,902.98
Statutory or Regulatory authorities matters	Nil	Nil
Others	1	8.68
<b>Total</b>	<b>5</b>	<b>2,920.16</b>

#### LITIGATIONS RELATING TO THE DIRECTORS OTHER THAN PROMOTERS OF THE COMPANY

(Amount in Lakhs)

Nature of Cases	No. of Cases Outstanding	Amount Involved
Civil proceedings	Nil	Nil
Criminal proceedings	Nil	Nil
Taxation matters	3	1.88
Statutory or Regulatory authorities matters	Nil	Nil
Others	Nil	Nil
<b>Total</b>	<b>3</b>	<b>1.88</b>

#### LITIGATIONS RELATING TO THE GROUP COMPANY/ENTITY

(Amount in Lakhs)

Nature of Cases	No. of Cases Outstanding	Amount Involved
Civil proceedings	2	7.30
Criminal proceedings*	1	-
Taxation matters	10	Cannot be quantified
Statutory or Regulatory authorities matters	Nil	Nil
Others	1	133.75
<b>Total</b>	<b>14</b>	<b>141.05</b>

\*Our group company B.C. Power Controls Limited has lodged a FIR under Section 397/394/34 of Indian Penal Code, 1860 bearing no 0292 and dated 09.09.2018 at the G.T.B. Enclave Police Station against the robbery of goods that took place at the Godown of the Company located at 488-D1, Dilshad Garden, New Delhi- 110095 on September 09, 2018. The Metropolitan Magistrate, Karkardooma Court, Delhi in their order dated February 22, 2019 stated the recovery of the robbed goods along with Cash from two people. The matter stands adjourned and the charge sheet is yet to be filed

For details, kindly refer chapter titled “Outstanding Litigations and Material Developments” beginning on page 229 of this Prospectus.

- Activities involving our manufacturing process can be dangerous and can cause injury to people or property in certain circumstances. Further, a significant disruption at any of our manufacturing facilities may adversely affect our production schedules, costs, sales and ability to meet customer demand.*

Our business operations are subject to hazards such as risk of equipment failure, work accidents, fire or explosion and require individuals to work under potentially dangerous circumstances. Although we employ safety procedures in the operation of our facilities and maintain what we believe to be adequate insurance, there is a risk that an accident or death may occur in our facilities. An accident may result in destruction of property or equipment, environmental damage, manufacturing or delivery delays, or may lead to suspension of our operations and/or imposition of liabilities. Any such accident may result in litigation, the outcome of which is difficult to assess or quantify, and the cost to defend litigation can be significant. As a result, the costs to defend any action or the potential liability resulting from any such accident or death



or arising out of any other litigation, and any negative publicity associated therewith, may have a negative effect on our business, financial condition, results of operations, cash flows and prospects.

In particular, if operations at our manufacturing facility were to be disrupted as a result of any significant workplace accident, equipment failure, natural disaster, power outage, fire, explosion, terrorism, adverse weather conditions, labor dispute, obsolescence or other reasons, our financial performance may be adversely affected as a result of our inability to meet customer demand or committed delivery schedules for our products. Interruptions in production may also increase our costs and reduce our sales, and may require us to make substantial capital expenditures to remedy the situation or to defend litigation that we may become involved in as a result, which may negatively affect our profitability, business, financial condition, results of operations, cash flows and prospects.

**4. *Any fluctuation in the demand and supply of the raw materials, traded products and final products offered by us may adversely affect our performance.***

The principal materials used by us for manufacturing our products are copper scrap, copper cathode & copper ingots. The products traded predominantly are also copper based. These materials are either imported by us or are procured from the domestic suppliers. However, in the nine months ended December 31, 2019 and in the FY 2018-19 there were no imports of any of these materials and the supply of the same was met entirely by the domestic suppliers.

The price of the above stated materials has been fluctuating, which is evident from the cost of materials consumed & purchased to revenue from operations ratio of 99.11%, 99.71%, 100.09%, and 98.73%, for the nine months ended December 31, 2019 and for financial years 2018-19, 2017-18 and 2016-17 respectively as per consolidated restated financials. The price and availability of these materials depend on several factors beyond our control, including overall economic conditions, production levels, market demand and competition for such materials, production and transportation cost, duties and taxes and trade restrictions. Any increase in the prices of the materials may affect our procurement of materials and will result in corresponding increases in our product costs, while the increase in the selling price of the finished products may not be proportionate to the increase in material price. Such change in pricing may adversely affect our sales, cash flow and our overall profitability. We usually do not enter into long term supply contracts with any of our material suppliers and typically place orders with them based on our assessment of demand for our products. The absence of long term contracts at fixed prices exposes us to volatility in the prices of materials that we require. If we are unable to compensate for or pass on our increased costs to end-customer, such price increases could have an adverse impact on our result of operations, financial condition and cash flows. We also face a risk that one or more of our existing suppliers may discontinue their supplies to us. Any inability on our part to procure materials from alternate suppliers in a timely fashion, or on terms acceptable us, may adversely affect our operations. However, in the past we have not faced any problem on non-supply of materials by our suppliers and have been able to pass on increased cost to end-customers.

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

In order to keep going our production activities, it is implied that we would require a sustained supply of electricity. In the event there is any disruption of power supply for long, the same could result in disruption in the production and therefore, may adversely affect our results of operations and financial condition of the company. However there have been no such instances of long outages in the past few years. Further, as precautionary measures we have also installed diesel generators to support our manufacturing activities in case of shortage of power supply. Currently, the supply of electricity is met by Jaipur Vidyut Vitran Nigam Limited.

**6. *A significant disruption of civil infrastructure, transport or logistic services, may create delays in deliveries of products distributed by us.***

We rely on various forms of transportation to receive materials required for the manufacturing as well as trading of our products and to deliver the same to our customers. Any unexpected delays in those deliveries, increase in the transportation costs, could significantly decrease our ability to make sales and earn profits. In addition, labour shortages or labour disagreements in the transportation infrastructure may lead to delays or interruptions of deliveries could materially adversely affect our business. Further, we cannot assure you that we will be able to secure sufficient transport capacity for these purposes. A significant disruption of any nature could lead to a failure to provide products distributed by us in a timely manner, which would adversely affect our business and results of operations.

**7. *Breakdowns of our plant & machinery or failures to repair or maintain the same may affect our business.***

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

**8. *Our Group Companies/Entities are engaged in business activities similar to our own, which may cause a potential conflict of interest with us.***

Some of our Group Companies/Entities i.e. B.C. Power Controls Limited, Vinco Metals Private Limited and Vaishno Metals and Allied Industries (Partnership Firm) are engaged in the business activities that are similar to those being undertaken by our Company. We also have certain related party transactions within the group and which have been taken place quite often as on nine months ended December 31, 2019 the details of which have been provided on page no 209 of this Prospectus. Further, it is likely that we may continue similar arrangement with our related parties in the future. Such related party transactions may potentially involve conflicts of interest. There can be no assurance that these Group Companies/Entities will comply, in part or at all, with the terms as mutually agreed. In case any dispute arises in near future with the Group Companies/entities, it may result in a conflict of interest with us, which may have an adverse impact on our business. For further information, please refer to “*Our Group Entities*” on page 164 of this Prospectus. Though the Companies Act, 2013 has brought into effect significant changes to the Indian company law framework including specific compliance requirements such as obtaining prior approval from the audit committee, board of directors and shareholders for certain related party transactions, we cannot assure you that such transactions, individually or in the aggregate, will not have an adverse effect on business and financial results, including because of potential conflicts of interest or otherwise. However, our Company shall follow the provisions as laid down under Companies Act, 2013 and SEBI (LODR) Regulations, 2015.

**HOTEL BUSINESS:**

**9. *As of now we own only one hotel i.e. Bonlon Inn and hence the entire revenue from the hotel segment of our business is generated from the same.***

As of now, we have only one hotel taken on lease in the name and style of Hotel Bonlon Inn situated at 7A/39, WEA Channa Market, Karol Bagh, New Delhi- 110005 having 24 rooms. Consequently, our revenues in this segment are derived from the aforesaid hotel only which constitutes a very miniscule percentage to our revenues. The revenue generated from our hotel was Rs. 33.65 Lakhs in the nine months

ended December 31, 2019 and Rs. 34.79 lakhs for the financial year ending March 31<sup>st</sup>, 2019. Any decrease in the revenue from our hotel, including due to increased competition or supply, or reduction in demand, in the region in which we operate, may have an adverse effect on our business operations and financial conditions.

Further, any significant disruption, including due to social, political or economic factors or natural calamities, epidemics or civil disruptions, impacting our hotel or the region in which it is situated, may adversely affect our business. Changes in the policies of the state or local governments could require us to incur significant capital expenditure and change our business strategy. We cannot assure you that we will be able to address our reliance on these few hotels and hotels located in these regions, in the future.

***10. Our Hotel Lodging and Health Trade License were suspended recently on account of prima-facie violations of the fire safety requirements.***

Operating a Hotel involves maintaining the specified benchmarks in terms of safety, hygiene and other factors. This includes obtaining numerous approvals and licenses from various authorities and getting them renewed as and when required. Amongst such licenses are the Health Trade License and the lodging license. These licenses of our hotel, along with many other hotels in the Karol Bagh area, were suspended by the Chief Fire Officer vide order no. 752-53/Joint CP/Lic. (H). dated February 18, 2019 on account of prima-facie violations for fire safety requirements. Such suspension was the result of the inspection carried out by the concerned authorities in all the hotels of the Karol Bagh area as an unfortunate incident of massive fire was reported in a hotel nearby in which more than dozens of people lost their lives. In consequence of the same, our hotel operations were adversely affected because of the said suspension. However, the fire safety certificate was later on restored by the Chief Fire Officer, Delhi Fire Service on March 12, 2019. The Health Trade License was also subsequently restored by the North Municipal Corporation of Delhi on March 15, 2019. Therefore the Joint Commissioner of Police, licensing Delhi restored our lodging license w.e.f. March 18, 2019.

Although we try not to violate any such specified requirements but we cannot assure that such events will not occur again. Repetition of such violations in future could have an adverse effect on our hotels reputation and might lead to some extreme orders against us by the authorities. Consequently, our business, results of operations and financial condition may get adversely affected.

***11. We are subject to extensive government regulation with respect to safety, health, environmental, real estate and labour laws. Any non-compliance with, or changes in, regulations applicable to us may adversely affect our business, results of operations and financial condition.***

We are committed to ensure the safety and security of our guests, employees and assets against natural and man-made threats. These include, but are not limited to, exceptional events such as extreme weather, civil or political unrest, employee dishonesty, fire, health crises of guests and other day-to-day accidents, incidents, which impact the guest or employee experience. These factors can cause loss of life, sickness or injury and result in compensation claims, fines from regulatory bodies, litigation and impact our reputation. Any accidents or any criminal activity at our hotel properties may result in personal injury or loss of life,substantial damage to or destruction of property and equipment resulting in the suspension of operations.Any accidents or any criminal activity at our hotel properties may result in personal injury or loss of life,substantial damage to or destruction of property and equipment resulting in the suspension of operations.Any of the foregoing could subject us to litigation, which may increase our expenses in the event we arefound liable, and could adversely affect our reputation and cause a loss of consumer confidence in ourbusiness.Such events occurring at our hotel property may also have an adverse effect on our reputation and hence our overall performance.

The adoption of stricter health and safety laws and regulations, stricter interpretations of existing laws, increased governmental enforcement of laws or other developments in the future may require that we make additional capital expenditures, incur additional expenses or take other actions in order to remain compliant and maintain our current operations. Further, complying with, and changes in, laws and regulations or terms of approval may increase our compliance costs and adversely affect our business, prospects, results of operations and financial condition.

***12. Operational risks are inherent in our hotel business as it includes rendering services at high quality standards. A failure to manage such risks could have an adverse impact on our business, results of operations and financial condition.***

Certain operational risks are inherent in our hotel business due to the nature of the industry in which we operate. We provide hospitality services, cleaning, housekeeping, and security services, at our hotel. In rendering such services our personnel are required to adhere to the standard operating procedures with regard to health, safety and hygiene and in their interaction with our guests and other members of the public. Consequently, our business is associated with certain safety, privacy and public health concerns. Failure to effectively implementing crisis response, training and management policies and protocols, adequately addressing& managing risks inherent in our business, meeting the requirements of our guests or to develop effective risk mitigation measures, could have an adverse effect on our hotels reputation, guest loyalty and consequently, our business, results of operations and financial condition.

***13. Our hotel business is subject to seasonal and cyclical variations that could result in fluctuations in our results of operations.***

The hotel industry in India is subject to seasonal variations. The revenues are generally higher during the second half of each financial year as compared to first half of the financial year as inbound leisure travel varies more with climatic factors and in Delhi as such it mainly occurs between October and March. It is therefore essential for us to understand the seasonality of the region we operate in, so that we can run our operations efficiently or it may lead to loss of business.

***14. We may be exposed to service related claims and losses or employee disruptions that could have an adverse effect on our reputation, business, results of operations and financial condition.***

Employee engagement is important in all industries, but the hospitality industry in particular. The hotel industry is customer-service driven, which means your employees are your sole brand ambassadors. Providing quality customer service is what that makes a hotel more famous and hence leads to huge footfall.

The risks associated with employee engagement at our hotel may include possible claims relating to:

- actions, inactions, errors or malicious acts by our personnel, including matters for which we may have to indemnify the guests at our hotels;
- failure of our personnel to adequately perform their duties including rendering deficient services, shortage in shift, absenteeism or lateness;
- violation by personnel of security, privacy, health and safety regulations and procedures;
- any failure to adequately verify personnel backgrounds and qualifications resulting in deficient services;
- injury or damages to any guest's person or property due to negligence of our personnel; and

- Criminal acts including sexual harassment, torts or other negligent acts by our personnel.

These claims may give rise to litigation and claims for damages, which could be time-consuming. These claims may also result in negative publicity and adversely impact the reputation of our hotel. Any losses that we incur in this regard may have an adverse effect on our reputation, business, results of operations and financial condition.

***15. The hotel industry is intensely competitive and our inability to compete effectively may adversely affect our business, results of operations and financial condition.***

The hotel industry in India is intensely competitive and we compete with large multinational and Indian companies. Some of our competitors may develop alliances to compete against us or have more financial and other resources. We cannot assure that the new or existing competitors will not significantly lower rates or offer greater convenience, services or amenities or significantly expand or improve facilities in the business we operate. We may also face increased competition from internet-based home stay and hostel aggregators and alternative accommodation options such as luxury home stays and bed and breakfasts.

***16. Failure to offer customer support in a timely and effective manner may adversely affect our relationships with our customers.***

The hotel business is highly driven by the customers. From time to time, our customers require our assistance to help them in many aspects in order to resolve their issues quickly and in providing ongoing support. If we do not devote sufficient resources or are otherwise unsuccessful in assisting our customers effectively, it could adversely affect our ability to retain the customers and could prevent prospective customers from availing our services. Increased demand for customer support, without corresponding revenue, could increase costs and adversely affect our business, results of operations and financial condition.

Our sales are highly dependent on our business reputation and on positive recommendations from our customers. Any failure to maintain quality customer support, or a market perception that we do not maintain quality customer support, could adversely affect our reputation, business, results of operations and financial condition.

**B. GENERAL RISKS ASSOCIATED WITH OUR BUSINESSES**

***17. The civil construction segment of our business has not been operative as of now.***

In order to synergize the operations and attaining higher business efficiencies, three of our group companies that were engaged in different segments of business, were amalgamated with our Company. In consequence to the aforesaid scheme, the main objects of the transferor companies were also merged with the objects of our Company and hence our Memorandum of Association was amended in this respect. The business of civil construction was initially in the objects of one of the transferor companies i.e. Harshit Promoters Private Limited, Transferor Company no. 2. Post the amalgamation, the objects of the aforesaid transferor company was included in the objects of our Company. However, so far no project has been operative in such line of business. Though we do wish to take a step forward in this segment and proceed with the business operations but there can be no assurance that such idea will be materialized. Our inability to implement this strategy may hamper our growth plans in future.

**18. *Our Businesses have been adversely affected due to the outbreak of COVID-19.***

The COVID-19 pandemic has caused the economy to experience a severe backlash amid various lockdowns and work stoppages across industry sectors. The outbreak has presented fresh challenges for the Indian economy, causing severe disruptive impact on both demand and supply side elements which has the potential to derail India's growth story. Greater uncertainty about the future course and repercussion of Covid-19 has also made the financial market extremely volatile, leading to huge crashes and wealth erosion, which in turn is impacting consumption levels. Given the challenges that the businesses and people are facing currently, the Indian economy is most likely to experience a lower growth during the last quarter of the current fiscal.

Due to the lockdown scenario, our business have been adversely affected and even after unlock, we have not been able to start our operations in full capacity. A prolonged impact of the Coronavirus may not have a favorable impact on the overall business prospects which may require considerable changes in business plans, timelines and cash flow planning.

**19. *Our associate NBFCs were in the list of “High risk Financial Institutions” of the Financial Intelligence Unit of India as on January 31, 2018 on account of non compliance with the Prevention of Money Laundering Act and Prevention of Money Laundering Rules for the non-registration of the Principal Officer.***

Pursuant to the relevant provisions of the Prevention of Money Laundering Act and Prevention of Money Laundering Rules, a NBFC is required to appoint a Principal Officer who shall oversee the compliances as prescribed under the PML Act and PML Rules and retain & make available the relevant information to the concerned authorities. The NBFCs that do not comply with the said requirement and remained outside the reporting ambit of FIU-IND posed a risk to the integrity of the country's financial system. The FIU-IND had published the list as on January 31, 2018 of around 9500 such 'non-compliant NBFCs' that did not fulfill their obligations under PML Act and Rules relating to non registration of Principal Officer. Three of our group NBFCs viz. were also the part of such list and thus were categorized amongst such “High Risk Financial Institutions” as on January 31, 2018. Although we have now made such default good by appointing the Principal Officers in all the three of our NBFCs however we cannot assure you that such default will not arise in future. Any repetition of such non-compliance may have serious repercussions that may turn into severe stringent penalty that could hamper our reputation and operations.

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

Our Promoter and Promoter Group will own 67.35% of our post-offer equity share capital. As a result, the Promoter Group may have the ability to control our business including matters relating to any sale of all or substantially all of our assets, the timing and distribution of dividends, if any and the election or termination of appointment of our officers and directors. This control could 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 making a tender offer or otherwise attempting to obtain control of the Company even if it is in the best interests of our Company. In addition, for so long as our Promoter & Promoter Group continues to exercise significant control in our Company, they may influence the material policies of the Company in a manner that could conflict with the interests of other shareholders. Our Promoter & Promoter Group may have interests that are adverse to the interests of our other shareholders and may take positions with which our other shareholders do not agree.

**21. The average cost of acquisition of Equity shares held by our Promoter is lower than the Issue price.**

The average cost of acquisition of Equity Shares of the Promoter in our Company is lower than the Issue Price of Equity Shares. Average cost of acquisition of equity shares by our promoter is as follows:

Name of the Promoter	No. of shares Held	Average cost of Acquisition (in. Rs.)	Issue Price (in Rs.)
Mr. Arun Kumar Jain	6,553,278	23.08	28.00

For further details regarding average cost of acquisition of equity shares by our promoter in our Company, please refer to the chapter titled “Capital Structure” beginning on page 62 of this Prospectus.

**22. Our properties including the Registered Office of the Company are not owned by us. In the event, we are unable to renew the lease/rent agreements, or if such agreements are terminated, we may suffer a disruption in our operations.**

All our properties from where we operate, including our registered office, factory (on long lease), godowns and hotel have been taken on rent/lease from third parties. The details of the same are provided hereunder:

Sr. No.	Location of the property	Ownership/Licensor / Lessor	Property Kind	Tenure	Purpose
1.	Plot No. G-1-663, RIICO Industrial Area, Bhiwadi, Alwar-301019, Rajasthan	Rajasthan State Industrial Development and Investment Corporation	Leasehold*	99 years	Manufacturing Unit
2.	488-D1, Dilshad Garden, New Delhi-110095 (Earlier known as 44-A, Dilshad Garden, New Delhi-110095)	Mr. Anubhav Jain	Rented	11 months	Godown
3.	7A/39, WEA, Channa Market, Karol Bagh, New Delhi-110005 excluding Room no. 11 on the first floor and basement	Mrs. Smita Jain	Rented	11 months	Hotel and Registered Office
4.	Fourth Floor, Office No. 401, Manek Plaza, 167 Vidya Nagri Marg, Kalina, Santacruz, Mumbai-400098	SarathiWM Promoters Private Limited*	Rented	11 months	Two sitting space

\*SarathiWM Promoters Private Limited is an associate Company of Sarathi Capital Advisors Private Limited i.e. the Lead Manager to this Issue.

These agreements are renewable on mutually agreed terms. Upon termination of the lease, we are required to return the said business premises to the landlord/lessor, unless renewed. There can be no assurance that the term of the agreements will be renewed and in the event the landlord/lessor terminates or does not renew the agreements on commercially acceptable terms, or at all, and we are required to vacate our offices, we may be required to identify alternative premises and enter into fresh lease or leave and license

agreement. Such a situation could result in loss of business, time overruns and may adversely affect our operations and profitability. However, the hotel premise is owned by Mrs. Smita Jain, Director and spouse of our Promoter Mr. Arun Kumar Jain therefore the rollover of the rent agreement can be done whenever required.

For details on properties taken on lease/rent by us please refer to the heading titled “Properties” in chapter titled “Our Business” beginning on page no 112 of this Prospectus.

**23. Our Company is involved in certain GST proceedings.**

Our Company has certain matters related to GST pending as on the date of this Prospectus. The litigation proceedings are going on and any liability would crystallize on the finalization of assessment by the GST authorities. If the said matters materialize, it may adversely affect the financial position of our Company. For details, kindly refer chapter titled “Outstanding Litigations and Material Developments” beginning on page 229 of this Prospectus.

**24. Our Company has contingent liabilities which if materializes may adversely affect the financial position of the Company.**

As on March 31, 2019, our Company has certain contingent liabilities such as it has provided corporate guarantees of Rs. 2,800 Lakhs for certain loan facilities availed by one of our group entity B.C. Power Controls Limited. For such guarantee, our factory premises which is situated at G-1/663 RIICO Industrial Area, Bhiwadi, Rajasthan has been subjected to an Equitable Mortgage in favor of Bank of India which has extended such financial facility. In the event that this guarantee is revoked or withdrawn, the lender for such facility may require alternative guarantees, repayment of amount outstanding under such facility, or may even terminate such facility. In case our group fails in procuring alternative guarantees satisfactory to the lender, or is unable to repay the outstanding amount under such facility, our property may be attached, which will result in loss to our Company. The details related to the contingent liabilities of our Company are as follows:

(Amount in Lakhs)

Particulars	Dec. 31, 2019	As at 31 <sup>st</sup> March		
		2019	2018	2017
Bank Guarantee/LC Discounting for which FDR margin money has been given to the bank as Security	2,495.00*	2,800.00	3,400.00	3,400.00
<b>Total</b>	<b>2,495.00</b>	<b>2,800.00</b>	<b>3,400.00</b>	<b>3,400.00</b>


\*Modification form is yet to be filed with the RoC

**25. Our Company has made application for registration of trademark, which is under process of registration. We are unable to assure that the future viability or value of any of our intellectual property or that the steps taken by us to protect the proprietary rights of our Company will be adequate.**

The current status of the application for registration of trademark is as follows:

Sr. No.	Logo	Date of Application/ Approval date	Application No./Trademark No.	Class	Current Status
1.		April 29, 2019	4160655	43	Accepted & Advertised



2.		July 02, 2019	4222794	09	Objected
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The registration for the said trademark in our name is important to retain our brand equity. If our application for registration is not accepted or if the oppositions filed against our trademark application if any, are successful, we may lose the statutory protection available to us under the Trade Marks Act, 1999 for such trademark. Further, we cannot assure that our pending application would be granted registration or if granted registration, will not be invalidated or circumvented. We are unable to assure that the future viability or value of any of our intellectual property or that the steps taken by us to protect the proprietary rights of our Company will be adequate.

- 26. Our top 10 customers contributed 96.09%, 90.84%, 92.97% and 81.67%, of our revenues for the nine months ended December 31, 2019 and for the financial year ended March 31, 2019, 2018 and 2017 respectively. Any loss of business from one or more of them may adversely affect our revenues and profitability.**

Our top 10 customers contributed 96.09%, 90.84%, 92.97% and 81.67% of our revenues for the nine months ended December 31, 2019 and for the financial year ended March 31, 2019, 2018 and 2017 respectively. Any decline in our quality standards, growing competition and any change in the demand for our products by these customers may adversely affect our ability to retain them. We cannot assure that we shall generate the same quantum of business, or any business at all, from these customers, and loss of business from one or more of them may adversely affect our revenues and profitability. However, the composition and revenue generated from these might change as we continue to add new customers in normal course of business. We intend to retain our customers by offering quality products to address specific needs in a proactive, cost effective and time efficient manner. This helps us in providing better value to each customer thereby increasing our engagement with our new and existing customer base that presents a substantial opportunity for growth.

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

We require certain statutory and regulatory permits, licenses and approvals to operate our businesses. Though we believe that we have obtained those permits and licenses which are adequate to run our businesses, there is no assurance that there are no other statutory/regulatory requirements which we are required to comply with. Some of the approvals are granted for a fixed period of time and need renewal from time to time. We are required to renew such permits, licenses and approvals. Further, certain licenses and registrations obtained by our Company contain certain terms and conditions, which are required to be complied with. Any default by our Company in complying with the same, may result in inter alia the cancellation of such licenses, consents, authorizations and/or registrations, which may adversely affect our operations. There can be no assurance that the relevant authorities will issue or renew any of such permits or approvals in time or at all. Failure to renew, maintain or obtain the required permits or approvals in time may result in the interruption of our operations and may have a material adverse effect on our business. For further details, please refer to section titled “Government and Other Statutory Approvals” beginning on page 239 of this Prospectus.

- 28. Our operations are significantly dependent on our ability to successfully identify customer requirements and gain customer acceptance for our products. If we fail to do so, our business may suffer.**

Our future success depends on our ability to ensure continued demand for our products which requires us to continuously anticipate and respond in a timely manner to customer requirements. Further, our success is dependent on our ability to gain customer acceptance for products as well as services. If we are unable to

successfully anticipate customer requirements in a timely manner, we may lose customers or become subject to greater pricing pressures. However, with continuous updates from the industries in which we operate, we try to maintain and reach expectations of the customers to meet the market trends.

**29. Our Company has filed certain forms late with additional fees with Registrar of Companies as prescribed under the Companies Act, during the last three years.**

Under the provisions of Companies Act, certain forms are required to be filed within prescribed timelines. In the past our Company has exceeded such timeline for filing the forms and has paid additional fees. If our company fails to comply with the provisions for filing of forms under the provisions of the Companies Act, then the company and/or every officer of the company who is in default is punishable with fine.

**30. Our Company may incur penalties or liabilities for some inaccuracy/clerical errors in the forms filed with ROC under certain provisions of the Companies Act.**

There have been some inaccuracies/clerical mistakes in filing of certain forms with ROC, which may result in levy of penalties, which may adversely affect our financial health and reputation. Although no show cause notice have been issued against our Company till date in respect of above, we cannot rule out the possibility of receiving a notice or initiation of any legal or regulatory action against us in future. The imposition of any liability on us on account of such erroneous filings, including their re-occurrence, could adversely affect our business and reputation.

**31. Certain of our old corporate records are not available with us.**

We are unable to trace certain corporate records in relation to allotment of shares, forms for change in directors of our Company. We have also been unable to trace copies of certain transfer deeds for transfer of equity shares. These documents pertain to the period commencing from 1997 to 2006. Despite having conducted an extensive search in the records of our Company, we have not been able to retrieve the aforementioned documents, and accordingly, have relied on other documents, such as our share transfer register, register of members, register of directors, board resolutions and minutes, annual returns to verify the details of our equity shares allotted during this period and change in directors of the Company.

**32. Our Company had negative cash flows from our operating activities, investing activities as well as financing activities in some of the previous year(s) as per the Restated Consolidated Financial Statements and the same are summarized as under:**

Our Company had negative cash flows from our operating activities, investing activities as well as financing activities in some of the previous year(s) as per the Restated Consolidated Financial Statements and the same are summarized as under:

(Rs. in Lakhs)

Particulars	Dec. 31, 2019	As on March 31,		
		2019	2018	2017
Cash Flow from/ (used in) Operating Activities	843.94	(437.33)	551.91	196.82
Cash Flow from/ (used in) Investing Activities	453.83	417.92	176.45	72.85
Cash Flow from/ (used in) Financing Activities	(314.39)	(221.90)	(658.96)	(356.93)

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

**33. *We face competition in our businesses from domestic & international competitors. Such competition may have an adverse impact on our business and financial performance.***

The sectors in which we operate are the competitive sectors in which there are several large competitors that operate in the respective industries, which may be developing new strategies and technologies. The development of new and superior products by a competitor could affect our ability to perform advantageously. There is a risk that existing competitors or new entrants to the market may develop superior or more cost effective products, which could have an adverse effect on our business and financial position. We may be unable to develop further products or keep pace with the improvements and developments in the market space, and may lose market share to our competitors.

Furthermore, our competitors may have greater operational, financial, technical, management or other resources than we do and may be able to achieve better economies of scale and lower cost of capital, allowing them to quote more competitive rates to our customers. Our competitors may also have a more effective or established localized business presence or a greater willingness or ability to operate with little or no operating margins for sustained periods of time. Our market position depends on our pricing, innovation, development and operation capabilities, reputation and track record.

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

Our operations are subject to various Central and State environmental laws and regulations relating to the control of pollution in the area where we operate. In particular, the discharge or emission of domestic sewage, dust or other pollutants into the air, soil or water that exceed permitted levels and cause damage to others may give rise to liability to the Government and third parties and may result in our incurring costs to remedy such discharge or emissions.

There can be no assurance that compliance with such environmental laws and regulations will not result in a curtailment of operations, or a material increase in the costs of operations, or otherwise have a material adverse effect on the financial condition and results of our operations. While as on the date of this Prospectus, we are not subject to any environmental legal proceedings, we may be imp leded in such legal proceedings in the course of our business. No assurance can be given that we will be successful in all, or any, of such proceedings. However, we have installed and maintained all equipments as required for pollution control and have not been given any adverse remark by Rajasthan Pollution Control Board.

**35. *Failure to manage our inventory could have an adverse effect on our sales, profitability, cash flow and liquidity.***

The results of operations of our business are dependent on our ability to effectively manage our inventories specially the stock of finished goods. For the nine months ended December 31, 2019 and for the financial years ending in March 31, 2019, 2018 and 2017, our inventories were Rs. 546.24, Rs. 53.13 Lakhs, Rs. 1,393.45 Lakhs and Rs. 829.77 Lakhs respectively, which constituted 0.25%, 5.76% & 3.49% respectively of our net revenues on for the same periods respectively. If we misjudge the expected customer demand for our products, it could adversely impact our results by causing either a shortage of products or an accumulation of excess inventory.

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

We may encounter problems in executing the orders/demands in relation to the products offered by us, or executing it on a timely basis. Moreover, factors beyond our control or the control of our customers may result in the postponement of the delivery/execution of our products or may cause its cancellation. Accordingly, it is difficult to predict with certainty that, when, and to what extent we may be able to

deliver/execute the orders placed. Any failure to adhere to the conditions which may be beyond our control may subject us to penalties which could have an effect on the result of operation and cash flow.

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

Our operations involve extending credit, ranging typically from 60-90 days, to our customers in respect of our products. Consequently, we face the risk of the uncertainty regarding the receipt of these outstanding amounts. Accordingly, we had and may continue to have high levels of outstanding receivables. For the nine months ended December 31, 2019 and for the financial years ending in March 31, 2019, 2018 and 2017, our trade receivables were Rs. 2,260.45, Rs. 867.63 lakhs, Rs. 328.52 lakhs and Rs. 2,591.25 lakhs respectively, which constituted 12.09%, 4.04%, 1.36% & 10.89% respectively of our gross revenues from operations for the same periods respectively as per restated consolidated financial statements. In such a situation, our working capital need will be increased substantially and may lead to lower sales and profits.

If a customer defaults in making its payments of an order on which we have devoted significant resources, or if an order in which we have invested significant resources is delayed, cancelled or does not proceed to completion, it could have a material adverse effect on our Company's results of operations and financial condition.

If any of our customers fail to make payments to us or become insolvent, we would suffer losses and our financial condition and results of operations could be adversely affected. Moreover, sale of our products and services are generally not supported by letters of credit or bank guarantee. In case of any disputes or differences or default with regard to our payments, we would have to initiate appropriate recovery proceedings and which may be costly and time consuming. There is no guarantee on the timelines of all or any part of our customer's payments and whether they will be able to fulfil their obligations, which may arise from their financial difficulties, cash flow difficulties, deterioration in their business performance, or a downturn in the global economy. If such events or circumstances occur, our financial performance and our operating cash flows may be adversely affected.

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

Our ability to achieve our financial objectives will depend on our ability to identify, evaluate and accomplish business strategies. To grow our business, we will need to hire, train, supervise and manage new employees and to implement systems capable of effectively accommodating our growth. Even though we have successfully executed our business strategies in the past, there is no guarantee that we can implement the same on time and within the estimated budget going forward, or that we will be able to meet the expectations of our targeted customers. Further, changes in regulations applicable to us may also make it difficult to implement our business strategies. Failure to implement our business strategies in time or at all would have a material adverse effect on our business and results of operations.

***39. We have not made any alternate arrangements for meeting our working capital requirements for the Objects of the Issue. Further, we have not identified any alternate source of financing the "Objects of the Issue". Any shortfall in raising/meeting the same could adversely affect our growth plans, operations and financial performance.***

As on date, we have not made any alternate arrangements for meeting our working capital requirements for the Objects of the Issue. Further, we have not identified any alternate source of working capital funding and hence any failure or delay on our part to raise money from this issue or any shortfall in the issue proceeds could adversely affect our growth plans. We meet our working capital requirements through our owned funds, internal accruals and debt. Any shortfall in our net owned funds, internal accruals and our inability to raise debt would result in us being unable to meet our working capital requirements, which in turn will

negatively affect our financial condition and results of operations. For further details please refer to the chapter titled “Objects of the Issue” beginning on page 94 of this Prospectus.

- 40. *Within the parameters as mentioned in the chapter titled ‘Objects of this Issue’ beginning on page 94 of this Prospectus, our Company’s management will have flexibility in applying the proceeds of this Issue. The fund requirement and deployment mentioned in the Objects of this Issue for one of the object working capital have not been appraised by any bank or financial institution.***

The fund requirement and deployment for one of the object working capital, as mentioned in the “Objects of the Issue” on page 94 of this Prospectus is based on the estimates of our management and has not been appraised by any bank or financial institution or any other independent agency. These fund requirements are based on our current business plan and order position. We cannot assure that the current business plan will be implemented or strategy shall be executed in its entirety or at all. In view of the highly competitive and dynamic nature of our business, we may have to revise our business plan from time to time and consequently these fund requirements. Further, as the appointment of a Monitoring Agency under Regulation 137 of the SEBI (ICDR) Regulations, 2018 is not required as our issue size does not exceed Rs. 10,000.00 Lakhs, hence the deployment of the funds as stated under chapter “Objects of the Issue” is entirely at the discretion of our Board of Directors and is not subject to monitoring by any external independent agency.

- 41. *Any variation in the utilization of the Net Proceeds or in the terms of any contract as disclosed in this Prospectus would be subject to certain compliance requirements, including prior shareholders’ approval.***

We propose to utilize the Net Proceeds as stated under section titled "Objects of the Issue". For further details of the proposed objects of the Issue, please refer to section titled "Objects of the Issue" beginning on page 94 of this Prospectus. At this stage, we cannot determine with any certainty if we would require the Net Proceeds to meet any other expenditure or fund any exigencies arising out of competitive environment, business conditions, economic conditions or other factors beyond our control. In accordance with Section 27 of the Companies Act, 2013, we cannot undertake any variation in the utilization of the Net Proceeds or in the terms of any contract as disclosed in this Prospectus without obtaining the shareholders’ approval through a special resolution. In the event of any such circumstances that require us to undertake variation in the disclosed utilization of the Net Proceeds, we may not be able to obtain the shareholders’ approval in a timely manner, or at all. Any delay or in ability 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 change the objects of the Issue or vary the terms of such contracts, at a price and manner as prescribed by SEBI. Additionally, the requirement on Promoter or controlling shareholders to provide an exit opportunity to such dissenting shareholders may deter the Promoter or controlling shareholders from agreeing to the variation of the proposed utilization of the Net Proceeds, even if such variation is in the interest of our Company. Further, we cannot assure you that the Promoter or the controlling shareholders of our Company will have adequate resources at their disposal at all times to enable them to provide an exit opportunity at the price prescribed by SEBI.

In light of these factors, we may not be able to undertake variation of objects of the Issue to use any unutilized proceeds of the Fresh Issue, if any, or vary the terms of any contract referred to in this Prospectus, even if such variation is in the interest of our Company. This may restrict our Company’s ability to respond to any change in our business or financial condition by re-deploying the unutilized portion of Net Proceeds, if any, or varying the terms of contract, which may adversely affect our business and results of operations.

***42. Our revenues and expenses are difficult to predict and can vary significantly from period to period, which could cause our share price to decline.***

Our revenue and profitability have grown in certain years and are likely to vary significantly in the future from period to period. Therefore, we believe that period to period comparisons of our results of operations are not necessarily meaningful and should not be relied upon as an indication of our future performance. It is possible that in future our results of operations may be below market expectations, which could cause the share price of our equity shares to decline significantly.

***43. Our business operations may be materially adversely affected by increase in salaries & wages, strikes, work stoppages or increased wage demands by our employees.***

As on May 31, 2020, we employed 15 persons to perform a variety of functions in our daily operations. However, we have observed an overall tightening of the employee market and an emerging trend of shortage of skilled labor. We believe that the inputs and experience of our senior management are valuable for the development of business and operations and the strategic directions taken by our Company. Failure to obtain stable and dedicated employee support may cause disruption to our business that may harm our operations. Furthermore, employee costs have been rising and may continue to increase in the near future. To remain competitive, we may need to increase the salaries of our employees to attract and retain them. Any increase in employee costs may harm our operating results, cash flows and financial condition. Also, work stoppages caused by disagreements with employees could have an adverse effect on our business and results of operations. We have not experienced any major disruptions in our business operations due to disputes or other problems with our work force in the past; however, there can be no assurance that we will not experience such disruptions in the future. Such disruptions may adversely affect our business and results of operations and may also divert the management's attention and result in increased costs.

India has stringent labour legislation that protects the interests of workers, including legislation that sets forth detailed procedures for dispute resolution and employee removal imposes financial obligations on employers upon employee layoffs and regulates contract labour. These laws may restrict our ability to have human resource policies that would allow us to react swiftly to the needs of our business, discharge employees or downsize. We may also experience labour unrest in the future, which may disrupt our operations. If such disruptions occur or continue for a prolonged period of time, our overall profitability could be negatively affected.

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

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

***45. The Promoter Group of our Company does not include certain relatives of our Promoter and/or entities in which these persons may have an interest.***

The Promoter Group of our Company does not include the brother of our Promoter, Promoter's son-in-law and the relatives of our Promoter's spouse. The aforesaid relative qualify within the meaning of "Promoter Group" as defined in Section 2 sub-section (zb) of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 and "Relative" as defined in Section 2 sub-section (77) of the Companies Act, 2013 but, as such, neither does they form part of the "Promoter Group" nor does they hold any equity shares in our

Company. As per our promoter, the said persons are not to be constituted under the “Promoter Group” of the Company. Therefore, the disclosures made in this Prospectus are limited to the extent of information that has been made available in relation to the Promoter Group and Group Companies/entities. For further details, please refer the chapter titled “Our Promoter and Promoter Group” beginning on page no. 160 of this Prospectus.

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

We have entered into certain transactions with our Promoter, Promoter Group, Group Companies/Entities, Directors and their relatives and may continue to do so in future. For absolute value of all transactions entered into with our related party entities please refer to Statement of Related Party Transactions under chapter “Financial Statement” beginning on page 184 of this Prospectus. These transactions or any future transactions with our related parties could potentially involve conflicts of interest. However, the Company cannot assure you that such transactions, individually or in the aggregate, will not have an adverse effect on business and financial results. Our Company shall follow the provisions as laid down under Companies Act, 2013 and SEBI (LODR) Regulations, 2015.

***47. Our Company may in the future avail, unsecured loans that may be recalled by the lenders at any time.***

Our Company may in the future avail, unsecured loans which may be recalled by the lenders at any time. In the event that any lender seeks a repayment of any such loan, then Company would need to find alternative sources of financing, which may not be available on commercially reasonable terms, or at all. Moreover, our Company may not have adequate working capital to continue our operations. As a result, any such demand may affect our business, and in turn may affect our cash flows and results of operations. For further details please refer chapter titled “Financial Information” beginning on Page 184 of this Prospectus.

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

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

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

Our Company and our Promoter have built relations with suppliers, customers and other persons who are connected with our business. Further, our Key Managerial Personal also possesses the requisite domain knowledge to provide efficient services to our clients. Accordingly, our Company’s performance is dependent upon the services of our Promoter and other Key Managerial Personnel. Our future performance

will, therefore, depend upon the continued services of these persons. Demand for key managerial personnel in the industry is intense and our inability to attract and retain Key Managerial Personnel may affect the operations of our Company.

**50. *We have not independently verified certain industry data in this Prospectus.***

We have not independently verified data from the industry and related data contained in this Prospectus and although we believe the sources mentioned in the report to be reliable, we cannot assure you that they are complete or reliable. Such data may also be produced on a different basis from comparable information compiled with regards to other countries. Therefore, discussions of matters relating to India, its economy or the industries in which we operate that is included herein are subject to the caveat that the statistical and other data upon which such discussions are based have not been verified by us and may be incomplete, inaccurate or unreliable. Due to incorrect or ineffective data collection methods or discrepancies between published information and market practice and other problems, the statistics herein may be inaccurate or may not be comparable to statistics produced elsewhere and should not be unduly relied upon. Further, we cannot assure you that they are stated or compiled on the same basis or with the same degree of accuracy, as the case may be, elsewhere.

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

We have taken insurance which may not be adequate enough for covering the entire future unforeseen liabilities that might occur in the normal course of business. There can be no assurance that any claim under the insurance policies maintained by us will be honored fully, in part or on time by the insurers. In addition, our insurance coverage expires from time to time. We apply for the renewal of our insurance coverage in the normal course of our business, but we cannot assure you that such renewals will be granted in a timely manner, at acceptable cost or at all. To the extent that we suffer loss or damage for which we did not obtain or maintain insurance, and which is not covered by insurance, exceeds our insurance coverage or where our insurance claims are rejected, the loss would have to be borne by us and our results of operations, cash flows and financial performance could be adversely affected. For further details on insurance arrangements, see the section titled “*Our Business*” on page 112 of this Prospectus.

**52. *Any Penalty or demand raised by statutory authorities in future will affect our financial position of our Company.***

Our Company is engaged in business of manufacturing and trading of different kinds of metals, hotel and civil construction, which attracts/attracted tax liability such as Customs duty, Excise, VAT, GST, Income Tax, as per the applicable provisions of Law. We are also subject to the labour laws like depositing of contributions with Provident Fund, ESIC etc. Though, we have generally deposited the required returns under various applicable Acts in time, any demand or penalty raised by the concerned authority in future for any previous year and current year will affect the financial position of our Company.

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

**53. *The Issue Price of the Equity Shares may not be indicative of the market price of the Equity Shares after the Issue.***

The Issue Price of the Equity Shares will be determined by our Company in consultation with the LM and will be based on numerous factors. For further information, see the section titled “*Basis for Issue Price*” on page 99 of this Prospectus. The Issue Price may not be indicative of the market price for the Equity Shares after the Issue. The market price of the Equity Shares could be subject to significant fluctuations after the



Issue and may decline below the Issue Price. There can be no assurances that applicants who are allotted Equity Shares through the Issue will be able to resell their Equity Shares at or above the Issue Price.

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

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

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

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

## **5. EXTERNAL RISK FACTORS**

**56. *A slowdown in economic growth in India could adversely affect our business, results of operations, financial condition and cash flows.***

We are dependent on domestic, regional and global economic and market conditions. Our performance, growth and market price of our Equity Shares are and will be dependent to a large extent on the health of the economy in which we operate. There have been periods of slowdown in the economic growth of India. Demand for our products may be adversely affected by an economic downturn in domestic, regional and global economies. Economic growth in the countries in which we operate is affected by various factors including domestic consumption and savings, balance of trade movements, namely export demand and movements in key imports of materials, 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, financial condition and cash flows. 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.

**57. *Changing laws, rules and regulations and legal uncertainties, including adverse application of tax laws, may adversely affect our business and financial performance.***

Our business and financial performance could be adversely affected by unfavorable changes in or interpretations of existing, or the promulgation of new laws, rules and regulations applicable to us and our business. Please refer to "Key Industry Regulations and Policies" on page 130 for details of the laws currently applicable to us.

There can be no assurance that the Government of India may not implement new regulations and policies which will require us to obtain approvals and licenses from the Government of India and other regulatory bodies or impose onerous requirements and conditions on our operations. Any such changes and the related uncertainties with respect to the applicability, interpretation and implementation of any amendment to, or change to governing laws, regulation or policy in the jurisdictions in which we operate may have a material adverse effect on our business, financial condition and results of operations. In addition, we may have to incur expenditures to comply with the requirements of any new regulations, which may also materially

harm our results of operations. Any unfavorable changes to the laws and regulations applicable to us could also subject us to additional liabilities.

GST has been implemented with effect from July 1, 2017 and has replaced the indirect taxes on goods and services such as central excise duty, service tax, central sales tax, state VAT and surcharge being collected by the central and state governments. The GST has led to increase tax incidence and administrative compliance. Any future amendments may affect our overall tax efficiency, and may result in significant additional taxes becoming payable.

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

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

**58. *Inflation in India could have an adverse effect on our profitability and if significant, on our financial condition.***

Inflation is typically impacted by factors such as governmental policies, regulations, commodity prices, liquidity and global economic environment. Any change in the government or a change in the economic and deregulation policies could adversely affect the inflation rates. Continued high rates of inflation may increase our costs such as salaries, travel costs and related allowances, which are typically linked to general price levels. There can be no assurance that we will be able to pass on any additional costs to our clients or that our revenue will increase proportionately corresponding to such inflation. Accordingly, high rates of inflation in India could have an adverse effect on our profitability and, if significant, on our financial condition.

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

Under current Indian tax laws, capital gains arising from the sale of equity shares within 12 months in an Indian company are classified as short term capital gains and generally taxable. Any gain realized on the sale of listed equity shares on a stock exchange that are held for more than 12 months is considered as long term capital gains and is taxable at 10%, in excess of Rs. 1,00,000. Any long term gain realized on the sale of equity shares, which are sold other than on a recognized stock exchange and on which no STT has been paid, is also subject to tax in India.

**60. *Any downgrading of India's debt rating by an independent agency may harm our ability to raise financing.***

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

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

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

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

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

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

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

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

Our business, and the market price and liquidity of our Equity Shares, may be affected by interest rates, changes in Government policy, taxation, social and civil unrest and other political, economic or other

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

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

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

## SECTION IV INTRODUCTION

### THE ISSUE

Particulars	Number of Equity Shares
Equity Shares Offered by the selling shareholders	37,56,000 Equity Shares of face value of Rs. 10/- each fully paid-up of the Company for cash at issue price of Rs. 28/- per Equity Share aggregating Rs. 1051.68 Lakhs.
Fresh Issue Consisting of	
Issue Reserved for Market Makers	1,88,000 Equity Shares of face value of Rs. 10/- each fully paid of the Company for cash at price of Rs. 28/- per Equity Share aggregating Rs. 52.64 Lakhs.
Net Issue to the Public	35,68,000 Equity Shares of face value of Rs. 10/- each fully paid of the Company for cash at price of Rs. 28/- per Equity Share aggregating Rs. 999.04 Lakhs.
	of which:
	17,84,000 Equity Shares of face value of Rs. 10/- each fully paid of the Company for cash at price of Rs. 28/- per Equity Share will be available for allocation to investors up to Rs. 2.00 Lakhs
	17,84,000 Equity Shares of face value of Rs. 10/- each fully paid of the Company for cash at price of Rs. 28/- per Equity Share will be available for allocation to investors above Rs. 2.00 Lakhs
Equity Shares outstanding prior to the Issue	10,427,358 Equity Shares
Equity Shares outstanding after the Issue	14,183,358 Equity Shares
Objects of the Issue	See the chapter titled “Objects of the Issue” on page 94 of this Prospectus

This Issue is being made in terms of Chapter IX of the SEBI (ICDR) Regulations, 2018. The Issue is being made through the Fixed Price Process and hence, as per Regulation 253, sub regulation (2) of SEBI (ICDR) Regulations, 2018, the allocation in the net issue to public category shall be made as follows:

- (a) Minimum fifty percent to retail individual investors; and
- (b) remaining to:
  - (i) individual applicants other than retail individual investors; and
  - (ii) other investors including corporate bodies or institutions, irrespective of the number of specified securities applied for;
- (c) The unsubscribed portion in either of the categories specified in clauses (a) or (b) may be allocated to applicants in the other category.

*For the purpose of Regulation 253(2), if the retail individual investor category is entitled to more than fifty percent, on proportionate basis, the retail individual investors shall be allocated that higher percentage.*

For further details please refer to chapter titled “Issue Structure” beginning on page 264 of this Prospectus.

## GENERAL INFORMATION

Our Company was incorporated on January 21, 1997 as a private limited company under the provisions of Companies Act, 1956 with the Registrar of Companies, Jaipur in the name and style of Bonlon Steels Private Limited. Subsequently, the registered office of our Company was shifted from Jaipur to New Delhi i.e. from one state to another w.e.f. December 01, 1998 with due approval of the Company Law Board, Northern Region Bench vide order dated October 29, 1998.

In the year 2018, in pursuance to synergize the operations and attaining higher business efficiencies, three of our group companies which were engaged in diverse sectors were amalgamated with our Company vide the Order of the Hon'ble National Company Law Tribunal, Principal Bench, New Delhi dated June 13, 2018. Later on, in order to align the business activities with the name of Company, the name of our Company was changed from Bon Lon Steels Private Limited to Bonlon Industries Private Limited w.e.f. February 26, 2019. Further, the name of the company was again changed to Bonlon Industries Limited pursuant to its conversion into a public company vide shareholder's approval dated March 01, 2019 and fresh certificate of incorporation dated March 29, 2019 issued by Registrar of Companies, Delhi.

For further details please refer to chapter titled 'Our History and Certain Other Corporate Matters' beginning on Page 137 of this Prospectus.

### REGISTERED OFFICE OF OUR COMPANY

#### BONLON INDUSTRIES LIMITED

7A/39 (12-First Floor), WEA Channa Market,

Karol Bagh, New Delhi-110005

**Tel:** 011-47532792

**Fax:** 011-47532798

**E-mail:** info@bonlonindustries.com

**Website:** www.bonlonindustries.com

**Registration Number:** 097397

**Corporate Identification Number:** U27108DL1998PLC097397

### MANUFACTURING UNIT OF OUR COMPANY

#### BONLON INDUSTRIES LIMITED

Plot No. G-1-663, RIICO Industrial Area

Bhiwadi, Alwar- 301019, Rajasthan

### REGISTRAR OF COMPANIES

#### REGISTRAR OF COMPANIES, DELHI

4<sup>th</sup> Floor, IFCI Tower, 61, Nehru Place

New Delhi – 110019, India

**Website:** www.mca.gov.in

**DESIGNATED STOCK EXCHANGE****BSE LIMITED (BSE SME)**

P.J. Towers, Dalal Street,

Mumbai – 400 001.

For details in relation to the changes to the name of our Company, please refer to the chapter titled, “*Our History and Certain Other Corporate Matters*” beginning on page 137 of this Prospectus.

**BOARD OF DIRECTORS OF OUR COMPANY**

Sr. No.	Name	Age	DIN	Address	Designation
1.	Raj Jain	67	01018724	4596/4, Ansari Road, DariyaGanj, Near Happy School, New Delhi-110002	Managing Director
2.	Arun Kumar Jain	61	00438324	6B/10 N.E.A Old Rajinder Nagar, Rajender Nagar, New Delhi- 110060	Director
3.	Smita Jain	61	00438282	6B/10 N.E.A Old Rajinder Nagar, Rajender Nagar, New Delhi- 110060	Non-Executive Director
4.	Bela Khattar Chauhan	50	08475517	House No. 1654, Officers Flat, Near Gulabi Bagh Police Station, Gulabi Bagh, Malika Ganj, Delhi-110007	Non-Executive & Independent Director
5.	Parveen Kumar Jain	63	08475527	BW-109 C, SFS Flat, Shalimar Bagh, North West, Delhi-110088	Non-Executive & Independent Director

For further details of our Directors, please refer to the chapter titled “Our Management” beginning on page 143 of this Prospectus.

**COMPANY SECRETARY AND COMPLIANCE OFFICER****NAVEEN KUMAR****BONLON INDUSTRIES LIMITED**

7A/39 (12-First Floor), WEA Channa Market,

Karol Bagh, New Delhi-110005

**Tel:** 011-47532792

**Fax:** 011-47532798

**Email:** cs@bonlonindustries.com

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

**All grievances relating to the application process may be addressed to the Registrar to the Issue, with a copy to the concerned SCSB, giving full details such as name, address of the applicant, number of Equity**

Shares applied for, amount blocked, ASBA Account number, UPI ID used by the Applicant and the Designated Branch of the SCSB where the ASBA Application Form was submitted by the ASBA Applicant.

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

#### **CHIEF FINANCIAL OFFICER**

**ANKIT GUPTA**

**BONLON INDUSTRIES LIMITED**

7A/39 (12-First Floor), WEA Channa Market,

Karol Bagh, New Delhi-110005

**Tel:** 011-47532792

**Fax:** 011-47532798

**Email:** ankitgupta@bonlonindustries.com

#### **STATUTORY AUDITORS**

**GAUR& ASSOCIATES**

**Chartered Accountants**

107, Laxmi Deep Building,

Laxmi Nagar District Centre, Delhi-110092

**Tel:** 011-45033133

**Firm Registration No.:**005354C

**Contact Person:** Mr. S.K. Gupta

**Membership No.:** 016746

**E-mail:** gaurassociates@hotmail.com

#### **PEER REVIEW AUDITOR**

**ASHOK KHANDELWAL ASSOCIATES**

Chartered Accountants

912-B, Indra Prakash

21 Barakhamba Road

New Delhi- 110001

**Tel:**+91 11 23319140; 43526370; **Fax:** 23730523

**Mobile:** +91-9810313391; 9958510011

**E-mail:** ashok@khandelwalassociates.com

**Contact Person:** Mr. Ashok Khandelwal

**Firm Registration No.:** 008618N

**Membership No.:** 06173

**Peer Review Certificate No.:**012194



**LEAD MANAGER TO THE ISSUE**

**SARTHI CAPITAL ADVISORS PRIVATE LIMITED**

Unit No. 411, Fourth Floor, Pratap Bhavan,  
5 Bahadur Shah Zafar Marg,  
New Delhi-110002

**Tel:** (011) 23739425-27

**Fax:** (011) 23739424

**Contact Person:** Mr. Anand Lakhotia

**Email:** ipo@sarthiwm.in

**SEBI Registration No.:** INM000012011

401, 4<sup>th</sup> Floor, Manek Plaza, 167,

Vidyanagari Marg, Kalina, Santacruz (E)

Mumbai-400098

**Tel:** (022) 26528671/72

**Fax:** (022) 26528673

**Contact Person:** Mr. Deepak Sharma

**REGISTRAR TO THE ISSUE**

**BIGSHARE SERVICES PRIVATE LIMITED**

1<sup>st</sup> Floor, Bharat Tin Works Building,  
Opp. Vasant Oasis, Makwana Road,  
Marol, Andheri East, Mumbai-400059

**Tel:** +91 22 62638200

**Fax:** +91 22 62638299

**E-mail:** ipo@bigshareonline.com

**Website:** www.bigshareonline.com

**Contact Person:** Mr. Arvind Tandel

**SEBI Registration No.:** INR000001385

**LEGAL ADVISOR TO THE ISSUE**

**Mr. Vineet Garg**

203, Skipper Corner, 88,  
Nehru Place, New Delhi- 110019

**Tel:**011-46573336

**E-mail:**vineet@kpgarg.org

**BANKER TO THE COMPANY**

**BANK OF INDIA**

**Address:** 66, Janpath, New Delhi- 110001

**Tel:** 011-23353251, 28844060, 23358268, 23736197, 2329044

**Email:** janpath.newdelhi@bankofindia.co.in

**Contact Person:** Mr. Vijay Kumar Dhawan

## **SPONSOR BANK**

### **AXIS BANK LIMITED**

**Address:** Fortune 2000, Ground Floor,  
Bandra-Kurla Complex, Bandra (E), Mumbai – 400051  
**Tel:** +91-22-61483110  
**Fax:** +91-22-61483119  
**Email:** BKC.Operationshead@axisbank.com  
**Contact Person:** Ms. Shruti Khanna  
**SEBI Registration No.:** INBI00000017

## **BANKER TO THE ISSUE/ PUBLIC ISSUE BANK**

### **AXIS BANK LIMITED**

**Address:** Fortune 2000, Ground Floor,  
Bandra-Kurla Complex, Bandra (E), Mumbai – 400051  
**Tel:** +91-22-61483110  
**Fax:** +91-22-61483119  
**Email:** BKC.Operationshead@axisbank.com  
**Contact Person:** Ms. Shruti Khanna  
**SEBI Registration No.:** INBI00000017

## **REFUND BANKER**

### **AXIS BANK LIMITED**

**Address:** Fortune 2000, Ground Floor,  
Bandra-Kurla Complex, Bandra (E), Mumbai – 400051  
**Tel:** +91-22-61483110  
**Fax:** +91-22-61483119  
**Email:** BKC.Operationshead@axisbank.com  
**Contact Person:** Ms. Shruti Khanna  
**SEBI Registration No.:** INBI00000017

## **SELF CERTIFIED SYNDICATE BANKS**

The lists of banks that have been notified by SEBI to act as SCSB for the Applications Supported by Blocked Amount (ASBA) Process are provided on <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=35> and updated from time to time. For details on Designated Branches of SCSBs collecting the ASBA Application Form, please refer to the above-mentioned SEBI link.

Further, as notified by SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019; the applications through UPI in IPOs can be made only through the SCSBs / mobile applications whose name appears on the SEBI website [www.sebi.gov.in](http://www.sebi.gov.in) at the following path:

Home » Intermediaries/Market Infrastructure Institutions » Recognised intermediaries » Self Certified Syndicate Banks eligible as Issuer Banks for UPI.

An investor shall ensure that when applying in IPO using UPI, the name of his Bank appears in the list of SCSBs displayed on the SEBI website which are live on UPI. Further, he/she shall also ensure that the name of the app and the UPI handle being used for making the application is also appearing in the aforesaid list.

An application made using incorrect UPI handle or using a bank account of an SCSBs or bank which is not mentioned in the aforesaid list is liable to be rejected.

#### **CREDIT RATING**

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

#### **IPO GRADING**

Our Company has not obtained any IPO grading for this issue from any credit rating agency.

#### **APPRAISAL AND MONITORING AGENCY**

As per Regulation 41(1) SEBI (ICDR) Regulations, 2018, the requirement of Monitoring Agency is not mandatory if the Issue size is below Rs. 10,000 Lakhs. Since the Issue size is only of Rs. 1,051.68 Lakhs, our Company has not appointed any monitoring agency for this Issue. However, as per Section 177 of the Companies Act, 2013, the Audit Committee of our Company, would be monitoring the utilization of the proceeds of the Issue

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

Since Sarthi Capital Advisors Private Limited is the sole Lead Manager to this Issue, a statement of inter se allocation of responsibilities among Lead Managers is not applicable.

#### **EXPERT OPINION**

Except the report of the Statutory Auditor on statement of tax benefits and report of the peer review auditor on restated financial statements for nine months ended December 31, 2019 and for the year ended March 2019, 2018 and 2017 as included in this Prospectus, our Company has not obtained any other expert opinion.

#### **DEBENTURE TRUSTEE**

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

#### **FILING OF OFFER DOCUMENT**

Pursuant to SEBI Circular Number SEBI/HO/CFD/DIL1/CIR/P/2018/011 dated January 19, 2018, a copy of the Draft Prospectus was filed online through SEBI Intermediary Portal at <https://siportal.sebi.gov.in> and pursuant to Regulation 246(2), the Board did not any observation. Further, in accordance with Regulation 246(1) a copy of the Prospectus along with the other documents, shall also be filed to the Board immediately upon registration of the same with the RoC situated at 4<sup>th</sup> Floor, IFCI Tower, 61, Nehru Place New Delhi – 110019, India under Section 26 of the Companies Act, 2013 will be delivered to the.

#### **WITHDRAWAL OF THE ISSUE**

Our Company, in consultation with the Lead Manager, reserves the right not to proceed with the Issue at any time before the Issue Opening Date without assigning any reason thereof. If our Company withdraws the Issue any time after the Issue Opening Date but before the allotment of Equity Shares, a public notice will be issued by our Company within two (2) Working Days of the Issue Closing Date, providing reasons for not proceeding with the Issue. 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. The Lead Manager, through the Registrar to the Issue, will instruct the SCSBs to unblock the ASBA Accounts within one (1) working Day from the day of receipt of such instruction. If our Company withdraws the Issue after the Issue

Closing Date and subsequently decides to proceed with an Issue of the Equity Shares, our Company will file a fresh Prospectus with the stock exchange where the Equity Shares may be proposed to be listed. Notwithstanding the foregoing, the Issue is subject to obtaining (i) the final listing and trading approvals of the Stock Exchange with respect to the Equity Shares offered through the Prospectus, which our Company will apply for only after Allotment; and (ii) the final RoC approval of the Prospectus

### UNDERWRITER

In terms of Regulation 260 (1) of the SEBI (ICDR) Regulations, 2018, the initial public offer shall be underwritten for hundred per cent of the offer and shall not be restricted upto the minimum subscription level and as per sub regulation (2) the lead manager(s) shall underwrite at least fifteen percent of the issue size on their own account(s).

Our Company and LM to the issue hereby confirm that the Issue is 100% Underwritten. The Underwriting Agreement is dated August 06, 2019 pursuant to the terms of the underwriting agreement; the obligations of the underwriter are subject to certain conditions specified therein. The underwriter has indicated its intention to underwrite the following number of specified securities being offered through this Issue.

Name and Address of the Underwriter	Indicative Number of Equity shares to be Underwritten	Amount Underwritten (Rupees in Lakhs)	% of the Total Issue Size Underwritten
<b>Sarathi Capital Advisors Private Limited</b> 401, 4th Floor, Manek Plaza, 167, Vidyanagari Marg, Kalina, Santacruz (E) Mumbai-400098 Tel: (022) 26528671/72 Fax: (022) 26528673 Email: ipo@sarathiwm.in Contact Person: Mr. Deepak Sharma SEBI Registration No.: INM000012011	37,56,000	1,051.68	100.00
<b>Total</b>	<b>37,56,000</b>	<b>1051.68</b>	<b>100.00</b>

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

### CHANGES IN AUDITORS DURING THE LAST THREE FINANCIAL YEARS

There has been no change in the Auditors of our Company during the last three financial years except the resignation of M/s Shyam Goel & Associates due to their pre-occupancy and the appointment of M/s Gaur & Associates, Chartered Accountants as the Statutory Auditors in the AGM held on September 30, 2019.

### DETAILS OF THE MARKET MAKING ARRANGEMENT

Our Company and the Lead Manager have entered into a tripartite agreement dated August 06, 2019 with the following Market Maker, duly registered with Bombay Stock Exchange to fulfill the obligations of Market Making:

#### CHOICE EQUITY BROKING PRIVATE LIMITED

Choice House, Shree Shakambhari Corporate Park,  
 Plot No. 156-158, Near Cambridge School,  
 Chakravarti Ashok Society, J. B. Nagar,  
 Andheri (E), Mumbai – 400099, Maharashtra

**Tel:** +91 22 67079853

**Fax:** +91 22 67079898

**E-mail:** sme@choiceindia.com

**Contact Person:** Mr. Pravin Khanvilkar

**SEBI Registration No.:** INB231377335

Choice Equity Broking Private Limited, registered with SME segment (BSE SME) of BSE will act as the Market Maker and has agreed to receive or deliver the specified securities in the market making process for a period of three years from the date of listing of our Equity Shares or for a period as may be notified by amendment to SEBI (ICDR) Regulations, 2018 and the circulars issued by BSE and SEBI regarding this matter from time to time.

The Market Maker shall fulfill the applicable obligations and conditions as specified in the SEBI (ICDR) Regulations, 2018, as amended from time to time and the circulars issued by the BSE and SEBI in this matter from time to time.

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

1. The Market Maker(s) (individually or jointly) shall be required to provide a 2-way quote for 75% of the time in a day. The same shall be monitored by the Stock Exchange. Further, the Market Maker(s) shall inform the Exchange in advance for each and every black out period when the quotes are not being offered by the Market Maker(s).
2. The prices quoted by Market Maker shall be in compliance with the Market Maker Spread Requirements and other particulars as specified or as per the requirements of Bombay Stock Exchange and SEBI from time to time.
3. The minimum depth of the quote shall be Rs. 1,00,000/-. However, the investors with holdings of value less than Rs. 1,00,000/- shall be allowed to offer their holding to the Market Maker(s) (individually or jointly) in that scrip provided that he sells his entire holding in that scrip in one lot along with a declaration to the effect to the selling broker.
4. After a period of three months from the market making period, the market maker would be exempted to provide quote if the Shares of market maker in our Company reaches to 15 % of Issue Size (Including the 1,88,000 Equity Shares out to be allotted under this Issue.) Any Equity Shares allotted to Market Maker under this Issue over and above 1,88,000 Equity Shares would not be taken in to consideration of computing the threshold of 25% of Issue Size. As soon as the Shares of Market Maker in our Company reduce to 14% of Issue Size, the market maker will resume providing 2-way quotes.
5. There shall be no exemption/threshold on downside. However, in the event the Market Maker exhausts his inventory through market making process, the concerned stock exchange may intimate the same to SEBI after due verification.
6. Execution of the order at the quoted price and quantity must be guaranteed by the Market Maker(s), for the quotes given by him.
7. There would not be more than five Market Makers for a script at any point of time and the Market Makers may compete with other Market Makers for better quotes to the investors. At this stage, Choice Equity Broking Private Limited is acting as the sole Market Maker.
8. On the first day of the listing, there will be pre-opening session (call auction) and there after the trading will happen as per the equity market hours. The circuits will apply from the first day of the listing on the discovered price during the pre-open call auction.

9. The shares of the Company will be traded in continuous trading session from the time and day the Company gets listed on BSE SME and market maker will remain present as per the guidelines mentioned under BSE and SEBI circulars.
10. 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 Rs. 250 crores, the applicable price bands for the first day shall be:
- In case equilibrium price is discovered in the Call Auction, the price band in the normal trading session shall be 5% of the equilibrium price.
  - In case equilibrium price is not discovered in the Call Auction, the price band in the normal trading session shall be 5% of the Offer price.

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

No.	Market Price Slab (In Rs.)	Proposed Spread (in % to sale price)
1	Upto 50	9
2	50 to 75	8
3	75 to 100	6
4	Above 100	5

11. 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.
12. The Market Maker(s) shall have the right to terminate said arrangement by giving one month notice or on mutually acceptable terms to the Lead Manager, who shall then be responsible to appoint a replacement Market Maker(s).

In case of termination of the above-mentioned Market Making agreement prior to the completion of the compulsory Market Making period, it shall be the responsibility of the Lead Manager to arrange for another Market Maker(s) in replacement during the term of the notice period being served by the Market Maker but prior to the date of releasing the existing Market Maker from its duties in order to ensure compliance with the requirements of regulation 261 of the SEBI (ICDR) Regulations, 2018. Further the Company and the Lead Manager reserve the right to appoint other Market Maker(s) either as a replacement of the current Market Maker or as an additional Market Maker subject to the total number of Designated Market Makers does not exceed 5 (five) or as specified by the relevant laws and regulations applicable at that particular point of time. The Market Making Agreement is available for inspection at our registered office, India from 11.00 a.m. to 5.00 p.m. on working days.

13. BSE SME will have all margins which are applicable on the BSE Main Board viz., Mark-to-Market, Value-At-Risk (VAR) Margin, Extreme Loss Margin, Special Margins and Base Minimum Capital etc. BSE can impose any other margins as deemed necessary from time-to-time.
14. BSE SME will monitor the obligations on a real time basis and punitive action will be initiated for any exceptions and/or non-compliances. Penalties / fines may be imposed by the Exchange on the Market Maker, in case he is not able to provide the desired liquidity in a particular security as per the specified guidelines. These penalties / fines will be set by the Exchange from time to time. The Exchange will impose a penalty on the Market Maker(s) in case he is not present in the market (offering two-way quotes) for at

least 75% of the time. The nature of the penalty will be monetary as well as suspension in market making activities / trading membership.

15. 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.
16. 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:

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

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

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

### CAPITAL STRUCTURE

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

*(Rs. In Lakhs except share data)*

Sr. No.	Particulars	Aggregate Value	
		Face Value	Issue Price
<b>A</b>	<b>AUTHORISED SHARE CAPITAL</b>		
	1,50,00,000 Equity Shares of face value of Rs. 10/- each	1500.00	
<b>B</b>	<b>ISSUED, SUBSCRIBED AND PAID UP SHARE CAPITAL</b>		
	1,04,27,358 fully paid up Equity Shares of face value of Rs. 10/- each	1042.73	
<b>C</b>	<b>PRESENT ISSUE IN TERMS OF PROSPECTUS*</b>		
	37,56,000 Equity Shares of face value of Rs. 10/- each	375.60	1051.68
	Which comprises of		
	1,88,000 Equity Shares of face value of Rs.10/- each at a premium of Rs. 18/-per Equity Share reserved as Market Maker portion	18.80	52.64
	Net Issue to Public of 35,68,000 Equity Shares of face value of Rs. 10/- each at a premium of Rs. 18/- per Equity Share to the Public	356.80	999.04
	Of which		
	17,84,000 Equity Shares of face value of Rs. 10/- each at a premium of Rs. 18/- per Equity Share will be available for allocation to Investors up to Rs. 2.00 Lakhs	178.40	499.52
	17,84,000 Equity Shares of face value of Rs. 10/- each at a premium of Rs. 18/- per Equity Share will be available for allocation to Investors above Rs. 2.00 Lakhs	178.40	499.52
<b>D</b>	<b>ISSUED, SUBSCRIBED AND PAID UP SHARE CAPITAL AFTER THE ISSUE</b>		
	1,41,83,358 Equity Shares of face value of Rs. 10/- each	1418.33	



<b>E</b>	<b>SECURITIES PREMIUM ACCOUNT</b>	
	Before the Issue	3,272.58
	After the Issue	3,948.66

*\*The Issue has been authorized pursuant to a resolution of our Board dated May 01, 2019 and by Special Resolution passed under Section 62(1)(c) of the Companies Act, 2013 at an Extra Ordinary General Meeting of our shareholders held on May 08, 2019.*

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

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

#### **NOTES TO THE CAPITAL STRUCTURE:**

History of change in authorized Equity Share capital of Our Company

- a) The Initial Authorized Share Capital of Rs. 5,00,000 (Rupees Five Lakh only) consisting of 50,000 Equity shares of face value of Rs. 10/- each was increased to Rs. 1,00,00,000 (Rupees Fifty Lakh only) consisting of 10,00,000 Equity Shares of face value of Rs.10/- each pursuant to a resolution of the shareholders dated December 30, 1998.
- b) The authorized Share Capital of Rs. 1,00,00,000 (Rupees One Crore only) consisting of 10,00,000 Equity shares of face value of Rs. 10/- each was increased to Rs. 1,50,00,000 (Rupees One Crore Fifty Lakh only) consisting of 15,00,000 Equity Shares of face value of Rs.10/- each pursuant to a resolution of the shareholders dated January 18, 2000.
- c) The authorized share capital of Rs. 1,50,00,000 (Rupees One Crore Fifty Lakh only) consisting of 15,00,000 Equity Shares of face value of Rs. 10/- each was increased to Rs. 2,00,00,000 (Rupees Two Crores only) consisting of 20,00,000 Equity Shares of face value of Rs.10/- each pursuant to a resolution of the shareholders dated March 30, 2001.
- d) The authorized share capital of Rs. 2,00,00,000 (Rupees Two Crores only) consisting of 20,00,000 Equity Shares of face value of Rs. 10/- each was increased to Rs. 3,00,00,000 (Rupees Three Crores only) consisting of 30,00,000 Equity Shares of face value of Rs.10/- each pursuant to a resolution of the shareholders dated March 23, 2007.
- e) The authorized share capital of Rs. 3,00,00,000 (Rupees Three Crores only) consisting of 30,00,000 Equity Shares of face value of Rs. 10/- each was automatically enhanced to Rs. 8,00,00,000 (Rupees Eight Crores only) consisting of 80,00,000 Equity Shares of face value of Rs.10/- each pursuant to the scheme of amalgamation as approved by the Hon'ble National Company Law Tribunal, Principal Bench, New Delhi by its judgment dated June 13, 2018. Such scheme became effective on July 02, 2018 i.e. the day when the order of approving the scheme was filed to the Registrar of Companies, NCT of Delhi and Haryana.
- f) The authorized share capital of Rs. 8,00,00,000 (Rupees Eight Crores only) consisting of 80,00,000 Equity Shares of face value of Rs. 10/- each was increased to Rs. 11,00,00,000 (Rupees Eleven Crores only) consisting of 1,10,00,000 Equity Shares of face value of Rs.10/- each pursuant to a resolution of the shareholders dated August 06, 2018.
- g) The authorized share capital of Rs. 11,00,00,000 (Rupees Eleven Crores only) consisting of 1,10,00,000 Equity Shares of face value of Rs. 10/- each was increased to Rs. 15,00,00,000 (Rupees Fifteen Crores only) consisting of 1,50,00,000 Equity Shares of face value of Rs.10/- each pursuant to a resolution of the shareholders dated April 29, 2019.

### 1. Equity Share Capital History:

Date of Allotment of the Equity shares	No. of Equity Shares Allotted	Face Value	Issue Price	Nature of Allotment	Nature of Consideration	Cumulative No. of Shares	Cumulative Paid up Capital	Share Premium	Cumulative Share Premium
Since Incorporation	20	10	10	Subscription to MOA <sup>(1)</sup>	Cash	20	200	-	-
February 10, 1998	49,270	10	10	Further Allotment (2)	Cash	49,290	4,92,900	-	-
March 31, 1999	4,49,200	10	10	Further Allotment (3)	Cash	4,98,490	49,84,900	-	-
March 31, 2000	6,00,000	10	10	Further Allotment (4)	Cash	10,98,490	1,09,84,900	-	-
March 31, 2001	2,38,440	10	50	Further Allotment (5)	Cash	13,36,930	1,33,69,300	95,37,600	95,37,600
March 31, 2002	2,19,000	10	50	Further Allotment (6)	Cash	15,55,930	1,55,59,300	87,60,000	1,82,97,600
March 31, 2003	4,43,300	10	50	Further Allotment (7)	Cash	19,99,230	1,99,92,300	1,77,32,000	3,60,29,600
January 31, 2010	10,00,000	10	50	Preferential Allotment (8)	Cash	29,99,230	2,99,92,300	4,00,00,000	7,60,29,600
August 25, 2018	27,99,580	10	*40.94	Further Allotment under the scheme of amalgamation (9) Smita Global Pvt. Ltd	Other than cash	57,98,810	5,79,88,100	8,66,19,005	16,26,48,605
August 25, 2018	34,28,548	10	*42.94	Further Allotment under the scheme of amalgamation (10) Harshit Promoters Pvt. Ltd	Other than cash	92,27,358	9,22,73,580	11,29,36,371	27,55,84,976
August 25, 2018	12,00,000	10	*42.49	Further Allotment under the scheme of amalgamation (11) Harshit Infratech Pvt. Ltd	Other than cash	1,04,27,358	10,42,73,580	3,89,88,000	31,45,72,976

\*The Share Premium on the allotment of the Shares under the scheme of Amalgamation is on the basis of the Valuation therefore the value cannot be rounded off.

- (1) Initial Subscribers to Memorandum of Association held 20 Equity Shares each at par of face value of Rs. 10/- fully paid up as per the details given below:

Sr. No.	Name of Person	No. of Shares Allotted
1.	Arun Kumar Jain	10
2.	Rajat Jain	10
	<b>Total</b>	<b>20</b>

- (2) The Company allotted 49,270 Equity Shares of face value of Rs. 10/- each at par for cash as per the details given below:

Sr. No.	Name of Person	No. of Shares Allotted
1.	Arun Kumar Jain	2,200
2.	Ambuj Kumar Jain	17,000
3.	Yashika Jain	10
4.	Kamlesh Steels Private Limited	10
5.	Smita Jain	5,000
6.	Swatika Jain	25,000
7.	Bon Lon Private Limited	10
8.	Bon Lon Securities Private Limited	10
9.	A.K. Saroch	10
10.	Harshit Finvest Private Limited	10
11.	Shikhar Chand Jain	10
	<b>Total</b>	<b>49,270</b>

- (3) The Company allotted 4,49,200 Equity Shares of face value of Rs. 10/- each at par for cash as per the details given below:

Sr. No.	Name of Person	No. of Shares Allotted
1.	Yashika Jain	63,500
2.	Shikhar Chand Jain	30,000
3.	Swatika Jain	700
4.	Kamlesh Steels Private Limited	1,50,000

Sr. No.	Name of Person	No. of Shares Allotted
5.	A.K. Saroch	5,000
6.	Bon Lon Securities Limited	70,000
7.	Harshit Finvest Private Limited	50,000
8.	Bon Lon Private Limited	80,000
	<b>Total</b>	<b>4,49,200</b>

<sup>(4)</sup> The Company allotted 6,00,000 Equity Shares of face value of Rs. 10/- each at par as per the details given below:

Sr. No.	Name of Person	No. of Shares Allotted
1.	Flucky Leasing& Finance Private Limited	50,000
2.	Sharwan Tours and Travel	50,000
3.	Lawrence Computers Private Limited	50,000
4.	Lawrence Distributors Private Limited	50,000
5.	Broad Traders & Financiers Private Limited	50,000
6.	Aggarwal Plastochem Private Limited	75,000
7.	Beauty Electronics Private Limited	50,000
8.	Sharvan Advertising Private Limited	75,000
9.	Bania Builders & Finance Private Limited	50,000
10.	Move Traders& Creditors Private Limited	50,000
11.	Busy Traders& Financiers Private Limited	50,000
	<b>Total</b>	<b>6,00,000</b>

<sup>(5)</sup> The Company allotted 2,38,440 Equity Shares of face value of Rs. 10/- each at premium of Rs. 40/- per share as per the details given below:

Sr. No.	Name of Person	No. of Shares Allotted
1.	Bon Lon Private Limited	30,360
2.	Harshit Finvest Private Limited	1,11,780
3.	Busy Traders& Financiers Private Limited	4,000
4.	Aggarwal Plastochem Private Limited	3,000

Sr. No.	Name of Person	No. of Shares Allotted
5.	Lawrence Distributors Private Limited	6,100
6.	Sharvan Advertising Private Limited	2,500
7.	Move Traders & Creditors Private Limited	2,000
8.	Bon Lon Securities Limited	78,700
	<b>Total</b>	<b>2,38,440</b>

<sup>(6)</sup> The Company allotted 2,19,000 Equity Shares of face value of Rs. 10/- each at premium of Rs. 40/- per share as per the details given below:

Sr. No.	Name of Person	No. of Shares Allotted
1.	Vinco Metals Private Limited	92,000
2.	Smita Global Private Limited	84,000
3.	Ram Meta Cap Private Limited	10,000
4.	Narendra Gupta	5,000
5.	Harshit Finvest Private Limited	4,000
6.	Shri Balaji Enterprises	20,000
7.	Rakesh Aggarwal	4,000
	<b>Total</b>	<b>2,19,000</b>

<sup>(7)</sup> The Company allotted 4,43,300 Equity Shares of face value of Rs. 10/- each at premium of Rs. 40/- per share as per the details given below:

Sr. No.	Name of Person	No. of Shares Allotted
1.	Busy Traders and Financers Private Limited	20,000
2.	Harshit Jain	11,800
3.	Sunil Kumar & Sons HUF	6,000
4.	Chandra Garg	9,000
5.	Sunil Kumar Jain	19,000
6.	Swatika Jain	6,000
7.	Harshit Finvest Private Limited	21,800
8.	Vinco Metals Private Limited	1,58,300

Sr. No.	Name of Person	No. of Shares Allotted
9.	Sharwan Tours & Transport Private Limited	61,200
10.	Bon Lon Securities Limited	1,30,200
	<b>Total</b>	<b>4,43,300</b>

(8) The Company allotted 10,00,000 Equity Shares of face value of Rs. 10/- each at premium of Rs. 40/- as per the details given below:

Sr. No.	Name of Person	No. of Shares Allotted
1.	Arun Kumar Jain	1,90,000
2.	Bon Lon Private Limited	1,22,000
3.	Bon Lon Securities Limited	1,26,000
4.	Harshit Finvest Private Limited	1,24,000
5.	Harshit Infratech Private Limited	74,000
6.	Harshit Promoters Private Limited	1,22,000
7.	Smita Global Private Limited	1,22,000
8.	Vinco Metals Private Limited	1,20,000
	<b>Total</b>	<b>10,00,000</b>

(9) The Company allotted 27,99,580 Equity Shares under the scheme of amalgamation of Smita Global Private Limited of face value of Rs. 10/- each at premium of Rs. 30.94 per share as per the details given below:

Sr. No.	Name of Person	No. of Shares Allotted
1.	Arun Kumar Jain	10,03,198
2.	Vinco Metals Private Limited	14
3.	Smita Jain	3,36,700
4.	Bon Lon Private Limited	14
5.	Bon Lon Securities Limited	14
6.	Harshit Jain	14,59,640
	<b>Total</b>	<b>27,99,580</b>

<sup>(10)</sup> The Company allotted 34,28,548 Equity Shares under the scheme of amalgamation of Harshit Promoters Private Limited of face value of Rs. 10/- each at premium of Rs. 32.94 per share as per the details given below:

Sr. No.	Name of Person	No. of Shares Allotted
1.	Rajat Jain	11,250
2.	Rahul Jain	12,500
3.	Arun Kumar Jain HUF	125
4.	Harshit Jain	125
5.	Smita Jain	125
6.	Rita Jain	2,39,285
7.	Arun Kumar Jain	17,52,375
8.	Govind Singh Rawat	22,250
9.	Bon Lon Private Limited	2,05,000
10.	Bon Lon Securities Limited	2,06,250
11.	Harshit Finvest Private Limited	2,65,000
12.	Pankaj Jain	11,900
13.	Prabha Jain	95,235
14.	Saloni Jain	5,35,710
15.	Vibhor Jain	9,520
16.	Vidhi Jain	38,093
17.	Vinco Metals Private Limited	23,805
	<b>Total</b>	<b>34,28,548</b>

<sup>(11)</sup> The Company allotted 12,00,000 Equity Shares under the scheme of amalgamation of Harshit Infratech Private Limited of face value of Rs. 10/- each at premium of Rs. 32.49 per share as per the details given below:

Sr. No.	Name of Person	No. of Shares Allotted
1.	Arun Kumar Jain	3,68,160
2.	Smita Jain	6,88,440
3.	Shekhar Chand Jain	9,840

Sr. No.	Name of Person	No. of Shares Allotted
4.	Rita Jain	38,760
5.	Shankutla Devi Jain	18,000
6.	Harshit Jain	76,800
	<b>Total</b>	<b>12,00,000</b>

**2. Issue of Equity Shares for consideration other than cash.**

i)

Date of shareholder's approval	Number of Equity Shares	Face value (Rs.)	Issue Price (Rs.)	Nature of Consideration	Reasons for allotment	Allottees	No. of Shares Allotted
August 25, 2018	27,99,580	10	40.94	Other than cash	Allotment under the scheme of amalgamation of Smita Global Private Limited	Arun Kumar Jain	10,03,198
						Vinco Metals Private Limited	14
						Smita Jain	3,36,700
						Bon Lon Private Limited	14
						Bon Lon Securities Limited	14
						Harshit Jain	14,59,640
						<b>Total</b>	<b>27,99,580</b>

ii)

Date of shareholder's approval	Number of Equity Shares	Face value (Rs.)	Issue Price (Rs.)	Nature of Consideration	Reasons for allotment	Allottees	No. of Shares Allotted
						Rajat Jain	11,250
						Rahul Jain	12,500



August 25, 2018	34,28,548	10	42.94	Other than cash	Allotment under the scheme of amalgamation of Harshit Promoters Private Limited	Arun Kumar Jain HUF	125
						Harshit Jain	125
						Smita Jain	125
						Rita Jain	2,39,285
						Arun Kumar Jain	17,52,375
						Govind Singh Rawat	22,250
						Bon Lon Private Limited	2,05,000
						Bon Lon Securities Limited	2,06,250
						Harshit Finvest Private Limited	2,65,000
						Pankaj Jain	11,900
						Prabha Jain	95,235
						Saloni Jain	5,35,710
						Vibhor Jain	9,520
						Vidhi Jain	38,093
						Vinco Metals Private Limited	23,805
<b>Total</b>	<b>34,28,548</b>						

iii)

Date of shareholder's approval	Number of Equity Shares	Face value (Rs.)	Issue Price (Rs.)	Nature of Consideration	Reasons for allotment	Allottees	No. of Shares Allotted
August 25, 2018	12,00,000	10	42.49	Other than cash	Allotment under the scheme of amalgamation of Harshit Infratech Private Limited	Arun Kumar Jain	3,68,160
						Smita Jain	6,88,440
						Shekhar Chand Jain	9,840
						Rita Jain	38,760
						Shankutla Devi Jain	18,000
						Harshit Jain	76,800
						<b>Total</b>	<b>12,00,000</b>

3. a) We have not issued any Equity Shares out of revaluation reserves.  
b) We have not issued the Equity Shares in terms of the scheme of approved under section 230-234 of the Companies Act, 2013 except as under.

Sr. No	Name of the Company amalgamated	Number of Shares	Issue Price (in Rs.)
1.	Smita Global Private Limited	27,99,580	40.94
2.	Harshit Promoters Private Limited	34,28,548	42.94
3.	Harshit Infratech Private Limited	12,00,000	42.49

4. We have not issued any equity shares in last one year at price below the Issue Price.  
5. Details of shareholding of promoters:

**1. Mr. Arun Kumar Jain**

Date of Allotment/ Transfer	No. of Equity Shares	Face value per Share (Rs.)	Issue / Acquisition / Transfer price (Rs.)	Nature of Transactions	Pre-issue shareholding %	Post-issue shareholding %	No. of Shares Pledged	% of Shares Pledged
On Incorporation	10	10	10	Subscriber to MOA	0.00	0.00	0	0.00
February 10, 1998	2,200	10	10	Allotment	0.02	0.02	0	0.00
February 15, 2005	336,000	10	10	Transfer	3.22	2.37	0	0.00

January 29, 2007	421,360	10	10	Transfer	4.04	2.97	0	0.00
January 31, 2007	211,780	10	10	Transfer	2.03	1.49	0	0.00
February 01, 2007	50,000	10	1.50	Transfer	0.48	0.35	0	0.00
February 01, 2007	4,000	10	10	Transfer	0.04	0.03	0	0.00
February 24, 2007	(10)	10	10	Transfer	0.00	0.00	0	0.00
February 24, 2007	148,000	10	10	Transfer	1.42	1.04	0	0.00
March 15, 2007	266,300	10	1.75	Transfer	2.55	1.88	0	0.00
March 20, 2007	100,000	10	1.50	Transfer	0.96	0.71	0	0.00
January 31, 2010	190,000	10	40	Allotment	1.82	1.34	0	0.00
January 31, 2010	4,010	10	10	Transfer	0.04	0.03	0	0.00
October 05, 2010	126,000	10	10	Transfer	1.21	0.89	0	0.00
March 31, 2012	(316,000)	10	10	Transfer	(3.03)	(2.23)	0	0.00
April 20, 2016	7,730	10	10	Transfer	0.07	0.05	0	0.00
August 25, 2018	10,03,198	10	40.94	Allotment under Amalgamation Scheme	9.62	7.07	0	0.00
August 25, 2018	17,52,375	10	42.94	Allotment under Amalgamation Scheme	16.81	12.36	0	0.00
August 25, 2018	3,68,160	10	42.49	Allotment under Amalgamation Scheme	3.53	2.60	0	0.00
March 28, 2019	1,843,415	10	Nil	Transfer (Gifts)	17.68	13.00	0	0.00
March 28, 2019	34,750	10	44	Transfer	0.33	0.25	0	0.00
<b>Total</b>	<b>65,53,278</b>				<b>62.85</b>	<b>46.20</b>	<b>0</b>	<b>0.00</b>

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

Pursuant to Regulation 236 and 238 of SEBI (ICDR) Regulations, 2018 an aggregate of 20% of the post-issue capital, held by our Promoters shall be considered as Promoter's Contribution ("Promoter's Contribution") and locked-in for a period of three years from the date of commencement of commercial production or date of allotment, whichever is later. The lock-in of the Promoter's Contribution would be created as per applicable law and procedure and details of the same shall also be provided to the Stock Exchange before listing of the Equity Shares.

Our Promoter i.e. Mr. Arun Kumar Jain has granted his consent to include such number of Equity Shares held by him as may constitute 20.30% of the post-issue Equity Share Capital of our Company as Promoter's Contribution and has agreed not to sell or transfer or pledge or otherwise dispose of in any manner, the Promoter's Contribution from the date of filing of this Prospectus until the commencement of the lock-in period specified above.

Date of allotment	Date when made fully paid up	No. of Shares	Face Value	Issue Price	Nature of Allotment	% of Post Issue Capital
<b>Mr. Arun Kumar Jain</b>						
25.08.2018	25.08.2018	10,03,198	10	40.94	Allotment under Amalgamation Scheme	7.07
25.08.2018	25.08.2018	17,52,375	10	42.94	Allotment under Amalgamation Scheme	12.36
25.08.2018	25.08.2018	1,24,427	10	42.49	Allotment under Amalgamation Scheme	0.87
<b>Total (A)</b>		<b>28,80,000</b>				<b>20.30</b>

We further confirm that the aforesaid minimum Promoter's Contribution of 20% which is subject to lock-in for three years does not consist of:

- Equity Shares acquired during the preceding three years for consideration other than cash and out of revaluation of assets or capitalization of intangible assets or bonus shares out of revaluation reserves or reserves without accrual of cash resources.
- Equity Shares acquired by the Promoter during the preceding one year, at a price lower than the price at which Equity Shares are being offered to public in the Initial Public Offer.

- The Equity Shares held by the Promoter and offered for minimum Promoter's Contribution are not subject to pledge with any creditor.
- Equity shares issued to our Promoter on conversion of partnership firm or limited liability partnership into Private limited company during the preceding one year, at a price lower than the price at which Equity Shares are being offered to public in the Initial Public Offer.
- Equity Shares for which specific written consent has not been obtained from the shareholders for inclusion of their subscription in the minimum Promoter's Contribution subject to lock-in.

Pursuant to Regulation 242 of the SEBI (ICDR) Regulations, 2018 the locked-in Equity Shares held by the Promoters, as specified above, can be pledged as a collateral security for a loan granted by a schedule commercial bank or a public financial institution or a systematically important non-banking finance company or a housing finance company, provided that the pledge of the Equity Shares is one of the terms of the sanction of the loan. Provided that such lock-in shall continue pursuant to the invocation of the pledge and such transferee shall not be eligible to transfer the specified securities till the lock-in period stipulated in these regulations has expired.

The Equity Shares held by our Promoter may be transferred to and among the Promoter Group or to new Promoter or persons in control of our Company, subject to continuation of the lock-in in the hands of the transferees for the remaining period and compliance with the Takeover Regulations, as applicable.

Further, pursuant to Regulation 243 of the SEBI (ICDR) Regulations, 2018 the Equity Shares held by persons other than the Promoters prior to the offer may be transferred to any other person (including promoter and promoter group) holding the equity shares which are locked-in as per Regulation 239 of the SEBI ICDR Regulations, along with the equity shares proposed to be transferred, provided that lock-in on such equity shares will continue for the remaining period with the transferee and such transferee shall not be eligible to transfer such Equity Shares till the lock-in period stipulated under the SEBI ICDR Regulations has ended and in compliance with the Takeover Code, as applicable.

#### 10. Details of share capital locked in for one year

In addition to minimum 20% of the Post-Issue shareholding of our Company held by the Promoter (locked in for three years as specified above), in accordance with regulation 238 (b) of SEBI (ICDR) Regulations, 2018, the entire pre-issue share capital of our Company shall be locked in for a period of one year from the date of Allotment in this Issue.

The Equity Shares held by persons other than our Promoters and locked-in for a period of one year from the date of Allotment, in accordance with regulation 239 of SEBI (ICDR) Regulations, 2018, in the Issue may be transferred to any other person holding Equity Shares which are locked-in, subject to the continuation of the lock-in in the hands of transferees for the remaining period and compliance with the Takeover Regulations.

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

**I. Summary of Shareholding Pattern**

Category Code	Category of shareholder	No. Of shareholders	No. of fully paid up equity shares held	No. of Partly paid up equity shares held	No. of shares under lying Depository Receipts	Total nos. shares held	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957)	Number of Voting Rights held in each class of securities*			No. of Shares Underlying Outstanding convertible securities (including Warrants)	Shareholding, as a % assuming full conversion of convertible securities ( as a percentage of diluted share Capital)	Number of locked in Shares**		Number of Shares pledged or otherwise encumbered		Number of shares held in dematerialized form
								As a % of (A+B+C2)	Class X	Class Y			Total	Total as a % of (A+B+C)	No. (a)	As a % of total shares held (B)	
							IX			X	XI=VII+X		XII				
(A)	Promoters and Promoter Group	7	95,51,643	-	-	95,51,643	95,51,643	-	95,51,643	91.60	-	91.48	95,51,643	91.60	-	-	95,51,643
(B)	Public	3	8,75,715	-	-	8,75,715	8,75,715	-	8,75,715	8.40	-	8.40	8,75,715	8.40	-	-	8,75,715



(C)	Non Promoter- Non Public	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(C1)	Shares underlying DRs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(C2)	Shares held by Employee Trusts	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	<b>Total</b>	<b>10</b>	<b>1,04,27,358</b>	<b>-</b>	<b>-</b>	<b>1,04,27,358</b>	<b>100</b>	<b>1,04,27,358</b>	<b>-</b>	<b>1,04,27,358</b>	<b>100</b>	<b>-</b>	<b>100</b>	<b>1,04,27,358</b>	<b>100</b>	<b>-</b>	<b>-</b>	<b>1,04,27,358</b>

*\*As on the date of this Prospectus 1 Equity Shares holds 1 vote.*

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

## II. Shareholding Pattern of Promoters and Promoter Group

Category & name of shareholder (I)	PAN (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+C 2) (VIII)	Number of Voting Rights held in each class of securities*				No. of Shares Underlying Outstanding convertible securities (including Warrants) (X)	Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share Capital) As a % of (A+B+C 2) (XI)=(VII)+(X)	Number of locked in Shares** (XII)		Number of Shares pledged or otherwise encumbered (XIII)		Number of shares held in dematerialized form (XIV)
								No. of Voting Rights			Total as a % of (A+B+C)			No. (a)	As a % of total shares held (B)	No. (a)	As a % of total shares held (B)	
								Classes : X	Class : Y	Total								
(I)	(II)	(III)	(IV)	(V)	(VI)	(VII)= (IV)+(V)+(VI)	(VIII)	(IX)				(X)	(XI)=(VII)+(X)	(XII)		(XIII)		(XIV)
(1) Indian																		
(a) Individual/		3	86,81,	-	-	86,81,623	83.26	86,81,	-	86,81,	83.26	-	83.26	86,81,	83.26	-	-	86,81,623



	Hindu Undivided Family			623					623		623				623				
	Arun Kumar Jain	AAAPJ1 302J	1	65,53,278	-	-	65,53,278	62.85	65,53,278	-	65,53,278	62.85	-	62.85	65,53,278	62.85	-	-	65,53,278
	Smita Jain	AADPJ6 791Q	1	1,545,420	-	-	1,545,420	14.82	1,545,420	-	1,545,420	14.82	-	14.82	1,545,420	14.82	-	-	1,545,420
	Arun Kumar Jain HUF	AAFHAI 866H	1	5,82,925	-	-	5,82,925	5.59	5,82,925	-	5,82,925	5.59	-	5.59	5,82,925	5.59	-	-	5,82,925
(b)	Financial Institutions /Banks	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(c)	Central Government/ State Government	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(d)	Any other (Body Corporate)																		
	Vinco Metals Private Limited	AAACV 4363J	1	77,012	-	-	77,012	0.74	77,012	-	77,012	0.74	-	0.74	77,012	0.74	-	-	77,012

	Bonlon Private Limited (NBFC)	AAACB2662G	1	2,05,024	-	-	2,05,024	1.97	2,05,024	2,05,024	1.97	-	1.97	2,05,024	1.97	-	-	2,05,024	
	Bonlon Securities Limited (NBFC)	AAACB2663H	1	3,22,974	-	-	3,22,974	3.10	3,22,974	3,22,974	3.10	-	3.10	3,22,974	3.10	-	-	3,22,974	
	Harshit Finvest Private Limited (NBFC)	AAACH1639R	1	2,65,010	-	-	2,65,010	2.54	2,65,010	2,65,010	2.54	-	2.54	2,65,010	2.54	-	-	2,65,010	
	<b>Sub-Total (A) (1)</b>	-	<b>7</b>	<b>95,51,643</b>	-	-	<b>95,51,643</b>	<b>91.60</b>	<b>95,51,643</b>	-	<b>95,51,643</b>	<b>91.60</b>	-	<b>91.60</b>	<b>95,51,643</b>	<b>91.60</b>	-	-	<b>95,51,643</b>
(2)	Foreign																		
(a)	Individual (Non-Resident Individual/Foreign Individual)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(b)	Government	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(c)	Institutions	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(d)	Foreign Portfolio	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

	Investor																		
(f)	Any Other (specify)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	<b>Sub-Total (A) (2)</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	<b>Total Shareholding of Promoter and Promoter Group (A)=(A)(1)+(A)(2)</b>	-	7	95,51,643	-	-	95,51,643	91.60	95,51,643	-	95,51,643	91.60	-	91.60	95,51,643	91.60	-	-	95,51,643

*\*As on the date of this Prospectus 1 Equity Shares holds 1 vote.*

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

**III. Shareholding Pattern of the Public shareholder.**

	Category & name of shareholder	PAN	No. of shareholders	No. of fully paid up equity shares held	No. of Partly paid up equity shares held	No. of shares underlying Depository Receipts	Total nos. shares held	Share holding as a % of total no. of shares (calculated as per SCRR, 1957)	Number of Voting Rights held in each class of securities*				No. of Shares Underlying Outstanding convertible securities (including Warrants)	Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share Capital)	Number of locked in Shares**		Number of Shares pledged or otherwise encumbered		Number of shares held in dematerialized form	
									As a % of (A+B+C2)	No. of Voting Rights					Total as a % of (A+B+C)	No. (a)	As a % of total shares held (B)	No. (a)		As a % of total shares held (B)
										Class : X	Class : Y	Total								
										As a % of (A+B+C2)		As a % of total shares held (B)								
(I)	(II)	(III)	(IV)	(V)	(VI)	(VII)=(IV)+(V)+(VI)	(VIII)	(IX)				(X)	(XI)=(VII)+(X)	(XII)		(XIII)	(XIV)			
(1)	Institutions	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
(a)	Mutual Funds	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		



(b)	Venture Capital Funds	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(c)	Alternate Investment Funds	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(d)	Foreign Venture Capital Investors	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(e)	Foreign Portfolio Investor	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(f)	Financial Institutions/Banks	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(g)	Insurance Companies	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(h)	Provident Funds/ Pension Funds	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(i)	Any other (specify)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Sub-Total (B)(1)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

(2)	Central Government/ State Government(s)/ President of India	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Sub-Total (B)(2)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(3)	Non-Institutions	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Individuals-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(a)	i. Individual shareholders holding nominal share capital up to Rs. 2 lakhs.																	
	ii. Individual shareholders holding nominal share capital in excess of Rs. 2 lakhs.																	
	Rita Jain	ADEPJ 7558F	1	3,03,04 5	-	-	3,03,045	2.91	3,03,0 45	3,03,0 45	2.91	-	2.91	3,03,04 5	2.91	-	-	3,03,045

	Saloni Jain	ABI PJ81 80D	1	5,35,710	-	-	5,35,710	5.14	5,35,710	5,35,710	5.14	-	5.14	5,35,710	5.14	-	-	5,35,710
	Rajat Jain	AAGP J1122 N	1	36,960	-	-	36,960	0.35	36,960	36,960	0.35	-	0.35	36,960	0.35	-	-	36,960
(b)	NBFCs registered with RBI	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(c)	Employee Trusts	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(d)	Overseas Depositories (holding DRs) (balancing figure)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(e)	Any Other (specify)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Sub-Total (B)(3)	-	3	8,75,715	-	-	8,75,715	8.40	8,75,715	8,75,715	8.40	-	8.40	8,75,715	8.40	-	-	8,75,715
	<b>Total Public Shareholding (B)-(B)(1)+(B)(2)+(B)(3)</b>	-	<b>3</b>	<b>8,75,715</b>	-	-	<b>8,75,715</b>	<b>8.40</b>	<b>8,75,715</b>	<b>8,75,715</b>	<b>8.40</b>	-	<b>8.40</b>	<b>8,75,715</b>	<b>8.40</b>	-	-	<b>8,75,715</b>

\*As on the date of this Prospectus 1 Equity Shares holds 1 vote.

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

**IV. Shareholding pattern of the Non Promoter - Non Public shareholder**

Category & name of shareholder	PAN	No. of shareholders	No. of fully paid up equity shares held	No. of Partly paid up equity shares held	No. of shares underlying Depository Receipts	Total nos. shares held	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities				No. of Shares Underlying Outstanding convertible securities (including Warrants)	Total Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share Capital) As a % of (A+B+C2)	Number of locked in Shares		Number of Shares pledged or otherwise encumbered		Number of shares held in dematerialized form
								No. of Voting Rights			Total as a % of Total Voting rights			No. (A)	As a % of total shares held (B)	No. (Not Applicable)	As a % of total shares held (Not Applicable)	
								Class : X	Class : Y	Total								
(I)	(II)	(III)	(IV)	(V)	(VI)	(VII)=(IV)+(V)+(VI)	(VIII)	(IX)				(X)	(XI)=(VI)+(X)	(XII)		(XIII)		(XIV)
(1) Custodian/DR Holder	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-



(a)	Name of DR Holder (if applicable)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(2)	Employee Benefit Trust (Under SEBI (Share based Employee Benefit) Regulations, 2014)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	<b>Total Non-Promoter-Non Public Shareholding</b> <b>(C)=(C)(1)+(C)(2)</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

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

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

## B. Shareholding of our Promoter and Promoter Group

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

Sr. No.	Name of the Shareholder	Pre – Issue		Post – Issue	
		No. of Equity Shares	% of Pre-Issue Capital	No. of Equity Shares	% of Post-Issue Capital
(I)	(II)	(III)	(IV)	(V)	(VI)
	<b>Promoters</b>				
8.	Arun Kumar Jain	65,53,278	62.85	65,53,278	46.20
	<b>Promoter Group</b>				
9.	Smita Jain	15,45,420	14.82	15,45,420	10.90
10.	Vinco Metals Private Limited	77,012	0.74	77,012	0.54
11.	Bon Lon Securities Private Limited	3,22,974	3.10	3,22,974	2.28
12.	Bon Lon Private Limited	2,05,024	1.97	2,05,024	1.45
13.	Harshit Finvest Private Limited	2,65,010	2.54	2,65,010	1.87
14.	Arun Kumar Jain HUF	5,82,925	5.59	5,82,925	4.11
	<b>Total</b>	<b>95,51,643</b>	<b>91.60</b>	<b>95,51,643</b>	<b>67.35</b>

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

Name of the Promoters	No. of Shares held	Average cost of Acquisition (in Rs.)
Arun Kumar Jain	65,53,278	23.08

## 12. The List of the Shareholders of the Company holding 1% or more of the paid up share capital

### 1. as on the date of this Prospectus:

S No.	Name of the Shareholders	Number of Equity Shares	% of Pre-Issue Capital
1.	Arun Kumar Jain	65,53,278	62.85
2.	Arun Kumar Jain (HUF)	5,82,925	5.59
3.	Bon Lon Private Limited	2,05,024	1.97

4.	Bon Lon Securities Limited	3,22,974	3.10
5.	Harshit Finvest Private Limited	2,65,010	2.54
6.	Smita Jain	15,45,420	14.82
7.	Rita Jain	3,03,045	2.91
8.	Saloni Jain	5,35,710	5.14
<b>Total</b>		<b>1,03,13,386</b>	<b>98.92</b>

**2. Ten days prior to the date of this Prospectus:**

S No.	Name of the Shareholders	Number of Equity Shares	% of Pre-Issue Capital
1.	Arun Kumar Jain	65,53,278	62.85
2.	Arun Kumar Jain (HUF)	5,82,925	5.59
3.	Bon Lon Private Limited	2,05,024	1.97
4.	Bon Lon Securities Limited	3,22,974	3.10
5.	Harshit Finvest Private Limited	2,65,010	2.54
6.	Smita Jain	15,45,420	14.82
7.	Rita Jain	3,03,045	2.91
8.	Saloni Jain	5,35,710	5.14
<b>Total</b>		<b>1,03,13,386</b>	<b>98.92</b>

**3. Two Years prior to the date of this Prospectus:**

**Details of holding of Equity Share Capital:**

Name	No. of shares	Shareholding as a % of total no. of shares
Arun Kumar Jain	15,51,380	51.73
Bon Lon Securities Ltd	1,16,710	3.90
Smita Jain	3,84,300	12.81
Harshit Jain	2,49,010	8.30
Arun Kumar Jain (HUF)	5,82,800	19.43
Shekhar Chand Jain	30,000	1.00
<b>Total</b>	<b>29,14,200</b>	<b>97.17</b>

#### 4. One Year prior to the date of this Prospectus:

##### Details of holding of Equity Share Capital:

Name	No. of shares	Shareholding as a % of total no. of shares
Arun Kumar Jain	65,53,278	62.85
Smita Jain	15,45,420	14.82
Bon Lon Securities Limited	3,22,974	3.10
Bonlon Private Limited	205,024	1.97
Harshit Finvest Private Limited	265,010	2.54
Arun Kumar Jain (HUF)	5,82,800	5.59
Rita Jain	303,045	2.91
Saloni Jain	535,710	5.14
<b>Total</b>	<b>10,313,386</b>	<b>98.91</b>

#### 13. Equity Shares held by top ten shareholders

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

Sr. No.	Name of Shareholder	No. of Shares	% of Pre-Issue Capital
1.	Arun Kumar Jain	65,53,278	62.85
2.	Smita Jain	15,45,420	14.82
3.	Rajat Jain	36,960	0.35
4.	Vinco Metals Private Limited	77,012	0.74
5.	Bon Lon Securities Private Limited	3,22,974	3.10
6.	Bon Lon Private Limited	2,05,024	1.97
7.	Harshit Finvest Private Limited	2,65,010	2.54
8.	Arun Kumar Jain HUF	5,82,925	5.59
9.	Saloni Jain	5,35,710	5.14
10.	Rita Jain	3,03,045	2.91
	<b>Total</b>	<b>1,04,27,358</b>	<b>100</b>

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

Sr. No.	Name of shareholder	No. of Shares	% of Pre-Issue Capital
1.	Arun Kumar Jain	65,53,278	62.85
2.	Smita Jain	15,45,420	14.82
3.	Rajat Jain	36,960	0.35
4.	Vinco Metals Private Limited	77,012	0.74
5.	Bon Lon Securities Private Limited	3,22,974	3.10
6.	Bon Lon Private Limited	2,05,024	1.97
7.	Harshit Finvest Private Limited	2,65,010	2.54
8.	Arun Kumar Jain HUF	5,82,925	5.59
9.	Saloni Jain	5,35,710	5.14
10.	Rita Jain	3,03,045	2.91
	<b>Total</b>	<b>1,04,27,358</b>	<b>100</b>

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

Sr. No.	Name of shareholder	No. of Shares	% of Pre-Issue Capital
1.	Arun Kumar Jain	15,51,380	51.72
2.	Arun Kumar Jain HUF	5,82,800	19.43
3.	Smita Jain	3,84,300	12.81
4.	Harshit Jain	2,49,010	8.30
5.	Bon Lon Securities Limited	116,710	3.89
6.	Shekhar Chand Jain	30,000	1.00
7.	Rajat Jain	25,710	0.86
8.	Rita Jain	25,000	0.83
9.	Sunil Kumar Jain	19,000	0.63
10.	Chandra Garg	9,000	0.30
	<b>Total</b>	<b>29,92,910</b>	<b>99.77</b>

\*This does not include the effect of amalgamation of the following Companies.

- i) Smita Global Private Limited
  - ii) Harshit Promoters Private Limited
  - iii) Harshit Infratech Private Limited
11. There is no "Buyback", "Standby", or similar arrangement for the purchase of Equity Shares by our Company/Promoters/Directors/Lead Manager for purchase of Equity Shares offered through this Prospectus.
  12. There are no safety net arrangements for this public issue.
  13. The Equity Shares, which are subject to lock-in, shall carry the inscription "non-transferable" and the non-transferability details shall be informed to the depository. The details of lock-in shall also be provided to the Stock Exchange before the listing of the Equity Shares.
  14. As on the date of this Prospectus, none of the shares held by our Promoters/ Promoter Group are pledged with any financial institutions or banks or any third party as security for repayment of loans.
  15. Except, as otherwise disclosed in the chapter titled "Objects of the Issue" beginning on page 94 of this Prospectus, we have not raised any bridge loans against the proceeds of the Issue.
  16. Investors may note that in case of over-subscription, allotment will be on proportionate basis as detailed in heading on "Basis of Allotment" beginning on page 286 of this Prospectus.
  17. The Equity Shares Issued pursuant to this Issue shall be fully paid-up at the time of Allotment, failing which no allotment shall be made.
  18. Our Company has not issued any Equity Shares at a price less than the Issue Price in the last one year preceding the date of filing of this Prospectus.
  19. In case of over-subscription in all categories the allocation in the Issue shall be as per the requirements of Regulation 253 of SEBI (ICDR) Regulations, 2018, as amended from time to time.
  20. Under subscription, if any, in any category, shall be met with spill-over from any other category or combination of categories at the discretion of our Company, in consultation with the Lead Manager and Bombay Stock Exchange Limited.
  21. As per Regulation 268(2) of SEBI (ICDR) Regulations, 2018, an over-subscription to the extent of 10% of the Issue can be retained for the purpose of rounding off while finalizing the basis of allotment to the nearest integer during finalizing the allotment, subject to minimum allotment lot. Consequently, the actual allotment may go up by a maximum of 10% of the Issue, as a result of which, the post issue paid up capital after the Issue would also increase by the excess amount of allotment so made. In such an event, the Equity Shares held by the Promoters and subject to lock-in shall be suitably increased to ensure that 20% of the post issue paid-up capital is locked-in.
  22. The Issue is being made through Fixed Price Method.
  23. As on date of filing of this Prospectus with Stock Exchange, the entire issued share capital of our Company is fully paid-up. The Equity Shares offered through this Public Issue will be fully paid up.
  24. On the date of filing of this Prospectus with Stock Exchange, there are no outstanding financial instruments or any other rights that would entitle the existing Promoters or shareholders or any other person any option to receive Equity Shares after the Issue.
  25. Our Company has not issued any Equity Shares out of revaluation reserves and not issued any bonus shares out of capitalization of revaluation reserves.
  26. Lead Manager to the Issue viz. Sarthi Capital Advisors Private Limited and its associates do not hold any Equity Shares of our Company.

27. Our Company has not revalued its assets since incorporation.
28. Our Company has not made any Public Issue of any kind or class of securities since its incorporation.
29. There will be only one denomination of the Equity Shares of our Company unless otherwise permitted by law.
30. Our Company shall comply with such disclosure, and accounting norms as may be specified by SEBI from time to time.
31. There will be no further issue of capital whether by way of issue of bonus shares, preferential allotment, and rights issue or in any other manner during the period commencing from submission of this Prospectus with Stock Exchange until the Equity Shares to be issued pursuant to the Issue have been listed.
32. Except as disclosed in this Prospectus, our Company presently does not have any intention or proposal to alter its capital structure for a period of six (6) months from the date of opening of the Issue, by way of split/consolidation of the denomination of Equity Shares or further issue of Equity Shares (including issue of securities convertible into Equity Shares) whether preferential or otherwise. However, during such period or a later date, it may issue Equity Shares or securities linked to Equity Shares to finance an acquisition, merger or joint venture or for regulatory compliance or such other scheme of arrangement if an opportunity of such nature is determined by its Board of Directors to be in the interest of our Company.
33. Our Company does not have any ESOS/ESPS scheme for our employees and we do not intend to allot any shares to our employees under ESOS/ESPS scheme from the proposed Issue. As and when, options are granted to our employees under the ESOP scheme, our Company shall comply with the SEBI (Share Based Employee Benefits) Regulations, 2014.
34. An investor cannot make an application for more than the number of Equity Shares offered in this Issue, subject to the maximum limit of investment prescribed under relevant laws applicable to each category of investor.
35. As per RBI regulations, OCBs are not allowed to participate in this Issue.
36. Our Promoters and the members of our Promoter Group will not participate in this Public Issue.
37. Our Company shall ensure that transactions in the Equity Shares by the Promoters, Group companies and the Promoter Group between the date of filing the Prospectus and the Issue Closing Date shall be reported to the Stock Exchange within twenty-four hours of such transaction.
38. For the details of transactions by our Company with our Promoter Group during financial years ended March 31 2019, 2018, and 2017 please refer to Annexure VIII of restated financial statement under the section titled, 'Financial Statements' beginning on page 184 of this Prospectus.
39. None of our Directors or Key Managerial Personnel holds Equity Shares in our Company, except as stated above in this chapter and also in the chapter titled "Our Management" beginning on page 145 of this Prospectus.
40. Except in case of transmission or transposition of securities, requests for effecting transfer of securities shall not be processed unless the securities are held in dematerialized form with a depository.
41. No payment, direct, indirect in the nature of discount, commission, and allowance, or otherwise shall be made either by us or by our Promoters to the persons who receive allotments, if any, in this Issue.
42. Our Company has Ten (10) shareholders as on the date of filing of this Prospectus.

## OBJECTS OF THE ISSUE

Our Company proposes to utilize the funds which are being raised towards funding the following objects and achieve the benefits of listing on the BSE SME.

The objects of the Issue are:

1. To meet the working capital requirements of our Company;
2. To meet Issue Expenses;

Our Company believes that listing will enhance our Company's corporate image, brand name and create a public market for its Equity Shares in India. It will also make future financing easier and affordable in case of expansion or diversification of the business. Further, listing attracts interest of institutional investors as well as foreign institutional investors.

The main objects clause of our Memorandum enables our Company to undertake the activities for which funds are being raised in the Issue. The existing activities of our Company are within the objects clause of our Memorandum. The fund requirement and deployment are based on internal management estimates and has not been appraised by any bank or financial institution.

### FUND REQUIREMENTS:

Our funding requirements are dependent on a number of factors which may not be in the control of our management, changes in our financial condition and current commercial conditions. Such factors may entail rescheduling and / or revising the planned expenditure and funding requirement and increasing or decreasing the expenditure/repayment for a particular purpose from the planned expenditure/repayment.

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

*(Rs. In lakhs)*

Sr. No.	Particulars	Amount
1.	Working Capital Requirements	1011.68
2.	*Issue Expenses	40.00
	<b>Total</b>	<b>1,051.68</b>

*\*As on June 23, 2020, our Company has incurred a sum of Rs. 7,62,400/- (Rupees Seven Lakhs Sixty Two Thousand Four Hundred Only) towards issue expenses.*

**The requirements of the objects detailed above are intended to be funded from the Proceeds of the Issue. Accordingly, we confirm that there is no requirement for us to make firm arrangements of finance under Regulation 230(1)(e) and Clause 9 (C) of Part A of Schedule VI of SEBI (ICDR) Regulations, 2018 through verifiable means towards at least 75% of the stated means of finance, excluding the amount to be raised from the proposed public Issue or through existing identifiable internal accruals.**

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

In case of variations in the actual utilization of funds allocated for the purposes set forth above, increased fund requirements for a particular purpose may be financed by surplus funds, if any, available in respect of the other purposes for which funds are being raised in this Issue. If surplus funds are unavailable, the required financing will be through our internal accruals and/or debt.

**We may have to revise our fund requirements and deployment as a result of changes in commercial and other external factors, which may not be within the control of our management. This may entail scheduling, revising or cancelling the fund requirements and increasing or decreasing the fund requirements for a particular purpose from its fund requirements mentioned below, at the discretion of our management. In case of any shortfall or cost overruns, we intend to meet our estimated expenditure**



from internal accruals and/or debt. In case of any such re-scheduling, it shall be made by compliance of the relevant provisions of the Companies Act, 2013.

#### DETAILS OF UTILIZATION OF ISSUE PROCEEDS

##### 1. WORKING CAPITAL REQUIREMENT

The details of our Company's working capital requirements for the Financial Year 2017-18 and 2018-19 and funding of the same are as set out in the table below:

(Rs. in Lakhs)

Particulars	2017-18 (Restated)	2018-19 (Restated)	2019-20 (Estimated)	2020-21 (Estimated)
<b>Current Assets</b>				
Cash & Cash Equivalents	262.71	81.96	59.83	169.71
Trade Receivables	328.52	867.63	2,817.50	3,131.25
Inventories	1,393.45	53.15	735.94	776.04
Other Current Assets	1,575.85	2,099.91	970.00	1,846.05
<b>Total (A)</b>	<b>3,557.53</b>	<b>3,102.65</b>	<b>4583.27</b>	<b>5,923.05</b>
<b>Current Liabilities</b>				
Trade Payables	2,527.19	1,152.89	735.94	776.04
Statutory Liabilities	1.15	2.86	15.00	21.00
Other Current Liabilities	208.18	8.41	10.00	20.00
Short Term Provisions	-	22.80	70.00	96.05
<b>Total (B)</b>	<b>2,736.51</b>	<b>1,186.96</b>	<b>830.94</b>	<b>913.09</b>
<b>Net Working Capital (A)-(B)</b>	<b>821.02</b>	<b>1,915.69</b>	<b>3,752.33</b>	<b>5,009.96</b>
<b>Sources of Working Capital</b>				
Fund Based Borrowings	0.28	-	-	-
IPO Proceeds	-	-	-	1,011.68
Internal Sources / Share Capital /Borrowings	820.74	1,915.69	3,752.33	3,998.28

The Company's business is working capital intensive and we avail our working capital in the ordinary course of business from Banks. As on March 31, 2018 and March 31, 2019 the Company's net working capital consisted of Rs. 821.02 and Rs. 1,915.69 Lakhs respectively. Considering the existing and future growth, the total working capital needs of our Company, is expected to reach Rs.3,752.33 Lakhs for FY 2019-20 and Rs. 5,009.96 in FY 2020-21. We intend to meet our working capital requirements to the extent of Rs.1,011.68 Lakhs from the Net Proceeds of this Issue and the balance will be met from internal accruals and borrowings at an appropriate time as per the requirement.

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

We have estimated future working capital requirements based on the following:

(No. of Days)

Particulars	2017-18 (Restated)	2018-19 (Restated)	2019-20 (Estimated)	2020-21 (Estimated)
<b>Current Assets</b>				
Inventories:				
Finished Goods/Traded Goods	20	01	15	15
Trade Receivables	5	15	45	45
<b>Current Liabilities</b>				
Trade Payables	38	25	15	15

**Justification for estimation:**

The above parameters have been taken as per industry norms as acceptable by the banks.

**ISSUE RELATED EXPENSES**

The expenses for this Issue include issue management fees, underwriting fees, registrar fees, legal advisor fees, printing and distribution expenses, advertisement expenses, depository charges and listing fees to the Stock Exchange, among others. The total expenses for this Issue are estimated not to exceed Rs. 40.00 Lakhs.

(Rs. in Lakhs)

Expenses	Expenses (Rs. in Lakhs)	Expenses (% of total Issue expenses)	Expenses (% of Issue size)
Payment to Merchant Banker including expenses towards printing, advertising, and payment to other intermediaries such as Registrars, Market Makers, Bankers etc.	30.00	30.00	2.85
Regulatory Fees.	10.00	10.00	0.95
<b>Total estimated Issue expenses</b>	<b>40.00</b>	<b>40.00</b>	<b>3.80</b>

**DEPLOYMENT OF FUNDS**

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

(Rs. In Lakhs)

Particulars	Total Funds	Amount incurred till June 23, 2020	Balance deployment during FY 2020-21
Working Capital Requirement	1011.68	-	1011.68
*Issue Expenses	40.00	7.62	32.38
<b>Total</b>	<b>1,051.68</b>	<b>7.62</b>	<b>1,051.68</b>

\*As on June 23, 2020, our Company has incurred a sum of Rs. 7,62,400/- (Rupees Seven Lakhs Sixty Two Thousand Four Hundred Only) towards issue expenses.

Gaur & Associates, Chartered Accountants, Statutory Auditor has vide certificate dated June 23, 2020 confirmed that as on June 23, 2020 following funds were deployed for the proposed objects of the Issue:

(Rs. in Lakhs)

Source	Amount Incurred
Internal Accruals	7.62
<b>Total</b>	<b>7.62</b>

**MEANS OF FINANCE**

(Rs. in Lakhs)

Particulars	Estimated Amount
Net Proceeds	1,051.68
Internal Accruals	-
<b>Total</b>	<b>1,051.68</b>

**APPRAISAL BY APPRAISING AGENCY**

None of the Objects have been appraised by any bank or financial institution or any other independent third-party organization. The funding requirements of our Company and the deployment of the proceeds of the Issue are currently based on available management estimates. The funding requirements of our Company are dependent on a number of factors which may not be in the control of our management, including variations in interest rate structures, changes in our financial condition and current commercial conditions and are subject to change in light of changes in external circumstances or in our financial condition, business or strategy.

**INTERIM USE OF FUNDS**

Pending utilization for the purposes described above, our Company intends to invest the funds in with scheduled commercial banks included in the second schedule of Reserve Bank of India Act, 1934. Our management, in accordance with the policies established by our Board of Directors from time to time, will deploy the Net Proceeds. Further, our Board of Directors hereby undertake that full recovery of the said interim investments shall be made without any sort of delay as and when need arises for utilization of process for the objects of the issue.

**BRIDGE FINANCING FACILITIES**

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

**MONITORING UTILIZATION OF FUNDS**

As the Net Proceeds of the Issue will be less than Rs. 10,000 Lakhs, under Regulation 262 of SEBI (ICDR) Regulations, 2018 it is not mandatory for us to appoint a monitoring agency.

Our Board and the management will monitor the utilization of the Net Proceeds through its audit committee. Pursuant to Regulation 32 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, our Company shall on half-yearly basis disclose to the Audit Committee the applications 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 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. The statement will be certified by the Statutory Auditors of our Company.

No part of the Issue Proceeds will be paid by our Company as consideration to our Promoters, our Directors, Key Management Personnel or companies promoted by the Promoters, except as may be required in the usual course of business and for working capital requirements.

**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 Initial Public Issue without our Company being authorized to do so by the Shareholders by way of a special resolution through a postal ballot. Further, pursuant to Regulation 32 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, our Company shall on half-yearly basis disclose to the Audit Committee the applications of the proceeds of the Issue. In addition, the notice issued to the Shareholders in relation to the passing of such special resolution (“Postal Ballot Notice”) shall specify the prescribed details as required under the Companies Act. The Postal Ballot Notice shall simultaneously be published in the newspapers, one in English and one in Hindi, the vernacular language of the jurisdiction where our Registered Office is situated. Our Promoters will be required to provide an exit opportunity to such shareholders who do not agree to the above stated proposal, at a price as may be prescribed by SEBI, in this regard.

## **SPECIAL TAX BENEFITS**

No special tax benefit is available to our Company and our shareholders under the applicable tax laws in India. For further details please refer the “*Statement of Tax benefits*” on page no. 141 of this Prospectus.

## **OTHER CONFIRMATIONS**

There are no material existing or anticipated transactions with our Promoter, our Directors, our Company’s key Managerial personnel and Group Companies, in relation to the utilization of the Net Proceeds. No part of the Issue Proceeds will be paid by our Company as consideration to our Promoters, our Directors, Key Management Personnel or company promoted by the Promoter, except as may be required in the usual course of business.

## BASIS FOR ISSUE PRICE

The Issue Price of Rs. 28/- per Equity Share has been determined by our Company, in consultation with the LM on the basis of an assessment of market demand for the Equity Shares through the Fixed Price Process and on the basis of the following qualitative and quantitative factors. The face value of the Equity Share of our Company is Rs. 10/- and Issue Price is 2.80 times the face value.

### QUALITATIVE FACTORS

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

- Established and proven track record;
- Leveraging the experience of our Promoter;
- Experienced management team and a motivated;
- Cordial relations with our customers.

For further details, refer to heading ‘*Our Strengths*’ under chapter titled ‘*Our Business*’ beginning on page 112 of this Prospectus.

### QUANTITATIVE FACTORS

The information presented below relating to the Company is based on the consolidated restated financial statements of the Company for Financial Year 2016-17, 2017-18 and 2018-19 prepared in accordance with Indian GAAP. Some of the quantitative factors, which form the basis for computing the price, are as follows:

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

Year ended	EPS (Rs.)	Weight
March 31, 2017	(4.09)	1
March 31, 2018	0.93	2
March 31, 2019	3.79	3
<b>Weighted Average</b>	<b>1.52</b>	

For nine months ended December 31, 2019, the Basic Earnings per Share was Rs. 13.31 as per the restated consolidated financials mainly because of profit on sale of investments.

**Note:** The EPS has been computed by dividing net profit as restated in financials, attributable to equity shareholders by weighted average number of equity shares outstanding during the year.

#### 2. Price to Earnings (P/E) ratio in relation to Issue Price of Rs. 28/-per Equity Share of face value of Rs. 10/- each.

Particulars	P/E Ratio
P/E ratio based on Basic EPS for FY 2018-19	7.39
P/E ratio based on Weighted Average EPS	18.42

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

Year ended	Ron (%)	Weight
March 31, 2017	(10.82)	1
March 31, 2018	2.39	2
March 31, 2019	6.01	3
<b>Weighted Average</b>	<b>1.99</b>	

For nine months ended December 31, 2019, the RoN was 22.80% as per the restated consolidated financials.

**Note:** The RoN has been computed by dividing net profit after tax as restated, by Net Worth as at the end of the year excluding miscellaneous expenditure to the extent not written off.

**4. Minimum Return on Total Net Worth after Issue needed to maintain Pre-Issue EPS for the year ended March 31, 2019: 9.35%**

**5. Net Asset Value (NAV)**

(Amount in Rs.)

Particulars	Amount (Rs.)
Net Asset Value per Equity Share as of March 31, 2019	45.05
Net Asset Value per Equity Share after the Issue	40.54
Issue Price per equity share	28.00

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

**6. Comparison with other listed companies/Industry peers**

Companies	Face Value	Sales (Rs. in Cr.)	PAT (Rs. in Cr.)	EPS (In Rs.)	P/E Ratio	CMP (In Rs.)
Bonlon Industries Limited	10.00	224.99	2.82	3.79	7.39	-
<b>Peer Groups:*</b>						
Hisar Metal Industries Limited	10.00	207.55	5.32	9.86	5.14	78.70
Shalimar Wires Industries Limited	10.00	11,534.55	(512.99)	(1.20)	6.20	4.18

\*Source for Peer Group information: [www.nseindia.com](http://www.nseindia.com) and [www.bseindia.com](http://www.bseindia.com)

- The figures of Our Company are based on the restated results for the year ended March 31, 2019.
- The figures for the Peer group are based on audited results for the Financial Year ended March 31, 2019.
- Current Market Price (CMP) is the closing prices of respective scrips as on June 22, 2020.

The Company in consultation with the Lead Manager and after considering various valuation fundamentals including Book Value and other relevant factors believes that the issue price of Rs. 28/-per share for the Public Issue is justified in view of the above parameters. The investors may also want to pursue the Risk Factors beginning on page 28 of this Prospectus and Financials of the company as set out in the Financial Statements beginning on page 184 of this Prospectus to have more informed view about the investment proposition. The Face Value of the Equity Shares is Rs. 10/- per share and the Issue Price is 2.80 times of the face value i.e. Rs. 28/-per share.

For further details see “Risk Factors” beginning on page 28 of this Prospectus and the financials of the Company including profitability and return ratios, as set out in the “Financial Statements” beginning on page 184 of this Prospectus for a more informed view.



## STATEMENT OF TAX BENEFITS

### Statement of special tax benefits available to the Company and its shareholders

To,  
**The Board of Directors**  
**Bonlon Industries Limited**  
*(Formerly known as Bonlon Industries Private Limited  
& Bon Lon Steels Private Limited)*  
7A/39 (12- First Floor), WEA Channa Market  
Karol Bagh, New Delhi- 110005

**Sub: Statement of Special Tax Benefits (“The Statement”) available to Bonlon Industries Limited (“The Company”) and its shareholders prepared in accordance with the requirement in Schedule VI of Securities and Exchange Board of India (Issue of Capital Disclosure Requirements) Regulations, 2018 (“The Regulation”).**

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We refer to the proposed issue of the shares of **Bonlon Industries Limited**, formerly known as Bonlon Industries Private Limited & Bon Lon Steels Private Limited (“the Company”). We enclose herewith the statement showing the special tax benefits available to the Company and the shareholders of the Company under the Income - Tax Act, 1961 (“Act”), as applicable to the Assessment Year 2021-22 relevant to the Financial Year 2020-21 for inclusion in the Prospectus (“Offer Document”) for the proposed issue of shares.

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

The benefits discussed in the enclosed statement are neither exhaustive nor conclusive. The contents stated in the Annexure are based on the information and explanations obtained from the Company. This statement is only intended to provide general information to guide the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences and the changing tax laws, each investor is advised to consult their own tax consultant with respect to specific tax implications arising out of participation in the issue. We are neither suggesting nor are we advising the investor to invest money or not to invest money based on this statement.

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

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

For **Gaur & Associates**  
Chartered Accountants  
**F.R.N. 005354C**

**Sd/-**  
**CA S K Gupta**  
Partner  
M. No. 016746

Date: June 23, 2020  
Place: New Delhi

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

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

**1. Special Direct & Indirect Tax Benefits available to the Company**

There are no special direct & indirect tax benefits available to the Company.

**2. Special Direct & Indirect Tax Benefits available to the shareholders of the Company**

There are no special direct & indirect tax benefits available to the shareholders of the Company.

**Notes:**

1. All the above benefits are as per the current tax laws and will be available only to the sole / first name holder where the shares are held by joint holders.
2. The above statement covers only certain relevant direct & indirect tax law benefits.
3. No assurance is given that the revenue authorities/courts will concur with the views expressed herein. Our views are based on the existing provisions of law and its interpretation, which are subject to changes from time to time. We do not assume responsibility to update the views consequent to such changes. We do not assume responsibility to update the views consequent to such changes. We shall not be liable to any claims, liabilities or expenses relating to this assignment except to the extent of fees relating to this assignment, as finally judicially determined to have resulted primarily from bad faith or intentional misconduct. We will not be liable to any other person in respect of this statement

*You should consult your own Tax Advisors concerning the Indian Tax implications and consequences of purchasing, owning and disposing of equity shares in your particular situation.*

For **Gaur & Associates**  
Chartered Accountants  
**F.R.N. 005354C**

**Sd/-**  
**CA S K Gupta**  
Partner  
M. No. 016746

Date: June 23, 2020  
Place: New Delhi



## SECTION V- ABOUT THE COMPANY

### OUR INDUSTRY

#### INTRODUCTION

India, a South Asian nation, is the seventh-largest country by area, the second-most populous country with over 1.33 billion people, and the most populous democracy in the world. India boasts of an immensely rich cultural heritage including numerous languages, traditions and people. The country holds its uniqueness in its diversity and hence has adapted itself to international changes with poise and comfort. While the economy has welcomed international companies to invest in it with open arms since liberalization in 1990s, Indians have been prudent and pro-active in adopting global approach and skills. Indian villagers proudly take up farming, advanced agriculture and unique handicrafts as their profession on one hand while modern industries and professional services sectors are coming up in a big way on the other.

Thus, the country is attracting many global majors for strategic investments owing to the presence of vast range of industries, investment avenues and a supportive government. Huge population, mostly comprising the youth, is a strong driver for demand and an ample source of manpower.

#### OVERVIEW OF INDIAN ECONOMY

The economy of India is a developing mixed economy. It is the world's seventh-largest economy by nominal GDP and the third-largest by purchasing power parity (PPP). The Indian economy witnessed a slowdown in the backdrop of a weakening global economy due to the COVID 19 pandemic. World's economy started announcing lockdown to block the spread of the virus and as result of that, the global economic activity has come to the halt. In 2019-20 Indian GDP growth for the year reported at 4.2% compared to 6.1% growth in 2018-19.

GDP for FY20 stood at Rs 145.7 lakh crore as against Rs 139.8 lakh crore in FY19. Gross Value Added (GVA) for 2019-20 reported at 133.0 Lakh crore compared to Rs 128 lakh crore in FY19, registering the growth of 3.9% over the previous year. Among the component of GVA manufacturing growth was disappointing at 0.03%.

#### Component of GVA:

Industry	GVA in Rs Lakh cr		Growth of GVA	
	FY19	FY20	FY19	FY20
Agriculture, Forestry & Fishing	18.72	19.48	2.4%	4.0%
Mining & Quarrying	3.45	3.56	-5.8%	3.1%
Manufacturing	23.17	23.17	5.7%	0.03%
Electricity, Gas, Water Supply & Other Utility Services	2.97	3.09	8.2%	4.1%
Construction	10.20	10.33	6.1%	1.3%
Trade, Hotels, Transport, Services related to Broadcasting	24.88	25.78	7.7%	3.6%
Financial, Real Estate & Professional Services	27.87	29.16	6.8%	4.6%
Public Administration, Defence and Other Services	16.77	18.44	9.4%	10.0%
<b>Total</b>	<b>128.03</b>	<b>133.01</b>	<b>6.0%</b>	<b>3.9%</b>

Source:

[http://mospi.nic.in/sites/default/files/press\\_release/PRESS%20NOTE%20PE%20and%20Q4%20estimates%20of%20GDP.pdf](http://mospi.nic.in/sites/default/files/press_release/PRESS%20NOTE%20PE%20and%20Q4%20estimates%20of%20GDP.pdf)

- WPI Inflation during the year eased to 1.7% for the fiscal year 2019-20 as compared to 4.3% in 2018-19, it was lowest in the past 10 years.
- CPI inflation for FY20 is 4.8% compared to 3.4% in the fiscal year 2018-19.

- Annual average of Index of Industrial Production for FY20 stood at 129.2 compared to 130.1 in FY19. IIP contracted to -0.7% in FY20.
- Fiscal Deficit for the financial year 2019-20 is reported at Rs 9.36 Lakh crore which is 4.6% of nominal GDP (GDP at current Prices) compared to 3.40% in FY2018-19.
- The current account deficit to GDP was higher at 2.6% of GDP in 2018-19 as compared to 2017-18 (1.8%) driven by a deterioration of trade deficit primarily due to higher oil prices along with a decline in the growth of merchandise exports. The annual growth rate of merchandise exports fell from 10% in 2017-18 to 8.8% in 2018-19. Annual growth rate of merchandise imports also fell from 21.1% in 2017-18 to 10.4% in 2018-19.
- India's foreign exchange reserves continue to be comfortably placed in excess of US\$450 billion as on 27 March 2020

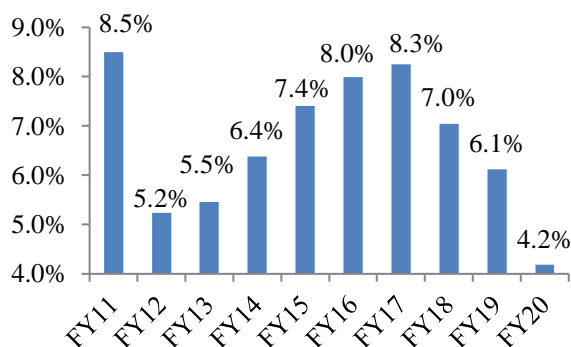
Source: RBI, MOSPI

## **Update on Macro Economic Numbers**

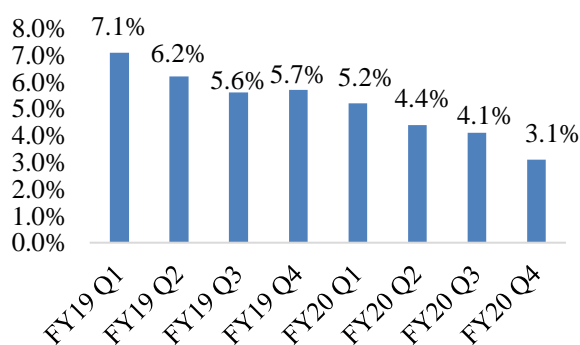
### **1. GDP: Q4FY20**

The Indian economy continued to slow down in the January-March quarter, as an impact of COVID19 and on global lockdowns and slower demand and industrial activity. Gross domestic product rose by 3.1% in the fourth quarter of 2019-20 compared to 5.7% in the same period last year showed data released by the Central Statistics Office. In gross value added terms, the economy grew at 3.0% in the January-March quarter, compared to 5.6% in the same period last year. GDP and GVA for fourth quarter of FY20 stood at Rs 145.7 crore and Rs 133 cr respectively.

**Annual GDP Growth**



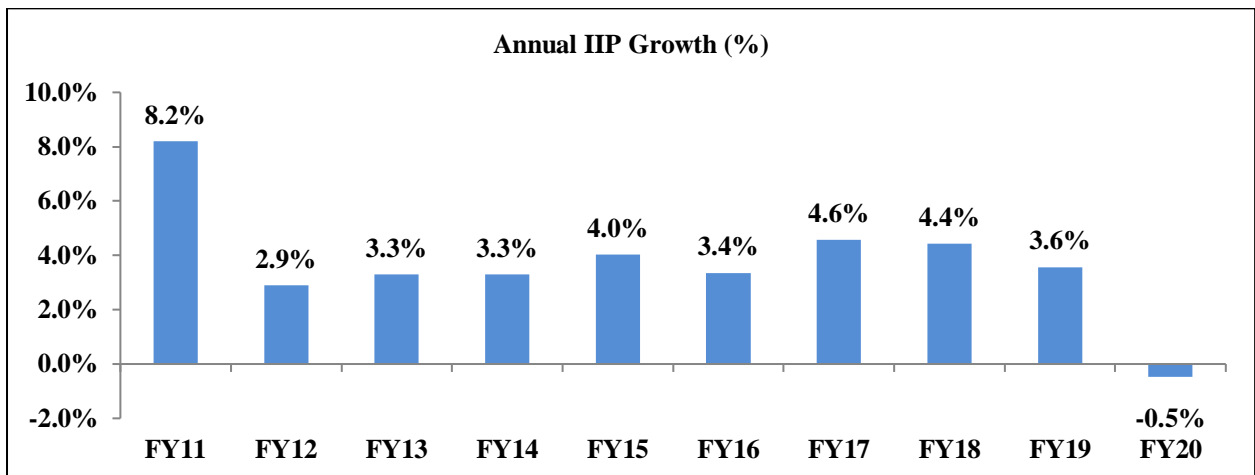
**Quarterly GDP Growth**



### **2. Index of Industrial Production**

The Quick Estimates of Index of Industrial Production (IIP) with base 2011-12 for the financial year 2019-20 is 129.2 compared to 129.8 in last years has de grown by -0.5%. As per the latest data release by the government, the IIP for the month of April 2020 is 56.3 which has shown the negative growth of -55.5% compared to the 3.2% for the same period last year. April 2020 was affected due to the full lockdown in the economy as a result of Covid pandemic. Index for Mining, Manufacturing and Electricity has decelerated by -27.4%, -64.3% and -22.6% respectively in April 2020 compared to 5.1%, 2.5% and 6.0% in April 2019.

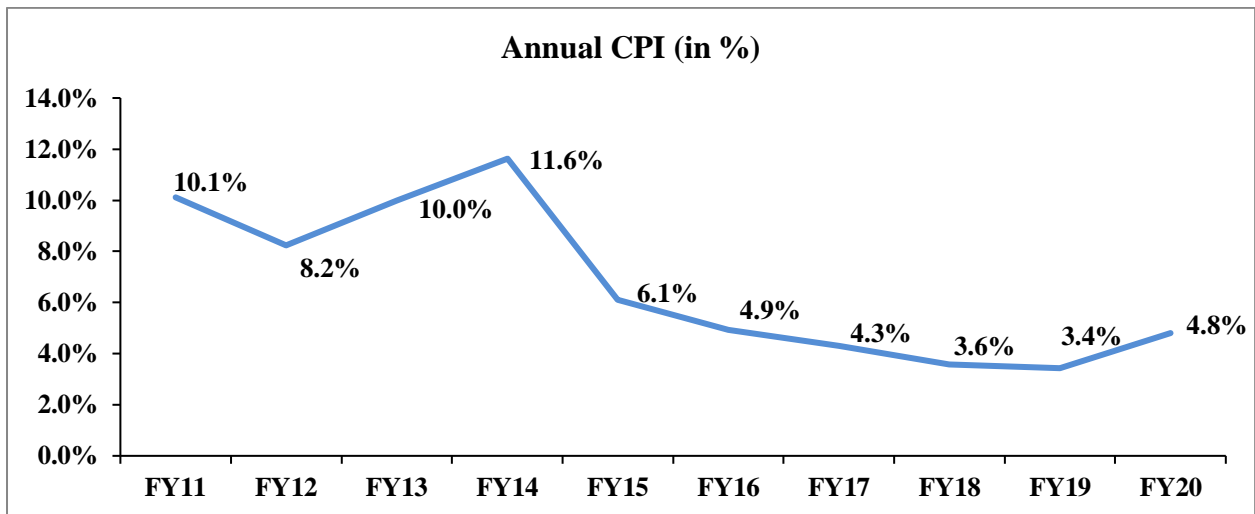
### IIP trend over the years



### 3. Prices

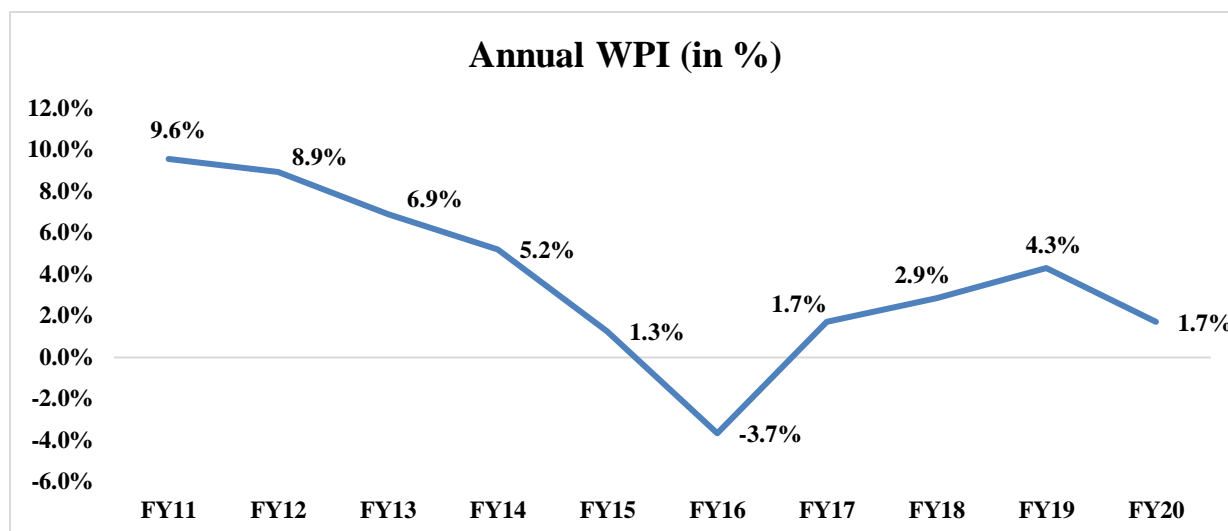
**Consumer Price Index (CPI):** CPI for the year 2019-20 was highest is four years at 4.8% compared to 3.4% in the last year. CPI for the month of March 2020 was 148.6 with CPI inflation of 5.9% compared to the 2.9% in the month of March 2019. The higher Inflation was fueled by the vegetables and Pulses which has shown the inflation of 18.6% and 15.9% in the Month of March 2020.

#### Yearly trend of CPI



**Wholesale Price Index:** The annual rate of inflation, based on monthly WPI for March 2020 is at 1.0% compared to 3.1% in March 2019 and 2.3% in Feb 2020. WPI inflation of the financial year 2019-20 is at 1.7% compared to 4.3% in 2018-19.

## WPI annual trend



Source: MoSPI & RBI

## Global Economy

### *The Great Lockdown:*

The COVID-19 pandemic is inflicting high and rising human costs worldwide. Protecting lives and allowing health care systems to cope have required isolation, lockdowns, and widespread closures to slow the spread of the virus. The health crisis is therefore having a severe impact on economic activity. As a result of the pandemic, the global economy is projected to contract sharply by –3% in 2020, much worse than during the 2008–09 financial crisis.

The fiscal response in affected countries has been swift and sizable in many advanced economies (such as Australia, France, Germany, Italy, Japan, Spain, the United Kingdom, and the United States). Many emerging market and developing economies (such as China, Indonesia, and South Africa) have also begun providing or announcing significant fiscal support to heavily impacted sectors and workers.

Among emerging market and developing economies, all countries face a health crisis, severe external demand shock, dramatic tightening in global financial conditions, and a plunge in commodity prices, which will have a severe impact on economic activity in commodity exporters. Overall, the group of emerging market and developing economies is projected to contract by –1.0% in 2020; excluding China, the growth rate for the group is expected to be –2.2%.

In the year 2021 the global growth is projected to be 5.8%, where advanced economies is projected to grow by 4.5% and Emerging Markets and Developing Economies to grow by 6.6%. India in 2021 is projected to grow by 7.4% and China by 9.2%.

Source: <https://www.imf.org/en/Publications/WEO/Issues/2020/04/14/weo-april-2020>

## OVERVIEW OF THE INDIAN METAL INDUSTRY

India holds a fair advantage in cost of production and conversion costs in steel and alumina. Its strategic location enables convenient exports to develop as well as the fast-developing Asian markets.

India produces 95 minerals– 4 fuel-related minerals, 10 metallic minerals, 23 non-metallic minerals, 3 atomic minerals and 55 minor minerals (including building and other minerals).

Rise in infrastructure development and automotive production are driving growth in the sector. Power and cement industries are also aiding growth in the metals and mining sector. Demand for iron and steel is set to continue, given the strong growth expectations for the residential and commercial building industry.

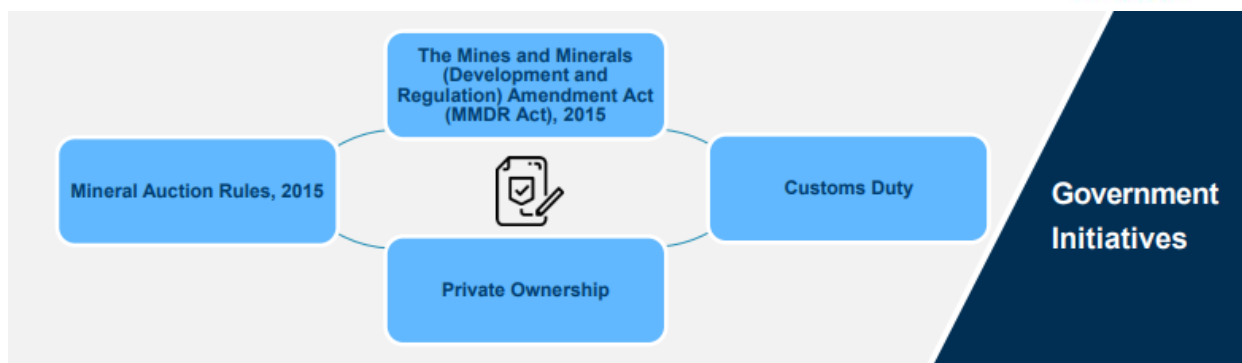


### Investments/ Developments

- During April 2000–September 2019, FDI inflows into metallurgical industries stood at US\$ 11,401.60 million. During the same period, FDI inflows in the mining, diamond and gold ornaments and coal production sectors stood at US\$ 2,652.60 million, US\$ 1,165.01 million and US\$ 27.73 million, respectively.
- Under the Mines and Minerals (Development and Regulation) Act of 1957, FDI up to 100% under Automatic route is allowed for the mining and exploration of metal and non- metal ores including diamond, gold, silver and precious ores, while FDI up to 100% under Government route is allowed in for mining and mineral separation of titanium bearing minerals and its ores.
- The Government of India is taking steps boost the country's domestic steel sector and raise its capacity to 300 million tonnes (MT) by 2030-31.

### Government Initiatives

- The Ministry of Steel aims to increase the steel production capacity to 300 million tonnes by 2030-31 from 134.6 million tonnes in 2017-2018 indicating new opportunities in the sector.
- FDI caps in the mining and exploration of metal and non-metal ores have been increased to 100% under the automatic route.
- Approval of MMDR Bill (2011) to provide better legislative environment for investment and technology.
- National Mineral Policy 2019 launched for transparency, better regulation and enforcement, balanced social and economic growth into the sector.



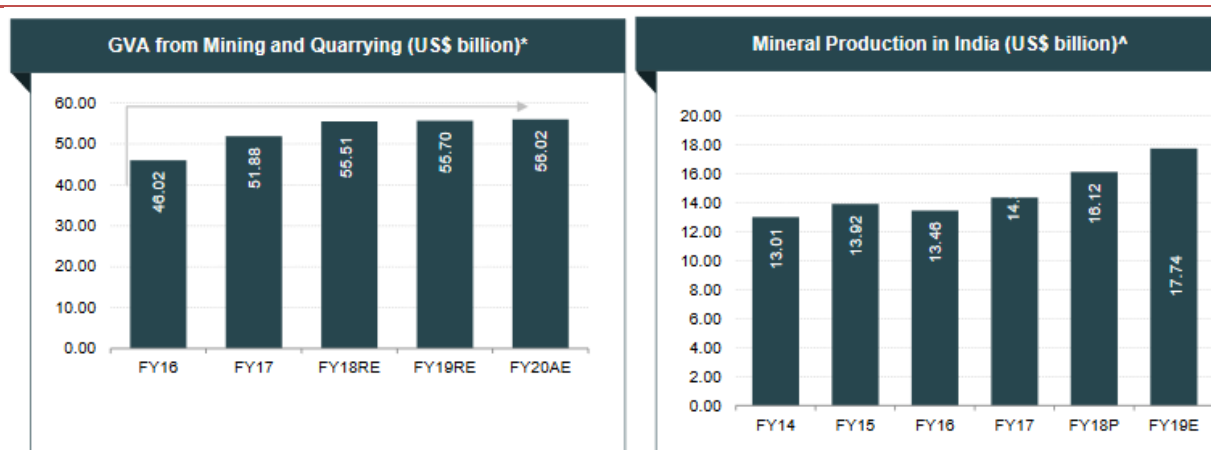
India’s metals industry is categorized into two main divisions - **the iron-based and non-iron-based**. The iron-based segment includes the manufacturing of three different kinds of steel such as carbon steel, ferrochrome steel, and stainless steel. The non-iron-based category includes the production of copper, tin, brass, lead, zinc, aluminum, and manganese. The main operations of the of the basic metals industry in India are mining of ores, refining of the ore, casting, alloying, sheet, and rolling into foils.

India ranks 4<sup>th</sup> in terms of iron ore production globally. In FY18, production of iron ore stood at 210 million tonnes. India has around 8% of world’s deposits of iron ore.

Rise in infrastructure development and automotive production are driving growth in the sector. Power and cement industries are also aiding growth in the metals and mining sector. Demand for iron and steel is set to continue, given the strong growth expectations for the residential and commercial building industry.

Source: <https://www.ibef.org/industry/metals-and-mining.aspx>

### Growth in India’s Metal & Mining Sector



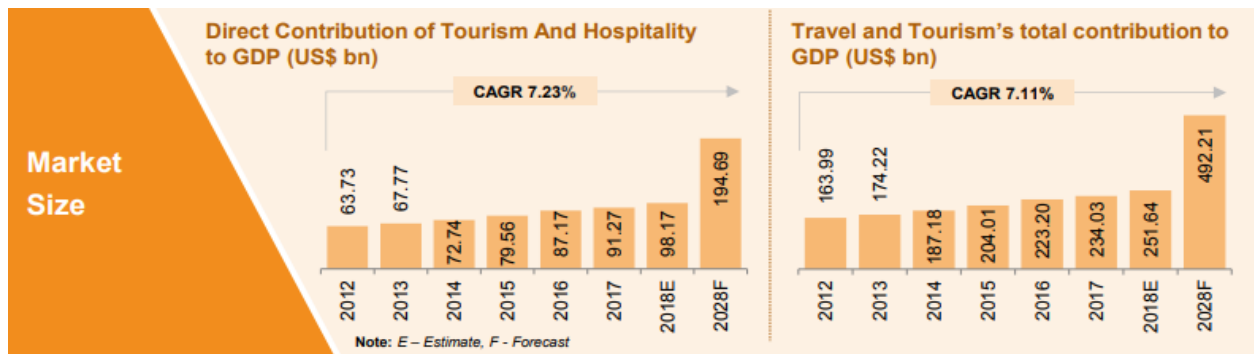
- India metals and mining sector has witnessed strong growth over the past few years. GVA from mining and quarrying reached US\$ 56.02 billion in FY20AE.
- Mineral production in India also surged, achieving a CAGR of 6.40 per cent between FY10 to FY19E and reached US\$ 17.74 billion in FY19.
- The number of operative mines (excluding atomic minerals, petroleum (crude), natural gas (utilized) and minor minerals) in India reached 1,405 inFY19 from 1,430 in FY18.

Source: <https://www.ibef.org/download/Metals-and-Mining-May-2020.pdf>

## OVERVIEW OF THE INDIAN TOURISM AND HOSPITALITY INDUSTRY

The Indian tourism and hospitality industry have emerged as one of the key drivers of growth among the services sector in India. Tourism in India has significant potential considering the rich cultural and historical heritage, variety in ecology, terrains and places of natural beauty spread across the country. Tourism is also a potentially large employment generator besides being a significant source of foreign exchange for the country. In 2019, FEEs were US\$ 29.96 billion registering a growth of 4.8 per cent year-on-year and reached US\$ 5.40 billion during January-February 2020.

According to WTTC, India ranked third among 185 countries in terms of travel & tourism's total contribution to GDP in 2018. India was ranked 34th in the Travel & Tourism Competitiveness Report 2019 published by the World Economic Forum.



Total contribution by travel and tourism sector to India's GDP is expected to increase from Rs 15.24 lakh crore (US\$ 234.03 billion) in 2017 to Rs 32.05 lakh crore (US\$ 492.21 billion) in 2028. Total earning from the sector in India is targeted to reach US\$ 50 billion by 2022.

As of 2019, 4.2 crore jobs were created in the tourism sector in India, which was 8.1 per cent of the total employment in the country. International Tourists arrival is expected to reach 30.5 billion by 2028. e-Visa facility was offered to 169 countries as of December 2019. During 2019, foreign tourist arrivals (FTAs) in India stood at 10.89 million, achieving a growth rate of 3.20% y-o-y. During 2019, FEEs from tourism increased 4.8 per cent y-o-y to Rs 1,94,881 crore (US\$ 29.96 billion). During 2019, 10.89 million foreign tourists arrived in the country. In 2019, arrivals through e-Tourist Visa increased by 23.6% y-o-y to 2.9 million.

The Government is also making serious efforts to boost investment in the tourism sector. In the hotel and tourism sector, 100 per cent FDI (Foreign Direct Investment) is allowed through the automatic route. A five-year tax holiday has been offered for 2-, 3- and 4-star category hotels located around UNESCO World Heritage sites (except Delhi and Mumbai).

Hotel & Tourism sector has received cumulative FDI inflow of US\$ 13.21 billion between April 2000 and December 2019

International hotel chains are increasing their presence in the country, as it will account for around 47% share in the Tourism & Hospitality sector of India by 2020 & 50% by 2022.



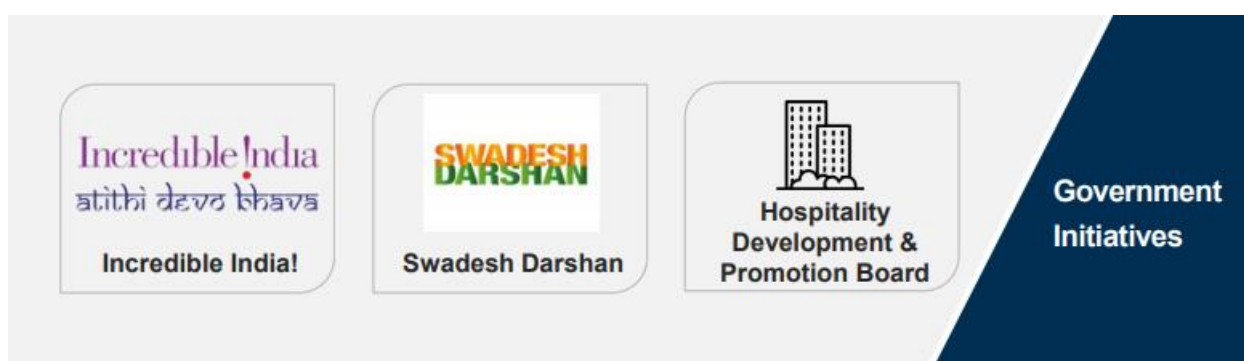
Source: IBEF

Note: CY – Calendar Year, E- Estimated, T-Target., FTAs –Foreign Tourist Arrivals, CAGR upto 2019, \*- till March 2020

### Government Initiatives

Some of the initiatives taken by the government are:

- Ministry of Tourism launches Audio Guide facility App called Audio Odigos for 12 sites of India (including iconic sites).
- Prime Minister, Mr Narendra Modi urged people to visit 15 domestic tourist destinations in India by 2022.
- Statue of Sardar Vallabhbhai Patel, also known as ‘Statue of Unity’, was inaugurated in October 2018. It is the highest standing statue in the world at a height of 182 metre. It is expected to boost the tourism sector in the country and put India on the world tourism map.
- The Government of India is working to achieve one per cent share in world's international tourist arrivals by 2020 and 2 per cent share by 2025.
- Under Budget 2020-21, the Government of India allotted Rs 1,200 crore (US\$ 171.70 million) for development of tourist circuits under Swadesh Darshan for eight north-eastern states.
- Under Budget 2020-21, the Government of India allotted Rs 207.55 crore (US\$ 29.70 million) for development of tourist circuits under PRASHAD.
- In 2019, Government reduced GST on hotel rooms with tariffs of Rs 1,001 (US\$ 14.32) to Rs 7,500 (US\$ 107.31) per night to 12%; those above Rs 7,501 (US\$ 107.32) to 18 per cent to increase India's competitiveness as a tourism destination.



Source: <https://www.ibef.org/industry/tourism-hospitality-india.aspx>



**OVERVIEW OF THE INDIAN CONSTRUCTION & INFRASTRUCTURE INDUSTRY**

Increased impetus to develop infrastructure in the country is attracting both domestic and international players. Private sector is emerging as a key player across various infrastructure segments, ranging from roads and communications to power and airports. In order to boost the construction of buildings in the country, the Government of India has decided to come up with a single window clearance facility to accord speedy approval of construction projects. In 2018, India was ranked 44th out of 167 countries in World Bank's Logistics Performance Index (LPI) 2018. India was also ranked second\* in the 2018 Agility Emerging Markets Logistics Index.

In the Union Budget 2020-21, the Government of India has given a massive push to the infrastructure sector by allocating Rs 1,69,637 crore (US\$ 24.27 billion) for the transport infrastructure.

As per Union budget 2020-21, Rs 72,216 crore (US\$ 10.33 billion) has been allocated to the Ministry of Railways. The Government is also working on improving the country's energy infrastructure and investment opportunities worth Rs 21 lakh crore (US\$ 300 billion) will be available in the sector in the coming 10 years.

Highway construction in India increased at 20.57 per cent CAGR during FY14-FY19. In FY19, 10,855 km of highways were constructed. NHAI (National highways Authority of India) will be able to generate revenue of Rs 1 lakh crore (US\$ 14.31 billion) from toll and wayside amenities during 2019-23. In April 2020, the Government set a target of constructing roads worth Rs 15 lakh crore (US\$ 212.80 billion) in the next two years.

The infrastructure sector has become the biggest focus area for the Government of India. In Union Budget 2020-21, the Government has announced Rs 91.82 billion (US\$ 13.14 billion) for road transport and highways. For FY21, budgetary allocation to the Ministry of Development of North Eastern Region has been increased to Rs 3,049 crore (US\$ 429.25 million) from Rs 2,670 crore (US\$ 376.16 million) in FY20.

According to the Department for Promotion of Industry and Internal Trade (DPIIT), construction development sector and infrastructure activities sector received FDI inflow amounting to US\$ 25.37 billion and US\$ 16.15 billion, respectively, between April 2000-December 2019.

**Market Size**

Foreign Direct Investment (FDI) received in Construction Development sector (townships, housing, built up infrastructure and construction development projects) from April 2000 to December 2019 stood at US\$ 25.37 billion, according to the Department for Promotion of Industry and Internal Trade (DPIIT). The logistics sector in India is growing at a CAGR of 10.5 per cent annually and is expected to reach US\$ 215 billion in 2020.

**Government Initiatives**

Source: <https://www.ibef.org/industry/infrastructure-sector-india.aspx>

## OUR BUSINESS

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

*All financial information included herein is based on our “Financial information of the Company” included on page 184 of this Prospectus.*

## BACKGROUND

Our Company was incorporated on January 21, 1997 as a private limited company under the provisions of the erstwhile Companies Act, 1956 with the Registrar of Companies, Jaipur in the name and style of Bonlon Steels Private Limited with Mr. Arun Kumar Jain and Mr. Rajat Jain as the subscriber to the MOA. Subsequently, the registered office of our Company was shifted from Jaipur to New Delhi i.e. from one state to another w.e.f. December 01, 1998 with due approval of the Company Law Board, Northern Region Bench vide order dated October 29, 1998.

We began our operations in the year 1997 with the trading of copper rods and copper bars which were manufactured by renowned market players like Hindustan Copper Limited, Sterlite India and Hindalco Industries Limited. Later on, in the year 2006 we began supervising the manufacturing activities of Colombo Copper Private Limited, a company based in Colombo, Sri Lanka which was engaged in the business of manufacturing of copper bars. The manufactured copper made bars were imported by us in India and thereafter producing copper wires from the same on job work basis, they were then sold in the market by us. We carried such activity for two years after which we started the manufacturing activity of copper bars from scrap in our partnership firm i.e. at first in Vaishno Metals and Allied Industries in Jammu and later on in B.C. Power Controls Limited. With the evolution of time, we gained experience in the manufacturing, trading, and marketing of the products made from copper. Eventually in the year 2013, for the production of the copper rods, we started our own manufacturing unit at Plot No. G-1-663, RIICO Industrial Area, Bhiwadi, Alwar- 301019, Rajasthan.

Since the early days of our inception, we have gathered the industry knowledge, market awareness and also possess the infrastructure to support our manufacturing activities. Our products can be applied in array of industries like electrical, construction, transport, automobile etc.

We have the capability and flexibility to meet the exact specifications and sizes of the products as per the requirements of our customers. We have set manufacturing facilities and team of motivated and experienced staff in production and sales to meet the quality and service expectations of our customers.

In order to synergize the operations and attaining higher business efficiencies, three of our group companies i.e. Smita Global Private Limited (hereinafter referred as transferor company no. 1), Harshit Promoters Private Limited (hereinafter referred as transferor company no. 2) and Harshit Infratech Private Limited (hereinafter referred as transferor company no. 3), that were engaged in different segments of business, were amalgamated with our Company in pursuance of Section 230-232 of the Companies Act, 2013 and the Order of the Hon'ble National Company Law Tribunal, Principal Bench, New Delhi dated June 13, 2018. Upon such scheme becoming effective, in consideration of the amalgamation, the shareholders of all the three transferor companies were allotted shares in the transferee company in the ratio as provided in the scheme of amalgamation, the details of which along with the businesses in which the transferor companies were engaged in are contained hereunder:

Sl. No.	Transferor Company	Principal Business	Consideration ratio
1.	Smita Global Private Limited	Manufacturing/Selling/Retailing and dealing in alloys, ferrous and non-ferrous, utensils, cutlery etc.	140:100
2.	Harshit Promoters Private Limited	Infrastructure development, Real State, Builders etc.	250:100
3.	Harshit Infratech Private Limited	Hoteliers, Restaurant etc.	120:100

In consequence to the aforesaid scheme, the main objects of the transferor companies were also merged with the objects of our Company and hence our Memorandum of Association was amended in this respect. Therefore, in order to align the business activities with the name of Company, the name of our Company was changed from Bon Lon Steels Private Limited to Bonlon Industries Private Limited w.e.f. February 26, 2019. Later on, the name of the company was changed to Bonlon Industries Limited pursuant to conversion into a public company vide shareholder's approval dated March 01, 2019 and fresh certificate of incorporation dated March 29, 2019 issued by Registrar of Companies, Delhi.

The Company has recently started trading in commodities on MCX.

At present, the registered office of Company is situated at 7A/39 (12- First Floor), WEA Channa Market, Karol Bagh, New Delhi- 110005.

## AREAS OF OUR OPERATIONS

As mentioned above, three of our group entities got amalgamated with our Company that were engaged in diversified sectors, the details of which have been already discussed in the background section. In consequence to such amalgamation, our Company is now operating its business in accordance to the new Memorandum of Association that contains the objects of the transferor companies as well. Our Company is continuing its operations in all those the segments in which the aforesaid transferor companies were dealing and hence the business of our Company is broadly categorized into the following three segments:

1. **Metal:** As mentioned above, the transferor company no. 1 and our Company had been carrying on such business since their inception and therefore it is the primary segment of our business. Our Company caters its clients through products such as wire rods, wires, cathode and ingots made up from metals like copper, aluminum, lead and zinc. Our business operations in this segment include both manufacturing and trading activities. Manufacturing is mainly done for the copper wire rods and wires and the rests of the products we deal in are traded by us.

Though we are engaged in both manufacturing and trading business, the scale of our manufacturing activity is the function of the cost of production and the intensity of demand for our products along with certain other factors. Our production activities are carried out keeping in mind the variance analysis of costs. Therefore, at times we keep our production suspended till the prices of our products are favorable. Resultantly, we have not been carrying on our production activities at a stretch in the past few years.

Since metal business is the primary segment in which we deal, it has a significant contribution to our total revenues from operations. In the nine months ended December 31, 2019 and in last fiscal year, our metal business has contributed Rs. 18,383.99 lakhs and Rs. 21,448.88 Lakhs i.e. 99.81% and 99.88% of our total revenues.

2. **Hotel:** Hotel business is the second section in which our company carries on its business operations. The object of carrying on such business was included in our Memorandum after the amalgamation of Transferor

Company no. 3 i.e. Harshit Infratech Private Limited with our company. As of now, we have only one hotel in the name and style of Hotel Bonlon Inn situated at 7A/39, WEA Channa Market, Karol Bagh, New Delhi- 110005, having 24 keys.

In the nine months ended December 31, 2019 and in the last fiscal year, our hotel business has contributed Rs. 33.65 Lakhs and Rs. 34.79 Lakhs i.e. 0.18% and 0.16% of our total revenues.

3. **Civil Construction:** Like the Hotel business, the business of civil construction was also initially in the objects of one of the transferor companies i.e. Harshit Promoters Private Limited, Transferor Company no. 2. Post the amalgamation, the objects of the aforesaid transferor company was included in the objects of our Company. **However, so far no project has been operative in such line of business.**

The above mentioned businesses are discussed hereinafter in greater details:

## METAL BUSINESS

Our Company caters its clients through products such as rods, wires, ingots etc made up from metals like copper, aluminum, lead, zinc etc.

The metal segment of our business is segregated into two sections. One is manufacturing and another is trading. In the former part, we are mainly into the production of copper wire rods and wires. In the latter, we deal in products such as wire rods, wires, ingots and cathode made up from metals like copper, aluminum, lead, zinc etc.



The raw material required for manufacturing copper wire rods are scrap, cathode, ingots etc. These materials are procured majorly from domestic suppliers. The suppliers of material are finalized after quality is verified by our Company. Once a supplier is finalized, we give them repeat orders based on our sales assessment. There are no long-term contracts with material suppliers.

Our Company's manufacturing unit is located at Plot No. G-1-663, RIICO Industrial Area, Bhiwadi, Alwar-301019, Rajasthan.

## OUR PRODUCTS

### 1. *Copper Wire Rods*

Amongst the products we offer, we consider that the manufacturing and trading of copper wire rods is our forte. These copper wire rods are either manufactured by us or they are simply traded. These are offered by us in different sizes such as 8 mm, 10 mm, 12 mm and 16mm. These copper wire rods are further used in the electrical and other engineering industries for making various kinds of cables like ultra-high voltage cables, residential cables used for house wiring, ultra-thin coaxial cables etc. Since the incorporation of our Company in the year 1997, copper wire rods have contributed in the progress of our business operations as a key product.

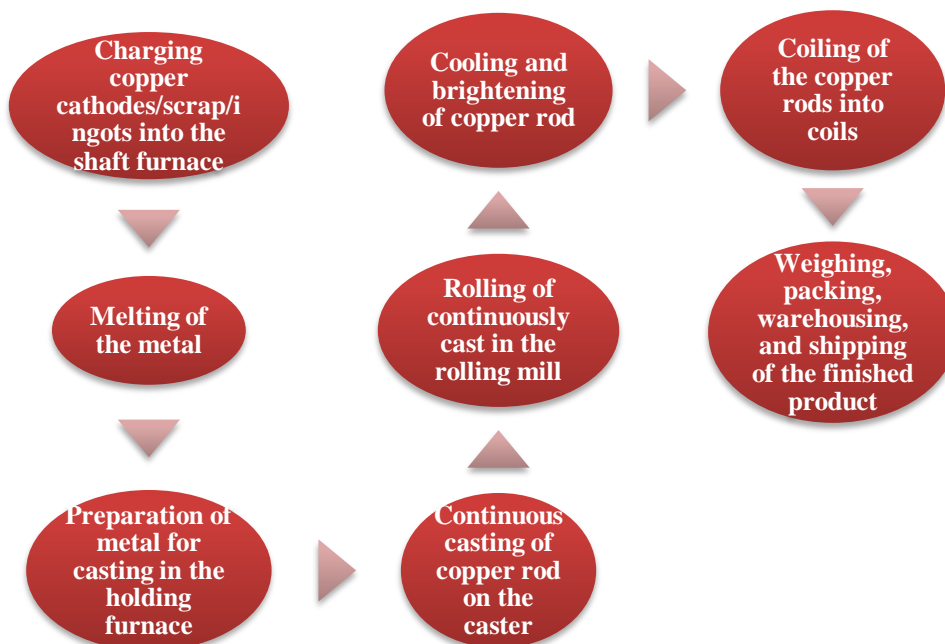


*Copper wire rods*

**MANUFACTURING OF COPPER WIRE ROD**

Amongst the products we offer, the main products in which we deal are the copper wire rods. While manufacturing the said wire rods, we use the conventional method i.e. the continuing casting process..This process begins by continuously melting the raw materials used in the production in a smelting furnace called a shaft furnace. The raw materials used here are either refined electrolytic copper i.e. copper cathode or others like scrap, dusts, ingots, metal sheets etc. The main machine which is used to mould the molten material into the required sizes of rods is known as the “continuous caster machine” and the entire process is collectively known as “continuous casting process”. When we use copper scraps to produce the wire rods, then depending on the type of refining required, some other purifying metals like graphite and phosphorus are also added to the melting furnace in order to remove the impurity of the scrap being used. This process is an integral part of the manufacturing while using scrap as raw material as the impurities in copper increases its electric resistance and softening temperature thereby reducing its quality and usage. This process of adding purifying materials therefore, contributes to the production of copper wire rods which have the same physical properties as compared to the wire rods made from a pure electrolytic copper. Thereafter, the melted material goes into the caster in which there could be attached different sizes of die to get the rods as per the required measurements. Once the molten material has taken on a basic shape, the dummy bar retracts allowing the semi-finished copper billet or slab to continue down through the remaining sections of the caster. During its descent, water sprays, cool the outer surface of the molded metal until it completely solidifies and exits the bottom segment of the caster. The water used by us here for the cooling is RO water. Subsequently, the finished products i.e. rods are rolled with the use of rollers.

**Continuous Casting Process:**



**2. Copper wires**

The second products we offer are copper wires. These copper wires are drawn from the copper wire rods and their size depends upon the required specifications. These wires are further used in power generation, power transmission, power distribution, telecommunications, electronics circuitry, and countless types of electrical equipments.

The wire drawing process has been explained in the below contained section.

## WIRE DRAWING

Wire drawing is a metal working process which is performed to reduce the cross section of a wire by pulling it through a series of dies, depending upon the required specifications, thereby elongating a metal rod into a wire. During the said process, the characteristics of the metal remain same and there is an increase in the length of the drawn wire. It is carried out by pulling the metal rod through a single or a series of the drawing dies of preferred dimensions.

In the wire drawing process, a spool of wire is placed at beginning of the machine on a spool. In order to feed it through the machine, the end of wire must be cut or flattened. It is fed through the machine and through a series of dies to achieve its final cross sectional area. The end of the machine usually has a coiler so the finished product is a coil of wire at the desired cross sectional area.

While performing the aforesaid activity, it is vitally important the temperature of the machinery does not get too hot (primarily caused by the energy released while deforming of the metal) and the wire has a constant tension and speed as it moves through the series of dies. Due care has to be taken by the person who is performing such activity so that no injury is caused.

A significant advantage of drawing is that there is very little material waste. The wires drawn through different metals have significant usage in many industries like the automobile, marine etc apart from having many general engineering applications.

## OUR MANUFACTURING FACILITIES

Our Company's manufacturing facility is located at Plot No. G-1-663, RIICO Industrial Area, Bhiwadi, Alwar-301019, Rajasthan and the details of the same are mentioned hereunder:

Particulars	Factory
Land Area (in Sq. meters)	1000.00
No. of Floors	G
Buildup Area (in Sq. meters)	100%

## CAPACITY AND UTILISATION

Copper prices are known to change every day, impacted by copper supply and demand, and copper scrap is a key component of market dynamics and price. Our main raw material for production of copper wire rods has been copper scrap. Due to frequent and rapid fluctuations in copper and its scrap prices, we suspend our manufacturing activity till we get better price on conversion of our products. As a result, our capacity utilisation have been very low overall over years.

The details of the capacity of our manufacturing unit is given hereunder:

(Figures in Metric Tonnes)

Sr. No.	Particular	Dec. 31, 2019	March 31		
			2019	2018	2017
1.	Total installed capacity*	7,000	14,000	14,000	14,000
2.	Actual Production	784.59	650	1,466	994
3.	Capacity Utilisation in %	10.78	4.64	10.47	7.1

*\*We sold off one of the furnaces installed at our manufacturing unit post March 31, 2019. Consequently, the current production capacity of our manufacturing unit is 7,000 Metric Tonnes.*

As mentioned in the background part, prior to the amalgamation of three of our group companies with our Company, the business operations in the hotel industry were being carried out by transferor company no. 3 i.e. Harshit Infratech Private Limited. However, as a result of the amalgamation, the hotel business was taken over and therefore is now being continuing by our Company.



As of now, our Company is operating only one hotel in the name and style of "Hotel Bonlon Inn." Inaugurated in the year 2010, our hotel is situated in Karol Bagh, which is near to the center of the city, having 24 rooms on four floors, i.e. 6 rooms at each of the floor. These rooms have been categorized into three types and they are:

1. Economy;
2. Premium; and
3. Suite



Apart from 24 rooms ranging from economy to suites, our hotel has one reception area, one common area and one dining area. At our hotel, we offer pocket friendly modern air-conditioned rooms along with internet connectivity, which suits the budget of our guests. The rooms offered by us are well-designed and comes with modern amenities like a satellite TV, 24\*7 hot and cold water facilities and a personal safe. Each of the room has a private bathroom, having one shower and free toiletries in them. We also provide laundry services and a free on-site parking to our guests.

As our hotel enjoys being located at the city's heart, we believe that it adds up to our competitive advantage. We believe that being present in the key area of the country's capital, puts us in a privileged position as compared to our peers as it requires a significant time outlay to build and establish such a commercial project. Adding up to the strategic presence, our hotel is situated at a walking distance from the Karol Bagh Metro Station and therefore, reaching out to the safest public transport is not an issue for our precious guests. Also, places like Connaught Place, India Gate, Chandani Chowk, New Delhi Railway Station, Indira Gandhi International Airport etc are also not much away.



*The entrance and the reception area.*

Managing a hotel comes with a wide range of responsibilities. The Hotel industry is customer-service driven, which means your employees are your sole brand ambassadors. A high quality customer service is what that makes a hotel more famous and hence huge footfall. For each position in the hotel, from top to bottom, specific skill-sets are essentially required to perform well and provide a great customer service.

Considering the same, we at Bonlon Inn do everything in our power to make sure that our guests do not end up being unhappy or disappointed with us as we strive towards retaining our customers and therefore maintaining an undamaged reputation. We always try to embrace new challenges and ensure that we maintain a standard of excellence. We also try to ensure that our staffs are managing their time and departments efficiently. We make sure that our managers and other staffs are trained enough to deal with every situation and to be up to the task in case any problem occurs.

Following are the operational advantages enjoyed by us:

- Clean and comfortable rooms with internet connectivity;
- Modern infrastructure;
- 24\*7 availability of hot and normal water;
- Humble and friendly managers & staffs;
- 100% power backup;
- Adherence of proper safety measures;
- Online presence with all the major hospitality platforms.



## ENVIRONMENTAL MATTERS AND QUALITY STANDARDS

In connection with our ownership and management of hotel, we are subject to various national, state and local laws and regulations relating to environmental laws. We have established the operating standards that comply with environmental sustainability requirements. We are also subject to various requirements, including those contained in environmental permits required for our operations, governing air emissions, effluent discharges, the use, management and disposal of hazardous substances and wastes and health and safety.

## OUR DIGITAL PRESENCE\*



*\*Although we have our digital presence on all the major online platforms, however the revenue in this segment is majorly generated from the offline bookings.*

## RECOGNITIONS

1. Better Holiday Award, by HolidayIQ in the year 2016;
2. People's Choice Awards (Hotel and Hospitality) by MouthShut.com in the year 2014-15.
3. Certificate of excellence by goibibo with 4.1/5 rating in the year 2016-17.
4. Go stays certified by goibibo.

## OUR COMPETITIVE STRENGTHS

We believe the following competitive strengths contribute to our success and position us well for future growth:

➤ **Leveraging the experience of our promoter and management**

Our promoter Mr. Arun Kumar Jain has vast experience in the metal industry for more than two decades now. He has played a key role in developing our business and we benefit from his industry expertise, vision and leadership. Apart from our promoter, we have a strong management team with good industry experience. Our Promoter and management team have demonstrated an ability to enhance our performance by growing our business through different economic and industry cycles.

➤ **Quality products and services**

Our Company has always been dedicated towards the quality of the products and services offered by us and which has not only helped us to maintain long term relations with our existing customers but has also facilitated us to entrench with new customers. We at Bonlon Industries try to make sure that whatever product or services we offer are matched with the standards in the industry.

➤ **Strategic presence at the centre of the city**

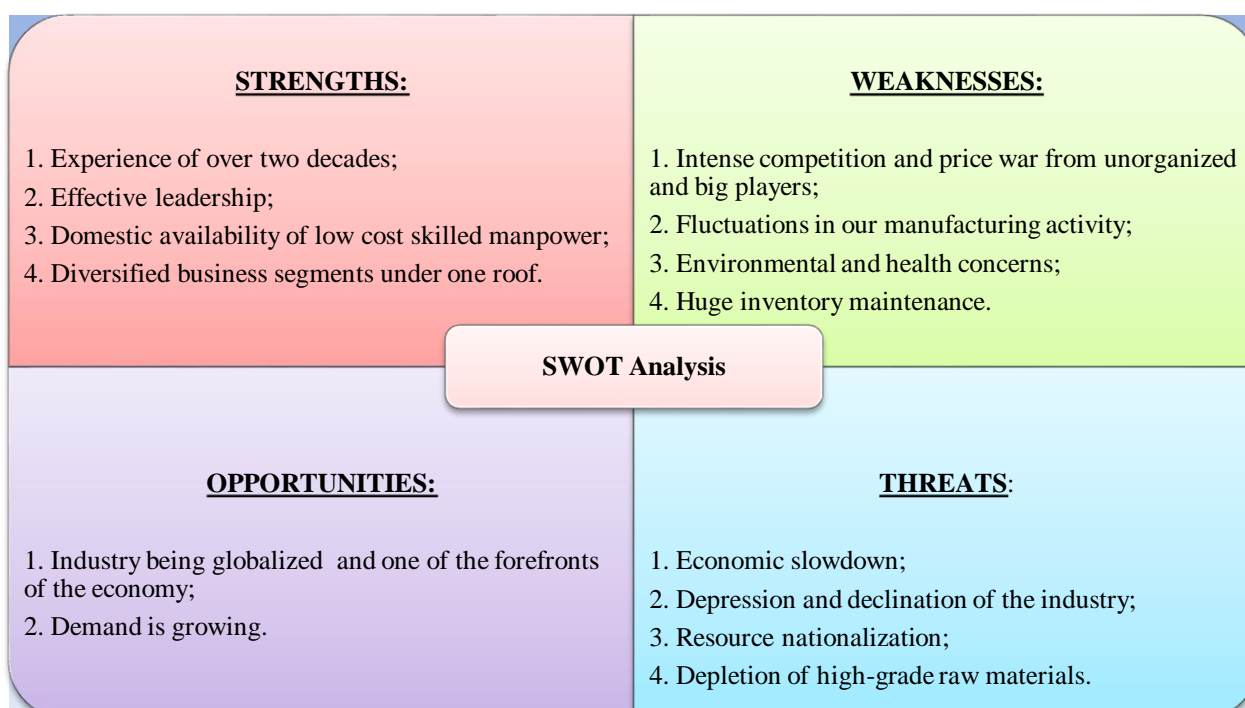
The presence of our hotel Bonlon Inn in Karol Bagh which is near to the center of the city, give us an edge over competitors as it requires a significant time outlay to build and establish such a commercial project.

Our hotel is situated at a walking distance from the Karol Bagh Metro Station and therefore, reaching out to the safest public transport is not an issue for our precious guests. Also, places like Connaught Place, India Gate, Chandani Chowk, New Delhi Railway Station, Indira Gandhi International Airport etc are not far away.

➤ **Online Presence**

Our hotel Bonlon Inn has its online presence on on all the major online platforms like Goibibo, OYO, Hotels.com, Yatra etc. With the growing internet penetration, we look forward to leverage our position in the ever emerging online world.

**SWOT ANALYSIS\***



*\*As the major portion of our revenue is generated by our metal business, hence this analysis has been performed considering the metal business only.*

**OUR STRATEGIES**

The current business strategy of our Company is stated below:

**Widening our operations in various segments**

As already mentioned, in order to synergize the operations and attaining higher business efficiencies, three of our group companies that were engaged in completely different segments of business were amalgamated with our Company in pursuance of Section 230-232 of the Companies Act, 2013. Motto of such amalgamation was to align the business activities by continuing all the business in the three diversified segments i.e. metals, hotel and construction, under one name one roof.

We believe that our promoter and management have the requisite expertise and experience to materialize the said motto and therefore to attain the targeted synergy in the business. With such intentions followed by actions, we aim to gain improved market reach and industry visibility thereby attaining long term sustainable growth.

### **Exploring the construction segment of our business**

Before amalgamation, the business of civil construction was initially in the objects of Transferor Company no. 2. As a result of the amalgamation, the said objects of Transferor Company no. 2 were included in the objects of our Company.

As of now no project has been operative in the same line of business. Though, we have plans to explore this segment with full attention and dedication in the foreseeable time.

### **Maintaining the Quality Standards**

Our Company seeks to create a work environment where employees are encouraged to take a creative and innovative approach to meeting our customers' needs. By committing to continuous improvement our Company is able to offer our customers satisfactory solutions that differentiate us from our competitors. Our driving force has been the maintenance of the quality of our products and services, as the same would enable us for long standing relationship with our customers. We will continue to strive our quality standards high.

## **COLLABORATIONS**

We have not entered into any technical or other collaboration.

## **UTILITIES & INFRASTRUCTURE FACILITIES**

Our registered office at New Delhi is equipped with computer systems, server, relevant software and other communication equipment's, uninterrupted power supply, internet connectivity, security and other facilities, which are required for our business operations to function smoothly. Further, the details of our utility and infrastructure facilities have been discussed below:

### **Metal Business**

#### **Power**

The requirement of power for our Manufacturing Unit is met from Jaipur Vidyut Vitran Nigam Limited where the sanctioned load is 400KW (300KVA). Our Company has also backup facility installed at our plants.

#### **Water**

We have our own water boring facility through which the water requirement for manufacturing is met at our manufacturing unit situated at Plot No. G-1-663, RIICO Industrial Area, Bhiwadi, Alwar- 301019, Rajasthan.

### **Hotel Business**

#### **Power**

The requirement of power for our hotel is met from BSES Yamuna Power Limited where the sanctioned load is 70 KW (44 KVA). Our Company has also backup facility installed at our hotel.

#### **Water**

Water is required for human consumption and adequate water sources are available. Water is procured from Delhi Jal Board.

## Manpower

The manpower requirement for our office including our manufacturing units is 15 as on May 31, 2020. Our manpower is a prudent mix of the experienced and young people that gives us the dual advantage of stability and growth, whereas execution of services within time and quality. Our skilled/semi-skilled/unskilled resources together with our strong management team have enabled us to successfully implement our growth plans.

## PLANT & MACHINERY

Our Company's manufacturing unit is situated at Plot No. G-1-663, RIICO Industrial Area, Bhiwadi, Alwar-301019, Rajasthan. Following is the list of major plant & machineries available with us as on December 31, 2019:

Sr. No.	Name of Machinery	Capacity
1.	Continue Casting Machine Servo All Plant	3500 Kgs
2.	Wire Drawing Machines Bolt Welding	30 H.P./ 3 Phase
3.	Diesel Generator	320 KW / 200KW
4.	Pollution Plant	5 H.P.
5.	Chimney	90 Ft. Approx
6.	R.O. Water Machine	-
7.	UPS	40 H.P.
8.	Cooling Tower	7.5 Hp/2 No.
9.	Crane	-
10.	Transformer	75 KVA

## RESEARCH AND DEVELOPMENT

We do not have any separate research and development department.

## OUR BRIEF FINANCIALS

Our brief financials based on Restated Consolidated Financial Statements are as under:-

(Rs. In Lakhs)

Particulars	Dec. 31, 2019	As at March 31		
		2019	2018	2017
<b>Income:</b>				
Revenue from operations	18,417.63	21,483.67	24,206.33	23,784.30
Other Income	281.49	260.64	107.15	96.85
<b>Total Income</b>	<b>18,699.12</b>	<b>21,744.31</b>	<b>24,313.49</b>	<b>23,881.15</b>
<b>Expenditure:</b>				
Cost of material consumed	3,283.99	3,301.21	100.53	3,534.31
Purchases of stock-in trade	15,334.46	16,847.24	24,692.95	20,275.02
Changes in Inventories	(365.30)	1,273.90	(565.47)	(326.56)
Employee Benefit Expenses	46.03	75.72	45.13	45.67
Finance Costs	10.39	70.20	13.16	43.64
Depreciation and Amortization	24.82	35.91	37.98	46.98
Other Expenses	127.10	175.82	68.04	376.06

<b>Total Expenditure</b>	<b>18,461.49</b>	<b>21,780.00</b>	<b>24,392.33</b>	<b>23,995.13</b>
<b>Profit before exceptional items</b>	<b>237.62</b>	<b>(35.69)</b>	<b>(78.84)</b>	<b>(113.98)</b>
<b>Exceptional Items</b>	(1,212.83)	(387.98)	(111.77)	-
Restated Profit after tax for the year/period	<b>1,387.55</b>	<b>282.32</b>	<b>27.78</b>	<b>(75.55)</b>
Cash Profit for the year/period	1,412.37	318.23	65.76	253.53
Net Worth	6085.45	4697.90	1160.16	1132.26
Return on Net Worth (%)	22.80%	6.01%	2.39%	-10.82%
Net Asset Value Per Share (in Rs.)	58.36	45.05	38.68	37.75
EPS (Basic & Diluted) (in Rs.)	13.31	3.79	0.93	(4.09)

The details of our party wise sales in terms of their value and % are mentioned hereunder:

(Rs. in lakhs)

Sr. No.	Name	Dec. 31, 2019		2018-19		2017-18		2016-17	
		Value	%age	Value	%age	Value	%age	Value	%age
1	B.C. Power Controls Limited	10,953.69	59.47	4949.13	23.04	8869.16	36.64	7144.40	29.52
2	RCI Industries & Technologies Limited	475.22	2.58	5,526.61	25.80	9,216.34	38.08	10,785.85	44.57
3	Agsons Agencies India Pvt Ltd	1,015.47	5.51	-	-	99.93	0.41	-	-
4	Matod Industries Private Limited	3,147.33	17.09	2,516.00	11.75	-	-	-	-
5	Digi Export Venture Private Limited	-	-	2,838.96	13.25	-	-	-	-
6	EMS & Exports	-	-	1,113.65	5.29	-	-	-	-
7	Visual Acoustic Corporation LLP	-	-	688.11	3.21	-	-	-	-
8	PBI Metals Private Limited	398.20	2.17	546.06	2.54	277.42	1.15	-	-
	<b>Total</b>	<b>15,989.91</b>	<b>84.65</b>	<b>18,178.52</b>	<b>84.88</b>	<b>18,462.85</b>	<b>76.28</b>	<b>17,930.25</b>	<b>74.09</b>

The details of our quantity wise sales in the metal business from both manufacturing and trading are mentioned hereunder:

**Manufacturing:**

(Figures in lakhs and quantity in Metric Tonnes)

Sr. No.	Name	Dec. 31, 2019		2018-19		2017-18		2016-17	
		Quantity	Value	Quantity	Value	Quantity	Value	Quantity	Value
1	Copper wire	332.93	1,470.95	125.00	642.41	1,112.00	4,745.00	523.00	1,863.20
2	Copper wire rod	355.59	1,546.17	510.00	2,596.09	325.00	1,422.01	428.00	852.81
3	Copper Cathode			-	-	2.00	7.17	3.00	8.62
4	Copper Ingots	45.27	197.15	-	-	-	-	40.00	123.39
5	Plastic Insulated Power Cable	-	-	-	-	-	-	-	575.24
6	Copper Scrap	-	-	15.00	67.00	27.00	58.50	-	-
	<b>Total</b>	<b>733.79</b>	<b>3,214.27</b>	<b>650.00</b>	<b>3,305.50</b>	<b>1,466.00</b>	<b>6,232.67</b>	<b>994.00</b>	<b>3,423.26</b>

**Trading:**
*(Figures in lakhs and quantity in Metric Tonnes)*

Sr. No.	Name	Dec. 31, 2019		2018-19		2017-18		2016-17	
		Quantity	Value	Quantity	Value	Quantity	Value	Quantity	Value
1	Copper wire	832.87	3,927.14	1,469.00	7151.59	2,216.00	9215.01	3,917.00	15869.20
2	Copper wire rod	1,266.26	5,708.21	1,239.00	6033.53	1,248.00	5997.77	876.00	3671.35
3	Copper Cathode	-	-	-	-	-	-	-	-
4	Copper Ingots	261.14	1,048.62	-	-	58.00	243.81	-	-
5	Copper Scrap	1,025.60	4,051.93	1,029.00	4323.84	328.00	1290.75	191.00	723.42
5	Aluminum Scrap	12.09	12.21	157.00	170.79	-	-	-	-
6	Lead Ingots	-	-	170.00	286.36	746.00	1153.25	-	-
7	MS Scrap	-	-	490.00	70.68	345.00	44.75	-	-
8	Miscellaneous	102.42	421.60	1.00	106.59	16.00	21.75	5.20	62.29
	<b>Total</b>	<b>3500.38</b>	<b>15,169.71</b>	<b>4,654.00</b>	<b>18,143.38</b>	<b>4958.00</b>	<b>17,967.09</b>	<b>4990.00</b>	<b>20,236.25</b>

Following are the details pertaining to the party wise purchases:

*(Rs. In Lakhs)*

Sr. No.	Name	Dec. 31, 2019		2018-19		2017-18		2016-17	
		Value	%age	Value	%age	Value	%age	Value	%age
1	RCI Industries & Technologies Limited	13,694.97	73.05	2,121.46	11.00	6,556.33	26.00	3,348.34	14.11
2	Jain Metal Rolling Mills	2,134.83	11.39	3,947.94	20.00	2716.23	11.00	-	-
3	Matod Industries Private Limited	905.00	4.83	-	-	-	-	-	-
4	Shri Tirupati Enterprises	590.84	3.15	-	-	-	-	-	-
5	Himgiri Buildcon and Industries Limited	449.96	2.40	-	-	-	-	-	-
6	Baldeo Metals Private Limited	-	-	656.50	03.00	1,258.84	05.00	-	-
7	SRU Steels Limited	-	-	139.64	01.00	148.40	01.00	-	-
8	Happy Acoustics Private Limited	-	-	5,337.17	27.00	-	-	-	-
9	Five Core Electronics Limited	-	-	3,211.01	16.00	-	-	-	-

**SALES AND MARKETING**

Our success lies in the strength of our good relationship with our existing customers who have been associated with our Company. Further, we continuously strive towards adding new customer base for our company. We ensure that the products and services offered by us reach on time without compromising with the quality.

In the metal segment of our business, we cater the requirements of various sectors that require the products offered by us. We grant certain customers credit terms on the basis of the reputation of the customers and their previous credit record with our Company. These orders are entertained by us on the basis of purchase order received by us from the customers. Further, in order to achieve our goal of creating market awareness for our



products primarily in the local markets, we regularly participate in tenders by registering our interest in order to procure contracts and undertake to supply products. Given the focus of these end customers on the stringent quality, it has helped our marketing efforts immensely.

In the hotel industry, we believe that a consistent brand identity is very essential to survive. The awareness of brand is a must so that not only the new customers, the past customers also use the services offered by us repeatedly. Customers choose hotels and other hospitality services mainly through two ways i.e. online research or by physically visiting and inspecting the place. In pursuance of our digital marketing strategy aiming to make sure that there is an appropriate brand awareness of our hotel, we have showcased our presence on various online platforms like goibibo, yatra.com, trivago etc., apart from taking bookings through our own website. We try to make sure that the information about our hotel is easy to find and is up-to-date. Additionally, we ensure that our hotel premise as well as our staffs maintains all possible cleanliness and the required level of ethical and behavioral standards so that our customers do not end up being unsatisfied. Therefore, our marketing strategy is aimed to maintain our relationship with both the new as well as the past customers.

Although we have our digital presence on all the major online platforms, however the revenue in this segment is majorly generated from the offline bookings.

## ADMINISTRATIVE

Apart from having an expert management on board, the backbone of proficient business operations is the competent and committed administrative team who with their sound understanding of the trade keep the operations smooth while streamlining costs to the company. The role of administrative team involves a great deal of multitasking. They oversee the operations, coordinate with management and engage in planning according to the needs of our company.



## COMPETITION

Our Company is currently engaged into two business segments i.e. Metal and Hotel. These segments are highly competitive and therefore we face stiff competition. Competition emerges not only from the organized and unorganized sector but also from small and big players. The competitiveness in these industries depends on several factors including product & service innovation, quality, price and customer service.

Some of our major domestic competitors are: -

Sr. No.	Metal Industry	Hotel Industry
1.	Bhagyanagar India Limited	Hotel Emperor Palms
2.	Sanco Industries Limited	Hotel Swaran Palace
3.	JV Industries Private Limited	Hotel Kings Inn
4.	GSR Metals Private Limited	The Florence Inn

We have various trademarks registered in the name of our Company which are summarized as below: -

Sr. No.	Logo	Act Under Which Application Was Made	Country	Date of Application / Approval date	Application No./Trade mark No.	Class	Current Status	Valid Upto
1.		Trade Marks Act, 1999	India	April 29, 2019	4160655	43	Accepted & Advertised	-
2.	<b>BONLON INN</b>	Trade Marks Act, 1999	India	July 13, 2010	1992527	43	Registered*	July 13, 2020
3.	<b>BONLON</b>	Trade Marks Act, 1999	India	April 07, 2010	1947092	09	Registered**	April 07, 2020
4.		Trade Marks Act, 1999	India	July 02, 2019	4222794	09	Objected	-

\*Registered in the name of Transferor Company no. 3

\*\*Registered in the name of Transferor Company no. 1

## LAND & PROPERTIES

The following table sets for the properties taken on lease by us on long term:

Sr. No.	Location of the property	Document and Date	Licensor / Lessor	Lease Rent/ License Fee (Rs. In Lakhs)	Lease/License period	Purpose
1.	Plot No. G-1-663, RIICO Industrial Area, Bhiwadi, Alwar-301019, Rajasthan	Original lease deed dated June 03, 1988  Transfer of Lease Deed dated February 17, 2010	<b>Licensor:</b> Rajasthan State Industrial Development and Investment Corporation  <b>Sub-licensor</b> Jyoti Engineering Works	0.20 p.a.	99 Years	Manufacturing Unit



The following table sets for the properties taken on lease / rent by us on short term:

Sr. No.	Location of the property	Document and Date	Licensor / Lessor	Lease Rent/ License Fee (Rs. in lakhs)	Lease/License period	Purpose
1.	488-D1, Dilshad Garden, New Delhi- 110095 (Earlier known as 44-A, Dilshad Garden, New Delhi- 110095)	Rent Agreement dated December 03, 2019	Mr. Anubhav Jain	0.80p.m	11 Months	Godown
2.	7A/39, WEA, Channa Market, Karol Bagh, New Delhi- 110005 excluding Room no. 11 on the first floor and basement	Rent Agreement dated May 16, 2020	Mrs. Smita Jain	0.75 p.m	11 Months	Hotel and Registered Office
3.	Fourth Floor, Office No. 401, Manek Plaza, 167 Vidya Nagri Marg, Kalina, Santacruz, Mumbai- 400098	Leave and License Agreement dated May 20, 2020	SarathiWM Promoters Private Limited*	0.05 p.m.	11 months	Two Sitting Space

\* SarathiWM Promoters Private Limited is an associate Company of Sarathi Capital Advisors Private Limited i.e. the Lead Manager to this Issue.

## INSURANCE

The details of the major insurance policies maintained by our Company apart from the standard fire & special perils, fire floater and burglary policies availed by us, are contained hereunder:

Sl. No.	Policy No.	Name of the Insurer	Description	Coverage (Rs. in Lakhs)	Date of Expiry	Premium (Rs in Lakhs)
1.	4016 123192101 03 000	ICICI Lombard General Insurance	Group Health (Floater) Insurance	69.00	October 14, 2020	0.53
2.	4005/163546459/01/000	ICICI Lombard General Insurance	Group Personal Accident	230.00	October 27, 2020	0.17

3.	1001/179062491/00/000	ICICI Lombard General Insurance	Standard fire and special perils insurance for Hotel Bonlon Inn, 7A/39, WEA Channa Market, Karol Bagh, New Delhi-110005	325.00	August 25, 2020	0.12
4.	4002/179571818/00/000	ICICI Lombard General Insurance	Burglary Insurance of 7A/39, WEA Channa Market, Karol Bagh, New Delhi-110005	125.00	August 25, 2020	0.02
5.	32010311190300000004	The New India Assurance Company Limited	Fire Floater Policy of 488, D1, Dilshad Garden, Shahdara and G-1-663, RIICO Industrial Area, Bhiwadi, Alwar-301019, Rajasthan	500.00	February 01, 2021	0.90
6.	32010346190100000055	The New India Assurance Company Limited	Floater Burglary Insurance of 488-D1, Dilshad Garden, New Delhi-110095 and Plot No. G-1-663, RIICO Industrial Area, Bhiwadi, Alwar-301019, Rajasthan, Job work location E-424, RIICO Industrial Area, Bhiwadi, Alwar-301019, Rajasthan	500.00	February 01, 2021	0.09
7.	32010346190100000056	The New India Assurance Company Limited	Burglary Insurance for Plant & Machinery situated at G-1-663, RIICO Industrial Area, Bhiwadi, Alwar-301019, Rajasthan	80.00	February 01, 2021	0.01
8.	32010311190100000133	The New India Assurance Company Limited	Standard fire and special perils policy for building, plant & machinery, furniture fittings and other contents of property situated at G-1-663, RIICO Industrial Area, Bhiwadi, Alwar-301019, Rajasthan	130.00	February 01, 2021	0.21

## TEAM

Our Company is promoted by a visionary and far-sighted promoter who has steered the business in the right direction with his experience and leadership skills. Our team is layered with dedicated workforce at every level be it Finance & Accounts, Sales & Marketing, Legal & Compliance, Supervision or Administration.

## HUMAN RESOURCE

We believe that a motivated and empowered employee base is the key to our operations and business strategy. We focus on attracting and retaining best possible talent.

As on May 31, 2020 we have 15 employees overall. Our manpower is a blend of experienced and young people that gives us the dual advantage of stability and growth, whereas execution of services within time and quality.

### Department wise breakup of employees:

*(Of both hotel and metal business)*

S. No.	Particulars	Total
1.	Finance & Accounts	3
2.	Legal and Compliance	1
3.	Sales & Marketing	1
4.	Administration	7
5.	Supervision	3
	<b>TOTAL</b>	<b>15</b>

## KEY INDUSTRY REGULATIONS AND POLICIES

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

*The statements below are based on current provisions of Indian law, and the judicial and administrative interpretations thereof, which are subject to change or modification by subsequent legislative, regulatory, administrative or judicial decisions. For details of government approvals obtained by us, see the chapter titled “Government and Other Statutory Approvals” beginning on page 239 of this Prospectus*

### INDUSTRY SPECIFIC LAWS

#### FACTORIES ACT, 1948

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

#### LEGAL METROLOGY ACT, 2009

The Legal Metrology Act, 2009 (“LM Act”) was enacted to establish and enforce standards of weight and measures, regulate trade and commerce in weights, measures and other goods which are sold or distributed by weight, measure and number and for matters connected therewith or incidental thereto. The LM Act inter-alia provides that every person having any weight or measure in his possession, custody or control in circumstances indicating that such weight or measure is being, or is intended or is likely to be, used by him in any transaction or for protection, shall, before putting such weight or measure into such use, have such weight or measure verified at such place and during such hours as the Controller may, by general or special order, specify in this behalf, on payment of such fees as may be prescribed.

Legal Metrology (Packaged Commodities) Rules, 2011 were framed under the Legal Metrology Act and lays down specific provisions applicable to packages intended for retail sales, whole-sale and for export and import of pre-packaged commodities. A pre-packaged commodity means a commodity which, without the purchaser being present is placed in a packaged of a pre-determined quantity. In terms of the Packaged Commodities Rules, it is illegal to manufacture, pack, sell, import, distribute, deliver, offer, expose or possess or sale any pre-packaged commodity unless the package is in such standard quantities or number bears thereon such declarations and particulars as prescribed. Further, all pre-packaged commodities must conform to the declarations provided in accordance with the Legal Metrology Act. No pre-packaged commodity is permitted to be packed with error in net quantity beyond a stipulated limit as prescribed under the Packaged Commodities Rules.

#### THE FOOD SAFETY AND STANDARDS ACT, 2006, (“FSS ACT”)

The Food Safety and Standards Act, 2006, (“FSS Act”) The FSS Act was enacted with a view to consolidate the laws relating to food and to establish the Food Safety and Standards Authority of India (“FSSAI”), for laying down science based standards for articles of food and to regulate their manufacture, storage, distribution, sale and import, to ensure availability of safe and wholesome food for human consumption. The FSS Act also sets out requirements for licensing and registration of food businesses, general principles of food safety, and responsibilities of the food business operator and liability of manufacturers and sellers, and adjudication by Food Safety Appellate Tribunal. For enforcement, the FSS Act the ‘commissioner of food safety’, ‘food safety

officer' and 'food analyst' have been granted with detailed powers of seizure, sampling, taking extracts and analysis. Further, The Food Safety and Standards Rules, 2011 ("FSSR") which have been operative since August 5, 2011, provide the procedure for registration and licensing process for food business and lay down detailed standards for various food products. The standards include specifications for ingredients, limit of quantities of contaminants, tolerance limits of pesticide drugs residue, biological hazards and labels. The FSSAI has also framed the following food safety and standards regulations in relation to various food products and additives:

- Food Safety and Standards (Licensing and Registration of Food Businesses) Regulations, 2011;
- Food Safety and Standards (Packaging and Labelling) Regulations, 2011;
- Food Safety and Standards (Food Product Standards and Food Additives) Regulations, 2011;
- Food Safety and Standards (Prohibition and Restriction on Sales) Regulations, 2011;
- Food Safety and Standards (Contaminates, Toxins and Residues) Regulations, 2011; and
- Food Safety and Standards (Laboratory and Sampling Analysis) Regulations, 2011.

### **THE INDIAN CONTRACT ACT, 1872**

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

### **FOREIGN EXCHANGE MANAGEMENT ACT, 1999**

The Foreign investment in India is governed primarily by the provisions of the FEMA which relates to regulation primarily by the RBI and the rules, regulations and notifications there under, and the policy prescribed by the Department of Industrial Policy and Promotion, Ministry of Commerce & Industry, Government of India. As laid down by the FEMA Regulations foreign investments in India are regulated through two routes –automatic route and approval route. The automatic route is aimed for those sectors and levels of investment that are less restricted. On the other hand, in the case of approval route, government agencies regulate and scrutinize foreign investment while approving it. The RBI, in exercise of its power under the FEMA, has notified the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000 to prohibit, restrict or regulate, transfer by or issue security to a person resident outside India and Foreign Exchange Management (Export of Goods and Services) Regulations, 2000 for regulation on exports of goods and services.

### **ENVIRONMENTAL LAWS**

#### **ENVIRONMENT (PROTECTION) ACT, 1986**

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

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

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

Pursuant to the provisions of the Air Act, any person, establishing or operating any industrial plant within an air pollution control area, must obtain the consent of the relevant State Pollution Control Board prior to establishing or operating such industrial plant. The State Pollution Control Board is required to grant consent within the prescribed period, but may impose conditions relating to pollution control equipment to be installed at the facilities. No person operating any industrial plant in any air pollution control area is permitted to discharge the emission of any air pollutant in excess of the standards laid down by the State Pollution Control Board. The said act also states the penalties if any conditions contained therein are breached.

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

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

### **THE NOISE POLLUTION (REGULATION & CONTROL) RULES 2000 (“NOISE REGULATION RULES”)**

The Noise Regulation Rules regulate noise levels in industrial, commercial and resident zones. consideredIt aims at regulating and controlling noise producing and generating sources with the objective of maintaining the ambient air quality standards in respect of noise The Noise Regulation Rules also establish zones of silence of not less than 100 meters near schools, courts, hospitals, etc. The rules also assign regulatory authority for these standards to the local district courts.

### **THE ENVIRONMENTAL IMPACT ASSESSMENT NOTIFICATION, 2006 (THE “EIA NOTIFICATION”)**

As per the EIA Notification, any construction of new projects or activities or the expansion or modernization of existing projects or activities as listed in the schedule to the EIA Notification and meeting the thresholds specified therein can be undertaken only after the prior environmental clearance from the Central government or as the case may be, by the State Level Environment Impact Assessment Authority. The environmental clearance process for new projects comprises of four stages viz. screening, scoping, public consultation and appraisal. In 2016, the Ministry of Environment, Forest and Climate Change (“MoEF”) issued a notification for integrating standard and objectively monitorable environmental conditions with building permissions for buildings of different sizes with rigorous monitoring mechanism for implementation of environmental concerns and obligations in building projects.

### **HAZARDOUS AND OTHER WASTE (MANAGEMENT AND TRANSBOUNDARY MOVEMENT) RULES, 2016**

For the implementation of environmentally sound management of hazardous waste in the country, the Ministry of Environment, Forest and Climate Change had introduced the Hazardous and Other Wastes (Management & Transboundary Movement) Rules, 2016. The said Rules apply to hazardous wastes as specified in the various Schedules of the said Rules. Every occupier engaged in handling, generation, collection, storage, packaging, transportation, use, treatment, processing, recycling, recovery, pre-processing, co-processing, utilization, offering for sale, transfer or disposal of the hazardous and other such waste is required to obtain necessary authorization from the State Pollution Control Board. Further, the said Rules makes the occupier liable for any

damages caused to the environment or third party due to improper handling of hazardous waste including payment of financial penalties.

## **LAWS RELATING TO EMPLOYMENT AND LABOUR**

### **MINIMUM WAGES ACT, 1948**

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

### **PAYMENT OF GRATUITY ACT, 1972**

The Payment of Gratuity Act, 1972 ("Act") was enacted with the objective to regulate the payment of gratuity, to an employee who has rendered for his long and meritorious service, at the time of termination of his services. A terminal Lump sum benefit paid to a worker when he or she leaves employment after having worked for the employer for a prescribed minimum number of years is referred to as "gratuity." The provisions of the Act are applicable to all the factories. The Act provides that within 30 days of opening of the establishment, it has to notify the controlling authority in Form A and thereafter whenever there is any change in the name, address or change in the nature of the business of the establishment a notice in Form B has to be filed with the authority. The Employer is also required to display an abstract of the Act and the rules made there-under in Form U to be affixed at the or near the main entrance. Further, every employer has to obtain insurance for his Liability towards gratuity payment to be made under Payment of Gratuity Act 1972, with Life Insurance Corporation or any other approved insurance fund.

### **PAYMENT OF BONUS ACT, 1965**

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

### **CHILD LABOUR (PROHIBITION AND REGULATION) ACT, 1986**

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

### **INDUSTRIAL DISPUTES ACT, 1947**

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

### **WORKMEN'S COMPENSATION ACT 1923**

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

### **THE EMPLOYEES PROVIDENT FUNDS AND MISCELLANEOUS PROVISIONS ACT, 1952**

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

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

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

### **THE EMPLOYEES' STATE INSURANCE ACT, 1948**

The Employees' State Insurance Act, 1948, as amended ("ESI Act") applies to all factories that are non-seasonal in nature and establishments that are notified by the appropriate government in consultation with the Central Government from time to time. The ESI Act provides for a need based social insurance scheme under which the employer and the employee must contribute certain percentage of the monthly wage as prescribed by the Central Government from time to time to the Employees State Insurance Corporation established under the ESI Act. In case the contribution is not paid by the principal employer as per the provisions of the ESI Act, the principal employer shall be liable to pay simple interest at the rate of 12 % p.a. or at such higher rate as may be specified in the ESI Act and the rules thereunder till the date of its actual payment. The ESI Act provides for benefits to employees in case of sickness, maternity and employment injury. However, where an employee is covered under the ESI scheme, (a) compensation under the Workmen's Compensation Act, 1923 cannot be claimed in respect of employment injury; and (b) benefits under the Maternity Benefits Act, 1961 cannot be claimed. In addition, the employer is also required to register himself under the ESI Act and maintain prescribed records and registers in addition to filing of forms with the concerned authorities.

### **IMPORTANT GENERAL LAWS**

#### **THE COMPANIES ACT, 1956 AND THE COMPANIES ACT, 2013**

The consolidation and amendment in law relating to the Companies Act, 1956 made way to enactment of the Companies Act, 2013. The Companies Act, 1956 is still applicable the sections which have not yet been replaced by the Companies Act, 2013 through any official notification. The act deals with incorporation and post incorporation. The conversion of private company into public company and vice versa is also laid down under the Companies Act, 2013. The provisions of this act shall also apply to banking companies, companies engaged in generation or supply of electricity and any other company governed by any special act for the time being in force. A company can be formed by seven or more persons in case of public company and by two or more persons in case of private company. A company can even be formed by one person i.e. One Person Company. The provisions relating to formation and allied procedures are mentioned in the act.



## **THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013 (“SHWW ACT”)**

The SHWW Act provides for the protection of women at work place and prevention of sexual harassment at work place. The SHWW Act also provides for a redressal mechanism to manage complaints in this regard. Sexual harassment includes one or more of the following acts or behavior namely, physical contact and advances or a demand or request for sexual favour or making sexually colored remarks, showing pornography or any other unwelcome physical, verbal or non-verbal conduct of sexual nature. The SHWW Act makes it mandatory for every employer of a workplace to constitute an Internal Complaints Committee which shall always be presided upon by a woman. It also provides for the manner and time period within which a complaint shall be made to the Internal Complaints Committee i.e. a written complaint is to be made within a period of 3 (three) months from the date of the last incident. If the establishment has less than 10 (ten) employees, then the complaints from employees of such establishments as also complaints made against the employer himself shall be received by the Local Complaints Committee. The penalty for non-compliance with any provision of the SHWW Act shall be punishable with a fine extending to Rs. 50,000/- (Rupees Fifty Thousand Only).

## **INTELLECTUAL PROPERTY LAWS**

### **TRADEMARKS ACT, 1999**

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

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

## **PROPERTY RELATED LAWS**

### **TRANSFER OF PROPERTY ACT, 1882**

The transfer of property, including immovable property, between living persons, as opposed to the transfer of property by the 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.

### **THE INDIAN STAMP ACT, 1899**

Stamp duty is payable on all instruments/ documents evidencing a transfer or creation or extinguishment of any right, title or interest in immovable property. The Indian Stamp Act, 1899 (the “Stamp Act”) provides for the imposition of stamp duty at the specified rates on instruments listed in Schedule I of the Stamp Act. However, under the Constitution of India, the states are also empowered to prescribe or alter the stamp duty payable on such documents executed within the state. Instruments chargeable to duty under the Stamp Act but which have not been duly stamped, are incapable of being admitted in court as evidence of the transaction contained therein. The Stamp Act also provides for impounding of instruments by certain specified authorities and bodies and imposition of 138 penalties, for instruments which are not sufficiently stamped or not stamped at all. Instruments which have not been properly stamped instruments can be validated by paying a penalty of up to 10 times of the total duty payable on such instruments.

## **THE REAL ESTATE (REGULATION AND DEVELOPMENT) ACT, 2016 (THE “RERA”) AND THE RULES MADE THEREUNDER**

This Act was notified by the Parliament on March 25, 2016 and extends to the whole of India except the State of Jammu and Kashmir. It establishes the Real Estate Regulatory Authority for regulations and promotions of the real estate sector and to ensure sale of plot, apartment or building, as the case may be, or sale of real estate project, in an efficient and transparent manner and to protect the interest of consumers in the real estate sector and to establish an adjudicating mechanism for speedy dispute redressal and also to establish the Appellate Tribunal to hear appeals from the decisions, directions or orders of the Real Estate Regulatory Authority and the adjudicating officer and for matters connected therewith or incidental thereto.

## **THE BUILDING AND OTHER CONSTRUCTION WORKERS (REGULATION OF EMPLOYMENT AND CONDITIONS OF SERVICE) ACT, 1996.**

The central government has enacted the Building and Other Construction Workers (Regulation of Employment and Conditions of Service) Act, 1996 (the —BOCWAl) as a comprehensive central legislation governing construction workers. The BOCWA aims at regulating the employment and conditions of service of construction workers and to provide for their safety, health and welfare measures and for other related matters. The responsibility of providing for immediate assistance in case of accidents, old age pension, loans for construction of houses, premium for group insurance, financial assistance for education, to meet medical expenses, maternity benefits etc. to beneficiaries vests with the building and other construction workers welfare board. The Central Government has notified the Building and other Construction Workers (Regulation of Service and Conditions of Service) Central Rules, 1998 which deals with the health and safety measures that must be taken in relation to construction workers.

## **THE RIGHT TO FAIR COMPENSATION AND TRANSPARENCY IN LAND ACQUISITION, REHABILITATION AND RESETTLEMENT ACT, 2013 (“LAND ACQUISITION ACT, 2013”)**

The 2013 Land Acquisition Act has replaced the Land Acquisition Act, 1894 and aims at establishing 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.

## **TAXATION & DUTY LAWS**

### **THE CENTRAL GOODS AND SERVICES TAX ACT, 2017 (GST)**

GST is a single tax on the supply of goods and services, right from the manufacturer to the consumer. Credits of input taxes paid at each stage will be available in the subsequent stage of value addition, which makes GST essentially a tax only on value addition at each stage. The final consumer will thus bear only the GST charged by the last dealer in the supply chain, with set-off benefits at all the previous stages.

### **INCOME TAX ACT, 1961**

The Income Tax Act, 1961 deals with the taxation of individuals, corporate, partnership firms and others. As per the provisions of this Act the rates at which they are required to pay tax is calculated on the income declared by them or assessed by the authorities, after availing the deductions and concessions accorded under the Act. The maintenance of Books of Accounts and relevant supporting documents and registers are mandatory under the Act. Filing of returns of Income is compulsory for all assesses.

## OUR HISTORY AND CERTAIN OTHER CORPORATE MATTERS

Our Company was incorporated on January 21, 1997 as a private limited company under the provisions of Companies Act, 1956 with the Registrar of Companies, Jaipur in the name and style of Bonlon Steels Private Limited. Subsequently, the registered office of our Company was shifted from Jaipur to New Delhi i.e. from one state to another w.e.f. December 01, 1998 with due approval of the Company Law Board, Northern Region Bench vide order dated October 29, 1998.

In the year 2018, in pursuance to synergize the operations and attaining higher business efficiencies, three of our group companies i.e. Smita Global Private Limited (hereinafter referred as transferor company no. 1), Harshit Promoters Private Limited (hereinafter referred as transferor company no. 2) and Harshit Infratech Private Limited (hereinafter referred as transferor company no. 3), which were engaged in different segments, were amalgamated with our Company in pursuance of Section 230-232 of the Companies Act, 2013 and the Order of the Hon'ble National Company Law Tribunal, Principal Bench, New Delhi dated June 13, 2018. In consequence to the aforesaid scheme, the main objects of the transferor companies were also merged with the objects of our Company and hence our Memorandum of Association was amended in this respect. Therefore, in order to align the business activities with the name of Company, the name of our Company was changed from Bon Lon Steels Private Limited to Bonlon Industries Private Limited w.e.f. February 26, 2019. Later on, the name of the company was changed to Bonlon Industries Limited pursuant to conversion into a public company vide shareholder's approval dated March 01, 2019 and fresh certificate of incorporation dated March 29, 2019 issued by Registrar of Companies, Delhi.

For information on the Company's activities, market, growth and managerial competence, please see the chapters "Our Management", "Our Business" and "Our Industry" beginning on pages 145, 112 and 103 respectively of this Prospectus.

### CHANGE IN REGISTERED OFFICE

At present our registered office is located at 7A/39 (12- First Floor), WEA Channa Market, Karol Bagh, New Delhi- 110005. Prior to this, following changes were made in the location of our registered office:

Date	Particulars
Since Incorporation	A-316, Triveni Nagar, Jaipur- 302020, Rajasthan
December 01, 1998 *	Our Registered office was shifted from the above location to A-4B, 1 <sup>st</sup> Floor, Wazirpur Industrial Area, Delhi- 110052.
April 12, 2002	Our Registered office was shifted from the above location to A-63, Jhilmil Industrial Area, G.T. Road, Shahdara, Delhi- 110095.
June 17, 2017	Our Registered office was shifted from the above location to 6B/10, N.E.A. Old Rajinder Nagar, New Delhi- 110060.
April 02, 2019	Our Registered office was shifted from the above location to 7A/39 (12- First Floor), WEA Channa Market, Karol Bagh, New Delhi- 110005.

\*Form 18 for change in registered office is not available.

## KEY EVENTS AND MILESTONES IN THE HISTORY OF OUR COMPANY

Year	Event
1997	Our Company was incorporated as Bonlon Steels Private Limited.
1998	Our registered office was shifted from Jaipur to New Delhi.
2006	Started supervision of manufacturing activities of a Colombo based Company named Copper Bars Private Limited
2013	Started our own manufacturing unit in Bhiwadi, Rajasthan.
2014	Turnover crossed Rs. 10,000 Lakhs
2017	Turnover crossed Rs. 24,000 Lakhs
2018	Amalgamation of three group companies with our company.
2019	Name was changed from “Bonlon Steels Private Limited” to “Bonlon Industries Private Limited”
2019	Converted into Public Limited Company vide fresh certificate of Incorporation dated March 29, 2019

## OUR MAIN OBJECT(S)

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

1. To promote, run, establish, install, takeover or set up, mini steel plants, integrated steel plants, composite steel plants, hot rolling steel mills, cold rolling mills, blooms and billet mills, steel furnaces, converters, rolling mills, induction furnaces for the manufacturing, producing, converting, extracting treating or processing of all types, grade and sizes of steels, stainless steels, special steels, high speed steels, die steels, electric steels, forging steels, alloy steels including direct hardening steels, case hardening steels, nitriding steels, ball bearing steels, corrosion resisting steel, heat resisting steels free cutting steels, spring steels, silico manganese steels, structural steels, ship building quality steels, armour steel, magnet steel, hot rolled and cold rolled grain oriented electrical steels or and any other type of steels present or future and any products, by products, compounds and alloys thereof and to act as agent, broker, stockiest, trader, buyer, seller, importer, exporter, job worker, or otherwise to deal in all goods, materials.
2. To carry on in India or elsewhere the business of manufacturers, processors, founders, moulders, castors, forgers, refiners, smelters, makers, fabricators, formers, rollers, extruders, converters, reconditioners, assemblers, machinists and finishers, of all kinds of ferrous and Non-ferrous metals (both primary and secondary) such as iron and steel. Aluminium, Zinc, Copper, Lead, Tin, Silicon, Nickel, and Alloys related thereto and manufacture and deal in Copper, Aluminium, wires and conductors of all kinds.
3. To carry on in India or elsewhere the business of manufacturers, importers, exporters, traders, agents, merchants, buyers, sellers and dealers in all kinds of metals, ferrous and non-ferrous (both primary and secondary), aluminium products, engineering metal goods and appliances, and to deal in raw materials used or required therein, stainless steel and their scraps and to buy metal scrap and iron ores in all forms and to carry on the business of iron workers, iron masters, brass founders and metal makers, smiths, tinslate makers and to establish rolling mills and rollers in their respective branches, longitude metal pipe and all kinds of metal tube through electric resistance, welding process and other process and other sanitary structural steel tube, conduit tubes and such other allied products through welding, galvanising or fabrication of ferrous and non ferrous metals.

4. To carry on the business of Hoteliers , moteliers , restaurant owners , sweet meet merchants , refreshments , room proprietors , refreshment contractors and own run garages , shops , godowns , barse , refreshment rooms , cafeterias , discotheques , restaurants and place of sale , custody , bailment , deposit or protection of the valuable goods and commodities .
5. To carry on the business of construction of apartments, flats, shops, kothies, hotels, restaurants, pub, cinema halls, multiplex complexes, malls, hospitals and nursing home's buildings, canals, reservoirs, mills and offices, huts, tenements, warehouses, cold storage's buildings, industrial sheds, hydel projects, power houses, tunnels, culverts, channels sewage, roads, bridges and dams and to act as an agent for purchasing, selling and letting on hire, plot and houses, whether multistoried, commercial and/or residential buildings on commission basis.
6. To engage in construction, such as civil mechanical, electrical, and all other types erection commissioning projects, project trading as well act as consultant for execution of projects on turnkey basis for equipments of industrial, industrial set up domestic and other purposes & marketing of allied materials and to carry on the business as developers, promoters, builders, consultants, civil engineers, architects, surveyors, designers, town planners, colonizers of estates, farm land & residential building, estimators, interior and exterior decorators, general and government civil contractors of immovable properties, all types of structural and pilling engineering work and to work as government contractor for aforesaid activities.
7. To buy, purchase, or otherwise acquire an interest in any immovable property such as houses, building, market, shops, industrial sheds & plots, within or outside the limits of municipal corporation or such other local bodies and to provide roads, drains, water supply, electricity and light within these areas, to divide the same into suitable plots and rent or sell the plots to the people for building , houses, bungalows & colonies for workmen according to schemes approved by improvement trusts, development boards and municipal boards there on and to rent or sell the same to the public and realize cost in lumpsum or otherwise to start any housing scheme in India or abroad.
8. To carry on the business of immovable property and its consultants and to give on rent sale and purchase, designing and construction of residential houses, commercial building flats and factory's sheds and building in or out side of India and to act as builders, colonizers and civil and constructional contractors and purchase, hire or otherwise sell and mortgage any estates, building, basements or such other interest in any immovable property and to develop and turn to account by laying out, plotting and preparing the same for building purposes, constructing building, multistoried building and altering, pulling down, decorating, maintaining, furnishing, fitting up and improving building and by paying, draining and letting building on lease and on rent.
9. To develop the plot for house by providing roads & other facilities such as water supply and sale the same and to erect and construct farm houses building or work civil and constructional of every description on any land of the company or upon any other such lands or immovable property and to pull down rebuild, enlarge, alter and improve such land into road, highway, streets, squares and such other convenience related thereto and deal with and improve the immovable property of the company or any other immovable property and to construct, maintain, erect and lay out roads, highway sewers, drains, electric line, cables and gaslines, in over and under the estate of any other company or person or body-corporate.

## AMENDMENTS TO THE MEMORANDUM OF ASSOCIATION

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

Date of Shareholders Approval	Amendment
December 01, 1998	Change of Registered office from Jaipur to Delhi with due approval of the Company Law Board, Northern Region Bench vide order dated October 29, 1998.
December 30, 1998	The Initial Authorized Share Capital of Rs. 5,00,000 (Rupees Five Lakh only) consisting of 50,000 Equity shares of face value of Rs. 10/- each was increased to Rs. 1,00,00,000 (Rupees Fifty Lakh only) consisting of 10,00,000 Equity Shares of face value of Rs.10/- each.
January 18, 2000	The authorized Share Capital of Rs. 1,00,00,000 (Rupees One Crore only) consisting of 10,00,000 Equity shares of face value of Rs. 10/- each was increased to Rs. 1,50,00,000 (Rupees One Crore Fifty Lakh only) consisting of 15,00,000 Equity Shares of face value of Rs.10/- each.
March 30, 2001	The authorized share capital of Rs. 1,50,00,000 (Rupees One Crore Fifty Lakh only) consisting of 15,00,000 Equity Shares of face value of Rs. 10/- each was increased to Rs. 2,00,00,000 (Rupees Two Crores only) consisting of 20,00,000 Equity Shares of face value of Rs.10/- each.
March 23, 2007	The authorized share capital of Rs. 2,00,00,000 (Rupees Two Crores only) consisting of 20,00,000 Equity Shares of face value of Rs. 10/- each was increased to Rs. 3,00,00,000 (Rupees Three Crores only) consisting of 30,00,000 Equity Shares of face value of Rs.10/- each.
July 02, 2018	The authorized share capital of Rs. 3,00,00,000 (Rupees Three Crores only) consisting of 30,00,000 Equity Shares of face value of Rs. 10/- each was automatically enhanced to Rs. 8,00,00,000 (Rupees Eight Crores only) consisting of 80,00,000 Equity Shares of face value of Rs.10/- each pursuant to the scheme of amalgamation as approved by the Hon'ble National Company Law Tribunal, Principal Bench, New Delhi by its judgment dated June 13, 2018. Such scheme became effective on July 02, 2018 i.e. the day when the order of approving the scheme was filed to the Registrar of Companies, NCT of Delhi and Haryana.
August 06, 2018	Consolidation of the objects of the transferor companies with our company.
August 06, 2018	The authorized share capital of Rs. 8,00,00,000 (Rupees Eight Crores only) consisting of 80,00,000 Equity Shares of face value of Rs. 10/- each was increased to Rs. 11,00,00,000 (Rupees Eleven Crores only) consisting of 1,10,00,000 Equity Shares of face value of Rs.10/- each.
January 24, 2019	Removal of Objects of carrying on the business of an investment company and insertion of new clauses in Part B of Clause III .
February 18, 2019	Change of name from "Bon Lon Steels Private Limited" to "Bonlon Industries Limited".

March 01, 2019	Conversion of private company into public company and subsequent change of name from 'Bonlon Industries Private Limited' to 'Bonlon Industries Limited'
April 29, 2019	The authorized share capital of Rs. 11,00,00,000 (Rupees Eleven Crores only) consisting of 1,10,00,000 Equity Shares of face value of Rs. 10/- each was increased to Rs. 15,00,00,000 (Rupees Fifteen Crores only) consisting of 1,50,00,000 Equity Shares of face value of Rs.10/- each

#### **HOLDING COMPANY OF OUR COMPANY**

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

#### **SUBSIDIARY COMPANY OF OUR COMPANY**

Our Company has one subsidiary company as on the date of filing of this Prospectus i.e. AKJ Metals Private Limited.

#### **DETAILS OF MERGERS AND ACQUISITIONS**

Three of our group companies i.e. Smita Global Private Limited (hereinafter referred as transferor company no. 1), Harshit Promoters Private Limited (hereinafter referred as transferor company no. 2) and Harshit Infratech Private Limited (hereinafter referred as transferor company no. 3), which were engaged in different segments, were amalgamated with our Company in pursuance of Section 230-232 of the Companies Act, 2013 and the Order of the Hon'ble National Company Law Tribunal, Principal Bench, New Delhi dated June 13, 2018.

#### **JOINT VENTURES OF OUR COMPANY**

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

#### **INJUNCTIONS OR RESTRAINING ORDERS**

The Company is not operating under any injunction or restraining order.

#### **DETAILS OF PAST PERFORMANCE**

For details in relation to our financial performance in the previous five financial years, including details of non-recurring items of income, refer to section titled "Financial Statements" beginning on page 184 of this Prospectus.

#### **SHAREHOLDERS AGREEMENTS**

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

#### **OTHER AGREEMENTS**

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

1. Agreement dated June 11, 2019 with Mr. Raj Jain, Managing Director for his appointment.
- A) Below are the major terms and conditions of the Agreement with Mr. Raj Jain, Managing Director dated June 11, 2019:**
1. The Managing Director shall exercise and perform such powers and duties as the Board of Directors of the company (hereinafter called "the Board") shall, from time to time, determine, and subject to any directions and restrictions, from time to time, given and imposed by the Board and control, management and superintendence of the business of the company with power to appoint and to dismiss employees and to

enter into contracts on behalf of the company in the ordinary course of business and to do and perform all other acts, deeds, and things, which in the ordinary course of business, he may consider necessary or proper or in the interest of the company provided however, that nothing shall be done by the Managing Director which by the Act or the articles of the company shall be transacted at a meeting of the Board by resolution or which shall not be effective unless approved by the Board or which are not expressly provided.

2. The Managing Director shall throughout the said term, devote his entire time, attention and abilities to the business of the company and shall carry out the orders, from time to time, of the Board and in all respect conform to the comply with the directions and regulations made by the Board, and shall faithfully serve the company and use his utmost endeavors to promote the interests of the company.
3. The company shall pay to the Managing Director during the continuance of this agreement in consideration of the performance of his duties.

**SALARY:**

The remuneration (including Bonus) payable to Mr. Raj Jain will be determined by the Board of Directors from time to time within the maximum limit not exceeding Rs.1,20,000/- (Rupees One Lakhs Twenty Thousand only) per month.

**PERQUISITES:**

He will also be entitled to benefits and perquisites, which are available to the other employees of the Company as per its employee policy.

**IN THE EVENT OF ABSENCE OR INADEQUACY OF PROFITS:**

In the event of absence or inadequacy of profits in any financial year, the remuneration payable to him by way of salary and perquisites shall not exceed the maximum limit prescribed under Schedule V of the Companies Act, 2013, if applicable.

4. The Managing Director shall not, during the period of his employment and without the previous consent in writing of the Board, engage or indulge himself either directly or indirectly in the business or affairs of any other person, firm, company, body corporate or in any undertaking or business of a nature similar to or competing with the company's business and further, shall not, in any manner, whether directly or indirectly use, apply or utilize his knowledge or experience for or in the interest of any such person, firm company, or body corporate as aforesaid or any such competing undertaking or business as aforesaid.
5. The Managing Director shall not, during the continuance of his employment with the company, divulge or disclose to any person, firm, company or body corporate whomsoever or make any use whatever for his own or for whatever purpose, of any confidential information or knowledge obtained by him during his employment as to the business or affairs of the company or as to any trade secrets or secret processes of the company and the managing director shall, during the continuance of his employment hereunder, also use his best endeavors to prevent any other person, firm, company or body corporate concerned from doing so.
6. Either party shall terminate this agreement by giving to the other advance notice of one month.
7. The Managing Director shall, from time to time, during his employment hereunder fully disclose to the company the progress of investigations and of any discoveries he may make himself or in conjunction with other officials or non-officials with regard to any improvement, invention or discovery arising out of or in connection with the said employment, he shall forthwith disclose to the company a full and complete description of the nature of said improvement, invention or discovery and the mode of performing the same.



8. This agreement and the terms and conditions hereof shall be subject to the approval of the shareholders of the company in general meeting and also of the Central Government under the relevant provisions of the Companies Act, 2013 if necessary.

#### **GUARANTEES GIVEN BY OUR COMPANY**

As on this Prospectus, our Company has provided corporate guarantee to Bank of India for working capital facilities given to B.C. Power Controls Limited, one of our group companies, the details of which are provided hereunder:

<b>Sr. No.</b>	<b>Date of Charge Creation / Modification</b>	<b>Amount Secured (Rs. In Lakhs)</b>	<b>Facilities</b>	<b>Security</b>
1.	May 04, 2019	2,495.00*	Bank Guarantee in favor of B.C. Power Controls Limited	Mortgage of G-1/663, RIICO, Industrial Area, Bhiwadi, Rajasthan.

*\*Filing shall be done soon for the modification of charge.*

For further details please refer to chapter titled “Financial Indebtedness” on page no 226 of this Prospectus.

#### **RESTRICTIVE COVENANTS IN LOAN AGREEMENTS**

For details related to restrictive covenants in loan agreements, please refer the chapter titled “Financial Indebtedness” on page no.226 of this Prospectus.

#### **STRATEGIC/ FINANCIAL PARTNERS**

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

#### **CONVERSION OF LOANS INTO EQUITY SHARES**

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

#### **CAPITAL RAISING ACTIVITIES THROUGH EQUITY**

For details in relation to our capital raising activities through Equity, please see the chapters “Capital Structure” beginning on page 62 of this Prospectus.

#### **RATING**

Our Company does not have any rating valid at present as on the date of this Prospectus.

#### **DEFAULTS OR RESCHEDULING OF BORROWINGS WITH FINANCIAL INSTITUTIONS OR BANKS**

There are no borrowings with any financial institutions or banks as on the date of this Prospectus. Further, Our Promoter and Promoter Group have confirmed that they have not defaulted in respect of payment of interest and/or principal to the debenture/ bond/ fixed deposit holder/ Banks/ FIs during the past three years.

#### **NUMBER OF SHAREHOLDERS**

Our Company has ten (10) shareholders on date of this Prospectus.

## **SHAREHOLDERS AGREEMENT AND OTHER AGREEMENTS**

Our Company has not entered into any shareholder's agreement as on the date of this Prospectus.

## OUR MANAGEMENT

### BOARD OF DIRECTORS

We are required to have not less than 3 directors and not more than 15 directors, subject to Section 149 of Companies Act, 2013. We currently have 5 (Five) Directors on our Board.

The following table sets forth details regarding our Board of Directors as on the date of this Prospectus other than Directorship in our Company:

Sr. No.	Name, Father's/Husband's Name, Designation, Address, Occupation, Nationality, Term and DIN	Date of Appointment / Change in Current Designation	Other Directorships
1.	<b>Name:</b> Raj Jain <b>Date of Birth:</b> August 21, 1953 <b>Age:</b> 67years <b>Father's Name:</b> Mr. Prakash Chand Jain <b>Designation:</b> Managing Director <b>Address:</b> 4596/4 Ansari Road, Darya Ganj, Near Happy School, New Delhi-110002 <b>Term:</b> 5 years <b>Nationality:</b> Indian <b>Occupation:</b> Service <b>DIN:</b> 01018724	June 20, 2018  Appointed as Managing Director on June 11, 2019	Nil
2.	<b>Name:</b> Arun Kumar Jain* <b>Date of Birth:</b> October13, 1958 <b>Age:</b> 61years <b>Father's Name:</b> Mr. Shekhar Chand Jain <b>Designation:</b> Director <b>Address:</b> 6-B/10 N. E. A., Old Rajinder Nagar, New Delhi-110060 <b>Term:</b> Liable to retire by rotation <b>Nationality:</b> Indian <b>Occupation:</b> Business <b>DIN:</b> 00438324	December 10, 1998	1. B.C. Power Controls Limited 2. Bon Lon Private Limited 3. Harshit Finvest Private Limited 4. Vinco Metals Private Limited 5. Asier Metals Private Limited
3.	<b>Name:</b> Mrs. Smita Jain <b>Date of Birth:</b> September 14, 1959 <b>Age:</b> 61 years	December 10, 1998**	1. Vinco Metals Private Limited

	<p><b>Father's Name:</b> Late Mr. Sumer Chand Jain</p> <p><b>Designation:</b> Non-executive Director</p> <p><b>Address:</b> 6-B/10 N. E. A., Old Rajinder Nagar, New Delhi-110060</p> <p><b>Term:</b> Liable to retire by rotation</p> <p><b>Nationality:</b> Indian</p> <p><b>Occupation:</b> Business</p> <p><b>DIN:</b>00438282</p>		
4.	<p><b>Name:</b> Mrs. Bela Khattar Chauhan</p> <p><b>Date of Birth:</b> February 24, 1970</p> <p><b>Age:</b>50 years</p> <p><b>Father's Name:</b> Mr. Narender Mohan Khattar</p> <p><b>Designation:</b> Non-Executive and Independent Director</p> <p><b>Address:</b> House No. 1654, Officers Flats, Near Gulabi Bagh Police Station Gulabi Bagh, Malka Ganj, Delhi-110007</p> <p><b>Term:</b>5 years</p> <p><b>Nationality:</b> Indian</p> <p><b>Occupation:</b> Business</p> <p><b>DIN:</b> 08475517</p>	June 11, 2019	Nil
5.	<p><b>Name:</b> Mr. Parveen Kumar Jain</p> <p><b>Date of Birth:</b> September 15, 1956</p> <p><b>Age:</b>63 years</p> <p><b>Father's Name:</b> Mr. Prem Chand Jain</p> <p><b>Designation:</b> Non-Executive &amp; Independent Director</p> <p><b>Address:</b>BW-109C, SFS Flats, Shalimar Bagh, Delhi-110088</p> <p><b>Term:</b> 5 years</p> <p><b>Nationality:</b> Indian</p> <p><b>Occupation:</b> Business</p> <p><b>DIN:</b> 08475527</p>	June 11, 2019	Nil

\*Mr. Arun Kumar Jain is also the Chairman of The Vaish Co-operative Adarsh Bank Limited

\*\*Designation changed from Executive to Non-executive Director w.e.f. July 02, 2019



**Mr. Raj Jain**, aged 66 years is the Managing Director cum Chairman of our Company. He joined our Company on June 20, 2018 as a Director and his designation was subsequently changed to Managing Director cum Chairman w.e.f. June 11, 2019 for a term of five years. He is a Commerce Graduate from Sri Ram College of Commerce, Delhi University. He started his career with a watch merchant in the year 1973 and has been working since then. During 1977 to 1997 he served Electra India Limited as a liasoning officer and was posted in Delhi. The core area of his work in Electra India Limited was liasoning and following up with the government departments and banks. He has been associated with Bonlon group since 1997 at various capacities and has played an instrumental role in establishing the business. Mr. Raj Jain takes care of the Accounts and Finance department of the Company. He is also actively engaged in taking follow ups with various departments and Banks on behalf of the Company.



**Mr. Arun Kumar Jain** is the Promoter and Director of our Company since inception. He did his B.A. from Delhi University in the year 1977. He got engaged in business activities just after his graduation and joined his family business with his father. He has been very active throughout his career. He started his own business of stainless steel in early 80's. In 1997, he started and expanded his business activities with entrance in the field of ferrous and non ferrous metals mainly copper & aluminium. Due to his dynamic and competitive business approach, he has been able to establish and expand his business. He has a vast experience of more than two decades. He visited many countries in search of new business opportunities and imports copper and aluminium from Nepal, Sri Lanka, China, Bhutan & UAE. Currently, Mr. Arun Kumar Jain is serving as the Chairman of The Vaish Co-operative Adarsh Bank Limited. He is also the Managing Director of B.C. Power Controls Limited, a listed Company and one of our group companies engaged in the business of manufacturing and trading of wires and cables.



**Mrs. Smita Jain**, aged 59 years, has been associated with our company since inception and is currently serving as a Non-executive Director of our Company. She holds a Bachelor's Degree in Arts (BA) from Delhi University. She manages the HR and Administration of the Company.



**Mrs. Bela Khattar Chauhan**, aged 49 years, is one of the Non-Executive & Independent Director of our Company. She joined our Company on June 11, 2019 for a term of five years. She did her B.A. (Hons.) in Political Science from Delhi University in the year 1991 and thereafter completed her LL.B. from Faculty of Law, Delhi University in the year 1997. Ever since 1998, Mrs. Chauhan is practicing advocacy before the Hon'ble Delhi High Court and the District courts. The areas of her expertise are civil and administrative laws. She is also serving as a Standing Counsel for the Union of India in the Central Administrative Tribunal (CAT). Also, she is one of the panel members of Punjab National Bank and Life Insurance Corporation of India.



**Mr. Parveen Kumar Jain**, aged 62 years, is one of the Non-Executive & Independent Director of our Company. He joined our Company on June 11, 2019 for a term of five years. He did his B.Com from G.D. Salwan College, Delhi University in the year 1976. He started his career in the year 1978 with P.C. Jain & Sons, his sole proprietorship firm which was engaged in the business of trading of products associated with photography. Since 2011, he has been assisting his son in his Advertising Agency in the name of Heyday Communications which provides advertising, marketing and communication solutions to its clients and is also accredited from the Indian Newspaper Society.

## CONFIRMATIONS

As on the date of this Prospectus:

1. Apart from Mr. Arun Kumar Jain and Mrs. Smita Jain who are related to each other as spouse, none of the Directors of the Company are related to each other as per Section 2 (77) of Companies Act, 2013.
2. There are no arrangements or understanding with major shareholders, customers, suppliers or any other entity, pursuant to which any of the Directors or Key Management Personnel were selected as a Director or member of the senior management.
3. The Directors of our Company have not entered into any service contracts with our Company which provides for benefits upon termination of employment.
4. None of the above-mentioned Directors are on the RBI List of willful defaulters.
5. Further, none of our Directors are or were directors of any company whose shares were (a) suspended from trading by stock exchange(s) for more than 3 months during the five years prior to the date of filing the Prospectus or (b) delisted from the stock exchanges.
6. Our Promoter, Persons forming part of our Promoter Group, Directors or persons in control of our Company, have not 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. For further details, refer Chapter titled "Outstanding Litigation and Material Developments" beginning on the page 229 of this Prospectus.
7. Our Promoter and Promoter Group have confirmed that they have not defaulted in respect of payment of interest and/or principal to the debenture/ bond/fixed deposit holder/ Banks/ FIs during the past three years.

## REMUNERATION / COMPENSATION OF DIRECTORS

Directors of the Company may be paid monthly remuneration, sitting fees, commission and any other amounts as may be decided by our Board in accordance with the provisions of the Articles of Association, the Companies Act and other applicable laws and regulations. Except Mr. Raj Jain, Mr. Arun Kumar Jain and Mrs. Smita Jain who have been paid Gross Remuneration of Rs. 5.40 Lakhs, Rs. 7.20 Lakhs and 3.50, respectively during financial year 2018-19, none of our Directors had received any remuneration/compensation during preceding financial year.

**Below are the major terms and conditions of the Agreement with Mr. Raj Jain, Managing Director dated June 11, 2019 w.r.t. his remuneration:**

The company shall pay to the Managing Director during the continuance of this agreement in consideration of the performance of his duties.

### SALARY:

The remuneration (including Bonus) payable to Mr. Raj Jain will be determined by the Board of Directors from time to time within the maximum limit not exceeding Rs.1,20,000/- (Rupees One Lakhs Twenty Thousand only) per month.

### PERQUISITES:

He will also be entitled to benefits and perquisites, which are available to the other employees of the Company as per its employee policy.

### IN THE EVENT OF ABSENCE OR INADEQUACY OF PROFITS:

In the event of absence or inadequacy of profits in any financial year, the remuneration payable to him by way of salary and perquisites shall not exceed the maximum limit prescribed under Schedule V of the Companies Act, 2013, if applicable.

## SHAREHOLDING OF OUR DIRECTORS

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

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

S No.	Name of the Director	No. of Equity Shares	% of Pre-Issue Equity Share Capital	% of Post Issue Equity Share Capital
1.	Raj Jain	-	-	-
2.	Arun Kumar Jain	65,53,278	62.85	46.20
3.	Smita Jain	15,45,420	14.82	10.90
4.	Bela Khattar Chauhan	-	-	-
5.	Parveen Kumar Jain	-	-	-

## INTERESTS OF DIRECTORS

All of our Directors may be deemed to be interested to the extent of fees payable, if any to them for attending meetings of the Board or a committee thereof as well as to the extent of other remuneration and reimbursement of expenses payable, if any to them under our Articles of Association, and/or to the extent of remuneration paid to them for services rendered as an officer or employee of our Company. Some of our Directors may be deemed to be interested to the extent of consideration received/paid such as rent paid on account of lease agreement or interest paid on any loan or advances provided to our company, or to anybody corporate including companies and firms, in which they are interested as directors, members or partners.

Our Directors may also be regarded as interested in the Equity Shares, if any, held by them or that may be subscribed by and allotted to the companies and firms, if any, in which they are interested as directors, members, partner pursuant to this Issue. All of our Directors may also be deemed to be interested to the extent of any dividend payable to them and other distributions in respect of the said Equity Shares, if any.

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

Except as stated in the chapter “Our Management” and ‘Related Party Transactions’ beginning on page 145 and 182 respectively of this Prospectus and described herein to the extent of shareholding in our Company, if any, our Directors do not have any other interest in our business.

Our Directors have no interest in any property acquired by our Company within two years of the date of this Prospectus except as mentioned chapter titled “Our Business” on page 112 of this Prospectus.

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

### PROPERTY INTEREST

Except as stated/referred to in the heading titled “Land & Properties” beginning on page 126 of this Prospectus, our Directors has not entered into any contract, agreement or arrangements during the preceding two years from the date of this Prospectus in which the Directors are interested directly or indirectly and no payments have been made to them in respect of these contracts, agreements or arrangements or are proposed to be made to them.

### CHANGES IN OUR BOARD OF DIRECTORS DURING THE LAST THREE YEARS

Name	Date of event	Nature of event	Reason
Raj Jain	June 20, 2018	Appointment	Appointed as an Additional Director
Raj Jain	September 24, 2018	Change in Designation	Appointed as Director
Raj Jain	June 11, 2019	Change in Designation	Appointed as Managing Director
Bela Khattar Chauhan	June 11, 2019	Appointment	Appointed as Non-Executive & Independent Director
Parveen Kumar Jain	June 11, 2019	Appointment	Appointed as Non-Executive & Independent Director
Smita Jain	July 02, 2019	Change in Designation	Appointed as Non-Executive Director

### BORROWING POWERS OF THE BOARD

Pursuant to special resolution passed at Extra-Ordinary General Meeting of our Company held on May 08, 2019 consent of the members of our Company was accorded to the Board of Directors of our Company pursuant to Section 180 (1)(c) of the Companies Act, 2013 for borrowing, from time to time, any sum or sums of money on such security and on such terms and conditions as the Board may deem fit, notwithstanding that the money to be borrowed together with the money already borrowed by our Company (apart from temporary loans obtained from our Company’s bankers in the ordinary course of business) may exceed in the aggregate, the paid-up capital of our Company, its free reserves and securities premium, provided however, the total amount so borrowed in excess of the aggregate of the paid-up capital of our Company and its free reserves shall not at any time exceed Rs. 5000 Lakhs.



**CORPORATE GOVERNANCE**

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

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

Currently, our Board has 5 (Five) Directors. We have 1 (One) Managing Director, 1 (One) Executive Director, 1 (One) Non-Executive Director and 2 (Two) Non- Executive & Independent Directors. The constitution of our Board is in compliance with the Companies Act, 2013.

**The following committees have been formed in compliance with the corporate governance norms:**

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

**A) Audit Committee**

Our Company has constituted an Audit Committee, as per the provisions of Section 177 of the Companies Act, 2013 and Regulation 18 of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, vide resolution passed in the meeting of the Board of Directors held on July 02, 2019.

The terms of reference of Audit Committee complies with the requirements of Companies Act, 2013 and SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015. The committee presently comprises the following 3 (Three) directors. The members of the Audit Committee had last met on their meeting held on June 23, 2020.

**Composition of Audit Committee**

<b>Name of the Director</b>	<b>Status</b>	<b>Nature of Directorship</b>
Bela Khattar Chauhan	Chairperson	Non-Executive & Independent Director
Parveen Kumar Jain	Member	Non-Executive & Independent Director
Arun Kumar Jain	Member	Director

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

**Role of the audit committee**

1. Overseeing the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible.
2. Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees.
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors.

4. Reviewing, with the management, the annual financial statements before submission to the board for approval, with particular reference to:
  - a. Matters required to be included in the Directors Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of Section 134 of the Companies Act, 2013.
  - b. Changes, if any, in accounting policies and practices and reasons for the same.
  - c. Major accounting entries involving estimates based on the exercise of judgment by management.
  - d. Significant adjustments made in the financial statements arising out of audit findings.
  - e. Compliance with listing and other legal requirements relating to financial statements.
  - f. Disclosure of any related party transactions.
  - g. Modified opinion(s) in the draft audit report.
5. Reviewing, with the management, the half yearly and annual financial statements before submission to the board for approval.
6. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/Prospectus/notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter.
7. Reviewing and monitoring the auditor's independence and performance and effectiveness of audit process.
8. Approval of any transactions of the Company with Related Parties, including any subsequent modification thereof.
9. Scrutiny of inter-corporate loans and investments.
10. Valuation of undertakings or assets of the Company, wherever it is necessary.
11. Evaluation of internal financial controls and risk management systems.
12. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems.
13. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
14. Discussion with internal auditors on any significant findings and follow up there on.
15. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board.
16. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
17. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.
18. To review the functioning of the Whistle Blower mechanism, in case the same exists.
19. Approval of appointment of Chief Financial Officer or any other person heading the finance function or discharging that function after assessing the qualifications, experience & background, etc. of the candidate.

20. To overview the Vigil Mechanism of the Company and took appropriate actions in case of repeated frivolous complaints against any Director or Employee.
21. Monitoring the end use of funds raised through public offers and related matters.

The Audit Committee shall mandatorily review the following information:

1. Management Discussion and Analysis of financial condition and results of operations.
2. Statement of significant related party transactions (as defined by the Audit Committee), submitted by management.
3. Management letters / letters of internal control weaknesses issued by the statutory auditors.
4. Internal audit reports relating to internal control weaknesses.
5. The appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the audit committee.
6. Statement of deviations:
  - a) Half yearly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1) of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015.
  - 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 SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015.

#### **Powers of the Audit Committee**

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

#### **B) Stakeholders Relationship Committee**

Our Company has reconstituted a Stakeholders Relationship Committee to redress the complaints of the shareholders. The Stakeholders Relationship Committee was constituted as per the provisions of Section 178(5) of the Companies Act, 2013 and Regulation 20 of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 vide resolution passed at the meeting of the Board of Directors held on July 02, 2019. The members of the Stakeholders Relationship Committee had last met on their meeting held on May 19, 2020.

#### **Composition of Stakeholders Relationship Committee**

<b>Name of the Director</b>	<b>Status</b>	<b>Nature of Directorship</b>
Parveen Kumar Jain	Chairman	Non-Executive & Independent Director
Raj Jain	Member	Managing Director
Arun Kumar Jain	Member	Executive Director

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

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

1. Redressal of shareholders'/investors' complaints.
2. Reviewing on a periodic basis the approval of transfer or transmission of shares, debentures or any other securities made by the Registrar and Share Transfer Agent;
3. Issue of duplicate certificates and new certificates on split/consolidation/renewal.
4. Non-receipt of declared dividends, balance sheets of the Company.
5. Carrying out any other function as prescribed under the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015.

### C) **Nomination and Remuneration Committees**

Our Company has constituted a Nomination and Remuneration Committee. The constitution of the Nomination and Remuneration Committee as per the provisions of Section 178 of the Companies Act, 2013 and Regulation 19 of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 was approved by a Meeting of the Board of Directors held on July 02, 2019. The members of the Nomination and Remuneration Committee had last met on their meeting held on February 04, 2020.

#### **Composition of Nomination and Remuneration Committee**

<b>Name of the Director</b>	<b>Status</b>	<b>Nature of Directorship</b>
Bela Khattar Chauhan	Chairperson	Non-Executive & Independent Director
Parveen Kumar Jain	Member	Non-Executive & Independent Director
Smita Jain	Member	Non-Executive Director

The Company Secretary of the Company acts as the Secretary to the Nomination and Remuneration Committee.

#### **Role of Nomination and Remuneration Committee**

1. Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board of Directors a policy relating to, the remuneration of the directors, Key Managerial Personnel and other employees.
2. Formulation of criteria for evaluation of performance of Independent Directors and the Board of Directors.
3. Devising a policy on diversity of Board of Directors.
4. Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board of Directors their appointment and removal.
5. Whether to extend or continue the term of appointment of the Independent Director, on the basis of the report of performance evaluation of Independent Directors.
6. Such other matters as may from time to time be required by any statutory, contractual or other regulatory requirements to be attended to by such committee.

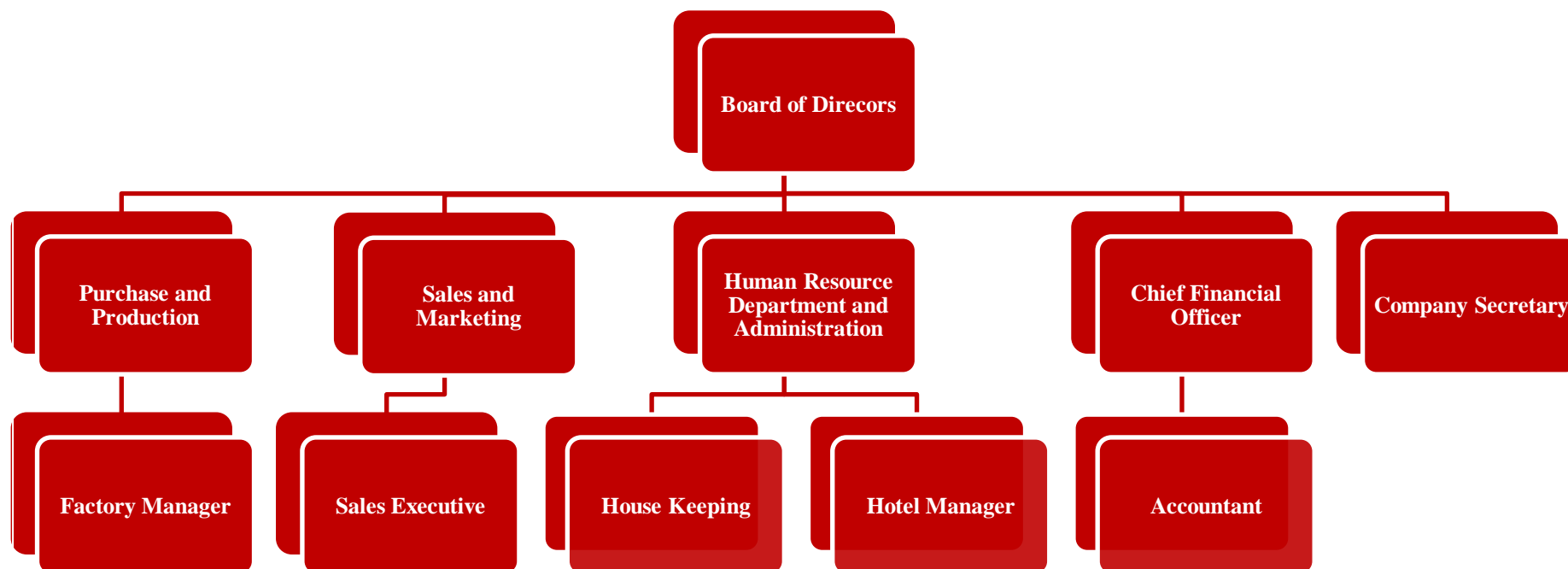
### **Policy on Disclosures and Internal Procedure for Prevention of Insider Trading**

We will comply with the provisions of the SEBI (Prohibition of Insider Trading) Regulations, 2015 after listing of our Company's shares on the Stock Exchange.



Mr. Naveen Kumar, Company Secretary and Compliance Officer, is responsible for setting forth policies, procedures, monitoring and adhering to the rules for the prevention of dissemination of price sensitive information and the implementation of the code of conduct under the overall supervision of the Board.

**ORGANISATIONAL STRUCTURE**



*We outsource the factory workers for our manufacturing activities as and when required.*

**KEY MANAGERIAL PERSONNEL****Mr. Raj Jain** (*Managing Director*)

Mr. Raj Jain, aged 67 years is the Managing Director cum Chairman of our Company. He joined our Company on June 20, 2018 as a Director and his designation was subsequently changed to Managing Director cum Chairman w.e.f. June 11, 2019 for a term of five years. He is a Commerce Graduate from Sri Ram College of Commerce, Delhi University. He started his career with a watch merchant in the year 1973 and has been working since then. During 1977 to 1997 he served Electra India Limited as a liasoning officer and was posted in Delhi. The core area of his work in Electra India Limited was liasoning and following up with the government departments and banks. He has been associated with Bonlon group since 1997 at various capacities and has played an instrumental role in establishing the business. Mr. Raj Jain takes care of the Accounts and Finance department of the Company. He is also actively engaged in taking follow ups with various departments and Banks on behalf of the Company.

**Mr. Ankit Gupta** (*Chief Financial Officer*)

Mr. Ankit Gupta, aged 32 years, is the Chief Financial Officer of our Company. He completed his Bachelor of Business Administration from Guru Jambheshwar University of Science and Technology in the year 2008. He started his own business 12 years back in the name of Ankit Overseas which was a sole proprietorship firm and the main business was trading of Rice. He was appointed as the Chief Financial Officer of our Company w.e.f June 01, 2019. During the nine months ended December 31, 2019, he was not paid any remuneration. He is the Son-in-law of the promoter of our Company.

**Mr. Naveen Kumar** (*Company Secretary & Compliance Officer*)

Mr. Naveen Kumar, aged 30 years, is the Company Secretary & Compliance Officer of our Company. He did his B.Com from Hindu College, Maharshi Dayanand University, Rohtak in the year 2009 and also did his LLB from Meerut College, Affiliated from Chaudhary Charan Singh University in the year 2016. He is an associate member of the Institute of Company Secretaries of India since August 2013. He has an experience of over 6 years in corporate & legal matters. Before joining our Company, he served as the Company Secretary of our group entity B.C. Power Controls Limited. He joined our Company on June 01, 2019 i.e. in FY 2019-20. He was paid Rs. 4.20 Lakhs during the nine months ended December 31, 2019.

**FUNCTIONAL HEADS**

**Mr. Rajat Jain**, aged 43 years, is the General Manager –Sales and Marketing of our Company. He entered into the business during his schooling period and has rich experience of more than twenty years in metal industry. In the year 2004 he served as Managing Director of Colombo Copper Private Limited situated in Sri Lanka. His long professional career gives guidance to our employees in achieving targets in a dynamic and complex business environment. He is also a Director in two of our group entities i.e. Bon-Lon Securities Limited and Kyra Enterprises Private Limited.

**Mr. Satbinder Singh**, aged 43 years is handling the accounts department of our company. He did his B.Com from Delhi University in the year 2001. Before joining our Company, he served Cantabil Retail India Limited as an Accounts Executive. He joined our company in the year 2008 as an accountant.

**Mr. Sanjay Raina**, aged 44 years is the Factory Manager of the manufacturing unit of our Company. He has done his B.Com from Jammu University in the year 1990 and also holds a Diploma in Computer Science from NIIT, Gandhinagar, Jammu. He is associated with our Company since 2010 and is responsible of the overall production & purchase management at our manufacturing unit.

**Mr. Shiv Kumar**, aged 43 years, is the Hotel Manager Bonln Inn, the hotel of our Company. He did his B.A. from DAV Post Graduate College, Purvanchal University in the year 1999 and M.A. from Shri Durga Ji Post Graduate Mahavidyalaya, Veer Bahadur Singh Purvanchal University in the year 2001. He also did his B.Ed from Janki Ji College of Education, Kurukshetra University of the year 2010. He is associated with our group as the Hotel Manager of our Hotel Bonlon Inn since it was opened in the year 2010. He is responsible for the overall management and functionality of our Hotel.

#### **RELATIONSHIP BETWEEN DIRECTORS**

Except Mr. Arun Kumar Jain and Mrs. Smita Jain who are related to each other as spouse, none of the Directors of our Company are related to each other as per section 2(77) of the Companies Act, 2013.

#### **RELATIONSHIP BETWEEN KEY MANAGERIAL PERSONNEL**

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

#### **FAMILY RELATIONSHIPS OF DIRECTORS WITH KEY MANAGERIAL PERSONNEL**

There is no family relationship between the Key Managerial Personnel and Directors of our Company except Mr. Ankit Jain who is the son-in-law of our Promoter and Director Mr. Arun Kumar Jain. All of Key Managerial Personnel are permanent employees of our company.

#### **ARRANGEMENTS AND UNDERSTANDING WITH MAJOR SHAREHOLDERS**

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

#### **SHAREHOLDING OF THE KEY MANAGERIAL PERSONNEL**

None of the Key Managerial Personnel hold any Equity shares of our Company as on the date of this Prospectus.

#### **BONUS OR PROFIT SHARING PLAN OF THE KEY MANAGERIAL PERSONNEL**

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

#### **LOANS TO KEY MANAGERIAL PERSONNEL**

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

#### **INTEREST OF KEY MANAGERIAL PERSONNEL**

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

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

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



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

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

<b>Name of Managerial Personnel</b>	<b>Designation</b>	<b>Date of Event</b>	<b>Reason</b>
Raj Jain	Managing Director	June 11, 2019	Designation changed to Managing Director
Ankit Gupta	Chief Financial Officer	June 01, 2019	Appointment as Chief Financial Officer
Naveen Kumar	Company Secretary & Compliance Officer	June 01, 2019	Appointment as Company Secretary & Compliance Officer

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

**ESOP/ESPS SCHEME TO EMPLOYEES**

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

**PAYMENT OR BENEFIT TO OUR OFFICERS**

Except as disclosed in the heading titled “Related Party Disclosure” in the section titled “Financial Statements” beginning on page 209 of this Prospectus, no amount or benefit has been paid or given within the two preceding years or is intended to be paid or given to any of our officers except the normal remuneration for services rendered as officers or employees.

## OUR PROMOTER AND PROMOTER GROUP

### OUR PROMOTER

- Mr. Arun Kumar Jain

### DETAILS OF OUR PROMOTER

#### 1. Mr. Arun Kumar Jain



**Mr. Arun Kumar Jain** is the Promoter and Director of our Company since inception. He did his B.A. from Delhi University in the year 1977. He got engaged in business activities just after his graduation and joined his family business with his father. He has been very active throughout his career. He started his own business of stainless steel in early 80's. In 1997, he started and expanded his business activities with entrance in the field of ferrous and non ferrous metals mainly copper & aluminium. Due to his dynamic and competitive business approach, he has been able to establish and expand his business. He has a vast experience of more than two decades. He visited many countries in search of new business opportunities and imports copper and aluminium from Nepal, Sri Lanka, China, Bhutan & UAE. Currently, Mr. Arun Kumar Jain is serving as the Chairman of The Vaish Co-operative Adarsh Bank Limited. He is also the Managing Director of B.C. Power Controls Limited, a listed Company and one of our group companies engaged in the business of manufacturing of wires and cables.

Particulars	Details
Date of Birth	October 13, 1958
Address	6-B/10, N. E. A., Old Rajinder Nagar, New Delhi- 110060
Permanent Account Number	AAAPJ1302J
Aadhaar No.	5818 3928 3967
Passport No.	Z2122456
Driving License No.	DL820180009637
Bank Account Details	<b>Bank of India</b> 66, Janpath, New Delhi- 110001 Account No. – 600010110000275
Other Directorship*	<ol style="list-style-type: none"> <li>1. B.C. Power Controls Limited</li> <li>2. Bon Lon Private Limited</li> <li>3. Harshit Finvest Private Limited</li> <li>4. Vinco Metals Private Limited</li> <li>5. Asier Metals Private Limited</li> </ol>

\*For further details please refer section titled "Our Management" on page no. 145 of this Prospectus

## DECLARATION

Our Company confirms that the Permanent Account Number, Bank Account Number, Passport Number of our promoter shall be submitted to the BSE SME at the time of filing of this Prospectus.

## OUR PROMOTER GROUP

Our Promoter Group in terms of Regulation 2(1) (pp) of SEBI (ICDR) Regulations, 2018 includes the following persons:

### 1. Individuals

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

Relationship	Mr. Arun Kumar Jain
Father	Mr. Shekhar Chand
Mother	Mrs. Shakuntala Devi Jain
Spouse	Mrs. Smita Jain
Brother	Mr. Anil Kumar Jain
Sister	Late Mrs. Anita Jain
Son	Mr. Harshit Jain
Son's Wife	NA
Daughter(s)	Mrs. Swatika Jain, Mrs. Yashika Jain
Daughters Husband	Ankit Gupta, Gautam Jain
Spouse Father	Late Mr. Sumer Chand Jain
Spouse Mother	Late Mrs. Kaushal Jain
Spouse Brother	Mr. Pankaj Jain, Mr. Praveen Jain, Mr. Navin Jain
Spouse Sister	Nil

**2. Companies and proprietorship firms forming part of our Promoter Group are as follows:**

Relationship with promoter	Mr. Arun Kumar Jain
Any company in which 20% or more of the share capital is held by the promoter or an immediate relative of the promoter or a firm or HUF in which the promoter or any one or more of his immediate relative is a member	<ol style="list-style-type: none"> <li>1. B.C. Power Controls Limited</li> <li>2. Bon-Lon Securities Limited</li> <li>3. Bon Lon Private Limited</li> <li>4. Harshit Finvest Private Limited</li> <li>5. Vinco Metals Private Limited</li> <li>6. Kyra Enterprises Private Limited</li> <li>7. Vayusthali Constructions Private Limited</li> </ol>
Any company in which a company (mentioned above) holds 20% of the total holding	<ol style="list-style-type: none"> <li>1. Kyra Enterprises Private Limited</li> </ol>
Any HUF or firm in which the aggregate share of the promoter and his immediate relatives is equal to or more than 20% of the total holding	<ol style="list-style-type: none"> <li>1. Arun Kumar Jain HUF</li> <li>2. Vaishno Metals and Allied Industries</li> </ol>

### OTHER UNDERTAKINGS AND CONFIRMATIONS

Our Company undertakes that the details of Permanent Account Number, Bank Account Number and Passport Number/Aadhaar Number of the Promoter will be submitted to the SME Platform of BSE, where the securities of our Company are proposed to be listed at the time of submission of this Prospectus.

### COMMON PURSUITS OF OUR PROMOTER GROUP

None of the Group Companies/Entities have objects similar to that of our Company's business except B.C. Power Controls Limited, AKJ Metals Private Limited, Vinco Metals Private Limited and Vayusthali Constructions Private Limited, the details as mentioned in the Chapter "Our Group Entities" beginning on page 164 of this Prospectus. Currently we do not have any non-compete agreement/arrangement with any of our Group Companies /Entities. Such a conflict of interest may have adverse effect on our business and growth. We shall adopt the necessary procedures and practices as permitted by law to address any conflict situations, as and when they may arise.

### INTEREST OF THE PROMOTER

***Interest in the promotion of Our Company***

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

***Interest in the property of Our Company***

Our Promoter do not have any interest in any property acquired by our Company in last two years or proposed to be acquired by our Company except as mentioned in the Chapter "Our Business" beginning on page 111 of this Prospectus.



### ***Interest as Member of our Company***

As on the date of this Prospectus, our Promoter, Mr. Arun Kumar Jain holds 65,53,278 Equity Shares of our Company and are therefore interested to the extent of his shareholding and the dividend declared, if any, by our Company. Except to the extent of shareholding of the Promoter in our Company, our Promoter do not hold any other interest in our Company.

### ***Payment Amounts or Benefit to Our Promoter during the Last Two Years***

No payment has been made or benefit given to our Promoter in the two years preceding the date of this Prospectus except as mentioned / referred to in this chapter and in the section titled 'Our Management', 'Financial Statements' and 'Capital Structure' on pages 145, 184 and 62 respectively of this Prospectus. Further, as on the date of this Prospectus, there is no bonus or profit sharing plan for our Promoter.

## **OTHER COMPANIES/UNDERTAKINGS/VENTURES OF OUR PROMOTER**

Except as disclosed in the chapter titled "Our Management" and "Our Group Entities" beginning on pages 145 and 164 respectively of this Prospectus, there are no Companies/Undertakings/Ventures promoted by our Promoter in which he has any business or any other interest.

## **CHANGE IN CONTROL & MANAGEMENT**

There has been no change in control and management of our company during the last three years immediately preceding the date of filing of the Prospectus.

## **LITIGATION INVOLVING OUR PROMOTER**

For details of litigation involving our Promoter, refer chapter titled "Outstanding Litigation and Material Developments" beginning on page 229 of this Prospectus.

## **COMPANIES WITH WHICH OUR PROMOTER HAS DISASSOCIATED IN THE LAST THREE YEARS**

Our Promoter has not disassociated himself as promoter from any Company in three years preceding the date of this Prospectus except our subsidiary Skill Generation Private Limited which has been struck off.

## **CONFIRMATIONS**

For details on litigations and disputes pending against the Promoter and defaults made by them including violations of securities laws, please refer to the section titled "*Outstanding Litigation and Material Developments*" on page 229 of this Prospectus. Our Promoter has not been declared as willful defaulter by the RBI, fugitive economic offender under the Fugitive Economic Offenders Act, 2018 or any other governmental authority. Further, Our Promoter and Promoter Group have confirmed that they have not defaulted in respect of payment of interest and/or principal to the debenture/ bond/ fixed deposit holder/ Banks/ FIs during the past three years.

## **RELATED PARTY TRANSACTIONS**

Except as disclosed in the "*Related Party Transactions*" beginning on page 182 of this Prospectus, our Company has not entered into any related party transactions with our Promoter.

## OUR GROUP ENTITIES

As per the SEBI ICDR Regulations, 2018 for the purpose of identification of group companies, our Company has considered entities in which our Company, promoter or an immediate relative of the promoter hold 20% or more of shareholding as on the date of this Prospectus.

### A. Group Companies

1. B.C. Power Controls Limited
2. Harshit Finvest Private Limited
3. Bon-Lon Securities Limited
4. Bon Lon Private Limited
5. Vinco Metals Private Limited
6. Kyra Enterprises Private Limited
7. Vayusthali Constructions Private Limited

### B. Other Group Entities of Promoters

1. Arun Kumar Jain HUF
2. Vaishno Metals and Allied Industries

## Group Companies

### 1. B.C. POWER CONTROLS LIMITED

#### *Corporate Information*

The Company was incorporated on June 12, 2008 with the name B.C. Power Controls Private Limited under the provisions of the Companies Act, 1956. Subsequently, the company converted into a public limited company vide fresh certificate of incorporation dated November 21, 2013 and consequently the name of the Company was changed to B.C. Power Controls Limited. The company came out with an IPO of 57,60,000 equity shares at a price of Rs. 18/- per equity share aggregating to Rs. 1036.80 for its working capital requirements at BSE SME Exchange in February, 2014. It migrated to the BSE Main Board on November 15, 2018. Further, the securities of the company have been permitted for dealings on the National Stock Exchange vide the Circular of NSE dated August 16, 2019 having reference number NSE/CML/41893. The Corporate Identification Number of the Company is L31300DL2008PLC179414. The PAN of the Company is AADCB4984A. The Registered Office of the Company is situated at 7A/39, WEA Channa Market, Karol Bagh, New Delhi-110005 India.

The Main Object of the company is:

- To manufacture, trade, import, export, engineering, marketing, and technical consultancy, produce and distribute sell and purchase of all type of electrical wires and cables in India and abroad.
- To carry on business of manufacture, trading, repairing all types of electrical equipments, electrical wire, cable, electrical appliance, electrical instrument and things required for or capable of being used in connection with wire and cables in India and abroad.
- To carry on the business of buying, selling, import, export and trading of all kind of handicraft goods made from ferrous or non-ferrous metals, copper, brass, tin nickel, iron and steels aluminum or any other metal in finished, semi-finished or raw material form.
- To carry on the business of manufacturers or dealers in ferrous or non-ferrous metals, iron and steel aluminum, brass, tin, nickel, special steel and their products.



### **Board of Directors**

The Directors of B.C. Power Controls Limited as on the date of this Prospectus are as follows:

<b>Name</b>	<b>Designation</b>	<b>DIN</b>
Arun Kumar Jain	Managing Director	00438324
Himani Jain	Director	01335035
Harshit Jain	Additional Director	06450270
Surender Pal Singh Chauhan	Independent Director	06706390
Anil Kumar Jain	Independent Director	06944997

### **Capital Structure**

The Capital Structure of B.C. Power Controls Limited as on the date of this Prospectus is as follows:

<b>Particulars</b>	<b>No. of Equity Shares</b>
Authorized Share Capital	7,00,00,000 Equity Shares of Rs. 2/- each
Issued, Subscribed and Paid-up Capital	5,88,00,000 Equity Shares of Rs. 2/- each

### **Change in Capital Structure**

The Authorized Share Capital of Rs. 14,00,00,000 (Rupees Fourteen Crore only) consisting of 14,00,000 Equity shares of face value of Rs. 10/- each was altered by sub-dividing the face value from Rs 10 to Rs 2 each equity shares and therefore increasing the total number of equity shares from 14,00,000 to 7,00,00,000 keeping the paid up capital same as before. The transaction took place pursuant to a resolution of the shareholders dated May 30, 2018.

### **Public or Rights Issue in the last three years**

B.C. Power Controls Limited came out with an IPO of 57,60,000 equity shares at a price of Rs. 18/- per equity share for its working capital requirements at BSE SME Exchange. It got listed on the BSE SME Exchange on March 14, 2014 and further migrated to BSE Main Board on November 15, 2018. Since then, no capital has been raised further by way of public or rights issue.

### **Interest of our Promoters**

As on date of this Prospectus our promoter is interested to the following extent in B.C. Power Controls Limited:

<b>Name</b>	<b>Nature of Interest</b>	<b>No. of Shares</b>	<b>Percentage (%)</b>
Arun Kumar Jain	Promoter	76,65,000	13.04
Harshit Jain	Immediate Relative of Promoter	12,76,500	2.17
<b>TOTAL</b>		<b>89,41,500</b>	<b>15.21</b>

**Financial Information\***

(Rs. in Lakhs)

Particulars	March 31, 2019	March 31, 2018	March 31, 2017
Equity Capital	1176.00	1176.00	1176.00
Reserve & Surplus	1821.86	1601.63	1097.79
Total Revenue	48,717.30	49,784.71	36,947.24
Profit/(Loss) after Tax	222.92	503.41	68.21
Earnings Per Share (Basic) (Rs.)	0.38	4.28	0.58
Earnings Per Share (Diluted) (Rs.)	0.38	4.28	0.58
Net worth	2997.86	2777.63	2273.79
NAV per Share of face value Rs. 10/- (Rs.)	25.49	23.62	19.33

\* Figures are as per IND-AS

**Highest and Lowest price during the preceding six months**

Set forth below are the monthly high and low prices of the equity shares of BCP during the six months immediately preceding the date of this Prospectus at the BSE.

(Face value Rs. 2/-)

Month	High	Low
December 2019	15.89	09.68
January 2020	22.20	14.20
February 2020	21.95	18.50
March 2020	19.65	11.40
April 2020	12.22	10.29
May 2020	11.21	05.80

The closing price for BCP shares as on June 22, 2020 on the BSE is Rs. 5.78 (Face Value Rs. 2/-). The market capitalization of BCP as on June 22, 2020 on the BSE is Rs. 33.99 Crores.

Set forth below are the monthly high and low prices of the equity shares of BCP during the last two months immediately preceding the date of this Prospectus at the NSE.

(Face value Rs. 2/-)

Month	High	Low
April 2020	12.70	09.85
May 2020	12.00	08.70

The closing price for BCP shares as on June 22, 2020 on the NSE is Rs. 5.75. The market capitalization of BCP as on June 22, 2020 on the NSE is Rs. 33.86 Crores.



### Promise v. performance

BCP had completed the public issue in FY 2013-14. The funds were raised to meet the working capital requirements of the company and the company had utilized the issue proceeds in the following manner as disclosed in the 6<sup>th</sup> Annual Report in the F.Y. 2013-14:

*(Rs. In Lakhs)*

Particulars	As per Prospectus	Actual Utilization	Difference
Long Term Working Capital	850.00	987.13	(137.13)
General Corporate	131.80	-	131.80
Issue Exp.	55.00	49.67	5.33
<b>Total Proceeds</b>	<b>1036.80</b>	<b>1036.80</b>	<b>-</b>

Further, it has not completed any rights issue in the past three years immediately preceding the date of this Prospectus.

### Mechanism for redressal of investor grievance

The Board of Directors of the Company has constituted a stakeholders' relationship committee in accordance with Companies Act, 2013 and SEBI (LODR) Regulations, 2015 to approve matters with respect to the complaints/grievances of shareholders for transfer of shares, non-receipt of dividend or share certificates, and demat related matters. The Company seeks to redress any complaints received as expeditiously as possible. As on June 22, 2020, there were no investor complaints pending against BCP.

*Shareholding Pattern as on March 31, 2020*

Category of shareholder	No. of shareholders	No. of fully paid up equity shares held	Total no. shares held	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957)As a % of (A+B+C2)	No. of Voting Rights	Total as a % of Total Voting right	No. of equity shares held in dematerialized form
(A) Promoter & Promoter Group	07	1,29,34,374	1,29,34,374	22.00	1,29,34,374	22.00	1,29,34,374
(B) Public	1,259	4,58,65,626	4,58,65,626	78.00	4,58,65,626	78.00	4,58,65,626
(C1) Shares underlying DRs	-	-	-	0.00	-	0.00	-
(C2) Shares held by Employee Trust	-	-	-	0.00	-	0.00	-
(C) Non Promoter-Non Publi0063	-	-	-	0.00	-	0.00	-
<b>Grand Total</b>	<b>1,266</b>	<b>5,88,00,000</b>	<b>5,88,00,000</b>	<b>100.00</b>	<b>5,88,00,000</b>	<b>100.00</b>	<b>5,88,00,000</b>



## 2. HARSHIT FINVEST PRIVATE LIMITED

### *Corporate Information*

Harshit Finvest Private Limited was incorporated on February 08, 1995 under the provisions of Companies Act, 1956. The Corporate Identification Number of the Company is U65920DL1995PTC065201. PAN of the Company is AAACH1639R. The Registered Office of the Company is situated at 6B/10, NEA Old Rajender Nagar, Delhi-110060, India.

Harshit Finvest Private Limited is a RBI registered Non-Banking Financial Institution, having certificate of registration dated March 19, 1998 bearing Registration No.14.00486.

The main object of the company is subject to the approval of Securities and Exchange Board of India and other authorities were required to engage in the business of management of security offering/issue of corporate bodies including making arrangements for selling or buying or subscribing to or dealing in securities, preparation of other documents/properties/letter of offer, typing up with other intermediaries in securities, rendering corporate advisory services, determining financial structure of issues, to manage portfolio of securities, to handle allotment and refund of securities, to underwrite issues and to undertake all other matters connected with issue/offering of securities.

### *Board of Directors*

The Directors of Harshit Finvest Private Limited as on the date of this Prospectus are as follows:

Name	Designation	DIN
Arun Kumar Jain	Director	00438324
Harshit Jain	Director	06450270

### *Capital Structure*

The Capital Structure of Harshit Finvest Private Limited as on the date of this Prospectus is as follows:

Particulars	No. of Equity Shares
Authorized Share Capital	25,00,000 Equity Shares of Rs. 10/- each
Issued, Subscribed and Paid-up Capital	24,93,820 Equity Shares of Rs. 10/- each

### *Change in Capital Structure*

There has been no change in the capital structure of Harshit Finvest Private Limited in the last six months prior to filing of this Prospectus.

### *Interest of our Promoters*

Our promoter is interested to the following extent as on March 31, 2020:

Name	Nature of Interest	No. of Shares	Percentage (%)
Arun Kumar Jain	Promoter	14,58,345	58.48
Smita Jain	Immediate Relative of Promoter	9,04,625	36.27
Bon-Lon Securities Limited	Group Company	1,00,000	4.01
<b>TOTAL</b>		<b>24,62,970</b>	<b>98.76</b>

### Financial Information

(Rs. in Lakhs)

Particulars	March 31, 2019	March 31, 2018	March 31, 2017
Equity Capital	249.38	249.38	249.38
Reserve & Surplus	673.39	653.40	633.70
Total Revenue	230.14	1051.82	109.19
Profit/(Loss) after Tax	27.73	19.70	13.40
Earnings Per Share (Basic) (Rs.)	0.80	0.79	0.54
Earnings Per Share (Diluted) (Rs.)	0.80	0.79	0.54
Net worth	922.77	902.78	883.08
NAV per Share of face value Rs. 10/- (Rs.)	37.01	36.21	35.42

### 3. BON-LON SECURITIES LIMITED

#### Corporate Information

Bon-Lon Securities Limited was incorporated on March 20, 1995 under the provisions of Companies Act, 1956. The Corporate Identification Number of the Company is U65100DL1995PLC066538. PAN of the Company is AAACB2663H. The Registered Office of the Company is situated at 6B/10, Near Old Rajender Nagar, Delhi-110060, India.

Bon-Lon Securities Limited is a RBI registered Non-Banking Financial Institution, having certificate of registration dated May 15, 2000 bearing Registration No. B-14.00977.

The main object of the company is to carry on the business of investment and to acquire, hold or otherwise deal in shares, stocks, debentures, debenture stock, bonds, obligations and securities issued and/or guaranteed by any government, sovereign ruler, commissioners, public body, or authority supreme, municipal, local or otherwise, whether in India or elsewhere and to undertake and carry out and execute any such other financial operations.

#### Board of Directors

The Directors of Bon-Lon Securities Limited as on the date of this Prospectus are as follows:

Name	Designation	DIN
Yashika Jain	Director	00438227
Shekhar Chand Jain	Director	00438409
Rajat Jain	Director	00438444

#### Capital Structure

The Capital Structure of Bon-Lon Securities Limited as on the date of this Prospectus is as follows:

Particulars	No. of Equity Shares
Authorized Share Capital	35,00,000 Equity Shares of Rs. 10/- each
Issued, Subscribed and Paid-up Capital	34,99,230 Equity Shares of Rs. 10/- each



### *Change in Capital Structure*

There has been no change in the capital structure of Bon-Lon Securities Limited in the last six months prior to filing of this Prospectus.

### *Interest of our Promoters*

Our promoters interested to the following extent as on March 31, 2020:

<b>Name</b>	<b>Nature of Interest</b>	<b>No. of Shares</b>	<b>Percentage (%)</b>
Arun Kumar Jain	Promoter	25,68,350	73.40
Smita Jain	Immediate Relative of Promoter	3,44,610	9.85
Harshit Jain	Immediate Relative of Promoter	2,27,400	6.50
Swatika Jain	Immediate Relative of Promoter	3,600	0.10
Bonlon Industries Limited	Group Company	70,000	2.00
Vinco Metals Private Limited	Group Company	2,85,170	8.15
<b>TOTAL</b>		<b>34,99,130</b>	<b>100.00</b>

### *Financial Information*

(Rs. In Lakhs)

<b>Particulars</b>	<b>March 31, 2019</b>	<b>March 31, 2018</b>	<b>March 31, 2017</b>
Equity Capital	349.92	349.92	349.92
Reserve & Surplus	752.50	722.17	701.78
Total Revenue	250.59	532.04	150.57
Profit/(Loss) after Tax	30.32	20.39	16.37
Earnings Per Share (Basic) (Rs.)	0.87	0.58	0.47
Earnings Per Share (Diluted) (Rs.)	0.87	0.58	0.47
Net worth	1102.42	1072.09	1051.70
NAV per Share of face value Rs. 10/- (Rs.)	31.50	30.64	30.05

## **4. BON LON PRIVATE LIMITED**

### *Corporate Information*

Bon Lon Private Limited was incorporated on September 05, 1988 under the provisions of Companies Act, 1956. The Corporate Identification Number of the Company is U65100DL1988PTC033038. PAN of the Company is AAACB2662G. The Registered Office of the Company is situated at 6B/10, NEA Old Rajender Nagar, Delhi 110060, India.

Bon Lon Private Limited is a RBI registered Non-Banking Financial Institution, having certificate of registration dated May 15, 2000 bearing Registration No. B-14.00549.

The main object of the company is to carry on the business or businesses of a holding and investment company, and to buy, underwrite and to invest in and acquire and hold shares, stocks, debentures, debenture stock, bonds, obligation or securities of companies or partnership firms or body corporates or any other entities whether in India or elsewhere either singly or jointly with any other person(s), body corporate or partnership firm or any other.

### ***Board of Directors***

The Directors of Bon Lon Private Limited as on the date of this Prospectus are as follows:

<b>Name</b>	<b>Designation</b>	<b>DIN</b>
Arun Kumar Jain	Director	00438324
Swatika Jain	Director	00438366

### ***Capital Structure***

The Capital Structure of BonLon Private Limited as on the date of this Prospectus is as follows:

<b>Particulars</b>	<b>No. of Equity Shares</b>
Authorized Share Capital	3,00,000 Equity Shares of Rs. 100/- each
Issued, Subscribed and Paid-up Capital	3,00,000 Equity Shares of Rs. 100/- each

### ***Change in Capital Structure***

There has been no change in the capital structure of BonLon Private Limited in the last six months prior to filing of this Prospectus.

### ***Interest of our Promoters***

Our promoter is interested to the following extent as on March 31, 2020:

<b>Name</b>	<b>Nature of Interest</b>	<b>No. of Shares</b>	<b>Percentage (%)</b>
Arun Kumar Jain	Promoter	1,54,910	51.63
Smita Jain	Immediate Relative of Promoter	72,070	24.02
Swatika Jain	Immediate Relative of Promoter	10	Negligible
Yashika Jain	Immediate Relative of Promoter	10	Negligible
Harshit Finvest Private Limited	Group Company	4980	1.66
Bon Lon Securities Limited	Group Company	10,000	3.33
Arun Kumar Jain HUF	Group Entities	10	Negligible
Bon Lon Industries Limited	Group Company	58,000	19.33
<b>TOTAL</b>		<b>2,99,990</b>	<b>99.95</b>



## Financial Information

(Rs. In Lakhs)

Particulars	March 31, 2019	March 31, 2018	March 31, 2017
Equity Capital	300.00	300.00	300.00
Reserve & Surplus	706.23	678.88	659.17
Total Revenue	202.19	421.28	135.67
Profit/(Loss) after Tax	27.35	19.30	18.50
Earnings Per Share (Basic) (Rs.) (FV Rs. 100 each)	9.12	6.43	6.17
Earnings Per Share (Diluted) (Rs.) (FV Rs. 100 each)	9.12	6.43	6.17
Net worth	1,006.23	978.88	959.17
NAV per Share of face value Rs. 100/- (Rs.)	335.41	326.29	319.72

## 5. VINCO METALSPRIVATE LIMITED

### Corporate Information

Vinco Metals Private Limited was incorporated on March 25, 1988 under the provisions of Companies Act, 1956. The Corporate Identification Number of the Company is U74899DL1988PTC031108. PAN of the Company is AAACV4363J. The Registered Office of the Company is situated at 7A/39 (11-First Floor), WEA Channa Market, Karol Bagh, New Delhi 110005, India.

The main object of the company is to draw, design, manufacture, fabricate and deal in high carbon and wire rods, including steel wires, metal wires, earth wires, galvanized wires, high tension carbon wires, spring steel wires, umbrella frame wires, bicycle spoke wires, prestressed concrete wires and tyre head wires and to draw ferrous and non-ferrous metals such as copper, brass nickel and aluminum into various kinds and sizes of wires and sheets.

### Board of Directors

The Directors of Vinco Metals Private Limited as on the date of this Prospectus are as follows:

Name	Designation	DIN
Arun Kumar Jain	Director	00438324
Smita Jain	Director	00438282

### Capital Structure

The Capital Structure of Vinco Metals Private Limited as on the date of this Prospectus is as follows:

Particulars	No. of Equity Shares
Authorized Share Capital	35,00,000 Equity Shares of Rs. 10/- each
Issued, Subscribed and Paid-up Capital	34,97,460 Equity Shares of Rs. 10/- each

### Change in Capital Structure

There has been no change in the capital structure of Vinco Metals Private Limited in the last six months prior to filing of this Prospectus.

### Interest of our Promoters

Our promoteris interested to the following extent as on March 31, 2020:

Name	Nature of Interest	No. of Shares	Percentage (%)
Arun Kumar Jain	Promoter	17,01,040	48.64
Arun Kumar Jain HUF	Group Entity	1,000	Negligible
Harshit Jain	Immediate Relative of Promoter	6,68,300	19.11
Smita Jain	Immediate Relative of Promoter	1,96,000	5.60
Yashika Jain	Immediate Relative of Promoter	500	Negligible
Bon-Lon Securities Limited	Group Company	6,46,620	18.49
Bonlon Industries Limited	Group Company	2,84,000	8.12
<b>TOTAL</b>		<b>34,97,460</b>	<b>100.00</b>

### Financial Information

(Rs. in Lakhs)

Particulars	March 31, 2019	March 31, 2018	March 31, 2017
Equity Capital	349.75	349.75	349.75
Reserve & Surplus	903.99	896.13	825.10
Total Revenue	42.61	117.33	61.88
Profit/(Loss) after Tax	9.36	71.03	10.45
Earnings Per Share (Basic) (Rs.)	0.27	2.03	0.30
Earnings Per Share (Diluted) (Rs.)	0.27	2.03	0.30
Net worth	1,253.74	1245.88	1174.85
NAV per Share of face value Rs. 10/- (Rs.)	35.85	35.62	33.59

## 6. KYRA ENTERPRISESPRIVATE LIMITED

### Corporate Information

Kyra Enterprises Private Limited was incorporated on August 05, 2014 under the provisions of Companies Act, 2013. The Corporate Identification Number of the Company is U51909DL2014PTC269917. PAN of the Company is AAFCK5879H. The Registered Office of the Company is situated at 35B/77, Punjabi Bagh West, New Delhi 110026, India.

The main object of the company is to carry on the business of marketing and brand management services, we-design and development services, rich media services, internet based direct marketing services and providing web solutions and to provide consultancy or to render personalized services and enhancing luxury experience and to create qualitative customer relationship, to provide shopping services and to create customer relationship to enhance purchase decisions in retail sector/industry.





### **Board of Directors**

The Directors of Kyra Enterprises Private Limited as on the date of this Prospectus are as follows:

<b>Name</b>	<b>Designation</b>	<b>DIN</b>
Surinder Kumar Aggarwal	Director	00226372
Rajat Jain	Director	00438444
Parisar Jain	Director	06902760

### **Capital Structure**

The Capital Structure of Kyra Enterprises Private Limited as on the date of this Prospectus is as follows:

<b>Particulars</b>	<b>No. of Equity Shares</b>
Authorized Share Capital	7,00,000 Equity Shares of Rs. 10/- each
Issued, Subscribed and Paid-up Capital	6,86,000 Equity Shares of Rs. 10/- each

### **Change in Capital Structure**

There has been no change in the capital structure of Kyra Enterprises Private Limited in the last six months prior to filing of this Prospectus.

### **Interest of our Promoters**

Our promoter is interested to the following extent as on March 31, 2020:

<b>Name</b>	<b>Nature of Interest</b>	<b>No. of Shares</b>	<b>Percentage (%)</b>
Arun Kumar Jain	Promoter	5,000	0.73
Smita Jain	Immediate Relative of Promoter	2,80,000	41.00
Bonlon Industries Limited	Group Company	70,000	10.20
Vinco Metals Private Limited	Group Company	3,31,000	48.25
<b>Total</b>		<b>6,86,000</b>	<b>100.00</b>

### **Financial Information**

(Rs. in Lakhs)

<b>Particulars</b>	<b>March 31, 2019</b>	<b>March 31, 2018</b>	<b>March 31, 2017</b>
Equity Capital	68.60	68.60	68.60
Reserve & Surplus	0.06	0.05	0.04
Total Revenue	0.64	0.93	0.60
Profit/(Loss) after Tax	0.01	0.01	0.01
Earnings Per Share (Basic) (Rs.)	Negligible	Negligible	Negligible
Earnings Per Share (Diluted) (Rs.)	Negligible	Negligible	Negligible
Net worth	68.66	68.65	68.64
NAV per Share of face value Rs. 10/- (Rs.)	10.00	10.00	10.00

## 7. VAYUSTHALI CONSTRUCTIONS PRIVATE LIMITED

### *Corporate Information*

Vayusthali Constructions Private Limited was incorporated on March 22, 2012 under the provisions of Companies Act, 2013. The Corporate Identification Number of the Company is U45201DL2012PTC233294. PAN of the Company is AADCV9946N. The Registered Office of the Company is situated at Flat No - 43 II, Pocket - 3 Sector - 1, Dwarka – 1, New Delhi- 110075.

The main object of the company is to carry on the business in India or elsewhere of sourcing, aggregation, purchase, sale, consolidation, sub-division, plotting, comprehensive development, designing, planning and construction of agricultural and non-agricultural land and indulge in excavation, erection, construction and maintenance of mega housing complexes, township projects, bungalows, farm houses, holiday resorts, hotels, motels etc.

### *Board of Directors*

The Directors of Vayusthali Constructions Private Limited as on the date of this Prospectus are as follows:

Name	Designation	DIN
Chandra Shekhar Kapri	Director	05223598
Kriti Nigam	Director	06387070
Narinder Jeet Singh	Director	06812763

### *Capital Structure*

The Capital Structure of Vayusthali Constructions Private Limited as on the date of this Prospectus is as follows:

Particulars	No. of Equity Shares
Authorized Share Capital	10,000 Equity Shares of Rs. 10/- each
Issued, Subscribed and Paid-up Capital	10,000 Equity Shares of Rs. 10/- each

### *Change in Capital Structure*

There has been no change in the capital structure of Vayusthali Constructions Private Limited in the last six months prior to filing of this Prospectus.

### *Interest of our Promoter\**

As on date of this Prospectus our promoters are interested to the following extent:

Name	Nature of Interest	No. of Shares	Percentage (%)
Arun Kumar Jain	Member	2,128	21.28
<b>TOTAL</b>		<b>2,128</b>	<b>21.28</b>

*\*Apart from the aforesaid interest, our Promoter Mr. Arun Kumar Jain does not have any other interest neither does he exercise any control in Vayusthali Constructions Private Limited.*

### C. Financial Information

(Rs. in Lakhs)

Particulars	March 31, 2019	March 31, 2018	March 31, 2017
Equity Capital	1.00	1.00	1.00
Reserve & Surplus	(1.84)	(1.47)	(1.38)
Total Revenue	-	-	-
Profit/(Loss) after Tax	(0.36)	(0.09)	(0.09)
Earnings Per Share (Basic) (Rs.)	(3.61)	(0.90)	(0.95)
Earnings Per Share (Diluted) (Rs.)	(3.61)	(0.90)	(0.95)
Net worth	(0.84)	(0.47)	(0.38)
NAV per Share of face value Rs. 10/- (Rs.)	(8.4)	(4.7)	(3.8)

#### Other Group Entities:

##### 1. ARUN KUMAR JAIN HUF

###### Brief Information

Arun Kumar Jain HUF is situated at 6B/10, N.E.A. Old Rajender Nagar, Delhi 110060. The Permanent Account Number (PAN) of the HUF is AAFHA1866H. Arun Kumar Jain HUF derives income from retail trade of clothes and interest income.

###### Members of Arun Kumar Jain HUF:

Sr. No.	Particulars	Status
1.	Arun Kumar Jain	Karta
2.	Smita Jain	Co-Parcener
3.	Harshit Jain	Co-Parcener

###### Financial Information of the HUF for last 3 years:

(Rs. In Lakhs)

Particulars	For the Year ended		
	March 31, 2019	March 31, 2018	March 31, 2017
Total Income	6.23	5.13	4.07
Tax Paid	0.24	0.05	0.09

##### 2. VAISHNO METALS AND ALLIED INDUSTRIES

###### Brief Information

Vaishno Metals and Allied Industries is a partnership firm having its situation at Plot No. 3, Phase 2, SICOP Industrial Complex, Gangyal, Jammu & Kashmir. The Permanent Account Number (PAN) of the same is AAFV6379Q.

Vaishno Metals and Allied Industries derive income from carrying on the business of manufacturing of copper & aluminum ingots and other activities.

As on the date of this Prospectus, the firm has three partners in the following profit sharing ratio:

Sr. No.	Particulars	%Stake
1.	Mr. Arun Kumar Jain	90.00
2.	Mr. Amar Nath Bhargav	05.00
3.	Mrs. Ritu Gupta	05.00
	<b>Total</b>	<b>100.00</b>

Vaishno Metals and Allied Industries however has been inoperative since fiscal year 2013-14 and has not filed any returns post that. Any liability would crystallize on the finalization of assessment by the respective authorities.

## CONFIRMATION

Our Promoter and persons forming part of Promoter Group have confirmed that they have not been declared as willful defaulters by the RBI or any other governmental authority. Further, Our Promoters and Promoter Group have confirmed that they have not defaulted in respect of payment of interest and/or principal to the debenture/ bond/ fixed deposit holder/ Banks/ FIs during the past three years and there are no violations of security laws committed by them in the past and no proceedings pertaining to such proceedings are pending against them. Additionally, none of the Promoters and persons forming part of Promoter Group has been restrained from accessing the capital markets for any reasons by SEBI or any other authorities.

## INTERESTS OF OUR GROUP COMPANIES/ENTITIES

### *i. In the Promotion of our Company*

Our Group Companies/Entities are not interested in the promotion of our Company except as disclosed in the section titled “Financial Statements” beginning on page 184 of this Prospectus and to the extent of their shareholding in our Company.

### *ii. In the properties acquired or proposed to be acquired by our Company in the past two years before filing the Prospectus*

None of our group companies/entities were not interested in the properties acquired or proposed to be acquired by our Company in the two years preceding the filing of this Prospectus.

### *iii. In transactions for acquisition of land*

Our Group Companies/Entities are not interested in any transactions related to the acquisition of land.

## SIGNIFICANT ADVERSE EFFECT RELATED TO GROUP COMPANIES

Except as specified under the section “Our Promoter and Promoter Group” beginning on page no. 160 of this Prospectus, there are no companies which are considered material by the Board to be identified as a group company.

### *I. Sick companies/winding up/insolvency proceedings*

No Promoter Group Companies/Entities listed above have been declared as a sick company under the Sick Industrial Companies (Special Provisions) Act, 1995. Further, there is no outstanding winding up or insolvency proceedings against any of our Group Companies.

## **II. Loss making group companies**

None of our group companies have incurred loss in the immediately preceding financial year except Vayusthali Constructions Private Limited.

### **LITIGATION**

For details on litigations and disputes pending against the Promoters and Promoter Group Companies/Entities and defaults made by them, please refer to the chapter titled, ‘Outstanding Litigations and Material Developments’ beginning on page 229 of this Prospectus.

### **DEFUNCT GROUP COMPANIES/ENTITIES**

Except Smita Promoters Private Limited and Skill Generation Private Limited that were inoperative since inception and were not intending to do any business or commercial activity, none of our Group Companies/Entities have remain defunct and no other application has been made to the Registrar of Companies for striking off the name of any of our Group Companies/Entities during the five years preceding the date of filing of this Prospectus.

### **RELATED BUSINESS TRANSACTIONS WITHIN THE GROUP COMPANIES/ENTITIES AND SIGNIFICANCE ON THE FINANCIAL PERFORMANCE OF OUR COMPANY**

For more information on Related Business Transactions within the Group Companies/Entities and significance on the financial performance of our Company, see section titled “Related Party Transactions” on page 182 of this Prospectus.

### **BUSINESS INTEREST OF GROUP COMPANIES/ENTITIES**

Except to the extent of our promoter’s shareholding in the group Companies/entities, our Group Companies/Entities have no interest in promotion and business interest or other business interest in our Company. For further details please refer to the chapter titled, ‘Capital Structure’ beginning on page 62 of this Prospectus.

### **SALES/PURCHASES BETWEEN OUR COMPANY AND GROUP COMPANIES/ENTITIES**

Except as disclosed in the section titled ‘Related Party Transactions’ beginning on page 182 of this Prospectus, there have been no sales/purchases of products and services between our Company and Group Companies/Entities during the financial year 2018-19. Further, there have been such transactions often between our Company and Group Companies/Entities during the nine months ended December 31, 2019.

### **COMMON PURSUITS**

Some of our Group Companies have objects similar to that of our Company’s business and their main objects allows them to do so. Currently we do not have any non-compete agreement/arrangement with any of our Group Companies/Entities. We shall adopt the necessary procedures and practices as permitted by law to address any conflict situations, as and when they may arise.

### **OTHER CONFIRMATIONS**

1. Except B.C. Power Controls Limited, none of the securities of our Group Companies are listed on any stock exchange and none of our Group Companies have made any public or right issue of securities in the preceding three years.
2. None of the Group Company has been prohibited from accessing or operating in capital markets under any order or direction passed by SEBI or any other regulatory or governmental authority.
3. None of the Group Companies/Entities are a Wilful Defaulter.

## OUR SUBSIDIARY

Our Company has 100% shareholding in AKJ Metals Private Limited as on the date of this Prospectus and therefore, AKJ Metals Private Limited is a wholly owned subsidiary of our Company.

### AKJ Metals Private Limited

#### *Corporate Information*

AKJ Metals Private Limited was incorporated on December 16, 2019 under the provisions of Companies Act, 2013. The Corporate Identification Number of the Company is U37100DL2019PTC358789. PAN of the Company is AATCA0524B. The Registered Office of the Company is situated at 7A/39 (12- First Floor), WEA Channa Market, Karol Bagh, New Delhi- 110005.

The main object of the company is to carry on in India or elsewhere the business of manufacturers, processors, founders, moulders, castors, forgers, refiners, smelters, makers, fabricators, formers, rollers, extruders, converters, reconditioners, assemblers, machinists and finishers, of all kinds of ferrous and Non-ferrous metals (both primary and secondary) such as copper, iron, steel, Aluminium, Zinc, Lead, Tin, Silicon, Nickel, and Alloys related thereto and manufacture and re-cycler of all type of metal deal in Copper, Aluminium, wires and conductors of all kinds..

#### *Board of Directors*

The Directors of AKJ Metals Private Limited as on the date of this Prospectus are as follows:

Name	Designation	DIN
Rajat Jain	Director	00438444
Chander Shekhar Jain	Director	08639491

#### *Capital Structure*

The Capital Structure of AKJ Metals Private Limited as on the date of this Prospectus is as follows:

Particulars	No. of Equity Shares
Authorized Share Capital	30,00,000 Equity Shares of Rs. 10/- each
Issued, Subscribed and Paid-up Capital	23,10,000 Equity Shares of Rs. 10/- each

#### *Change in Capital Structure*

There has been no change in the capital structure of AKJ Metals Private Limited since its incorporation except the following:

Date	Change
December 26, 2019	The Authorised share capital of the Company was increased from Rs. 1,00,000 divided into 10,000 Equity Shares of Rs. 10/- each to Rs. 3,00,00,000 divided into 30,00,000 Equity Shares of Rs. 10/- each.



### ***Shareholding Pattern***

The Shareholding pattern of AKJ Metals Private Limited as on date of filing this Prospectus is contained hereunder:

<b>Name</b>	<b>No. of Shares</b>	<b>Percentage (%)</b>
Bonlon Industries Limited	23,09,999	99.99
Arun Kumar Jain*	01	Negligible
<b>TOTAL</b>	<b>23,10,000</b>	<b>100.00</b>

*\*Shares held on behalf of Bonlon Industries Limited as Nominee Shareholders.*

- ***Financial Information***

Since AKJ Metals Private Limited was incorporated on December 16, 2019, hence the financials of the same have not been prepared yet.

## **RELATED PARTY TRANSACTIONS**

For details on Related Party Transactions of our Company, please refer to Annexure VIII of restated financial statement under the section titled, '*Financial Statements*' beginning on page 184 of this Prospectus.



## **DIVIDEND POLICY**

Under the Companies Act, an Indian company pays dividends upon a recommendation by its Board of Directors and approval by a majority of the shareholders, who have the right to decrease but not to increase the amount of dividend recommended by the Board of Directors. Under the Companies Act, dividends may be paid out of profits of a Company in the year in which the dividend is declared or out of the undistributed profits or reserves of the previous Years or out of both.

Our Company does not have a formal dividend policy. Any dividends to be declared shall be recommended by the Board of Directors depending upon the financial condition, results of operations, capital requirements and surplus, contractual obligations and restrictions, the terms of the credit facilities and other financing arrangements of our Company at the time a dividend is considered, and other relevant factors and approved by the Equity Shareholders at their discretion.

Dividends are payable within 30 days of approval by the Equity Shareholders at the Annual General Meeting of our Company. When dividends are declared, all the Equity Shareholders whose names appear in the register of members of our Company as on the “record date” are entitled to be paid the dividend declared by our Company. Any Equity Shareholder who ceases to be an Equity Shareholder prior to the record date, or who becomes an Equity Shareholder after the record date, will not be entitled to the dividend declared by Our Company.

We have not declared dividend in any Financial Year.

## SECTION VI

### FINANCIAL INFORMATION

#### INDEPENDENT AUDITOR'S REPORT ON EXAMINATION OF RESTATED CONSOLIDATED FINANCIAL INFORMATION

To,  
**The Board of Directors,**  
**Bonlon Industries Limited**  
*(Formerly known as Bonlon Industries Private Limited  
& Bon Lon Steels Private Limited)*

7A/39 (12- First Floor), WEA Channa Market  
Karol Bagh, New Delhi- 110005

Dear Sirs,

We have examined the attached Restated Consolidated Financial Information of **Bonlon Industries Limited** and hereinafter referred to as “the Company”) as approved by the Board of Directors of the Company in their meeting on June 23, 2020, prepared by the management of the company in terms of requirement of Section 26 of the Companies Act, 2013 read with the Companies (Prospectus and Allotment of Securities) Rule 2014, the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended from time to time (the ‘SEBI Regulations’), the Guidance Note on ‘Reports in Company’s Prospectus (Revised)’ issued by the Institute of Chartered Accountants of India (‘ICAI’) to the extent applicable (‘Guidance Note’), and in terms of our engagement agreed with you, in connection with the proposed Initial Public Offer (IPO) of the Company.

1. These Restated Consolidated Financial Information (included in Annexure I to XIII) have been extracted by the Management of the Company from:
  - (a) The Company’s Consolidated Audited Financial Statements for the nine months ended December 31, 2019, and for the year ended March 31, 2019, 2018 and 2017 which have been approved by the Board of Directors at their meeting held on May 19, 2020, September 05, 2019, August 25, 2018 and September 03, 2017 respectively and books of accounts underlying those financial statements and other records of the Company, to the extent considered necessary for the preparation of the Restated Consolidated Financial Information, are the responsibility of the Company’s Management. The Consolidated Financial Statement of the Company for nine months ended December 31, 2019 have been prepared by Gaur and Associates and for the period ended March 31, 2019, 2018 and 2017 have been audited by Shyam Goel & Associates as sole statutory auditors and had issued unqualified reports for these years.
2. In accordance with the requirement of Section 26 of the Companies Act, 2013 read with Companies (Prospectus and Allotment of Securities) Rules 2014, the SEBI Regulations, the Guidance Note, as amended from time to time and in terms of our engagement agreed with you, we further report that:
  - (i) The Restated Consolidated Statement of Assets and Liabilities as at December 31, 2019, March 31, 2019, 2018 and 2017 examined by us, as set out under Annexure – I (along with Annexures I.1 to I.18) to this report, read with the ‘Basis of Preparation and Significant Accounting Policies of the Restated Consolidated Financial Statements’ appearing in Annexure- IV and ‘Notes to the Restated Consolidated

Financial Statements' appearing in Annexure VI are after making such adjustments and regrouping/re-classification as in our opinion were appropriate and are more fully described in the statement of Material Adjustments to the Consolidated Financial Statements appearing in Annexure – V. As a result of these adjustments, the amounts reporting in the above mentioned statements are not necessarily the same as those appearing in the audited financial statements of the Company for the relevant financial years.

(ii) The Restated Consolidated Statement of Profit and Loss of the Company for the nine months ended December 31, 2019 and for the year ended March 31, 2019, 2018 and 2017 examined by us, as set out un Annexure – II (along with Annexures II.1 to II.8) to this report, read with the 'Basis of Preparation and Significant Accounting Policies of the Restated Consolidated Financial Statements' appearing in Annexure- IV and ' Notes to the Restated Consolidated Financial Statements' appearing in Annexure VI are after making such adjustments and regrouping/re-classification as in our opinion were appropriate and are more fully described in the statement of Material Adjustments to the Consolidated Financial Statements appearing in Annexure – V. As a result of these adjustments, the amounts reporting in the above mentioned statements are not necessarily the same as those appearing in the audited financial statements of the Company for the relevant financial years.

(iii) The Restated Consolidated Statement of Cash flows of the Company for the nine months ended December 31, 2019 and for the year ended March 31, 2019, 2018 and 2017 examined by us, as set out un Annexure – III (to this report, read with the 'Basis of Preparation and Significant Accounting Policies of the Restated Consolidated Financial Statements' appearing in Annexure- IV and ' Notes to the Restated Consolidated Financial Statements' appearing in Annexure VI are after making such adjustments and regrouping/re-classification as in our opinion were appropriate and are more fully described in the statement of Material Adjustments to the Consolidated Financial Statements appearing in Annexure – V. As a result of these adjustments, the amounts reporting in the above mentioned statements are not necessarily the same as those appearing in the audited financial statements of the Company for the relevant financial years.

3. Based on the above, and to the best of our information and according to the explanation given to us, we are of the opinion that Restated Consolidated Financial Information :

(a) have been made after incorporating adjustments for the changes in accounting policies retrospectively in respective financial years to reflect the same accounting treatment as per the changed accounting policies for all the reporting periods based on the significant accounting policies adopted by the Company as at December 31, 2019.

(b) have been made after incorporating adjustments for prior period and other material amounts in the Nine months period/respective financial years to which they relate to; and;

(c) do not contain any exceptional items that need to be disclosed separately other than those presented in the Restated Consolidated Financial Information and do not contain any qualification requiring adjustments.

4. We have also examined the following other Restated Consolidated Financial Information as set out in the Annexures to this report and forming part of the Restated Consolidated Financial Information, prepared by the management of the Company and approved by the Board of Directors on June 23, 2020 relating to the company for the nine months period ended December 31, 2019 and for the years ended March 31, 2019, 2018 and 2017:

- i) Restated Consolidated Statement of Share Capital included in Annexure – I.1;
  - ii) Restated Consolidated Statement of Reserve & Surplus included in Annexure – I.2 ;
  - iii) Restated Consolidated Statement of Long Term Borrowings included in Annexure I.3;
  - iv) Restated Consolidated Statement of Deferred Tax liability/Assets (net)included in Annexure I.4;
  - v) Restated Consolidated Statement of Long Term Provisions included in Annexure I.5;
  - vi) Restated Consolidated Statement of Short Term Borrowings included in Annexure I.6;
  - vii) Restated Consolidated Statement of Trade Payables included in Annexure I.7;
  - viii) Restated Consolidated Statement of Other Current Liabilities included in Annexure I.8;
  - ix) Restated Consolidated Statement of Short Term Provisions included in Annexure I.9;
  - x) Restated Consolidated Statement of Fixed Assets included in Annexure I.10;
  - xi) Restated Consolidated Statement of Non Current Investments included in Annexure I.11;
  - xii) Restated Consolidated Statement of Long Term Loans and Advances included in Annexure I.12;
  - xiii) Restated Consolidated Statement of Other Current Assets included in Annexure I.13;
  - xiv) Restated Consolidated Statement of Inventories included in Annexure I.14;
  - xv) Restated Consolidated Statement of Trade Receivables included in Annexure I.15;
  - xvi) Restated Consolidated Statement of Cash and Cash Equivalents included in Annexure I.16;
  - xvii) Restated Consolidated Statement of Short Term Loans and Advances included in Annexure I.17;
  - xviii) Restated Consolidated Statement of Other Current Assets included in Annexure I.18;
  - xix) Restated Consolidated Statement of Revenue from Operations included in Annexure II.1;
  - xx) Restated Consolidated Statement of Other Income included in Annexure II.2;
  - xxi) Restated Consolidated Statement of Cost of Material Consumed included in Annexure II.3;
  - xxii) Restated Consolidated Statement of Change in Inventories included in Annexure II.4;
  - xxiii) Restated Consolidated Statement of Employees Benefit Expenses included in Annexure II.5;
  - xxiv) Restated Consolidated Statement of Finance Cost included in Annexure II.6;
  - xxv) Restated Consolidated Statement of Other Expenses included in Annexure II.7;
  - xxvi) Restated Consolidated Statement of Exceptional items included in Annexure II.8;
  - xxvii) Restated Consolidated Statement of Cash Flows included in Annexure III;
  - xxviii) Restated Consolidated Statement of Accounting Policies included in Annexure IV;
  - xxix) Restated Consolidated Statement of Material Adjustment included in Annexure V;
  - xxx) Restated Consolidated Statement of Notes to Financial Statements included in Annexure VI;
  - xxxi) Restated Consolidated Statement of Contingent Liabilities, included in Annexure VII;
  - xxxii) Restated Consolidated Statement of Related Party Transaction, included in Annexure VIII ;
  - xxxiii) Restated Consolidated Statement of Accounting Ratios, included in Annexure IX;
  - xxxiv) Restated Consolidated Statement of Capitalisation, included in Annexure X;
  - xxxv) Restated Consolidated Statement of Tax Shelters, included in Annexure XI.
  - xxxvi) Restated Consolidated Statement of Financial Indebtedness, included in Annexure XII.
  - xxxvii) Restated Consolidated Statement of Dividend, included in Annexure XIII.
5. This report should not in any way be construed as a re-issuance or re-dating of any of the previous audit reports issued by us, nor should this report be construed as an opinion on any of the Consolidated Financial Information referred to herein.
6. We have no responsibility to update our report for events and circumstances occurring after the date of the report.
7. In our opinion, the above Restated Consolidated Financial Information contained in Annexure I to XIII to this report read along with the Basis of Preparation and Significant Accounting policies (Refer Annexure – IV) and Notes to Restated Consolidated Financial Information (Refer Annexure – VI) after making adjustments

and regrouping/re-classification as considered appropriate and have been prepared in accordance with the provisions of Section 26 of the Companies Act, 2013 read with the Companies (Prospectus and Allotment of Securities) Rules 2014, to the extent applicable, the SEBI Regulations, the Guidance Note issued in this regard by the ICAI, as amended from time to time, and in terms of our engagement agreed with you.

8. Our report is intended solely for use of the Management and for inclusion in the offer documents in connection with the proposed issue of equity shares of the Company and is not to be used, referred to or distributed for any other purpose except with our prior written consent.

For **Ashok Khandelwal Associates**  
**Chartered Accountants**  
**ICAI Firm Regn No: 008618N**

**Sd/-**  
**Ashok Khandelwal**  
**Partner**  
**Mem No: 016173**

Place: Delhi  
Date: June 23, 2020

**BONLON INDUSTRIES LIMITED**  
**FORMERLY KNOWN AS (BONLON INDUSTRIES PRIVATE LIMITED) (BON LON STEELS PVT. LTD.)**  
**ANNEXURE – I: RESTATED CONSOLIDATED STATEMENT OF ASSETS AND LIABILITIES**

(Rs. in Lakhs)

Sr. No.	Particulars	Note No.	As at December 31, 2019	As at 31st March		
				2019	2018	2017
<b>A.</b>	<b>Equity and Liabilities</b>					
<b>1</b>	<b>Shareholders' Funds</b>					
	Share Capital	<b>I.1</b>	1,042.74	1,042.74	299.92	299.92
	Reserves & Surplus	<b>I.2</b>	5,042.71	3,655.16	860.24	832.33
	<b>Minority Interest</b>		-	-	0.18	0.30
<b>2</b>	<b>Non-Current Liabilities</b>					
	Long-term borrowings	<b>I.3</b>	-	311.50	0.55	32.55
	Deferred Tax Liabilities (Net)	<b>I.4</b>	-	-	-	-
	Long Term Provisions	<b>I.5</b>	-	-	-	-
<b>3</b>	<b>Current Liabilities</b>					
	Short Term Borrowings	<b>I.6</b>	-	-	0.28	624.92
	Trade Payables	<b>I.7</b>	6,829.47	1,152.89	2,527.19	2,963.69
	Other Current Liabilities	<b>I.8</b>	2,107.74	118.58	224.79	27.94
	Short Term Provisions	<b>I.9</b>	41.75	22.80	-	-
	<b>Total</b>		<b>15,064.41</b>	<b>6,303.67</b>	<b>3,913.15</b>	<b>4,781.66</b>
<b>B.</b>	<b>Assets</b>					
<b>1</b>	<b>Non-Current Assets</b>					
	Fixed Assets					
	Tangible Assets	<b>I.10</b>	268.40	356.28	239.20	293.10
	Non Current Investments	<b>I.11</b>	376.01	515.17	0.05	0.05
	Deferred Tax Assets (Net)	<b>I.4</b>	7.87	7.93	7.03	5.52
	Long Term Loans and Advances	<b>I.12</b>	5,856.61	2,321.63	109.34	140.55
	Other Non-Current assets	<b>I.13</b>	-	-	-	-
<b>2</b>	<b>Current Assets</b>					
	Inventories	<b>I.14</b>	546.24	53.15	1,393.45	829.77
	Trade Receivables	<b>I.15</b>	2,260.45	867.63	328.52	2,591.25
	Cash and Cash Equivalents	<b>I.16</b>	1065.34	81.96	262.71	193.30
	Short-term loans and advances	<b>I.17</b>	4,265.72	1,921.65	1,358.23	684.23
	Other Current assets	<b>I.18</b>	417.79	178.26	214.62	43.87
	<b>Total</b>		<b>15,064.41</b>	<b>6,303.67</b>	<b>3,913.15</b>	<b>4,781.66</b>

**BONLON INDUSTRIES LIMITED**  
**FORMERLY KNOWN AS (BONLON INDUSTRIES PRIVATE LIMITED) (BON LON STEELS PVT. LTD.)**  
**ANNEXURE – II : RESTATED CONSOLIDATED STATEMENT OF PROFIT AND LOSS**

(Rs. in Lakhs)

Sr. No	Particulars	Note No.	For the Period Ended December 31, 2019	For The Year Ended March 31,		
				2019	2018	2017
<b>A.</b>	<b>Revenue:</b>					
	Revenue from operations (net)	<b>II.1</b>	18,417.63	21,483.67	24,206.33	23,784.30
	Other income	<b>II.2</b>	281.49	260.64	107.15	96.85
	<b>Total revenue</b>		<b>18,699.12</b>	<b>21,744.31</b>	<b>24,313.49</b>	<b>23,881.15</b>
<b>B.</b>	<b>Expenses:</b>					
	Cost of material consumed	<b>II.3</b>	3,283.99	3,301.21	100.53	3,534.31
	Purchase of Stock in Trade		15,334.46	16,847.24	24,692.95	20,275.02
	Changes in Inventories	<b>II.4</b>	(365.30)	1,273.90	(565.47)	(326.56)
	Employee benefit expenses	<b>II.5</b>	46.03	75.72	45.13	45.67
	Finance costs	<b>II.6</b>	10.39	70.20	13.16	43.64
	Depreciation and Amortization	<b>I.10</b>	24.82	35.91	37.98	46.98
	Other expenses	<b>II.7</b>	127.10	175.82	68.04	376.06
	<b>Total Expenses</b>		<b>18,461.49</b>	<b>21,780.00</b>	<b>24,392.33</b>	<b>23,995.13</b>
	<b>Profit/(Loss) before exceptional items and tax</b>		<b>237.62</b>	<b>(35.69)</b>	<b>(78.84)</b>	<b>(113.98)</b>
	Less/(Add) : Exceptional Items	<b>II.8</b>	(1,212.83)	(387.98)	(111.77)	-
	<b>Profit before tax</b>		<b>1,450.45</b>	<b>352.29</b>	<b>32.93</b>	<b>(113.98)</b>
	<b>Tax expense :</b>					
	Current tax		62.83	70.89	6.66	10.72
	Deferred Tax		0.06	(0.92)	(1.51)	(2.17)
	<b>Profit/(Loss) for the year</b>		<b>1,387.55</b>	<b>282.32</b>	<b>27.78</b>	<b>(122.53)</b>
	<b>Earning per equity share in Rs.:</b>					
	(1) Basic		13.31	3.79	0.93	(4.09)
	(2) Diluted		13.31	3.79	0.93	(4.09)

**BONLON INDUSTRIES LIMITED**  
**FORMERLY KNOWN AS (BONLON INDUSTRIES PRIVATE LIMITED) (BON LON STEELS PVT. LTD.)**  
**ANNEXURE – III : RESTATED CONSOLIDATED STATEMENT OF CASH FLOWS**

(Rs. in Lakhs)

Particulars	For the Period Ended December 31, 2019	For The Year Ended March 31,		
		2019	2018	2017
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>				
Profit/ (Loss) before tax	1450.95	352.29	32.93	(113.98)
Adjustments for:				
Depreciation	24.82	35.91	37.98	46.98
Interest Expense	2.89	17.07	2.32	25.66
Interest Received	(251.60)	(258.48)	(48.77)	(74.46)
(Profit)/Loss on Sale of Fixed Assets	-	-	(111.77)	-
(Profit)/Loss on Sale of Investments	-	-	-	-
<b>Operating profit before working capital changes</b>	<b>1090.16</b>	<b>146.79</b>	<b>(87.30)</b>	<b>(115.79)</b>
Movements in working capital :				
(Increase)/ Decrease in Inventories	(493.09)	1,340.29	(563.68)	(252.91)
(Increase)/Decrease in Trade Receivables	(1,392.82)	(539.11)	2,262.73	(754.89)
(Increase)/Decrease in Other Current Assets/ Non Current Assets	(239.53)	36.36	(170.74)	787.91
(Increase)/Decrease in Loans & Advances	(5,879.04)	(2,775.72)	(642.79)	2,515.40
Increase/(Decrease) in Trade Payables and Other Current Liabilities	(7,684.69)	(1457.71)	(239.65)	(1,672.18)
<b>Cash generated from operations</b>	<b>906.77</b>	<b>(3249.10)</b>	<b>558.57</b>	<b>207.53</b>
Income tax paid	62.83	70.89	6.66	10.72
<b>Net cash from operating activities (A)</b>	<b>843.94</b>	<b>(3319.99)</b>	<b>551.91</b>	<b>196.82</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>				
Purchase/Sale of Fixed Assets	63.06	(152.99)	15.91	(1.62)
Profit/(Loss) on Sale of Fixed Assets	-	-	111.77	-
Profit/(Loss) on Sale of Investments	-	-	-	-
(Increase)/ Decrease in Investments	139.17	(514.94)	-	0.01
Interest Received	251.60	258.48	48.77	74.46
<b>Net cash from investing activities (B)</b>	<b>453.83</b>	<b>(409.45)</b>	<b>176.45</b>	<b>72.85</b>
Proceeds from issue of share capital	-	3,255.10	-	-
Interest paid on borrowings	(2.89)	(17.07)	(2.32)	(25.66)
Proceeds/(Repayment) of Borrowings	(311.50)	310.66	(656.64)	(331.27)
<b>Net cash from financing activities (C)</b>	<b>(314.39)</b>	<b>3548.70</b>	<b>(658.96)</b>	<b>(356.93)</b>
<b>Net increase in cash and cash equivalents (A+B+C)</b>	<b>983.38</b>	<b>(180.75)</b>	<b>69.40</b>	<b>(87.27)</b>
<b>Cash and cash equivalents at the beginning of the year</b>	81.96	262.71	193.30	280.57
<b>Cash and cash equivalents at the end of the year</b>	<b>1,065.34</b>	<b>81.96</b>	<b>262.71</b>	<b>193.31</b>





## ANNEXURE - IV

### **Basis of Preparation and Significant Accounting Policies and Practices of the Restated Consolidated Financial Statements for the nine months ended December 31, 2019 and for the year ended March 31, 2019, 2018 and 2017.**

#### **1) Company Overview**

Bonlon Industries Limited was incepted in the year 1997 is engaged in the business of both manufacturing as well as trading of different kinds of metals. The main metals used in the business operations are copper, aluminum, lead, zinc etc and the products in which Bonlon deals are mainly are wire rods, wires, cathode and ingots.

Further, in order to synergize the operations and attaining higher business efficiencies, three of the group companies that were engaged in different segments of business i.e. metal, hotel and construction, were amalgamated with the Company vide the Order of the Hon'ble National Company Law Tribunal, Principal Bench, New Delhi dated June 13, 2018. As a result, the company is now carrying on all the businesses except the construction one which has not been operative as of now.

#### **Basis of Preparation of Financial Statement**

1. The Restated Consolidated Financial Statements of Assets and Liabilities of the Company as at December 31, 2019 and for the year ended March 31, 2019, 2018 and 2017 (collectively referred to as “Restated Consolidated Financial Information”) have been prepared specifically for the purpose of inclusion in the Prospectus to be filed by the Company with the Stock Exchange / Securities and Exchange Board of India (SEBI) / Registrar of Companies (ROC) in connection with the proposed Initial Public Offering (hereinafter referred to as ‘IPO’).
2. The Restated Consolidated Financial Information has been prepared by applying necessary adjustments to:
  - a. the Consolidated Financial Statements (‘financial Statement’) of the Company as at December 31, 2019 and for the year ended March 31, 2019, 2018 and 2017 prepared and presented under the historical cost convention, except for certain financial instruments which are measured at fair value, using the accrual system of accounting in accordance with the generally accepted accounting principles in India (‘Indian GAAP’), including the Accounting Standards as prescribed by the Companies (Accounting Standards) Rules, 2006 & Section 133 of the Companies Act, 2013, (‘the Act’) read with Rule 7 of Companies (Accounts) Rules, 2014), to the extent applicable and in the manner so required, and;
3. **With effect from 1<sup>st</sup> April 2014, Schedule III notified under the Act, has become applicable to the company for the preparation and presentation of its financial statements. Accordingly, previous year’s figures have been regrouped/reclassified wherever applicable.** Appropriate reclassification/regrouping have been made in the Restated Consolidated Financial information wherever required, to corresponding items of income, expenses, assets and liabilities, in order to bring them in line with the presentation and recognition as per the audited financial statements of the Company and the requirement of SEBI Regulations. The financial statements are prepared in Indian rupees round off to the nearest Lakh.

#### **2) Significant Accounting Policies**

##### **1. Operating Cycle**

Operating cycle is the time between the acquisition of assets for processing and their realization in cash or cash equivalent.

## **2. Revenue Recognition**

Revenue (Income) is recognized on accrual basis when no significant uncertainty as to measurability or collect ability exists. Revenue has been recognized on sales excluding of any taxes and including of any other receipts or income on account of exchange fluctuations and claims receivables.

## **3. Use of estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities on the date of the financial statements and the results of operations during the reporting periods. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from those estimates and revisions, if any, are recognized in the current and future periods.

## **4. Inventory**

Stock in trade is valued at cost or net realizable value whichever is lower.

## **5. Fixed Assets**

Fixed Assets are stated at cost less accumulated depreciation and impairments, if any. The cost includes cost of acquisition/construction, installation.

## **6. Depreciation**

Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value. Depreciation on tangible fixed assets have been provided on Written Down Value method as per the useful life prescribed in Schedule II to the Companies Act, 2013 effective from 1<sup>st</sup> April 2014.

## **7. Taxation**

Current income tax expense comprises taxes on income from operations in India and in foreign jurisdictions. Income tax payable in India is determined in accordance with the provisions of the Income Tax Act, 1961. Tax expense relating to foreign operations is determined in accordance with tax laws applicable in countries where such operations are domiciled.

Minimum Alternative Tax (MAT) paid in accordance with the tax laws in India, which gives rise to future economic benefits in the form of adjustment of future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax after the tax holiday period. Accordingly, MAT is recognized as an asset in the balance sheet when the asset can be measured reliably and it is probable that the future economic benefit associated with the asset will fructify. Deferred tax expenses or benefit is recognized on timing differences beings the difference between taxable income and accounting income tax originate in one period and is likely to reverse in one or more subsequent periods. Deferred tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date.

In the event of unabsorbed depreciation and carry forward of losses, deferred tax assets are recognized only to the extent that there is virtual certainty that sufficient future taxable income will be available to release such assets. In other situations, deferred tax assets are recognized only to the extent that there is reasonable certainty that sufficient future taxable income will be available to realize these assets.

Advance taxes and provisions for current income taxes are presented in the balance sheet after off-setting advance taxes paid and income tax provisions arising in the same tax jurisdiction for relevant taxpaying units and where the Company is able to and intends to settle the asset and liability on a net basis.

The Company offsets deferred tax assets and deferred tax liabilities if it has a legally enforceable right and these relate to taxes on income levied by the same governing taxation laws.

## **8. Borrowing Cost**

Borrowing cost is recognized as expenditure in the period in which they are accrued.

## **9. Impairment of Assets**

At each balance sheet date, the management reviews the carrying amounts of its assets included in each case generating unit to determine whether there is any indication that those assets were impaired. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of impairment loss. Recoverable amount is the higher of an asset's net selling price and value in use. In assessing value in use, the estimated future cash flows expected from the continuing use of the asset and from its disposal are discounted to their present value using a pre-tax discount rate that reflects the current market assessments of time value of money and the risks specific to the asset.

Reversal of impairment loss is recognized immediately as income in the statement of profit and loss.

## **10. Earnings per share**

The company reports basic and diluted earnings per share (EPS) in accordance with the Accounting Standard 20(AS-20) issued by the Institute of Chartered Accountants of India. The basic EPS is computed by dividing the net profit or loss for the year by weighted average number of equity shares outstanding, during the accounting period. Diluted earnings per equity share are computed by using the weighted average number of equity shares and dilutive potential equity shares outstanding during the period.

## **11. Foreign currency transactions**

Transactions denominated in foreign currency are recorded at the exchange rate prevailing on the date of the transaction.

Assets and liabilities denominated in foreign currency are converted at the exchange rates prevailing as at the balance sheet date. Exchange differences other than those relating to acquisition of fixed assets are recognized in the statement of profit and loss. Exchange differences relating to purchase of fixed assets are adjusted to the carrying cost of fixed assets

## **12. Provisions, Contingent liabilities and Contingent assets**

A provision is recognized when the Company has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet and adjusted to reflect the current best estimates. Contingent liabilities are not recognized in the financial statements. A contingent asset is neither recognized nor disclosed in the financial statements.

### **13. Related Party Transactions**

Disclosure is being made separately for all the transactions with related parties as specified under Accounting Standard 18, issued by the Institute Chartered Accountants of India.

### **14. Micro, Small & Medium Enterprises Development Act, 2006**

The Company has not received any memorandum (as required to be filed by the suppliers with the notified authority under the Micro, Small and Medium Enterprises Development Act, 2006) claiming their status as Micro, Small and Medium Enterprises. Consequently the amount paid/ payable to these parties during the year is not ascertainable. Consequently, as of now, it is neither possible for the Company to ascertain whether payment to such enterprises has been made within 45 days from the date of acceptance of supply of goods or services rendered by a supplier nor to give the relevant disclosures as required under the Act. This has been relied upon by the auditors.

## ANNEXURE – V : MATERIAL ADJUSTMENT TO THE RESTATED CONSOLIDATED FINANCIAL STATEMENT

### 1 Material Regrouping:

Appropriate adjustments have been made in the Restated Consolidated Financial Statements of Assets and Liabilities, Profit and Losses and Cash Flows, wherever required, by reclassification of the corresponding items of income, expenses, assets and liabilities in order to bring them in line with the regroupings as per the audited financial statements of the company and the requirements of SEBI Regulations.

### 2 Material Adjustments:

The Summary of results of restatement made in the Audited Consolidated Financial Statements for the respective years and its impact on the profit/(loss) of the Company is as follows:

Particulars	For the Period Ended December 31, 2019	(Rs. In Lakhs)		
		For The Year Ended March 31,		
		2019	2018	2017
<b>(A) Net Profits as per audited financial statements (A)</b>	1,251.15	270.15	27.78	16.21
<b>Add/(Less) : Adjustments on account of -</b>				
1. Preliminary Exp related to Subsidiary	3.60	0.26	-	-
2) Amount Written Off	140.00	2.16	-	(140.00)
3) Prior period taxes	-	0.73	-	1.26
4) Export Incentives	-	9.01	-	-
<b>Total Adjustments (B)</b>	<b>143.60</b>	<b>12.17</b>	<b>-</b>	<b>(138.74)</b>
<b>Restated Profit/ (Loss) (A+B)</b>	<b>1,394.75</b>	<b>282.32</b>	<b>27.78</b>	<b>(122.53)</b>

### 3 Notes on Material Adjustments pertaining to prior years:

#### (1) Preliminary Expenses Related to Subsidiary

Preliminary Expenses related to subsidiary written off in year 2018-19 and incurred prior to reporting period has been adjusted in the opening balance of profit & loss account. Also Preliminary expenses has been fully written off in period ending Dec 31,2019

#### (2) Amount Written off:

Amount written off debited to P&L A/c has been adjusted in the respective period to which it relates to

#### (3) Prior Period Taxes

Prior period taxes debited to P&L A/c has been adjusted in the opening balance of Profit/Loss A/c of the earliest reporting period

#### (4) Export Incentives

Export Incentives related to FY 11-12 and 12-13 written off in FY 18-19 has been adjusted in the opening balance of Profit/Loss A/c of the earliest reporting period

**ANNEXURE - I.1 : RESTATED CONSOLIDATED STATEMENT OF SHARE CAPITAL**
**(Rs. In Lakhs)**

Particulars	As at December 31, 2019	As at 31st March		
		2019	2018	2017
<b><u>Authorized</u></b>				
Equity Shares of Rs. 10 each	1,500.00	1,100.00	300.00	300.00
<b><u>Issued</u></b>				
Equity Shares of Rs. 10 each	1,042.74	1,042.74	299.92	299.92
<b><u>Subscribed &amp; Fully Paid Up</u></b>				
Equity Shares of Rs. 10 each	1,042.74	1,042.74	299.92	299.92
<b>Total</b>	<b>1,042.74</b>	<b>1,042.74</b>	<b>299.92</b>	<b>299.92</b>

**Notes :**
**I.1.1 Right, Preferences and Restrictions attached to Shares:**

The Company has one class of equity shares having a par value of Rs. 10/- per share. Each Shareholder is eligible for one vote per share held. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company in proportion of their shareholding.

**I.1.2 Reconciliation of No. of Shares Outstanding at the end of the year**

Particulars	As at December 31, 2019	As at 31st March		
		2019	2018	2017
Shares outstanding at the beginning of the year	10,427,358	2,999,230	2,999,230	2,999,230
Shares issued during the year on account of amalgamation	-	7,428,128	-	-
Any other movement (please specify)	-	-	-	-
Share outstanding at the end of the year	<b>10,427,358</b>	<b>10,427,358</b>	<b>2,999,230</b>	<b>2,999,230</b>

**I.1.3** The authorized capital of the company was increased from Rs. 300 Lacs to Rs. 800 lacs in pursuance of merger scheme as approved by NCLT.

**I.1.4** The company has further increased the authorized capital from Rs. 800 Lacs to Rs. 1100 lacs vide shareholders approval dated August 06, 2018.

**I.1.5** The company has further increased the authorized capital from Rs. 1100 Lacs to Rs. 1500 lacs vide shareholders approval dated April 18, 2019

**I.1.6** On August 25, 2018, the company has allotted 74,28,128 Shares pursuant to scheme of merger and order dated 13.10.2018 of National Company Law Tribunal

**I.1.7 Details of Shareholding more than 5% of the aggregate shares in the company**

Name of Shareholder	31-Dec-19		31-Mar-19		31-Mar-18		31-Mar-17	
	% of Holding	Nos	% of Holding	Nos	% of Holding	Nos	% of Holding	Nos
Arun Kumar Jain	6,553,278	62.85%	6,553,278	62.85%	1,551,380	51.73%	1,551,380	51.73%
Arun Kumar (HUF)	5,82,925	5.59%	582,925	5.59%	582,800	19.43%	582,800	19.43%
Smita Jain	15,45,420	14.82%	1,545,420	14.82%	384,300	12.81%	384,300	12.81%
Harshit Jain	-	0.00%	-	0.00%	249,010	8.30%	249,010	8.30%
Saloni Jain	5,35,710	5.14%	535,710	5.14%	-	-	-	-

**ANNEXURE – I.2 : Restated Consolidated Statement of Reserves and Surplus**
**(Rs. In Lakhs)**

Particulars	As at December 31, 2019	As at 31st March		
		2019	2018	2017
<b>Securities Premium</b>				
Balance as at the beginning of the year	3,272.58	760.19	760.19	760.30
Add: Addition during the year (due to amalgamation)	-	2,512.29	-	-
Add: Transferred from Subsidiary (Goodwill)	-	0.11	-	(0.11)
Balance as at the end of the year	<b>3,272.58</b>	<b>3,272.58</b>	<b>760.19</b>	<b>760.19</b>
<b>Balance in Statement of Profit &amp; Loss</b>				
Balance as at the beginning of the year	382.58	100.05	72.15	194.59
Add: Profit for the year	1,387.55	282.32	27.78	(122.53)
Less: Minority Interest in Subsidiary Profit	-	(0.21)	(0.12)	(0.08)
Balance as at the end of the year	<b>1,770.13</b>	<b>382.58</b>	<b>100.05</b>	<b>72.15</b>
<b>Grand Total</b>	<b>5,042.71</b>	<b>3,655.16</b>	<b>860.24</b>	<b>832.33</b>

**ANNEXURE – I.3 : RESTATED CONSOLIDATED STATEMENT OF LONG TERM BORROWINGS**
**(Rs. In Lakhs)**

Particulars	31-Dec-19		31-Mar-19		31-Mar-18		31-Mar-17	
	Non-Current	Current	Non-Current	Current	Non-Current	Current	Non-Current	Current
<b>From Directors/ Shareholders</b>								
Arun Kumar Jain	-	-	307.50	-	0.25	-	0.75	-
Smita Jain	-	-	4.00	-	0.30	-	21.80	-
<b>Total</b>	-	-	<b>311.50</b>	-	<b>0.55</b>	-	<b>32.55</b>	-
Less : Amount disclosed under the head "Other current"	-	-	-	-	-	-	-	-

liabilities" (Refer Note I.8)								
<b>Grand Total</b>	-	-	<b>311.50</b>	-	<b>0.55</b>	-	<b>32.55</b>	-

**ANNEXURE – I.4 : Restated Consolidated Statement of Deferred Tax Assets/(Liabilities) (Net)**

(Rs. In Lakhs)

Particulars	As at December 31, 2019	As at 31 <sup>st</sup> March		
		2019	2018	2017
<b>Deferred Tax Assets</b>				
Related to Fixed Assets	7.93	7.95	7.03	5.52
<b>Total (a)</b>	<b>7.93</b>	<b>7.95</b>	<b>7.03</b>	<b>5.52</b>
<b>Deferred Tax Liability</b>				
Merger Impact	0.06	0.02	-	-
Related to Fixed Assets	-	-	-	-
Disallowance under the Income Tax Act	-	-	-	-
<b>Total (b)</b>	<b>0.06</b>	<b>0.02</b>	<b>-</b>	<b>-</b>
<b>Net deferred tax (asset)/liability{(b)-(a)}</b>	<b>(7.87)</b>	<b>(7.93)</b>	<b>(7.03)</b>	<b>(5.52)</b>

**ANNEXURE – I.5 : Restated Consolidated Statement of Long term provisions**

(Rs. In Lakhs)

Particulars	As at December 31, 2019	As at 31 <sup>st</sup> March		
		2019	2018	2017
Provision for Gratuity	-	-	-	-
<b>Grand Total</b>				

**ANNEXURE – I.6 : Restated Consolidated Statement of Short Term Borrowings**

(Rs. In Lakhs)

Particulars	As at December 31, 2019	As at 31 <sup>st</sup> March		
		2019	2018	2017
<b>Secured Loan Repayable on Demand :</b>				
Bank of India-LC A/c	-	-	-	469.74
Bank of India -CC A/c-26	-	-	0.28	83.28
Bank of India -OD	-	-	-	71.90
<b>Grand Total</b>	<b>-</b>	<b>-</b>	<b>0.28</b>	<b>624.92</b>

**ANNEXURE – I.7 : Restated Consolidated Statement of Trade Payables**

(Rs. In Lakhs)

Particulars	As at December 31, 2019	As at 31 <sup>st</sup> March		
		2019	2018	2017
Trade Payables due to	-	-	-	-



- Micro and Small Enterprises	-	-	-	-
- Others	6,829.47	1,152.89	2,527.19	2,963.69
<b>Grand Total</b>	<b>6,829.47</b>	<b>1,152.89</b>	<b>2,527.19</b>	<b>2,963.69</b>

**ANNEXURE – I.8 : Restated Consolidated Statement of Other Current Liabilities**
**(Rs. In Lakhs)**

Particulars	As at December 31, 2019	As at 31st March		
		2019	2018	2017
Current Maturities of Long Term Borrowings	-	-	-	-
Advance from Customers	2,093.10	8.41	207.89	-
Expenses Payables	13.78	12.98	15.74	12.92
Cheques issued but not presented to banks yet for payment	-	94.33	-	-
Statutory Dues	0.87	2.86	1.15	15.02
<b>Grand Total</b>	<b>2,107.74</b>	<b>118.58</b>	<b>224.79</b>	<b>27.94</b>

**ANNEXURE – I.9 : Restated Consolidated Statement of Short Term Provisions**
**(Rs. In Lakhs)**

Particulars	As at December 31, 2019	As at 31st March		
		2019	2018	2017
Provision for Income Tax (net of income tax paid)	41.75	22.80	-	-
Provision for Employee benefit	-	-	-	-
<b>Grand Total</b>	<b>41.75</b>	<b>22.80</b>	<b>-</b>	<b>-</b>

**ANNEXURE – I.10 : Restated Consolidated Statement of Fixed Assets**
**(Rs. In Lakhs)**

Particulars	As at December 31, 2019	As at 31st March		
		2019	2018	2017
<b>Tangible Assets</b>				
<b>Land</b>				
Gross Block	41.50	125.31	41.50	60.02
Less: Accumulated Depreciation	-	-	-	-
Net Block	41.50	125.31	41.50	60.02
<b>Building</b>				
Gross Block	190.30	187.37	140.35	142.80
Less: Accumulated Depreciation	78.35	71.29	61.77	58.51
Net Block	111.94	116.08	78.58	84.29
<b>Plant and Machinery</b>				
Gross Block	212.76	212.76	258.37	258.37
Less: Accumulated Depreciation	137.85	126.04	166.32	145.37
Net Block	74.92	86.73	92.05	113.00

<b>Furniture &amp; Fixtures</b>				
Gross Block	7.23	2.12	0.48	0.48
Less: Accumulated Depreciation	2.21	1.21	0.42	0.40
Net Block	5.02	0.91	0.06	0.07
<b>Office Equipments</b>				
Gross Block	70.22	58.17	50.95	50.86
Less: Accumulated Depreciation	41.15	38.00	33.19	29.16
Net Block	29.08	20.17	17.76	21.70
<b>Computers</b>				
Gross Block	12.02	11.37	11.07	10.90
Less: Accumulated Depreciation	10.73	10.56	10.31	9.65
Net Block	1.29	0.81	0.75	1.24
<b>Vehicles</b>				
Gross Block	73.71	85.33	83.93	83.93
Less: Accumulated Depreciation	69.06	79.06	75.43	71.16
Net Block	4.65	6.27	8.50	12.78
<b>Total Tangible Assets</b>	<b>268.40</b>	<b>356.28</b>	<b>239.20</b>	<b>293.10</b>

**ANNEXURE – L11 : Restated Consolidated Statement of Non Current Investments**
**(Rs. In Lakhs)**

Particulars	As at December 31, 2019	As at 31st March		
		2019	2018	2017
Investment in Shares				
Quoted Equity Shares		-	-	
B C Power Controls Ltd	-	139.17	-	
Unquoted Equity Shares				
Bonlon Pvt Ltd	15.90	15.90	-	-
Bonlon Securities Ltd	7.70	7.70	-	-
Dhruv Global Pvt Ltd	74.28	74.28	-	-
Vinco Metals Pvt Ltd	19.88	19.88	-	-
KSJ Metal Impex Pvt Ltd	221.25	251.25	-	-
KYRA Enterprises Pvt Ltd	7.00	7.00	-	-
Mittal Coins Pvt Ltd	0.00	0.00	-	-
Others	-	-	0.05	0.05
<b>Grand Total</b>	<b>376.01</b>	<b>515.17</b>	<b>0.05</b>	<b>0.05</b>

**ANNEXURE – I.12 : Restated Consolidated Statement of Long Term Loans and Advances**
**(Rs. In Lakhs)**

Particulars	As at December 31, 2019	As at 31st March		
		2019	2018	2017
(Unsecured considered good)				
Security Deposits	27.30	25.50	23.58	26.03
Others	5,776.16	2,228.98	85.77	114.52
Advance given for property	53.15	67.15		
<b>Grand Total</b>	<b>5,856.61</b>	<b>2,321.63</b>	<b>109.34</b>	<b>140.55</b>

**ANNEXURE – I.13 : Restated Consolidated Statement of Other Non-Current assets**
**(Rs. In Lakhs)**

Particulars	As at December 31, 2019	As at 31st March		
		2019	2018	2017
(Unsecured considered good)	-	-	-	-
Preliminary Expenses	-	-	-	-
<b>Grand Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**ANNEXURE – I.14 : Restated Consolidated Statement of Inventories**
**(Rs. In Lakhs)**

Particulars	As at December 31, 2019	As at 31st March		
		2019	2018	2017
(at cost or net realizable value, whichever is lower)				
Raw Material	127.79	-	66.39	68.18
Stock in process	-	-	-	-
Finished Stock/ Trading Goods	418.46	53.15	1,327.06	761.59
<b>Grand Total</b>	<b>546.24</b>	<b>53.15</b>	<b>1,393.45</b>	<b>829.77</b>

**ANNEXURE – I.15 : Restated Consolidated Statement of Trade Receivables**
**(Rs. In Lakhs)**

Particulars	As at December 31, 2019	As at 31st March		
		2019	2018	2017
Trade Receivables :				
Outstanding for a period less than six months from the date they are due for payment				
Unsecured, Considered Good	2,250.40	833.48	178.51	2,379.94
Outstanding for a period exceeding six months from the date they are due for payment				
Unsecured, Considered Good	10.40	34.15	150.01	211.31
Unsecured, Considered Doubtful	-	-	-	-
<b>Grand Total</b>	<b>2,260.45</b>	<b>867.63</b>	<b>328.52</b>	<b>2,591.25</b>

**ANNEXURE – L16 : Restated Consolidated Statement of Cash and Bank Balances**
**(Rs. In Lakhs)**

Particulars	As at December 31, 2019	As at 31st March		
		2019	2018	2017
Cash & Cash Equivalents				
Cash in hand	22.02	6.02	5.71	4.64
Balances with Banks:				
-in current accounts	260.99	56.83	159.65	5.28
Other Bank Balances:				
Term deposits kept as margin money/security with maturity of less than 12 months	782.32	19.11	97.35	183.38
<b>Grand Total</b>	<b>1,065.34</b>	<b>81.96</b>	<b>262.71</b>	<b>193.30</b>

**ANNEXURE – L17 : Restated Consolidated Statement of Short Term Loans and Advances**
**(Rs. In Lakhs)**

Particulars	As at December 31, 2019	As at 31st March		
		2019	2018	2017
Advance to Suppliers				
-To Related parties	-	-	-	-
-To others	4,145.10	1,688.87	911.80	185.96
Other Advances	0.36	140.00	140.86	330.55
Balances with Revenue Authorities :				
Indirect Taxes	104.82	55.05	286.21	141.96
TDS Recoverable/Income Tax Refund	-	35.47	16.73	15.52
Export Incentives	-	-	0.00	0.34
SAD Refundable	-	-	1.67	7.00
Prepaid expenses	0.60	2.25	0.96	2.92
<b>Grand Total</b>	<b>4,265.72</b>	<b>1,921.65</b>	<b>1,358.23</b>	<b>684.23</b>

Out of the above amounts outstanding from promoters/promoter group/group directors/relative of directors are as follows:

**(Rs. In Lakhs)**

Particulars	As at December 31, 2019	As at 31st March		
		2019	2018	2017
From Promoters/Directors/Relatives	-	-	-	-
From Group Companies	-	-	-	-
<b>TOTAL</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**ANNEXURE – L18 : Restated Consolidated Statement of Other Current Assets**
**(Rs. In Lakhs)**

Particulars	As at December 31, 2019	As at 31st March		
		2019	2018	2017
Interest accrued on deposits	-	0.21	39.98	13.75
Income Receivable	241.91	-	-	30.12
Hindalco Industries Ltd	-	-	0.34	-

Indocon Micro Engineers Ltd	175.00	175.00	174.30	-
LC Margin	0.39	2.96	-	-
Polo Textiles Pvt Ltd	0.08	0.08	-	-
Others	0.37	-	-	-
<b>Grand Total</b>	<b>417.79</b>	<b>178.26</b>	<b>214.62</b>	<b>43.87</b>

Out of the above amounts outstanding from promoters/promoter group/group directors/relative of directors are as follows:

(Rs. In Lakhs)

Particulars	As at December 31, 2019	As at 31st March		
		2019	2018	2017
From Promoters/Directors/Relatives	-	-	-	-
From Group Companies	-	-	-	-
<b>Grand Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**ANNEXURE – II.1 : Restated Consolidated Statement of Revenue from Operations**

(Rs. In Lakhs)

Particulars	For the Period Ended December 31, 2019	For The Year Ended March 31,		
		2019	2018	2017
Sales of Goods				
-Domestic	18,383.99	21,448.88	24,191.59	23,170.54
-Export	-	-	-	575.24
Sales of Services				
-Job Work	-	-	-	27.02
-Hotel Income	33.65	34.79	-	-
Other Operating Revenue	-	-	14.74	11.51
<b>Revenue from operations (gross)</b>	<b>18,417.63</b>	<b>21,483.67</b>	<b>24,206.33</b>	<b>23,784.30</b>

Note II.1.1 Other Operating Revenue comprises of:

(Rs. In Lakhs)

Particulars	For the Period Ended December 31, 2019	For The Year Ended March 31,		
		2019	2018	2017
Export Incentives	-	-	-	11.51
GST Credit on Stock	-	-	14.74	-
<b>Revenue from operations (gross)</b>	<b>-</b>	<b>-</b>	<b>14.74</b>	<b>11.51</b>

**ANNEXURE – II.2 : Restated Consolidated Statement of Other Income**
**(Rs. In Lakhs)**

Particulars	For the Period Ended December 31, 2019	For The Year Ended March 31,		
		2019	2018	2017
Interest on Fixed Deposit	0.64	1.10	16.68	18.12
Interest on Securities (JVVNL)	1.10	1.10	1.19	1.71
Interest Received on Loan	249.85	256.27	30.90	54.63
Foreign Exchange Gain	-	-	-	12.54
Commission Income	-	-	-	9.06
Discount Received	-	-	58.20	0.07
Misc. Income	-	2.16	0.18	0.72
Insurance Claim Received	19.09			
MCX M2M Gain	10.80			
<b>Grand Total</b>	<b>281.49</b>	<b>260.64</b>	<b>107.15</b>	<b>96.85</b>

**ANNEXURE – II.3 : Cost of material consumed**
**(Rs. In Lakhs)**

Particulars	For the Period Ended December 31, 2019	For The Year Ended March 31,		
		2019	2018	2017
Opening Stock	-	66.39	68.18	141.83
Add: Purchases	3,411.78	3,234.82	98.74	3,460.66
Less: Closing Stock	(127.79)	-	(66.39)	(68.18)
<b>Grand Total</b>	<b>3,283.99</b>	<b>3,301.21</b>	<b>100.53</b>	<b>3,534.31</b>

**ANNEXURE – II.4 : Restated Consolidated Statement of Changes in Inventories**
**(Rs. In Lakhs)**

Particulars	For the Period Ended December 31, 2019	For The Year Ended March 31,		
		2019	2018	2017
<b>Closing Stock</b>				
Finished Goods/ Trading Goods	418.46	53.15	1,327.06	761.59
Stock in process	-	-	-	-
Scrap	-	-	-	-
Total (a)	418.46	53.15	1,327.06	761.59
<b>Opening Stock</b>				
Finished Goods/ Trading Goods	53.15	1,327.06	761.59	435.03
Stock in process	-	-	-	-
Scrap	-	-	-	-
Total (b)	53.15	1,327.06	761.59	435.03
<b>Increase/(Decrease) in stock</b>	<b>365.30</b>	<b>(1,273.90)</b>	<b>565.47</b>	<b>326.56</b>

**ANNEXURE – II.5 : Restated Consolidated Statement of Employee benefit expense**
**(Rs. In Lakhs)**

Particulars	For the Period Ended December 31, 2019	For The Year Ended March 31,		
		2019	2018	2017
Salaries and wages	31.50	55.96	32.71	36.95
Contribution to Provident and other funds	0.63	1.71	0.84	0.95
Director's remuneration	12.30	16.10	9.20	7.20
Staff welfare expenses	1.60	1.94	2.38	0.56
<b>Grand Total</b>	<b>46.30</b>	<b>75.72</b>	<b>45.13</b>	<b>45.67</b>

**ANNEXURE – II.6 : Restated Consolidated Statement of Finance costs**
**(Rs. In Lakhs)**

Particulars	For the Period Ended December 31, 2019	For The Year Ended March 31,		
		2019	2018	2017
Interest on Borrowings	-	15.62	2.01	25.48
Interest on Delayed payment of Stat Dues	2.89	1.45	0.32	0.18
Other Borrowing Charges	7.50	53.13	10.84	17.98
<b>Grand Total</b>	<b>10.39</b>	<b>70.20</b>	<b>13.16</b>	<b>43.64</b>

**ANNEXURE – II.7 : Restated Consolidated Statement of Other Expenses**
**(Rs. In Lakhs)**

Particulars	For the Period Ended December 31, 2019	For The Year Ended March 31,		
		2019	2018	2017
Advertisement/ Business Promotion Expenses	9.90	4.01	4.91	7.45
Audit Fees	0.75	0.60	0.45	0.46
Commission Expenses	0.99	7.97	0.73	16.26
Consumable Expenses	9.00	0.03	1.25	7.56
Conveyance & Travelling Expenses	5.50	6.05	0.24	3.78
Custom Duty Expense	-	-	-	82.74
Discount Expenses	0.01	-	0.35	0.33
Export Sale Expenses	-	-	-	6.26
Food & Kitchen Expenses	5.18	4.64	-	-
Freight & Cartage	13.35	27.14	11.50	21.51
General Expenses	4.10	1.17	2.72	1.47
House Keeping Expenses	0.90	3.09	-	-
Import Expenses	-	-	0.35	13.22
Indirect Taxes Paid	4.53	0.06	2.39	0.05
Insurance	2.34	3.47	5.25	4.20
Job Work Expenses	-	21.81	-	3.28
Legal and professional charges	6.67	7.77	8.43	5.56

MCX M2M Trading Loss	-	22.86	-	-
Penalties	-	0.02	1.75	1.31
Power & Fuel	23.13	29.08	11.90	39.17
Pollution Expenses	0.60	0.64	2.44	0.25
Preliminary expenses written off	6.60	-	-	-
Printing and Stationery	0.26	0.20	0.09	0.09
Provision for doubtful debts	-	-	-	140.00
Rent, Rates And Taxes	17.66	17.35	1.75	1.34
Repairs & Maintenance	8.35	5.30	3.74	10.21
Security Guard Expenses	3.39	5.67	4.20	5.34
Telephone & Postage Expenses	2.23	2.41	2.05	3.09
Vehicle Running Expenses	1.66	4.49	1.55	1.14
<b>Grand Total</b>	<b>127.10</b>	<b>175.82</b>	<b>68.04</b>	<b>376.06</b>

**ANNEXURE – II.8 : Restated Consolidated Statement of Exceptional Items**

**(Rs. In Lakhs)**

Particulars	For the Period Ended December 31, 2019	For The Year Ended March 31,		
		2019	2018	2017
Profit on Sale of Land/ Building	4.69	-	111.77	-
Profit on Sale of Share	1,419.92	952.44	-	-
Loss on LME Contract Difference	(211.79)	(564.46)	-	-
<b>Grand Total</b>	<b>1,212.83</b>	<b>387.98</b>	<b>111.77</b>	<b>-</b>



## ANNEXURE – VI

### Notes to the Restated Consolidated Financial Statements for the nine months ended December 31, 2019 and financial years ended March 31 2019, 2018 and 2017.

1. The Company is engaged in the business of both manufacturing as well as trading of different kinds of metals. The main metals used in the business operations are copper, aluminum, lead, zinc etc and the products in which the company deals are mainly are wire rods, wires, cathode and ingots. Further, in order to synergize the operations and attaining higher business efficiencies, three of the group companies that were engaged in different segments of business i.e. metal, hotel and construction, were amalgamated with the Company vide the Order of the Hon'ble National Company Law Tribunal, Principal Bench, New Delhi dated June 13, 2018. As a result, the company is now carrying on all the businesses except the construction one which has not been operative as of now.
2. The Company has not provided for the employee benefits in the books of accounts as per requirement of mandatory Accounting Standard - 15 (Revised, 2005) on Employees Benefits issued by Institute of Chartered Accountants of India.
3. The company cannot identify the enterprises which have been providing goods and services to the company and which qualify under the definition of Micro Small and Medium Enterprise Development Act, 2006. Hence, the details required to be disclosed in this respect, cannot be disclosed.
4. In the opinion of the Board of Directors, the Current Assets, Loans & Advances are approximately of the value stated if realized in ordinary course of business. Provisions for known liabilities are made & not in excess of the amount reasonably necessary. Moreover Balances of Unsecured Loans, Receivables, Loans & Advances and Current Liabilities are subject to confirmation, reconciliation and adjustments, if any.
5. The Company had given an advance of Rs. 140.00 Lakhs to Lakshmi Precision Screw Limited, which has been referred to Hon'ble NCLT and the recoverability will depend on the outcome of final order of Hon'ble NCLT.
6. The figures of the previous year have been regrouped / recast wherever necessary so as to make them comparable with current year's figures. Figures have been rounded to nearest rupees in lakhs.
7. The subsidiary of company – AKJ Metals Private Limited was incorporated on December 16, 2019, hence for the financial year ending on 31<sup>st</sup> March 2019, the financial of subsidiary has not been consolidated.
8. The company had filed petition for merger of Smita Global Private Limited, Harshit Promoters Private Limited and Harshit Infratech Private Limited with appointed date 01<sup>st</sup> April 2016. However the order of Hon'ble NCLT was received on 13<sup>th</sup> June 2018, which was filed with ROC on 2<sup>nd</sup> July 2018. Hence consolidation of financial statement between Transferor Company & Transferee Company has been done w.e.f. 1<sup>st</sup> July 2018.
9. The Company is engaged into business of trading/manufacturing of copper products & hotel business. The hotel business constitutes a very small part of its total revenue & profits. Hence separate segment reporting for hotel is not provided.

**ANNEXURE - VII : RESTATED CONSOLIDATED STATEMENT OF CONTINGENT LIABILITIES**  
(Rs. In Lakhs)

Particulars	As at December 31, 2019	As at 31st March		
		2019	2018	2017
1. Bank Guarantee/LC Discounting for which FDR margin money has been given to the bank as Security	2495.00*	2,800.00	3,400.00	3,400.00
2. Income Tax Demand	-	-	-	-
3. TDS Demand	-	-	-	-
<b>Grand Total</b>	<b>2495.00</b>	<b>2,800.00</b>	<b>3,400.00</b>	<b>3,400.00</b>

\*Modification of the same is yet to be filed with the RoC.

**ANNEXURE -VIII : RESTATED CONSOLIDATED STATEMENT OF RELATED PARTY DISCLOSURES AS RESTATED**

As required under Accounting Standard 18 "Related Party Disclosures" as notified pursuant to Company (Accounting Standard) Rules 2006, following are details of transactions during the year with related parties of the company as defined in AS 18.

A. List of Related Parties and Nature of Relationship :	
Particulars	Name of Related Parties
<b>1. Enterprises where control exist</b>	
a) Companies/ Firms	Bon Lon Pvt Ltd
	Harshit Promoters Pvt Ltd *
	Bon Lon Securities Ltd
	B.C. Power Controls Ltd
	Harshit Finvest Pvt Ltd
	Vinco Metals Pvt Ltd
	Smita Global Pvt Ltd *
<b>2. Other Related Parties:</b>	
a) Key Management Personnel's	Arun Jain
	Smita Jain
	Raj Jain
b) Relatives of Key Management Personnel's	Harshit Jain
	Saloni Jain
	Swatika Jain
	Shakuntala Devi jain

**Note:** Harshit Infratech Private Limited, Smital Global Private Limited, Harshit Promoters Private Limited got amalgamated with Bonlon Industries Limited pursuant to the Order of the Hon'ble National Company Law Tribunal, Principal Bench, New Delhi dated June 13, 2018.

**B. Transactions carried out with related parties referred to in (1) above, in ordinary course of business:**  
(Rs. In Lakhs)

Nature of Transactions	Name of Related Parties	As at December 31, 2019	As at March 31		
			2019	2018	2017
Managerial Remuneration	Arun Kumar Jain	5.40	7.20	6.20	4.20
	Smita Jain	1.50	3.50	3.00	3.00
	Raj Jain	5.40	5.40	-	-
<b>Total</b>		<b>12.30</b>	<b>16.10</b>	<b>9.20</b>	<b>7.20</b>
Rent Paid	Smita Jain	6.75	6.75	-	-
<b>Total</b>		<b>6.75</b>	<b>6.75</b>	-	-
Sales	Smita Global Pvt Ltd	-	-	1,544.11	1,234.13
	B.C. Power Controls Ltd	11,092.86	4,949.14	7,983.07	4,692.88
<b>Total</b>		<b>11092.86</b>	<b>4,949.14</b>	<b>9,527.18</b>	<b>5,927.00</b>
Purchase	Smita Global Pvt Ltd	-	389.79	244.05	243.56
	B.C. Power Controls Ltd	199.88	2,904.35	12,185.85	5,245.12
<b>Total</b>		<b>199.88</b>	<b>3,294.14</b>	<b>12,429.90</b>	<b>5,488.69</b>
Investment in WOS	AKJ Metals Pvt. Ltd.	231.00	-	-	-
<b>Total</b>		<b>231.00</b>			
Job Work Income	B.C. Power Controls Ltd	-	-	-	27.02
<b>Total</b>		-	-	-	<b>27.02</b>
Freight Paid	B.C. Power Controls Ltd	-	-	0.14	0.35
<b>Total</b>		-	-	<b>0.14</b>	<b>0.35</b>
Freight Received	Smita Global Pvt Ltd	-	-	-	0.38
<b>Total</b>		-	-	-	<b>0.38</b>
Consignment Income Received	Smita Global Pvt Ltd	-	-	-	0.25
<b>Total</b>		-	-	-	<b>0.25</b>
Interest Received	Bonlon Securities Limited	34.94	13.33	-	-
	Harshit Finvest Pvt Ltd	19.94	7.30	-	-
<b>Total</b>		<b>54.87</b>	<b>20.63</b>	-	-
Interest Paid	Bonlon Private Limited	-	15.21	-	-
<b>Total</b>		-	<b>15.21</b>	-	-
Commission Paid	B.C. Power Controls Ltd	-	-	0.73	0.40
<b>Total</b>		-	-	<b>0.73</b>	<b>0.40</b>
Loading & Unloading Paid	B.C. Power Controls Ltd	-	-	0.01	0.06
<b>Total</b>		-	-	<b>0.01</b>	<b>0.06</b>
Unsecured Loan	Arun Kumar Jain	-	307.50	0.25	10.75
	Smita Jain	-	4.00	0.30	21.80
<b>Total</b>			<b>311.50</b>	<b>0.55</b>	<b>32.55</b>
<b>5) The figures disclosed above are based on the Restated Consolidated Financial Statements of the Company.</b>					
Payables	Smita Global Pvt Ltd			90.47	939.33

	Arun Kumar Jain		307.50	0.25	10.75
	Smita Jain		4.00	0.30	21.80
	B.C Power Controls Ltd	1404.84	-	-	-
	Vinco Metals Pvt. Ltd.	456.50	-	-	-
	Expenses Payable	4.77	0.51	-	-
	<b>Total</b>	<b>1,866.11</b>	<b>312.01</b>	<b>91.02</b>	<b>971.88</b>
Receivables	B.C.Power Controls Ltd	-	-	-	1,244.45
	Bonlon Pvt. Ltd.	1,490.50	-	-	-
	Bonlon Securities Ltd.	2,077.00	-	-	-
	Harshit Finvest Pvt. Ltd.	1,138.60	-	-	-
	<b>Total</b>	<b>4,706.10</b>	<b>-</b>	<b>-</b>	<b>1,244.45</b>

#### ANNEXURE - IX : RESTATED CONSOLIDATED STATEMENT OF ACCOUNTING RATIOS

(Rs. In Lakhs)

Particulars	As at December 31, 2019	As at 31st March		
		2019	2018	2017
Restated PAT as per P& L Account (Rs. in Lakhs)	1387.55	282.32	27.78	(122.53)
Equity Shares at the end of the Year (Note -2)	10,427,358	10,427,358	2,999,230	2,999,230
Weighted Average Number of Equity Shares at the end of the Year (Note -2)	10,427,358	7,456,107	2,999,230	2,999,230
Net Worth	6085.45	4697.90	1160.11	1132.26
<b>Earnings Per Share (with Bonus affect)</b>				
Basic (In Rupees) (Note 1.a)	13.31	3.79	0.93	(4.09)
Diluted (In Rupees)* (Note 1.b)	13.31	3.79	0.93	(4.09)
<b>Return on Net Worth (%) (Note -4)</b>	22.80%	6.01%	2.39%	(10.82)%
<b>Net Asset Value Per Share (Note -4)(Rs)</b>	58.36	45.05	38.68	37.75
Nominal Value per Equity share (Rs.)	10	10	10	10

\*The Company does not have any diluted potential Equity Shares. Consequently the basic and diluted profit/earning per share of the company remain the same.

#### Notes :

1) The ratios have been calculated as below:

- Basic Earnings Per Share (Rs.) = Restated PAT attributable to Equity Shareholders/ Weighted Average Number of Equity Shares outstanding during the six months/year.
- Diluted Earnings Per Share (Rs.) = Restated PAT attributable to Equity Shareholders/ Weighted Average Number of Diluted Potential Equity Shares outstanding during the six months/year.
- Return on Net Worth (%) = Restated PAT attributable to Equity Shareholders/ Net Worth X 100.
- Restated Net Asset Value per equity share (Rs.) = Restated Net Worth as at the end of the six months/year/ Total Number of Equity Shares outstanding during the six months/year.

2) Weighted Average Number of equity shares is the number of equity shares outstanding at the beginning of the year adjusted by the number of equity shares issued during the year multiplied by the time weighting factor. The

time weighting factor is the number of days for which the specific shares are outstanding as a proportion to total number of days during the year.

- 3) Earnings Per Share calculation are in accordance with Accounting Standard 20- Earnings Per Share, notified under the Companies (Accounting Standards) Rules 2006, as amended.
- 4) Net Worth = Equity Share Capital + Reserve and Surplus (including surplus in the Statement of Profit & Loss) - Intangible Assets except Computer Software.
- 5) The figures disclosed above are based on the Restated Consolidated Financial Statements of the Company.

#### ANNEXURE - X : RESTATED CONSOLIDATED STATEMENT OF CAPITALISATION

(Rs. In Lakhs)

Sr. No	Particulars	Pre issue	Post issue
	<b>Debts</b>		
A	Long Term Debt	-	-
B	Short Term Debt	-	-
C	<b>Total Debt</b>	-	-
	<b>Equity Shareholders Funds</b>		
	Equity Share Capital	1,042.74	1,418.33
	Reserves and Surplus	5,042.71	5,718.79
D	<b>Total Equity</b>	<b>6,085.45</b>	<b>7,137.13</b>
E	<b>Total Capitalization</b>	<b>6,085.45</b>	<b>7,137.13</b>
	Long Term Debt/ Equity Ratio (A/D)	-	-
	Total Debt/ Equity Ratio (C/D)	-	-

#### Notes:

- 1) Long Term Debt are borrowings other than short-term borrowings and also includes current maturities of long-term debt included in other current liabilities
- 2) For post issue Capitalization calculation will be done considering the allotment of shares in the IPO.
- 3) The figures disclosed above are based on restated statement of Assets and Liabilities of the Company as at March 31, 2019.

#### ANNEXURE - XI : RESTATED CONSOLIDATED STATEMENT OF TAX SHELTERS

(Rs. In Lakhs)

Sr. No	Particulars	As at December 31, 2019	As at 31st March		
			2019	2018	2017
<b>A</b>	<b>Restated Profit before tax</b>	1,450.45	352.29	32.93	(113.98)
	Capital Gain at special rate	1,416.32	952.44	111.77	-
	Normal Profit/ (loss)	34.13	(600.15)	(78.84)	(113.98)
	Normal Corporate Tax Rates (%)	25.17%	33.38%	33.06%	30.90%
	MAT Tax Rates (%)	-	20.59%	19.06%	19.06%
<b>B</b>	<b>Tax thereon (including surcharge and education cess)</b>				
	Tax on normal profits	8.59	-	-	(35.22)
	Tax on Capital Gain	51.82	15.77	-	-
	<b>Total</b>	<b>60.40</b>	<b>15.77</b>	<b>-</b>	<b>(35.22)</b>

	<b>Adjustments:</b>				
<b>C</b>	<b>Permanent Differences</b>				
	Deduction allowed under Income Tax Act	-	-	-	-
	Exempt Income	-	-	-	-
	Allowance of Expenses under the Income Tax Act	-	-	-	-
	Disallowance of Income under the Income Tax Act	-	-	-	-
	Disallowance of Expenses under the Income Tax Act	6.90	4.23	1.76	142.74
	<b>Total Permanent Differences</b>	<b>146.90</b>	<b>4.23</b>	<b>1.76</b>	<b>142.74</b>
<b>D</b>	<b>Timing Differences</b>				
	Difference between tax depreciation and book depreciation	2.75	0.92	4.89	7.02
	Provision for Gratuity disallowed	-	-	-	-
	Expense disallowed u/s 43B	-	-	-	-
	<b>Total Timing Differences</b>	<b>2.75</b>	<b>0.92</b>	<b>4.89</b>	<b>7.02</b>
<b>E</b>	<b>Net Adjustments E= (C+D)</b>	<b>9.65</b>	<b>5.15</b>	<b>6.65</b>	<b>149.75</b>
<b>F</b>	<b>Tax expense/(saving) thereon</b>	2.43	1.72	2.20	46.27
<b>G</b>	<b>Total Income/(loss) (A+E)</b>	<b>1,460.10</b>	<b>357.44</b>	<b>39.58</b>	<b>35.78</b>
	Taxable Income/ (Loss) as per MAT	1,450.45	352.29	32.93	(113.98)
<b>I</b>	<b>Income Tax as per normal provision</b>	62.83	15.77	-	11.05
<b>J</b>	<b>Income Tax under Minimum Alternative Tax under Section 115 JB of the Income Tax Act</b>	-	72.52	6.27	-
	<b>Net Tax Expenses (Higher of I,J)</b>	62.83	72.52	6.27	11.05
<b>K</b>	Relief u/s 90/91	-	-	-	-
	<b>Total Current Tax Expenses</b>	<b>62.83</b>	<b>72.52</b>	<b>6.27</b>	<b>11.05</b>
<b>L</b>	Adjustment for Interest on income tax	-	-	-	-
	<b>Total Current Tax Expenses</b>	<b>62.83</b>	<b>72.52</b>	<b>6.27</b>	<b>11.05</b>

The figures disclosed above are based on the Restated Consolidated Financial Statements of the Company. Figures for FY 2018-19 has been taken on the basis of provisional computation of Income

#### ANNEXURE - XII : RESTATED CONSOLIDATED STATEMENT OF FINANCIAL INDEBTEDNESS

(Rs. In Lakhs)

Sr. No	Bank Name	Facility Key term		
		Loan Amount	Rate of Interest (%)	Total Term (Months)
1	Secured Loan	-	-	-
2	Unsecured Loan	-	-	-
	<b>Grand Total</b>	-	-	-

#### ANNEXURE - XIII: RESTATED CONSOLIDATED STATEMENT OF DIVIDEND

(Rs. In Lakhs)

Sr. No	Particulars	As at December 31, 2019	As at 31st March		
			2019	2018	2017
<b>A</b>	<b>Share Capital</b>				
	Equity Share Capital	1,042.74	1042.74	299.92	299.92
	Dividend on equity shares paid during the year	-	-	-	-
	Dividend in %	0	0	0	0

## **MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATION**

The following discussion of our financial condition and results of operations should be read in conjunction with our restated financial statements as of and for the years ended March 31, 2019, 2018 and 2017 prepared in accordance with the Companies Act, 2013 (to the extent notified) and /or Provisions of Companies Act, 1956 w.r.t. the sections which have not yet been replaced by the Companies Act, 2013 through any official notification and Indian GAAP and restated in accordance with the SEBI ICDR Regulations, including the schedules, annexure and notes thereto and the reports thereon, included in “Financial Statements” beginning on page 184 of this Prospectus.

Indian GAAP differs in certain material respects from U.S. GAAP and IFRS. We have not attempted to quantify the impact of IFRS or U.S. GAAP on the financial data included in this Prospectus, nor do we provide a reconciliation of our financial statements to those under U.S. GAAP or IFRS. Accordingly, the degree to which the Indian GAAP financial statements included in this Prospectus will provide meaningful information is entirely dependent on the reader's level of familiarity with the Companies Act, Indian GAAP and the SEBI ICDR Regulations.

This discussion contains forward-looking statements and reflects our current views with respect to future events and financial performance. Actual results may differ materially from those anticipated in these forward-looking statements as a result of certain factors such as those set forth in “Risk Factors” and “Forward-Looking Statements” beginning on pages 28 and 21 respectively, of this Prospectus.

### **COMPANY OVERVIEW**

Our Company was incorporated on January 21, 1997 as a private limited company under the provisions of Companies Act, 1956 with the Registrar of Companies, Jaipur in the name and style of Bonlon Steels Private Limited. Subsequently, the registered office of our Company was shifted from Jaipur to New Delhi i.e. from one state to another w.e.f. December 01, 1998 with due approval of the Company Law Board, Northern Region Bench vide order dated October 29, 1998.

### **BUSINESS OVERVIEW**

The Company started its operations in the year 1997 with the trading of copper rods and copper bars which were manufactured by renowned market players like Hindustan Copper Limited, Sterlite India and Hindalco Industries Limited. Later on, in the year 2006, the Company began supervising the manufacturing activities of Colombo Copper Private Limited, a company based in Colombo, Sri Lanka which was engaged in the business of manufacturing of copper bars. The manufactured copper made bars were imported by us in India and thereafter producing copper wires from the same on job work basis, they were then sold in the market by us. We carried such activity for two years after which we started the manufacturing activity of copper bars from scrap in our partnership firm i.e. at first in Vaishno Metals and Allied Industries in Jammu and later on in B.C. Power Controls Limited. With the evolution of time, we gained experience in the manufacturing, trading, and marketing of the products made from copper. Eventually in the year 2013, for the production of the copper rods, we started our own manufacturing unit at Plot No. G-1-663, RIICO Industrial Area, Bhiwadi, Alwar- 301019, Rajasthan.

### **SIGNIFICANT DEVELOPMENTS SUBSEQUENT TO THE LAST FINANCIAL YEAR**

In the opinion of the Board of Directors of our Company, there have not arisen, since the date of the last financial statements disclosed in this Prospectus i.e. March 31, 2019, any significant developments or any circumstance that materially or adversely affect or are likely to affect the profitability of our Company or the value of its assets or its ability to pay its material liabilities within the next twelve months except as follows:

1. The Registered office of the Company was shifted from 6B/10, N.E.A. Old Rajinder Nagar, New Delhi- 110060 to 7A/39 (12- First Floor), WEA Channa Market, Karol Bagh, New Delhi- 110005.
2. The authorized share capital of Rs. 11,00,00,000 (Rupees Eleven Crores only) consisting of 1,10,00,000 Equity Shares of face value of Rs. 10/- each was increased to Rs. 15,00,00,000 (Rupees Fifteen Crores only) consisting of 1,50,00,000 Equity Shares of face value of Rs.10/- each on April 29, 2019.
3. Appointment of Ms. Bela Khattar Chauhan Non-Executive & Independent Director on June 06, 2019.
4. Appointment of Mr. Parveen Kumar Jain Non-Executive & Independent Director on June 06, 2019.

### SIGNIFICANT FACTORS AFFECTING OUR RESULTS OF OPERATIONS

Our business is subjected to various risks and uncertainties, including those discussed in the section titled “Risk Factor” beginning on page 28 of this Prospectus. Our results of operations and financial conditions are affected by numerous factors including the following:

- Occurrence of pandemic like COVID-19
- Fluctuations in price of copper and other metals;
- Our ability to maintain quality of our products;
- Our ability to carry on diversified business activities under one name;
- Fluctuations in other operating costs;
- Our ability to meet our working capital requirements;
- Our ability to successfully implement our business strategy and plans;
- General economic and business conditions in the markets in which we operate and in the local, regional, national and international economies;
- Changes in political and social conditions in India, the monetary and interest rate policies of India and other countries;
- Changes in government policies and regulatory actions that apply to or affect our business;

### DISCUSSION ON RESULT OF OPERATION

The following discussion on results of operations should be read in conjunction with the restated financial results of our Company for years ended March 31, 2019, 2018 and 2017.

### OVERVIEW OF REVENUE & EXPENDITURE

#### Revenues

Our Company’s revenue is primarily generated from Sale of Metals and Hotel Income and other misc. Incomes: -  
(Rs. In Lakhs)

Particulars	As at March 31		
	2019	2018	2017
<b>Income</b>			
Revenue from Operations	21,483.67	24,206.33	23,784.30
Increase/Decrease in %	-11.25	1.77	NA
Other Income	260.64	107.15	96.85
Increase/Decrease in %	143.25	10.64	NA
<b>Total Revenue</b>	<b>21,744.31</b>	<b>24,313.48</b>	<b>23,881.15</b>



The following is the Income mix in terms of value of total income of our Company from Sale of Metal and Hotel Business:-

(Rs. In Lakhs)

Particulars	As at March 31		
	2019	2018	2017
<b>Revenue from Operation</b>			
<b>Sale of Products</b>			
Domestic	21,448.88	24,191.59	23,170.54
Exports	-	-	575.24
<b>Sale of Services</b>	34.79	-	27.02
<b>Other operating Income</b>	-	14.74	11.51
<b>Total Revenue from Operation</b>	<b>21,483.67</b>	<b>24,206.33</b>	<b>23,784.31</b>

The following is the Income mix in terms of percentage of total income of our Company from Sale of Metal and Hotel Business:-

Particulars	As at March 31		
	2019	2018	2017
<b>Revenue from Operation</b>			
<b>Sale of Products</b>			
Domestic	99.84%	99.94%	97.42%
Exports	-	-	2.42%
<b>Sale of Services</b>	0.16%	-	0.11%
<b>Other operating Income</b>	-	0.06%	0.05%
<b>Total Revenue from Operation</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

#### Other Income

Other operating revenue consists of Interest Income, Discount received, Commission Income and other miscellaneous income.

(Rs. In Lakhs)

Particulars	As at March 31		
	2019	2018	2017
Interest Income	258.48	48.77	74.46
other non operating income	2.16	58.38	9.85
Profit/(Loss) on Sale of Asset	-	-	-
Exchange Fluctuation	-	-	12.54
<b>Total Other Income</b>	<b>260.63</b>	<b>107.15</b>	<b>96.85</b>

The following is the other income mix in terms of percentage of other income of our Company for other incomes:

Particulars	As at March 31		
	2019	2018	2017
Interest Income	99.17%	45.52%	76.88%
Other non operating income	0.83%	54.48%	10.17%
Profit/(Loss) on Sale of Asset	-	-	-
Exchange Fluctuation	-	-	12.95%
<b>Total Other Income</b>	<b>100%</b>	<b>100%</b>	<b>100.00%</b>

### *Main Components of our Revenues*

#### **Income**

Our total income comprises of revenue from operations and other income.

#### *Revenue from Operations*

Revenue from Operations includes income from sales of goods and services. Our revenue from operations as a percentage of total income was 98.80%, 99.56% and 99.59% in fiscals 2019, 2018 and 2017 respectively.

#### *Other Income*

Our other income includes Interest Income, Discount received, Commission Income and other miscellaneous income. Other income, as a percentage of total income was 1.20 %, 0.44% and 0.41 % in fiscals 2019, 2018 and 2017 respectively.

#### **Expenditure**

Our total expenditure primarily consists of (i) Cost of Material Consumed (ii) Purchase of Stock in Trade and Change in Inventories (iii) Employee Benefit Expenses (iv) Finance Cost (v) Depreciation and Amortization and (vi) Other Expenses.

The following table sets forth our expenditure in Rupees and as a percentage of our total revenue for the periods indicated:

(Rs. in Lakhs)

Particulars	For the Year Ended March 31,		
	2019	2018	2017
<b>EXPENDITURE</b>			
Cost of Material Consumed	3,301.21	100.53	3,534.31
As a % of Total Revenue	15.18%	0.41%	14.80%
Purchase of Stock in Trade and Change in Inventories	18,121.14	24,127.48	19,948.46
As a % of Total Revenue	83.34%	99.23%	83.53%
Employee benefit expenses	75.72	45.13	45.67
As a % of Total Revenue	0.35%	0.19%	0.19%
Finance costs	70.20	13.16	43.64

As a % of Total Revenue	0.32%	0.05%	0.18%
Depreciation & Amortization	35.91	37.98	46.98
As a % of Total Revenue	0.17%	0.16%	0.20%
Other expenses	175.82	68.04	376.06
As a % of Total Revenue	0.81%	0.28%	1.57%
<b>Total Expenditure</b>	<b>21,780.00</b>	<b>24,392.32</b>	<b>23,995.12</b>

### *Main Components of our Expenditure*

#### *Cost of Material Consumed*

Cost of Material Consumed accounted for 15.18%, 0.41% and 14.80% of our total revenue for the financial year ended on March 31, 2019, 2018 and 2017 respectively. The major raw material used is copper scrap and ingots.

#### *Purchase of Stock in Trade and Change in Inventories*

Purchase of Stock in trade and Change in Inventories accounted for 83.34%, 99.23% and 83.53% of our total revenue for the financial year ended on March 31, 2019, 2018 and 2017 respectively. The major purchases committed of copper wire rods, wires, ingots and cathode.

#### *Employee Benefit Expenses*

Expenses in relation to employees' remuneration and benefits include salary to Directors, wages allowances and bonus, contribution to Provident and other funds, staff welfare expenses etc. Employee benefit expenses accounted for 0.35%, 0.19% and 0.19% of our total revenue for the financial year ended as on March 31, 2019, 2018 and 2017 respectively.

#### *Finance Cost*

Finance Cost primarily consists of Bank Charges, Interest on cash credit and other borrowing charges. Our finance costs accounted for 0.32%, 0.05% and 0.18% of our total revenue for the financial year ended as on March 31, 2019, 2018 and 2017 respectively.

#### *Depreciation & Amortization*

Depreciation primarily consists of depreciation on the tangible assets of our Company which primarily includes Building, Electric Installation, Furniture and fixtures, Computers and Office Equipment, Plant & Machinery, Tools and Dies, Vehicles, Crane and Amortization is on intangible assets of our company which primarily includes Software. It is provided using the written down value method as per the useful lives of assets estimated by the management or at the rates as per the useful life prescribed under Schedule II of the Companies Act, 2013. Our depreciation and amortization expense accounted for 0.17%, 0.16% and 0.20% of our total revenue for the financial year ended as on March 31, 2019, 2018 and 2017 respectively.

#### *Other Expenses*

Other expenses primarily include Advertisement/ Business Promotion Expenses, Commission Expenses, Consumable Expenses, Conveyance & Travelling Expenses, Custom Duty Expense, Export Sale Expenses, Food & Kitchen Expenses, Freight & Cartage, General Expenses, House Keeping Expenses, Import Expenses, Indirect Taxes Paid, Insurance, Job Work Expenses, Legal and professional charges, MCX M2M Trading Loss, Power & Fuel, Rent, Rates And Taxes, Repairs & Maintenance, Telephone & Postage Expenses, Vehicle Running Expenses and Advances w/off etc. Other expenses accounted for 0.81%, 0.28%, and 1.57% of our total revenue for the financial year ended as on March 31, 2019, 2018 and 2017 respectively.

### Statement of profits and losses

The following table sets forth, for the fiscal years indicated, certain items derived from our Company's audited restated financial statements, in each case stated in absolute terms and as a percentage of total sales and/or total revenue.

(Rs. in Lakhs)

Particulars	For the Year Ended March 31,		
	2019	2018	2017
<b>Income</b>			
Revenue from Operations	21,483.67	24,206.33	23,784.31
Increase/Decrease in %	-11.25%	1.77%	NA
Other Income	260.63	107.15	96.85
Increase/Decrease in %	143.24%	10.64%	NA
<b>Total Revenue</b>	<b>21,744.30</b>	<b>24,313.48</b>	<b>23,881.16</b>
<b>EXPENDITURE</b>			
Cost of Material Consumed	3,301.21	100.53	3,534.31
As a % of Total Revenue	15.18%	0.41%	14.80%
Purchase of Stock in Trade and Change in Inventories	18,121.14	24,127.48	19,948.46
As a % of Total Revenue	83.34%	99.23%	83.53%
Employee benefit expenses	75.72	45.13	45.67
As a % of Total Revenue	0.35%	0.19%	0.19%
Finance costs	70.20	13.16	43.64
As a % of Total Revenue	0.32%	0.05%	0.18%
Depreciation and Amortization	35.91	37.98	46.98
As a % of Total Revenue	0.17%	0.16%	0.20%
Other expenses	175.82	68.04	376.06
As a % of Total Revenue	0.81%	0.28%	1.57%
<b>Total Expenditure</b>	<b>21,780.00</b>	<b>24,392.32</b>	<b>23,995.12</b>
As a % of Total Revenue	100.16%	100.32%	100.48%
<b>Profit/(Loss) Before Exceptional &amp; Extraordinary items and tax</b>	<b>(35.70)</b>	<b>(78.84)</b>	<b>(113.97)</b>
As a % of Total Revenue	(0.16)%	(0.32)%	(0.48)%
Exceptional Items (Income)/Expenditure	(387.98)	(111.77)	-
As a % of Total Revenue	(1.78)%	(0.46)%	-
Extraordinary Items (Income)/Expenditure	-	-	-
As a % of Total Revenue	-	-	-
<b>Profit/(Loss) before tax</b>	<b>352.28</b>	<b>32.93</b>	<b>(113.97)</b>
<b>PBT Margin</b>	<b>1.62%</b>	<b>0.14%</b>	<b>(0.48%)</b>
<b>Tax expense:</b>			
(i) Current tax	70.89	6.66	10.72
(ii) Deferred Tax	(0.92)	(1.51)	(2.17)

(iii) Deferred Tax Liability/(Assets)	-	-	-
<b>Total</b>	<b>69.97</b>	<b>5.15</b>	<b>8.55</b>
As a % of Total Revenue	0.32%	0.02%	0.04%
<b>Profit for the year</b>	<b>282.31</b>	<b>27.78</b>	<b>(122.52)</b>
<b>PAT Margin</b>	<b>1.30%</b>	<b>0.11%</b>	<b>(0.51)%</b>
<b>Cash Profit</b>	<b>318.22</b>	<b>65.76</b>	<b>(75.54)</b>
<b>Cash Profit Margin</b>	<b>1.46%</b>	<b>0.27%</b>	<b>(0.32)%</b>

#### *Provision for Tax*

Income taxes are accounted for in accordance with Accounting Standard – 22 on “Accounting for Taxes on Income” (“AS-22”), prescribed under the Companies (Accounting Standards) Rules, 2006. Our Company provides for current tax as well as deferred tax, as applicable.

Provision for current taxes is made at the current tax rates after taking into consideration the benefits available to our Company under the provisions of the Income Tax Act, 1961.

Deferred tax arises from the timing differences between book profits and taxable profits that originate in one period and are capable of reversal in one or more subsequent periods and is measured using the tax rates and laws applicable as of the date of the financial statements. Our Company provides for deferred tax asset / liability on such timing differences subject to prudent considerations in respect of deferred tax assets.

**The following table presents the details of our Company’s trade receivables:**

(Rs. in Lakhs)

Particulars	As at March 31		
	2019	2018	2017
<b>Unsecured and Considered Good</b>			
Outstanding for a period not exceeding six months	833.48	178.51	2,379.94
As a % of total Trade receivables	96.06%	54.34%	91.85%
Outstanding for a period exceeding six months			
- Considered Good	34.15	150.01	211.31
- Considered Doubtful	-	-	-
As a % of total Trade receivables	3.94	45.66	8.15
Less: Provision for doubtful debts	-	-	-
<b>Total Trade receivables</b>	<b>867.63</b>	<b>328.52</b>	<b>2,591.25</b>
Avg. Trade receivables	598.08	1,459.89	1,295.63
Trade receivables Turnover Ratio	24.76	73.68	9.18
Average Collection Period (in days)	14.74	4.95	39.77

## **FISCAL YEAR ENDED MARCH 31, 2019 COMPARED WITH THE FISCAL YEAR ENDED MARCH 31, 2018**

### **Income**

Total revenue Decreased by Rs.2,569.18 Lakhs and 10.57% from Rs. 24,313.48 Lakhs in the fiscal year ended March 31, 2018 to Rs. 21,744.30 Lakhs in the fiscal year ended March 31, 2019. The revenue has decreased due to overall sluggish conditions.

### **Expenditure**

Total Expenditure decreased by Rs. 2612.32 Lakhs and 10.71%, from Rs. 24,392.32 Lakhs in the fiscal year ended March 31, 2018 to Rs. 21780 Lakhs in the fiscal year ended March 31, 2019. Overall expenditure has decreased mainly due to Purchase of Stock in trade & Change in Inventories related to the decrease in operations.

### **Cost of Material Consumed**

The Cost of Material Consumed increased by Rs.3,200.68 Lakhs and 3,183.81% from Rs. 100.53 Lakhs in the fiscal year ended March 31, 2018 to Rs. 3,301.21 Lakhs in the fiscal year ended March 31, 2019. Cost of Material Consumed has increased due to increase in production in comparison to the last financial year.

### **Purchase of Stock in Trade and Change in Inventories**

The Purchase of Stock in Trade and Change in Inventories decreased by Rs.6006.34 Lakhs and 24.89% from Rs. 24,127.48 Lakhs in the fiscal year ended March 31, 2018 to Rs. 18,121.14 Lakhs in the fiscal year ended March 31, 2019. The Purchases have reduced due to decrease in business activity.

### **Employee Benefit Expenses**

Employee Benefit Expenses in terms of value and percentage increased by Rs. 30.59 Lakhs and 67.78% from Rs. 45.13 Lakhs in the fiscal year ended March 31, 2018 to Rs. 75.72 Lakhs in the fiscal year ended March 31, 2019. Employees cost has increased due to increase in Director's Remuneration, general increment in salaries & wages, accommodate of staff of merged companies, contribution to provident & other funds.

### **Finance Costs**

Finance Costs increased by Rs. 57.04 Lakhs and 433.43% from Rs. 13.16 Lakhs in the fiscal year ended March 31, 2018 to Rs. 70.20 Lakhs in the fiscal year ended March 31, 2019. Finance Costs has increased mainly due to increase in Interest on borrowings, Bank Charges and other borrowing charges.

### **Depreciation and Amortization**

Depreciation and Amortization in terms of value decreased by Rs.2.07 Lakhs and 5.45% from Rs. 37.98 Lakhs in the fiscal year ended March 31, 2018 to Rs. 35.91 Lakhs in the fiscal year ended March 31, 2019. Decrease in minimal.

### **Other Expenses**

Other Expenses in terms of value and percentage increased by Rs. 107.78 Lakhs and 158.41% from Rs. 68.04 Lakhs in the fiscal year ended March 31, 2018 to Rs. 175.82 Lakhs in the fiscal year ended March 31, 2019. Other Expenses have increased mainly due to increase in Commission Expenses, Conveyance & Travelling Expenses, Food & Kitchen Expenses, Freight & Cartage, House Keeping Expenses, Job Work Expenses, MCX M2M Trading Loss, Power & Fuel, Rent, Rates and Taxes, Repairs & Maintenance, Telephone & Postage Expenses and Vehicle Running Expenses.

**Profit/Loss before exceptional & extraordinary items and Tax**

Loss before exceptional & extraordinary items and Tax has decreased by Rs. 43.14 Lakhs and 54.72% from Rs. (78.84) Lakhs in the fiscal year ended March 31, 2018 to Rs. (35.70) Lakhs in the fiscal year ended March 31, 2019. Profit before exceptional & extraordinary items and Tax has decreased due to decrease in revenue & Margins.

**Net Profit after Tax and Extraordinary items**

Net Profit has increased by Rs. 254.53 Lakhs and 916.23% from profit of Rs. 27.78 Lakhs in the fiscal year ended March 31, 2018 to profit of Rs. 282.32 Lakhs in the fiscal year ended March 31, 2019. Net Profit has increased due to increase in other income.

**FISCAL YEAR ENDED MARCH 31, 2018 COMPARED WITH THE FISCAL YEAR ENDED MARCH 31, 2017****Income**

Total revenue increased by Rs. 432.32 Lakhs and 1.81%, from Rs. 23,881.15 Lakhs in the fiscal year ended March 31, 2017 to Rs. 24,313.49 Lakhs in the fiscal year ended March 31, 2018. The revenue has marginally increased due to increase in domestic sales in comparison to the last financial year.

**Expenditure**

Total Expenditure increased by Rs. 397.20 Lakhs, and 1.66%, from Rs. 23995.12 Lakhs in the fiscal year ended March 31, 2017 to Rs. 24392.32 Lakhs in the fiscal year ended March 31, 2018. Overall expenditure has increased mainly due to Purchase in stock in trade & Change in Inventories.

**Cost of Material Consumed**

The Cost of Material Consumed decreased by Rs.3,433.78 Lakhs and 97.16% from Rs.3534.31 Lakhs in the fiscal year ended March 31, 2017 to Rs. 100.53 Lakhs in the fiscal year ended March 31, 2018. Cost of Material Consumed has decreased due to decrease in production as trading was more viable.

**Purchase of Stock in Trade and Change in Inventories**

The Purchase of Stock in Trade and change in inventories increased by Rs.4179.02 Lakhs and 20.95% from Rs. 19,948.46 Lakhs in the fiscal year ended March 31, 2017 to Rs. 24,127.48 Lakhs in the fiscal year ended March 31, 2018. The Purchases increased in line with increase in Sales.

**Employee Benefit Expenses**

Employee benefit expenses decreased by Rs. 0.54 Lakhs and 1.18% from Rs. 45.67 Lakhs in the fiscal year ended March 31, 2017 to Rs. 45.13 Lakhs in the fiscal year ended March 31, 2018. Employees cost has decreased due to decrease in number of personnel.

**Finance Costs**

Finance Costs decreased by Rs. 30.48 Lakhs and 69.84% from Rs. 43.64 Lakhs in the fiscal year ended March 31, 2017 to Rs. 13.16 Lakhs in the fiscal year ended March 31, 2018. Finance Costs has decreased mainly due to decrease in Interest on borrowings and other borrowing costs.

**Depreciation and Amortization**

Depreciation and Amortization in terms of value and percentage decreased by 9 Lakhs and 19.16% from Rs. 46.98 Lakhs in the fiscal year ended March 31, 2017 to Rs. 37.98 Lakhs in the fiscal year ended March 31, 2018. Decrease in Depreciation is due to lower charge as per the WDV Method.

### Other Expenses

Other Expenses decreased by Rs. 308.02 Lakhs and 81.91% from Rs. 376.06 Lakhs in the fiscal year ended March 31, 2017 to Rs.68.04 Lakhs in the fiscal year ended March 31, 2018. Other Expenses have decreased mainly due to decrease in Advertisement/ Business Promotion Expenses, Commission Expenses, Consumable Expenses, Conveyance & Travelling Expenses, Custom Duty Expense, Export Sale Expenses, Freight & Cartage, Import Expenses, Job Work Expenses, Power & Fuel, Repairs & Maintenance, Security Guard Expenses and Telephone & Postage Expenses. Also write off of advance of Rs 140 lakhs in FY 2017 has impacted the reduction.

### Profit/Loss before exceptional & extraordinary items and Tax

Loss before exceptional & extraordinary items and Tax has reduced by Rs. 35.13 Lakhs and 30.82% from Rs. (113.97) Lakhs in the fiscal year ended March 31, 2017 to Rs. (78.84) Lakhs in the fiscal year ended March 31, 2018. Profit before exceptional & extraordinary items and Tax has decreased due to decrease in overall margins and write off.

### Net Profit after Tax and Extraordinary items

Net Profit has increased by Rs. 150.30 Lakhs and 122.67% from loss of Rs. 122.52 Lakhs in the fiscal year ended March 31, 2017 to profit of Rs. 27.78 Lakhs in the fiscal year ended March 31, 2018. Net Profit has increased due to profit on sale of Land & Building.

## CASH FLOWS

(Rs. In Lakhs)

Particulars	Year ended March 31,		
	2019	2018	2017
Net Cash from Operating Activities	(3319.99)	551.91	196.82
Net Cash from Investing Activities	(409.45)	176.45	72.85
Net Cash from Financial Activities	3548.70	(658.96)	(356.93)

### Cash Flows from Operating Activities

Net cash generated from operating activities in fiscal 2019 was negative Rs. 3319.99 lakhs as compared to the PBT of Rs. 352.29 lakhs for the same period. This difference is primarily on account of changes in inventory, trade receivables, loans & advances, trade payables, transfer of assets & liabilities pursuant to merger of 3 group companies and other current liabilities and provisions.

Net cash generated from operating activities in fiscal 2018 was Rs. 551.91 lakhs as compared to the PBT of Rs. 32.93 lakhs for the same period. This difference is primarily on account of changes in inventory, trade receivables, loans & advances, trade payables and other current liabilities and provisions.

Net cash flow from operating activities in fiscal 2017 was negative Rs. 196.82 lakhs as compared to the PBT of Rs. 26.02 lakhs for the same period. This difference is primarily on account of changes in inventory, trade receivables, loans & advances, other current assets, trade payables and other current liabilities and provisions.

### Cash Flows from Investment Activities

In fiscal 2019, the net cash invested in Investing Activities was negative Rs.409.45 lakhs. This was mainly on account of interest received, Increase in Investment, Purchase of fixed Assets, Profit on sale of Investment.

In fiscal 2018, the net cash invested in Investing Activities was Rs.176.45 lakhs. This was mainly on account of interest received, Purchase & Sale of fixed assets and Profit on Sale of fixed assets.

In fiscal 2017, the net cash invested in Investing Activities was Rs. 72.85 lakhs. This was mainly on account of interest received, Decrease in Investments, Purchase & Sale of fixed assets.



### *Cash Flows from Financing Activities*

Net cash from financing activities in fiscal 2019 was Rs. 3548.70 lakhs. This was on account of Interest and Finance Charges, proceeds from borrowings and issue of share capital.

Net cash from financing activities in fiscal 2018 was negative Rs. 658.96 lakhs. This was on account of Interest and Finance Charges, repayment of borrowings.

Net cash from financing activities in fiscal 2017 was negative Rs. 356.93 lakhs. This was on account of Interest and Finance Charges, repayment of borrowings.

## **OTHER MATTERS**

### **1. Unusual or infrequent events or transactions.**

Except as described in this Prospectus, during the periods under review there have been no transactions or events, which in our best judgment, would be considered unusual or infrequent.

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

Other than as described in the section titled “*Risk Factors*” beginning on page 28 of this Prospectus respectively, to our knowledge there are no known significant economic changes that materially affected or are likely to affect income from continuing operations.

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

Other than as described in the section titled “*Risk Factors*” beginning on page 28 of this Prospectus respectively to our knowledge there are no known trends or uncertainties that have or had or are expected to have a material adverse impact on revenues or income of our Company from continuing operations.

### **4. Future relationship between Costs and Income.**

Our Company’s future costs and revenues will be determined by economic activity & government policies and consumer preferences.

### **5. The extent to which material decreases in net revenue are due to decrease in sale of our products.**

Increase in revenues is by and large linked to increase in volume of business activities carried out by the Company.

### **6. Total turnover of each major industry segment in which the issuer company operates.**

The Company is operating in Metal Industry & Hotel Industry. Relevant industry data, as available, has been included in the chapter titled “*Our Industry*” beginning on page 103 of this Prospectus.

### **7. Status of any publicly announced new products or business segments.**

Our Company has not announced any new products or segment, other than through this Draft Prospectus.

### **8. The extent to which the business is seasonal.**

Our Company business is not seasonal in nature.

### **9. Any significant dependence on a single or few clients.**

Our business is significantly dependent on few customers. Top 10 customers contributed 90.84 % of our total sale for the year ended March 31, 2019.

**10. Competitive Conditions.**

We face competition from existing and potential Manufacturer/Traders which is common for metal business. We have, over a period of time, developed certain competitive strengths which have been discussed in section titled “Our Business” on page 112 of this Prospectus.

### CAPITALISATION STATEMENT

(Rs. In Lakhs)

Sr. No.	Particulars	Pre issue	Post issue
	<b>Debts</b>		
<b>A</b>	Long Term Debt	-	-
<b>B</b>	Short Term Debt	-	-
<b>C</b>	<b>Total Debt</b>	-	-
	<b>Equity Shareholders Funds</b>		
	Equity Share Capital	1,042.74	1,418.33
	Reserves and Surplus	5,046.32	5,722.40
<b>D</b>	<b>Total Equity</b>	<b>6,089.06</b>	<b>7,140.73</b>
<b>E</b>	<b>Total Capitalization</b>	<b>6,089.06</b>	<b>7,140.73</b>
	Long Term Debt/Equity Ratio (A/D)	-	-
	Total Debt/Equity Ratio (C/D)	-	-

## FINANCIAL INDEBTEDNESS

Our Company avails loans and bank facilities in the ordinary course of its business. As on date such loans are primarily for business expansion and working capital requirements. Our Company has obtained necessary consents required under relevant loan documentations for undertaking the Initial Public Issue including for change in its capital structure, shareholding pattern and amendment to its constitutional documents.

Pursuant to a resolution dated May 08, 2019 passed by our shareholders, our Board has been authorized to borrow any sum or sums of monies for and on behalf of our Company, from time to time provided that the sum or sums of monies so borrowed together with monies, if any, already borrowed by our Company (apart from the temporary loans obtained from our Company's bankers in the ordinary course of business) will or may exceed the aggregate of the paid up capital of the Company, its free reserves and securities premium provided further that the total amount up to which the monies may be borrowed shall not exceed Rs. 5000.00 Lakhs at any point of time.

### FINANCIAL INDEBTEDNESS OF OUR COMPANY\*

Our Company, apart from the other parties, has given a corporate guarantee in favor of B.C. Power Controls Limited, one of our group company, for availing various credit facilities aggregating to Rs. 2495.00 Lakhs from Bank of India, the details of which are mentioned hereunder:

**The detail of indebtedness of our Company as at December 31, 2019 is provided below:**

#### 1. Financial Indebtedness from Bank of India.

Particulars	
Date of Creation of Charge	December 21, 2012
Charge Holder	Bank of India, 66, Janpath, New Delhi- 110001
Charge Amount (Rs. In Lakhs)	2495.00
Bank Guarantee in favor of	BG (Given in favor of B.C. Power Controls Limited)
Limit (Rs. In Lakhs)	2495.00

*\*Charge modification form is yet to be filed.*

#### 1: Facility

Nature of Facility	Sanctioned Limits	Margin (%)	Rate of Interest
<b>WC Fund Based Limits</b>			
PCL	Rs. 1000.00 Lakhs	25%	
Cash Credit	Rs. 1200.00 Lakhs	25% / 40%	8.30% + BSS i.e. 0.30% + CRP i.e. 3.00% i.e. 11.60% pa with monthly rests
FBP/FBD-DP/DA	Rs. 1000.00 Lakhs	10%	
Total / Max	Rs. 2200.00 Lakhs		
<b>Non Fund Based Limits</b>			
LC-I/F (DP/DA)	Rs. 600.00 Lakhs	25%	
BG (I)	Rs. 100.00 Lakhs	25%	

**Primary Security for the above facilities:**

Sr. No.	Facility	Primary Security
1.	WC Fund Based Limits	1. Hypothecation of Stocks, Book Debts, charge on documents of title to the goods;
2.	Non-Fund Based Limits	2. Pledge of TDR @15% as margin for Buyers credit and @25% as margin for Bank Guarantee.

**Collateral Security for the above facilities:**

Sr. No.	Facility	Collateral Security
1.	WC Fund Based Limits	1. Equitable Mortgage of Industrial immovable Property at E424,RIICO Industrial Area, Chaupanki, Bhiwadi, Rajasthan in the name of B. C. Power Controls Limited.
2.	Non-Fund Based Limits	2. Equitable Mortgage of residential property Basement, Ground Floor and First Floor at Plot No. 10, Block 6B, Northern Extension Area, Old Rajinder Nagar, New Delhi- 110060 in the name of Shri Arun Kumar Jain. 3. Hypothecation of Plant and Machinery.

**\*Following are the other guarantors for the above facilities:**

Sr. No.	Type of guarantee	Name of the Guarantor	Relationship with the Company
1.	Personal	Mr. Arun Kumar Jain	Promoter & Director
2.		Mrs. Smita Jain	Non-Executive Director
3.		Mr. Harshit Jain	Relative of Director
4.	Corporate	Vinco Metals Private Limited	Group Company
5.		Harshit Infratech Private Limited	Group Company

**Other General Conditions are:**

1. The Company to submit an undertaking to improve its liquidity position by way of improvement in collection policy and realization of receivables having long outstanding or by way of infusion of funds in the business in the form of equity/quasi Capital;
2. Company to submit cash flow statement on quarterly basis to ensure capacity of company to liquidate its current liabilities within time so as to avoid any cash flow mismatch in future;
3. Drawing Power allowed only against paid stocks and Book Debts upto 90 days tenor;
4. PCL Limits shall be allowed only against LCs opened by acceptable Prime Banks and confirmed export orders from overseas buyers.
5. The Company shall submit age-wise breakup of debtors with name and address;
6. Company to submit separate stock statement for cash credit and EPC;
7. Company to submit an undertaking that incase the MTM exceeds the limit, the company to provide collateral security in the form of TDR for exceeding limit;
8. Company to submit declaration regarding forward contracts booked with other banks, if any;

9. Tenure of forward contracts not to exceed on year;
10. Company must submit duly signed and stamped renewal document;
11. All applicable PPC/ inspection/documentation/ mortgage charges shall be recovered.

#### **DETAILS OF SECURED LOANS**

There are no Secured Loans as on the date of this Prospectus.

#### **UNSECURED LOANS**

There are no unsecured loans as on the date of this Prospectus.

## SECTION VII – LEGAL AND OTHER INFORMATION

### OUTSTANDING LITIGATIONS AND MATERIAL DEVELOPMENTS

*Except as stated below there are no outstanding litigations, suits, criminal or civil prosecutions, proceedings or tax liabilities against/by the Company, its Directors, its Promoters and its Group Companies and there are no defaults, non-payment of statutory dues, over-dues to banks/financial institutions, defaults against banks/financial institutions by the Company, default in creation of full security as per terms of issue/other liabilities, no proceedings initiated for economic/civil/any other offences (including past cases where penalties may or may not have been awarded and irrespective of whether they are specified under Schedule V to the Companies Act, 2013) other than unclaimed liabilities of our Company and no disciplinary action has been taken by SEBI or any stock exchange against the Company, its Promoters, its Directors and Group Companies*

*Further, except as stated herein, there are no past cases in which penalties have been imposed on the Company, its Promoters, its Directors or its Group Companies, and there is no outstanding litigation against any other Company whose outcome could have a material adverse effect on the position of the Company. Further, there are no cases of litigation, defaults etc. in respect of companies/firms/ventures with which the Promoters were associated in the past but are no longer associated, in respect of which the name(s) of the Promoters continues to be associated.*

*Further, apart from those as stated below, there are no show-cause notices / claims served on the Company, its Promoters, its Directors or its Group Companies from any statutory authority / revenue authority that would have a material adverse effect on our business.*

*Further, no outstanding details of any other pending material litigation which are determined to be material as per a policy adopted by our Board (“Material Policy”), in each case involving our Company, Promoters, Directors and Group Companies.*

*Our Board, in its meeting held on July 02, 2019 has considered and adopted a policy of materiality for identification of material litigation involving our Company, Directors, Promoters and Group Companies:*

*In terms of the Materiality Policy, all pending litigation involving our Company, Directors, Promoters and Group Companies, other than the criminal proceedings, action by regulatory authorities and statutory authorities, disciplinary action including penalty imposed by SEBI or stock exchanges against the Promoters in the last five Fiscals including outstanding action and tax matters would be considered as ‘material ‘ if:*

- a. the aggregate amount involved in such individual litigation exceeds 5% of the Company’s consolidated net profit as per the last audited financial statements or where the decision in one litigation is likely to affect the decision in similar litigations, even though the amount involved in such single litigation individually*
- b. dues to creditors in excess of 5% of the Company’s consolidated net profit as per the last audited financial statements.*
- c. any such litigation wherein the monetary liability is not quantifiable but which is expected to be material from the perspective of the Company’s business, operations, prospects or reputation.*

*Except as stated in this section, there are no Outstanding Material Dues to Creditors, or outstanding dues to small scale undertakings and other creditors. Also, unless otherwise stated to the contrary, the information related to the outstanding litigations provided is as of the date of this Prospectus.*

## 1. LITIGATION RELATING TO OUR COMPANY

### Cases filed by our Company

Sr. No.	Parties	Court/Case No./Judge	Case Details	Amount involved (Rs. In Lakhs)	Current Status
1	Harshit Infratech Private Limited* v/s Kapil Arora	Metropolitan Magistrate, Tis Hazari Court. CNR Number: DLCT020026182015	Cases filed for dishonor of cheque for insufficiency of funds in the account under Section 138 of Negotiable Instruments Act, 1881.	0.65	<b>Next Hearing:</b> July 18, 2020
2	Bonlon Steels Private Limited v/s Lakshmi Precision Screws Limited	Metropolitan Magistrate, Patiala House Court CNR Number: DLND020178242018		200.00	<b>Next Hearing:</b> August 20, 2020

\*Harshit Infratech Private Limited got amalgamated with Bonlon Industries Limited pursuant to the Order of the Hon'ble National Company Law Tribunal, Principal Bench, New Delhi dated June 13, 2018;

### Case filed against our Company

Nil

### Cases pending with Tax Authorities

#### **Details of outstanding demand in respect of Income Tax:**

Nil

#### **Details of outstanding demand in respect of TDS:**

Negligible as on June 08, 2020 for various assessment years.

#### **Detail of cases pending with GST authority:**

- On December 19, 2018, our Company received a summon from the Office of the Commissioner Central Tax, GST, (Delhi East) under section 70 of the CGST Act, 2017 wherein an inspection under section 67 of the CGST Act, 2017 was initiated against our Company and Mr. Arun Kumar Jain, Promoter & Director, was asked to appear before the Commissioner of Central Tax. In the process, some of the files of the Company were seized by the Inspector. The litigation proceedings are going on and any liability would crystallize on the finalization of assessment by the GST authorities.
- Our Company has received a show cause notice bearing F. No. V(1)4631AR/Gr-2/BHD/2017-18/196 dated June 01, 2020 from the Office of Deputy/Assistant Commissioner, Central Goods and Services Tax Division-C, Alwar, Rajasthan which states that our Company had short paid the Central Excise duty amounting to Rs. 2.64 lakhs on clearance made to related party during the period from July 2016 to December 2017. A reply for the same shall be filed soon.



• **Others:**

Sr. No.	Parties	Court/Case No./Judge	Case Details	Amount involved (Rs. In Lakhs)	Current Status
	• Hind Tradex Limited Vs. Lakshmi Precision Screws Limited	National Company Law Tribunal, Chandigarh Bench	Our Company being one of the financial creditors of Lakshmi Precision Screws Limited, has submitted its claim in the matter of the insolvency of the latter. The said claim dated August 06, 2018 has been filed in Form C under Regulation 8 of the Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) Regulations, 2016 to Mr. Deepak Thukral (Regn. No. IBBI/IPA-002/IP-N00182/2017-18/10453), the Insolvency Resolution Professional in this case.	206.68	<b><u>Next Hearing:</u></b> July 10, 2020

**2. LITIGATIONS RELATING TO THE PROMOTER OF OUR COMPANY**

**Cases filed by our Promoters**

Sr. No.	Parties	Court/Case No./Judge	Case Details	Amount involved (Rs. In Lakhs)	Current Status
1.	Arun Kumar Jain. v/s Lakshmi Precision Screws Ltd	Metropolitan Magistrate, Patiala House Court	Case filed for dishonor of cheque for insufficiency of funds in the account under Section 138 of Negotiable Instruments Act, 1881.	8.50	<b><u>Next Hearing:</u></b> August 20, 2020

**Cases filed against our Promoters**

Nil

**Case Pending with Tax Authorities**

- **Mr. Arun Kumar Jain**

**Details of outstanding demand in respect of Income Tax:**

A.Y.	Section	Amount (Rs. in Lakhs)
2005-06	143(1)	0.26
2012-13	143(3)	0.19

- Mr. Arun Kumar Jain received a notice under section 226(3) of the Income Tax Act, 1961 for the recovery proceedings against Mr. Abid Ali, Proprietor, M/s Himachal Trading Company, Bulandshahr from A.Y. 2009-10 to 2012-13 in which it was requested by the Department not to pay the outstanding Advances or unsecured loans amounting to Rs. 2,902.53 without prior intimation to the Department.

**Others:**

Sr. No.	Parties	Court/Case No./Judge	Case Details	Amount involved (Rs. In Lakhs)	Current Status
1	Hind Tradex Limited Vs. Lakshmi Precision Screws Limited	National Company Law Tribunal, Chandigarh Bench	Our Promoter being one of the financial creditors of Lakshmi Precision Screws Limited has submitted his claim in the matter of the insolvency of the latter. The said claim dated August 06, 2018 has been filed in Form C under Regulation 8 of the Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) Regulations, 2016 to Mr. Deepak Thukral (Regn.No. IBBI/IPA-002/IP-N00182/2017-18/10453), the Insolvency Resolution Professional in this case.	8.68	<b><u>Next Hearing:</u></b> July 10, 2020

**3. LITIGATIONS RELATING TO THE DIRECTORS OTHER THAN PROMOTERS OF THE COMPANY**

**Cases filed against the Directors**

Nil

**Cases filed by the Directors**

Nil

**Case Pending with Tax Authorities**

- Mrs. Smita Jain

**Details of outstanding demand in respect of Income Tax:**

A.Y.	Section	Amount (Rs. in Lakhs)
2005-06	143(1)	0.37
2013-14	143(1)(a)	0.30
2019-20	143(1)(a)	1.21

**4. LITIGATIONS RELATING TO THE GROUP COMPANY/ENTITY**

**Cases Filed against our Group Company/Entity**

Nil

**Cases Filed by our Group Company/Entity**

- B.C. Power Controls Limited

The Company has lodged a FIR under Section 397/394/34 of Indian Penal Code, 1860 bearing no 0292 and dated 09.09.2018 at the G.T.B. Enclave Police Station against a robbery that took place at the Godown of the Company located at 488-D1, Dilshad Garden, New Delhi- 110095 on September 09, 2018. Following goods were robbed in such incident:

1. Automobiles and others
2. Electrical and Electronics Goods including LCD, Copper Scraps

The Metropolitan Magistrate, Karkardooma Court, Delhi in their order dated February 22, 2019 stated the recovery of the said articles along with Cash from two people. The Order was passed to return the abovementioned robbed articles to the Company but the accused has claimed that the cash that was recovered does not belong to the complainant company. The matter stands adjourned and the charge sheet is yet to be filed as the recovered cash has been seized by the Court till the disposal of the case.

- Bon Lon Securities Limited

Sr. No.	Parties	Court/Case No./Judge	Case Details	Amount involved (Rs. In Lakhs)	Current Status
1	Bon Lon Securities Limited Vs. ICRI Research Private	High Court, Delhi CO.PET.861/2015	The Company has filed the petition under section 433 read with 434 of the Companies Act, 1956	7.30	Adjourned for Sine Dine.

	Limited		seeking the winding up of the respondent for non-payment of the principal amount. The Official liquidator has been appointed in this case.		
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**Cases Pending with Tax Authorities**

- **B.C. Power Controls Limited**

**Details of outstanding demand in respect of Income Tax:**

A.Y.	Section	Amount (Rs. in Lakhs)
2012-13	143(3)	0.90*

*\*Response had been submitted by the Company on May 25, 2016 and the final order is still awaited.*

**Detail of cases pending with GST authority:**

- On December 19, 2018, the Company received a summon from the Office of the Commissioner Central Tax, GST, (Delhi East) under section 70 of the CGST Act, 2017 wherein an inspection under section 67 of the CGST Act, 2017 was initiated against the Company and Mr. Arun Kumar Jain, Promoter & Director, was asked to appear before the Commissioner of Central Tax. In the process, some of the files of the Company were seized by the Inspector. Another summon was issued on July 10, 2019, in which the Company was asked to submit certain documents and that have been submitted before the Superintendent, Central Tax- GST (East Delhi). The litigation proceedings are going on and any liability would crystallize on the finalization of assessment by the GST authorities.
- An intimation of tax ascertained as being payable under section 122(1) (vii) of the CGST Act, 2017 read with Section 74(5) having case proceeding reference number IV(6)102/AE/Alwar/2019 was made by the Office of the Commissioner, Central Goods and Service tax, Alwar, Rajasthan. In the said intimation, it was alleged that the company had availed ITC of Rs. 36.95 lakhs on the invoices issued by M/s Bhagwati Impex, Gurgaon which was found to be non-existent proprietary in an investigation conducted by the Additional Commissioner, Central Tax, GST, Gurugram. The Company later on reversed the said ITC. Further, an interest of Rs. 11.30 Lakhs was also imposed to the Company under section 50 of CGST Act, 2017. The Company has filed a reply dated March 16, 2020 in defense to the said intimation where under it has demanded the refund of the ITC of Rs. 36.95 Lakhs.

**Details of outstanding demand in respect of TDS:**

A total demand of Rs. 0.10 Lakhs outstanding in respect of TDS as on June 08, 2020 for various assessment years.

- **Bon-Lon Securities Limited**

**Details of outstanding demand in respect of Income Tax:**

A.Y.	Section	Amount (Rs. in Lakhs)
2016-17	143(1)(a)	0.24

**Details of outstanding demand in respect of TDS:**

A total demand of Rs. 0.01 Lakhs outstanding in respect of TDS as on June 08, 2020 for various assessment years.

- **Bon Lon Private Limited**

Sr. No.	Parties	Court/Case No./Judge	Case Details	Amount involved (Rs. In Lakhs)	Current Status
1	Bon Lon Private Limited v/s Lakshmi Precision Screws Limited And Ors	Metropolitan Magistrate, Patiala House Court  CNR Number: DLND020178232018	Cases filed for dishonor of cheque for insufficiency of funds in the account under Section 138 of Negotiable Instruments Act, 1881.	130.00	<b><u>Next Hearing:</u></b> August 20, 2020

**Details of outstanding demand in respect of Income Tax:**

A.Y.	Section	Amount (Rs. in Lakhs)
2010-11	143(1)(a)	0.73
2016-17	143(1)(a)	1.84

- **Vinco Metals Private Limited**

**Details of outstanding demand in respect of Income Tax:**

Nil

**Details of outstanding demand in respect of TDS:**

A total demand of Rs. 0.02 Lakhs outstanding in respect of TDS as on June 08, 2020 for various assessment years.

**Others:**

Sr. No.	Parties	Court/Case No./Judge	Case Details	Amount involved (Rs. In Lakhs)	Current Status
1	Hind Tradex Limited Vs. Lakshmi Precision Screws Limited	National Company Law Tribunal, Chandigarh Bench	The Company being one of the financial creditors of Lakshmi Precision Screws Limited, has submitted its claim in the matter of the insolvency of the latter. The said claim dated August 06, 2018 has been filed in Form C under Regulation 8 of the Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) Regulations, 2016 to Mr. Deepak Thukral (Regn.No. IBBI/IPA-002/IP-N00182/2017-18/10453), the Insolvency Resolution Professional in this case.	133.75	<b><u>Next Hearing:</u></b> July 10, 2020

**Detail of cases pending with GST authority:**

- **Vaishno Metals and Allied Industries**

The Partnership Firm received a show cause notice F. No. ADJ2-ADJOCE/126/2019-HQ-GST-JMU dated January 14, 2020 from the Office of Commissioner, Central Goods and Services Tax Commissionerate, Jammu (J&K) with respect to irregular/excess self-credit of Central Excise Duty amounting to Rs. 172.85 Lakhs being taken and therefore short paid under Section 11A of the Act by the firm.

The firm has filed a reply dated February 12, 2020 where it has requested to withdraw the said show cause notice as the refund in question was sanctioned by the order of the Hon'ble High Court of Jammu & Kashmir and hence the notice is in violation of such order of the court.

In furtherance of the said matter, an e-personal hearing is scheduled on June 26, 2020.

**5. LITIGATIONS RELATING TO THE DIRECTORS OF GROUP COMPANY/ENTITY**

**Cases filed against the Directors of Group Company**

Nil

**Cases filed by the Directors of Group Company**

Nil

**6. OUTSTANDING DUES TO CREDITORS**

As on December 31, 2019 we had 37 trade creditors aggregating to Rs. 6,826.70 Lakhs.

The Board of Directors of our Company at their meeting held on July 02, 2019, has decided that the creditors of our Company to whom an amount exceeding 5% of the Company's consolidated net profit as per the last audited financial statements was outstanding, were considered material creditors. Based on these criteria, our Company had the following creditors as on December 31, 2019:

<b>Sr. No.</b>	<b>Type of Creditor</b>	<b>Total in numbers</b>	<b>Amount (Rs. in Lakhs)</b>
1.	<b>MSMEs*</b>	1	
	a) Jain Metal Rolling Mills		187.65
2.	<b>Others:</b>	5	
	a) BlueSea Metal Trading Co.		230.09
	b) Himgiri Buildcon and Industries Limited		330.96
	c) Matod Industries Private Limited		154.24
	d) RCI Industries and Technologies Limited		5,551.35
	e) Shri Tirupati Enterprises		181.34
	<b>Total</b>	<b>6</b>	<b>6,635.63</b>

For the complete details about the outstanding over dues to material creditors along with the name and amount involved for each such material creditor, please visit the website of our Company i.e. [www.bonlonindustries.com](http://www.bonlonindustries.com).

**DISCIPLINARY ACTION INCLUDING PENALTY IMPOSED BY SEBI OR STOCK EXCHANGES AGAINST THE PROMOTERS DURING THE LAST 5 FINANCIAL YEARS**

There are no disciplinary actions including penalty imposed by SEBI or Stock Exchanges against the Promoters during the last 5 financial years including outstanding actions.

Except as disclosed elsewhere in audited financial statements of the Company, there have been no material developments that have occurred after the last Balance Sheet Date duly signed by the Board of Directors.

**MATERIAL DEVELOPMENTS**

Except as stated in the chapter titled "*Management's Discussion and Analysis of Financial Conditions and Results of Operations*" beginning on page 213 of this Prospectus, no material developments have taken place after March 31, 2019, the date of the latest balance sheet, that would materially adversely affect the performance of Prospectus of the Company. In accordance with SEBI requirements, our Company and the Lead Manager shall ensure that investors are informed of material developments until such time as the grant of listing and trading permission by the SME Platform of BSE .

We certify that except as stated herein above:

- a. There are no pending proceedings for offences for non-payment of statutory dues by the promoters of the Company.
- b. There are no cases of litigation pending against our Company or against any other Company in which Directors are interested, whose outcome could have a materially adverse effect on the financial position of our Company.
- c. There are no pending litigation against the Promoters/ Directors in their personal capacities and also involving violation of statutory regulations or criminal offences.
- d. There are no pending proceedings initiated for economic offences against the Directors, Promoters, Companies and firms promoted by the Promoters.
- e. There are no outstanding litigation, defaults etc. pertaining to matters likely to affect the operations and finances of the Company including disputed tax liability or prosecution under any enactment.
- f. There are no litigations against the Promoters / Directors in their personal capacity.
- g. The Company, its Promoters and other Companies with which promoters are associated have neither been suspended by SEBI nor has any disciplinary action been taken by SEBI.
- h. The Company, its Promoters and other Companies in which Directors, Promoters are interested has not been declared as wilful defaulters.



## GOVERNMENT AND OTHER STATUTORY APPROVALS

On the basis of the list of material approvals provided below, our Company can undertake the Issue and its current business activities and other than as stated below, no further approvals from any regulatory authority are required to undertake the Issue or continue such business activities. In case, if any of licenses and approvals which have expired; we have either made an application for renewal or are in process of making an application for renewal. Unless otherwise stated, these approvals are valid as of the date of this Prospectus. For further details, in connection with the applicable regulatory and legal framework, kindly refer “Key Industry Regulation and Policies” on page 130 of this Prospectus.

### I. APPROVALS IN RELATION TO THE ISSUE

#### Corporate Approvals

1. Our Board has, pursuant to a resolution passed at its meeting held on May 01, 2019 authorized the Issue.
2. Our shareholders have pursuant to a resolution passed at their meeting May 08, 2019 under Section 62(1)(c) of the Companies Act 2013, authorized the Issue.

#### Approvals from Lenders

1. Our Company has obtained No Objection Certificate for the IPO from Bank of India dated June 15, 2019.

### II. INCORPORATION DETAILS

1. Corporate Identity Number: U27108DL1998PTC097397
2. Certificate of Incorporation dated January 24, 1997 issued by the Registrar of Companies, Jaipur vide CIN U26943RJ1997PTC013187 in the name of Bonlon Steels Private Limited.
3. Certificate dated December 10, 1998 issued by the Registrar of Companies, NCT of Delhi & Haryana vide CIN U27108DL1998PTC097397 pursuant to change of registered office from A-316, Triveni Nagar, Jaipur-302018, Rajasthan to A-48, 1<sup>st</sup> Floor, Wazirpur Industrial Area, Delhi-110052.
4. Fresh Certificate of Incorporation dated February 26, 2019 issued by the Registrar of Companies, NCT of Delhi & Haryana vide CIN U27108DL1998PTC097397 pursuant to the change of name from Bon Lon Steels Private Limited to Bonlon Industries Private Limited.
5. Fresh Certificate of Incorporation dated March 29, 2019 issued by the Registrar of Companies, NCT of Delhi & Haryana vide CIN U27108DL1998PLC097397 pursuant to conversion from private to public company.

### III. APPROVALS/ LICENSES IN RELATION TO THE BUSINESS OF OUR COMPANY

We require various approvals and/ or licenses under various rules and regulations to conduct our business. Some of the material approvals required by us to undertake our business activities are set out below:

#### A. Under Direct and Indirect Laws

Sr. No.	Nature of License / Approvals	Authority	Particulars of License / Approvals	Validity Period	Special conditions, if any
1.	Registration in Income Tax Department	Income Tax Department, Govt. of India	PAN: AAACB6473H	Perpetual	-

Sr. No.	Nature of License / Approvals	Authority	Particulars of License / Approvals	Validity Period	Special conditions, if any
2.	Allotment of Tax Deduction Account Number (TAN)	Income Tax Department, Govt. of India	TAN: DELB07127B	Perpetual	-
3.	Registration under Goods and Service Tax for property situated at 7A/39, WEA, Channa Market, Karol Bagh, Delhi-110005.	Central Board of Indirect Taxes and Customs, Central Excise Division, Delhi	GSTIN:07AAACB6473H2ZN	Perpetual	For services having classification codes: 1. 996332 2. 996331
4.	Registration under Goods and Service Tax for property situated at G1-663, Phase-I Industrial Area, Bhiwadi, Distt. Alwar- 301019	Central Board of Indirect Taxes and Customs, Central Excise Division, Jaipur	GSTIN: 08AAACB6473H1ZM	Perpetual	<ul style="list-style-type: none"> <li>For Goods having the following HSN Codes: 1. 74091900 2. 74081190 3. 74081990 4. 74031900 5. 74031100</li> <li>For transport of goods by road.</li> </ul>
5.	Registration under Goods and Service Tax for property situated at 488-D1, Dilshad Garden, Delhi- 110095.	Central Board of Indirect Taxes and Customs, Central Excise Division, Delhi	GSTIN: 07AAACB6473H1ZO	Perpetual	For Goods having the following HSN Codes: 1. 74081110 2. 74071010 3. 74031200 4. 74091100 5. 74040012
6.	Certificate of Importer-Exporter Code (IEC) for property situated at 7A/39, 12- 1 <sup>st</sup> Floor, WEA, Channa Market, Karol Bagh, Delhi-110005.	Ministry of Commerce and Industry, Office of Jt. Director General of Foreign Trade	IEC Number: 0500033307	Perpetual	-

**B. Under Industrial and Labour Law**

Sr. No.	Nature of License / Approvals	Authority	Particulars of License / Approvals	Validity Period	Special conditions, if any
1.	Registration under Employees Provident Funds and Miscellaneous Provisions Act, 1952 for property situated at 7A/39, WEA, Channa Market, Karol Bagh, Delhi-110005.	Employees Provident Fund Organization, Delhi	EPF Code: DLCPM0043094000	Perpetual	-
2.	Registration under Employees Provident Funds and Miscellaneous Provisions Act, 1952 for property situated at G1-663, Phase-I Industrial Area, Bhiwadi, Distt. Alwar- 301019,	Employees Provident Fund Organization, Jaipur, Rajasthan	EPF Code: RJRAJ0028692000	Perpetual	-
3.	Registration under Employees' State Insurance Act, 1948 for property situated at 7A/39, WEA, Channa Market, Karol Bagh, Delhi-110005	Employees' State Insurance Corporation, Delhi	ESI Code: 11001174830001101	Perpetual	-
4.	Registration under Employees' State Insurance Act, 1948 for property situated at G1-663, Phase-I Industrial Area, Bhiwadi, Distt. Alwar- 301019,	Employees' State Insurance Corporation, Rajasthan	ESI Code: 15000452060000599	Perpetual	-

Sr. No.	Nature of License / Approvals	Authority	Particulars of License / Approvals	Validity Period	Special conditions, if any
5.	Registration under Factories Act, 1948 for property situated at G1-663, Phase-I Industrial Area, Bhiwadi, Distt. Alwar- 301019, Rajasthan.	Factory and Boilers Department, Government of Rajasthan	Registration No. RJ/30189	March 31, 2023	Valid only for the premises described below for use as factory employing not more than 40 persons on any day during the year and using motive power not exceeding 500
6.	Order to operate the property situated at G1-663, Phase-I Industrial Area, Bhiwadi, Distt. Alwar- 301019, Rajasthan.	Rajasthan State Pollution Control Board, Jaipur	File No.: F(Tech)/Alwar(Tijara)/1168(1)/2012-2013/4960-4962  Order no.: 2017-2018/CPM/4948	July 31, 2022	<ul style="list-style-type: none"> <li>• Ground Water extraction and consumption shall not exceed 3KLD;</li> <li>• Waste water shall be re-used to maximum possible extent;</li> <li>• Maintenance of suitable flow measuring device;</li> <li>• No trade effluent/domestic waste water (treated/untreated) shall be discharged outside the premises.</li> </ul>

**C. Other Registration and Certificates for property situated at 7A/39, WEA, Channa Market, Karol Bagh, Delhi-110005.**

Sr. No	Nature of License / Approvals	Authority	Particulars of License / Approvals	Validity Period	Special conditions, if any
1.	Registration under Food Safety and Standards Act, 2006	Department of Food Safety, Delhi	Registration No. 23317001000367	July 04, 2022	Food Items: <ul style="list-style-type: none"> <li>• Dairy products and analogues, excluding products of food category 02.0;</li> <li>• Confectionery;</li> <li>• Bakery Products;</li> <li>• Salts, spices, soups, sauces, salads and protein products;</li> <li>• Beverages excluding dairy products;</li> <li>• Ready to eat savories;</li> <li>• Prepared foods.</li> </ul>
2.	Registration under The Delhi Municipal Corporation (Amendment) Act, 2003	Department of Health Trade, Municipal Corporation of Delhi.	Licence No.: HLOTKB10012894	March 31, 2021	-
3.	License to keep a place of public entertainment of Class B under Regulation 19 of Regulations for Keeping Places of Public Entertainment in the Union Territory of Delhi, 1980	Office of the Additional Commissioner of Police, New Delhi	Licence No.: HTL/ADDL.CP/LIC(H)/2010/184	March 31, 2019*	

Sr. No	Nature of License / Approvals	Authority	Particulars of License / Approvals	Validity Period	Special conditions, if any
4.	Fire Safety Certificate	Delhi Fire Service, Government of NCT of Delhi Headquarters, New Delhi	Certificate No.: F6/DFS/MS/GH/2019/SZ/1070	May 20, 2022	<ol style="list-style-type: none"> <li>All safety arrangement shall be maintained in good working conditions;</li> <li>Any loss of life/property due to non functional fire safety measures shall be at the responsibility of the management;</li> <li>Trained fire</li> </ol>
5.	License for working a lift	Office of Inspector of Lifts, Government of NCT of Delhi.	ED. 3 (13869)/2010/7118 Contract No. L/c 7155		Subject to inspection

*\*Under the process of renewal*


#### D. Under Previous Indirect Tax Laws

Sr. No.	Nature of License / Approvals	Authority	Particulars of License / Approvals	Validity Period	Special conditions, if any
2.	Registration under Central Excise for operating as a manufacturer of excisable goods for property situated at G1-663, Phase-I Industrial Area, Bhiwadi, Distt. Alwar- 301019, Rajasthan.	Central Board of Excise and Customs, Central Excise Division, Alwar, Rajasthan	Registration No. AAACB6473HEM003	-	-

3.	Registration for Service Tax for property situated at G1-663, Phase-I Industrial Area, Bhiwadi, Distt. Alwar-301019, Rajasthan.	Central Board of Excise and Customs, Central Excise Division, Rajasthan	Registration No. AAACB6473HSD002	-	-
4.	Registration under Rajasthan Value Added Tax Act, 2003	Commercial Tax Department, Government of Rajasthan	TIN: 08790855173	-	-
5.	Registration Under Central Sales Tax Act, 1956	Commercial Tax Department, Government of Central	Registration No. 08790855173	-	-

### INTELLECTUAL PROPERTY

We have various trademarks registered in the name of our Company which are summarized as below: -

Sr. No.	Logo	Act Under Which Application Was Made	Country	Date of Application/ Approval date	Application No./Trade mark No.	Class	Current Status	Valid Upto
1.		Trade Marks Act, 1999	India	April 29, 2019	4160655	43	Accepted & Advertised	-
2.	<b>BONLON INN</b>	Trade Marks Act, 1999	India	July 13, 2010	1992527	43	Registered*	July 13, 2020
3.	<b>BONLON</b>	Trade Marks Act, 1999	India	April 07, 2010	1947092	09	Registered**	April 07, 2020
4.		Trade Marks Act, 1999	India	July 02, 2019	4222794	09	Objected	-

\*Registered in the name of Transferor Company no. 3

\*\*Registered in the name of Transferor Company no. 1

## OTHER REGULATORY AND STATUTORY DISCLOSURES

### AUTHORITY FOR THE ISSUE

The Offer has been authorized by a resolution passed by our Board of Directors at its meeting held on May 01, 2019 and by the shareholders of our Company by a special resolution, pursuant to Section 62(1)(c) of the Companies Act, 2013, passed at the Extra Ordinary General Meeting of our Company held on May 08, 2019 at registered office of the Company.

### PROHIBITION BY SEBI, RBI OR OTHER GOVERNMENTAL AUTHORITIES

Our Company, our Promoters, our Directors and our Promoter Group, have not been prohibited from accessing or operating in capital markets under any order or direction passed by SEBI or any other regulatory or Governmental Authority.

The Companies with which our Promoters, our Directors or persons in control of our Company are/ were associated as promoters, directors or persons in control have not been prohibited from accessing or operating in capital markets under any order or direction passed by SEBI or any other regulatory or Governmental Authority.

Except Mr. Arun Kumar Jain, none of our Directors are in any manner associated with the securities market. Also, there has been no action taken by SEBI against any of our Directors or any entity our Directors are associated with as directors in the past five years.

Neither of our Promoters nor any of our Directors is declared as Fugitive Economic Offender.

### COMPLIANCE WITH THE COMPANIES (SIGNIFICANT BENEFICIAL OWNERSHIP) RULES, 2018

Our Company, Promoter, promoter group are in compliance with the Companies (Significant Beneficial Ownership) Rules, 2018 (SBO Rules), and the General Circular No. 07/2018 dated September 06, 2018 and General Circular No. 08/2018 dated September 10, 2018 issued by the Ministry of Corporate Affairs, to the extent they are applicable on our Company, as on the date of filing of this Prospectus.

### PROHIBITION BY RBI

Neither our Company, nor our Promoters, or the relatives (as defined under the Companies Act) of our Promoters or Group Companies have been identified as wilful defaulters by the RBI or any other governmental authority. There are no violations of securities laws committed by them in the past or no proceedings thereof are pending against them.

### ELIGIBILITY FOR THIS ISSUE

Our Company is complying with the eligibility criteria as mentioned under Rule 19(2)(b) of Securities Contracts (Regulation) Rules, 1957. Further, our Company is also eligible for the Issue in terms of Regulation 229(2) of chapter IX of the SEBI (ICDR) Regulations, 2018, as amended from time to time, whereby, an issuer whose post issue face value capital exceeds Rs. 1,000.00 Lakhs, may issue shares to the public in accordance with the provisions of Chapter IX of the SEBI (ICDR) Regulations, 2018. Our Company also complies with the eligibility conditions laid by the BSE SME Platform for listing of our Equity Shares.

#### We confirm that:

1. In accordance with regulation 260 of the SEBI ICDR Regulations, 2018, this Issue is 100% underwritten and that the LM has underwritten 100% of the total issue size. For further details pertaining to underwriting please refer to chapter titled “General Information” beginning on page 52 of this Prospectus.
2. In accordance with Regulation 268 (1) of the SEBI (ICDR) Regulations, 2018, we shall ensure that the total number of proposed allottees in the Issue is greater than or equal to fifty, otherwise, the entire application money will be refunded forthwith. If such money is not repaid within eight 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 days, be liable to repay such application money, with interest as prescribed u/s 40 of the Companies Act, 2013.

3. In accordance with Regulation 246 the SEBI (ICDR) Regulations, 2018, we have filed the Offer Document with SEBI and SEBI will not issue any observations on our Offer Document. Also, we shall ensure that our Lead Manager submits the copy of Prospectus along with a Due Diligence Certificate including additional confirmations as required to SEBI at the time of filing the Prospectus with Stock Exchange and the Registrar of Companies.
4. In accordance with Regulation 261 of the SEBI ICDR Regulations, 2018, the Lead Manager will ensure compulsory market making for a minimum period of three years from the date of listing of Equity Shares offered in the Issue. We have signed Market Making Agreement dated August 06, 2019 with Choice Equity Broking Private Limited. For further details of the market making arrangement see chapter titled “*General Information*” beginning on page 52 of this Prospectus.
5. The Company has a track record of atleast three years.
6. The Company has Net Tangible assets of at least Rs. 3.00 crore as per the latest audited financial results.
7. The Net worth (excluding revaluation reserves) of the Company should be positive as per the latest audited financial results. Net worth of the Company as on March 31, 2019 is Rs. 4,697.90 Lakhs.
8. The Post-issue paid up capital of the Company shall not be more than Rs. 25 Crores. The paid-up capital shall be Rs. 14.18 Crores after the issue.
9. The Company should have positive cash accruals (Earnings before Depreciation and Tax) from operations.
10. The Company shall mandatorily facilitate trading in demat securities. We are in process of entering into the tripartite agreements with both the depositories.
11. There has not been any change in the promoters of our company in preceding one year from date of filing this Prospectus to BSE for listing under the SME segment.
12. The Company has not been referred to Board for Industrial and Financial Reconstruction.
13. No petition for winding up is admitted by a court of competent jurisdiction or a liquidator has been appointed against the Company.
14. No material regulatory or disciplinary action has been taken by any stock exchange or regulatory authority in the past three years against the Company.
15. The Company has a website: [www.bonlonindustries.com](http://www.bonlonindustries.com);
16. The quantitative details pertaining to the eligibility criteria of the exchange are contained hereunder:

Particulars	As on March 31,		
	2019	2018	2017
Distributable Profit	282.32	27.78	(122.53)
Net Worth	4697.90	1160.16	1132.26
Cash Accruals	0.22	(40.86)	73.00
Net Tangible Asset	5001.46	1153.85	1159.58

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 and subsequent circulars and guidelines issued by SEBI and the Stock Exchange.

#### **DISCLAIMER CLAUSE OF SEBI**

**IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF THE OFFER DOCUMENT TO SEBI SHOULD NOT, IN ANY WAY, BE DEEMED OR CONSTRUED TO MEAN THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THIS ISSUE IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE OFFER DOCUMENT. THE LEAD MANAGER, SARTHI CAPITAL**

**ADVISORS PRIVATE LIMITED HAVE CERTIFIED THAT THE DISCLOSURES MADE IN THE OFFER DOCUMENT ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE SEBI (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018, IN FORCE FOR THE TIME BEING. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING AN INVESTMENT IN THE PROPOSED ISSUE.**

**IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE COMPANY IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THIS PROSPECTUS, THE LEAD MANAGER, SARTHI CAPITAL ADVISORS 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 MANAGER, SARTHI CAPITAL ADVISORS PRIVATE LIMITED, HAS FURNISHED TO STOCK EXCHANGE A DUE DILIGENCE CERTIFICATE DATED JUNE 23, 2020, WHICH READS AS FOLLOWS:**

**“WE, THE UNDER NOTED LEAD MANAGER TO THE ABOVE MENTIONED FORTHCOMING ISSUE STATE AS FOLLOWS:**

- 1. WE HAVE EXAMINED VARIOUS DOCUMENTS INCLUDING THOSE RELATING TO LITIGATION LIKE COMMERCIAL DISPUTES, DISPUTES WITH COLLABORATORS, ETC. AND OTHER MATERIAL IN CONNECTION WITH THE FINALISATION OF THE PROSPECTUS PERTAINING TO THE SAID ISSUE;**
- 2. ON THE BASIS OF SUCH EXAMINATION AND THE DISCUSSIONS WITH THE ISSUER, ITS DIRECTORS AND OTHER OFFICERS, OTHER AGENCIES, AND INDEPENDENT VERIFICATION OF THE STATEMENTS CONCERNING THE OBJECTS OF THE ISSUE, PRICE JUSTIFICATION AND THE CONTENTS OF THE DOCUMENTS AND OTHER PAPERS FURNISHED BY THE ISSUER, WE CONFIRM THAT:**
  - A. THE PROSPECTUS FILED WITH THE BOARD IS IN CONFORMITY WITH THE DOCUMENTS, MATERIALS AND PAPERS MATERIAL TO THE ISSUE;**
  - B. ALL THE MATERIAL LEGAL REQUIREMENTS RELATING TO THE ISSUE AS SPECIFIED BY THE BOARD, THE CENTRAL GOVERNMENT AND ANY OTHER COMPETENT AUTHORITY IN THIS BEHALF HAVE BEEN DULY COMPLIED WITH; AND**
  - C. THE MATERIAL DISCLOSURES MADE IN THE PROSPECTUS ARE TRUE AND ADEQUATE TO ENABLE THE INVESTORS TO MAKE A WELL INFORMED DECISION AS TO THE INVESTMENT IN THE PROPOSED ISSUE AND SUCH DISCLOSURES ARE IN ACCORDANCE WITH THE REQUIREMENTS OF THE COMPANIES ACT, 2013, THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018 AND OTHER APPLICABLE LEGAL REQUIREMENTS.**
- 3. WE CONFIRM THAT BESIDES OURSELVES, ALL THE INTERMEDIARIES NAMED IN THE PROSPECTUS ARE REGISTERED WITH THE BOARD AND THAT TILL DATE, SUCH REGISTRATION IS VALID.**
- 4. WE SHALL SATISFY OURSELVES ABOUT THE CAPABILITY OF THE UNDERWRITER TO FULFILL THEIR UNDERWRITING COMMITMENTS.**
- 5. WE CERTIFY THAT WRITTEN CONSENT FROM PROMOTERS HAS BEEN OBTAINED FOR INCLUSION OF THEIR SPECIFIED SECURITIES AS PART OF PROMOTER’S CONTRIBUTION SUBJECT TO LOCK-IN AND THE SPECIFIED SECURITIES PROPOSED TO FORM PART OF PROMOTER’S CONTRIBUTION SUBJECT TO LOCK-IN SHALL NOT BE DISPOSED / SOLD /**

TRANSFERRED BY THE PROMOTER DURING THE PERIOD STARTING FROM THE DATE OF FILING THE PROSPECTUS WITH THE BOARD TILL THE DATE OF COMMENCEMENT OF LOCK-IN PERIOD AS STATED IN THE PROSPECTUS.

6. WE CERTIFY THAT ALL THE APPLICABLE PROVISIONS OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018, WHICH RELATES TO SPECIFIED SECURITIES INELIGIBLE FOR COMPUTATION OF PROMOTER'S CONTRIBUTION, HAS BEEN DULY COMPLIED WITH AND APPROPRIATE DISCLOSURES AS TO COMPLIANCE WITH THE SAID REGULATION HAVE BEEN MADE IN THE PROSPECTUS.
7. WE UNDERTAKE THAT CLAUSE (D) OF SUB-REGULATION (2) OF REGULATION 236 AND CLAUSE (C) AND (D) OF SUB-REGULATION (9) OF REGULATION 25 OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018 SHALL BE COMPLIED WITH. WE CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT PROMOTER'S CONTRIBUTION SHALL BE RECEIVED AT LEAST ONE DAY BEFORE THE OPENING OF THE ISSUE. WE UNDERTAKE THAT AUDITORS' CERTIFICATE TO THIS EFFECT SHALL BE DULY SUBMITTED TO THE BOARD. WE FURTHER CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT PROMOTER'S CONTRIBUTION SHALL BE KEPT IN AN PUBLIC ISSUE ACCOUNT WITH A SCHEDULED COMMERCIAL BANK AND SHALL BE RELEASED TO THE ISSUER ALONG WITH THE PROCEEDS OF THE PUBLIC ISSUE. – NOT APPLICABLE
8. WE CONFIRM THAT NECESSARY ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT THE MONEYS RECEIVED PURSUANT TO THE ISSUE ARE KEPT IN A SEPARATE BANK ACCOUNT IN A SCHEDULED BANK AS PER THE PROVISIONS OF SUB-SECTION 3 OF SECTION 40 OF THE COMPANIES ACT, 2013 AND THAT SUCH MONEYS SHALL BE RELEASED BY THE SAID BANK ONLY AFTER PERMISSION IS OBTAINED FROM THE STOCK EXCHANGE MENTIONED IN THE PROSPECTUS. WE FURTHER CONFIRM THAT THE AGREEMENT ENTERED INTO BETWEEN THE BANKERS TO THE ISSUE AND THE ISSUER SPECIFICALLY CONTAINS THIS CONDITION – NOTED FOR COMPLIANCE.
9. WE CERTIFY THAT THE PROPOSED ACTIVITIES OF THE ISSUER FOR WHICH THE FUNDS ARE BEING RAISED IN THE PRESENT ISSUE FALL WITHIN THE 'MAIN OBJECTS' LISTED IN THE OBJECT CLAUSE OF THE MEMORANDUM OF ASSOCIATION OR OTHER CHARTER OF THE ISSUER AND THAT THE EXISTING ACTIVITIES AND ACTIVITIES WHICH HAVE BEEN CARRIED OUT IN THE LAST TEN YEARS ARE VALID IN TERMS OF THE OBJECT CLAUSE OF ITS MEMORANDUM OF ASSOCIATION.
10. WE CERTIFY THAT THE FOLLOWING DISCLOSURES HAVE BEEN MADE IN THE PROSPECTUS:
  - A. AN UNDERTAKING FROM THE ISSUER THAT AT ANY GIVEN TIME, THERE SHALL BE ONLY ONE DENOMINATION FOR THE EQUITY SHARES OF THE ISSUER AND
  - B. AN UNDERTAKING FROM THE ISSUER THAT IT SHALL COMPLY WITH SUCH DISCLOSURE AND ACCOUNTING NORMS SPECIFIED BY THE BOARD FROM TIME TO TIME.
11. WE UNDERTAKE TO COMPLY WITH THE REGULATIONS PERTAINING TO ADVERTISEMENT IN TERMS OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018.

**12. WE ENCLOSE A NOTE EXPLAINING HOW THE PROCESS OF DUE DILIGENCE THAT HAS BEEN EXERCISED BY US INCLUDING IN RELATION TO BUSINESS OF THE ISSUER, THE RISKS IN RELATION TO THE BUSINESS, EXPERIENCE OF THE PROMOTERS AND THAT THE RELATED PARTY TRANSACTIONS ENTERED INTO FOR THE PERIOD DISCLOSED IN THE OFFER DOCUMENT HAVE BEEN ENTERED INTO BY THE ISSUER IN ACCORDANCE WITH APPLICABLE LAWS.**

**13. WE ENCLOSE A CHECKLIST CONFIRMING REGULATION-WISE COMPLIANCE WITH THE APPLICABLE PROVISIONS OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018, CONTAINING DETAILS SUCH AS THE REGULATION NUMBER, ITS TEXT, THE STATUS OF COMPLIANCE, PAGE NUMBER OF THE PROSPECTUS WHERE THE REGULATION HAS BEEN COMPLIED WITH AND OUR COMMENTS, IF ANY.**

**Note:**

The filing of this Prospectus does not, however, absolve our Company from any liabilities under Section 34, Section 35, Section 36 OR Section 38(1) of the Companies Act, 2013 or from the requirement of obtaining such statutory and other clearances as may be required for the purpose of the proposed Issue. SEBI further reserves the right to take up at any point of time, with the Lead manager any irregularities or lapses in the Prospectus.

All legal requirements pertaining to the Issue will be complied with at the time of registration of the Prospectus with the Registrar of Companies, Delhi, in terms of Section 26 and 33 of the Companies Act, 2013.

**DISCLAIMER STATEMENT FROM OUR COMPANY AND THE LEAD MANAGER**

Our Company, our Directors and the Lead Manager accept no responsibility for statements made otherwise than in this Prospectus or in the advertisements or any other material issued by or at instance of our Company and anyone placing reliance on any other source of information, including our website, [www.bonlonindustries.com](http://www.bonlonindustries.com) would be doing so at his or her own risk.

**Caution**

The Lead Manager accepts no responsibility, save to the limited extent as provided in the Agreement for Issue Management entered into among the Lead Manager and our Company dated August 06, 2019 the Underwriting Agreement dated August 06, 2019 entered into among the Underwriter and our Company and the Market Making Agreement dated August 06, 2019 entered among the Market Maker, Lead Manager and our Company.

Our Company and the Lead Manager shall make all information available to the public and investors at large and no selective or additional information would be available for a section of the investors in any manner whatsoever including at road show presentations, in research or sales reports or at collection centers, *etc.*

Investors who apply in this Issue will be required to confirm and will be deemed to have represented to our Company and the Underwriter and their respective directors, officers, agents, affiliates and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares and will not offer, sell, pledge or transfer the Equity Shares to any person who is not eligible under applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares. Our Company and the Lead Manager and their respective directors, officers, agents, affiliates and representatives accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire Equity Shares.

**PRICE INFORMATION AND THE TRACK RECORD OF THE PAST ISSUES HANDLED BY THE LEAD MANAGER**

For details regarding the price information and the track record of the past Issues handled by the Lead Manager to the Issue as specified in Circular reference CIR/CFD/DIL/7/2015 dated October 30, 2015 issued by the SEBI, please refer to the section “*Disclosure of price information of latest ten issues handled by Sarthi Capital Advisors Private Limited*” in the chapter titled “*Other Regulatory and Statutory Disclosures*” on page no. 246 of this Prospectus and the website of the Lead Manager at [www.sarthi.in](http://www.sarthi.in).

**DISCLAIMER IN RESPECT OF JURISDICTION**

This Issue is being made in India to persons resident in India (including Indian nationals resident in India who are not minors, HUFs, Companies, Corporate Bodies and Societies registered under the applicable laws in India and authorized to invest in shares, Indian Mutual Funds registered with SEBI, Indian financial Institutions, Commercial Banks, Regional Rural Banks, Co-Operative Banks (subject to RBI permission), or Trusts under applicable trust law and who are authorized under their constitution to hold and invest in shares, Public Financial Institutions as specified in Section 2(72) of the Companies Act, 2013, VCFs, State Industrial Development Corporations, Insurance Companies registered with Insurance Regulatory and Development Authority, Provident Funds (subject to applicable law) with minimum corpus of Rs. 2,500 Lakhs, pension funds with minimum corpus of Rs. 2,500 Lakhs and the National Investment Fund, and permitted non-residents including FIIs, Eligible NRIs, QFIs, Multilateral and Bilateral Development Financial Institutions, FVCIs and Eligible Foreign Investors, provided that they are eligible under all applicable laws and regulations to hold Equity Shares of the Company. The 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 Prospectus comes is required to inform himself or herself about, and to observe, any such restrictions. Any dispute arising out of this Issue will be subject to the jurisdiction of appropriate court(s) in Ludhiana, Punjab only.

No action has been, or will be, taken to permit a public offering in any jurisdiction where action would be required for that purpose, except that this Prospectus has been filed with BSE for its observations and BSE shall give its observations in due course. Accordingly, the Equity Shares represented hereby may not be offered or sold, directly or indirectly, and this Prospectus may not be distributed, in any jurisdiction, except in accordance with the legal requirements applicable in such jurisdiction. Neither the delivery of this Prospectus nor any sale hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of our Company since the date hereof or that the information contained herein is correct as of any time subsequent to this date.

The Equity Shares have not been, and will not be, registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and applications may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

Further, each 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 BSE**

BSE Limited (“BSE”) has given vide its letter dated January 20, 2020 given permission to “Bonlon Industries Limited” to use its name in the offer document as the Stock Exchange on whose Small and Medium Enterprise Platform (“SME Platform”) the company’s securities are proposed to be listed. BSE has scrutinized this offer document for its limited internal purpose of deciding on the matter of granting the aforesaid permission to the company. BSE does not in any manner:-

- i. warrant, certify or endorse the correctness or completeness of any of the contents of this offer document; or
- ii. warrant that this Company's securities will be listed on completion of the Initial Public Offering or will continue to be listed on BSE; or
- iii. take any responsibility for the financial or other soundness of this Company, its promoters, its management or any scheme or project of this Company;
- iv. warrant, certify or endorse the validity, correctness or reasonableness of the price at which the equity shares are offered by the Company and investors are informed to take the decision to invest in the equity shares of the Company only after making their own independent enquiries, investigation and analysis. The price at which the equity shares are offered by the Company is determined by the Company in consultation with the Merchant Banker to the issue and the Exchange has no role to play in the same and it should not for any reason be deemed or construed that the contents of this offer document have been cleared or approved by BSE. Every person who desires to apply for or otherwise acquires any securities of this Company may do so pursuant to independent enquiries, investigation and analysis and shall not have any claim against BSE whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription/acquisition whether by reason of anything stated or omitted to be stated herein or for any other reason whatsoever.
- v. BSE does not in any manner be liable for any direct, indirect, consequential or other losses or damages including loss of profits incurred by any investor or any third party that may arise from any reliance on this offer document or for the reliability, accuracy, completeness, truthfulness or timeliness thereof;
- vi. The Company has chosen the SME Platform on its own initiative and at its own risk, and is responsible for complying with all local laws, rules, regulations, and other statutory or regulatory requirements stipulated by BSE/other regulatory authority. Any use of the SME platform and the related services are subject to Indian laws and courts exclusively situated in Mumbai.

## **FILING**

The Draft Prospectus had been filed with SEBI and SEBI did not issue any observation on the Offer Document in terms of Regulation 246 of SEBI (ICDR) Regulations. However, pursuant to sub regulation (5) of regulation 246, the copy of Prospectus has been furnished to the board in a soft copy. Pursuant to SEBI Circular Number SEBI/HO/CFD/DIL1/CIR/P/2018/011 dated January 19, 2018, a copy of the Prospectus will be filed online through SEBI Intermediary Portal at <https://siportal.sebi.gov.in>.

A copy of the Prospectus along with the documents required to be filed under Section 26 of the Companies Act, 2013 will be delivered to the Registrar of Companies, Delhi situated at 4<sup>th</sup> Floor, IFCI Tower, 61, Nehru Place New Delhi – 110019, India.

## **LISTING**

An application will be made to the BSE for obtaining permission to deal in and for an official quotation of our Equity Shares. BSE SME will be the Designated Stock Exchange, with which the Basis of Allotment will be finalized.

The BSE has given its in-principle approval for using its name in the Prospectus vide its letter dated January 20, 2020.

If the permissions to deal in and for an official quotation of our Equity Shares are not granted by the BSE, our Company will forthwith repay, without interest, all moneys received from the applicants in pursuance of the Prospectus. If such money is not repaid within 8 days after our Company becomes liable to repay it (i.e. from the date of refusal or within 15 days from the Issue Closing Date), then our Company and every Director of our Company who is an officer in default shall, on and from such expiry of 8 days, be liable to repay the money, with

interest at the rate of 15% per annum on application money, as prescribed under section 40 of the Companies Act, 2013.

Our Company shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at the SME platform of BSE mentioned above are taken within Six Working Days from the Issue Closing Date.

## **CONSENTS**

Consents in writing of: (a) the Promoters, the Directors, the Company Secretary and Compliance Officer, Chief Financial Officer, the Statutory Auditor, Peer Review Auditor, the Banker to the Company and lenders and (b) Lead Manager, Underwriter, Market Maker, Registrar to the Issue, Banker(s) to the Issue, Legal Advisor to the Issue, Lenders, to act in their respective capacities have been obtained and shall be filed along with a copy of the Prospectus with the RoC, as required under Section 26 of Companies Act, 2013 and such consents shall not be withdrawn up to the time of delivery of the Prospectus for registration with the RoC. Our Auditors have given their written consent to the inclusion of their report in the form and context in which it appears in this Prospectus and such consent and report is not withdrawn up to the time of delivery of this Prospectus with BSE.

## **EXPERT TO THE ISSUE**

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

1. Report of the Statutory Auditor on Statement of Tax Benefits.

## **EXPENSES OF THE ISSUE**

The expenses of this Issue include, among others, underwriting and management fees, selling commission, printing and distribution expenses, legal fees, statutory advertisement expenses and listing fees. For details of total expenses of the Issue, see the chapter "Objects of the Issue" beginning on page 94 of this Prospectus.

## **DETAILS OF FEES PAYABLE**

### **Fees Payable to the Lead Manager**

The total fees payable to the Lead Manager will be as per the Mandate Letter dated January 01, 2019 issued by Lead Manager to our Company, the copy of which is available for inspection at our Registered Office.

### **Fees Payable to the Registrar to the Issue**

The fees payable to the Registrar to the Issue will be as per the Agreement signed by our Company and the Registrar dated August 06, 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 allotment advice by registered post/ speed post/ under certificate of posting.

### **Fees Payable to Others**

The total fees payable to the Legal Advisor, Auditor and Advertiser, *etc.* will be as per the terms of their respective engagement letters.

## **UNDERWRITING COMMISSION, BROKERAGE AND SELLING COMMISSION**

The underwriting commission and selling commission for this Issue is as set out in the Underwriting Agreement entered into between our Company and the Lead Manager. Payment of underwriting commission, brokerage and selling commission would be in accordance with applicable laws.

#### **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, 2018 and this Issue is an “Initial Public Offering” in terms of the SEBI (ICDR) Regulations, 2018.

#### **PREVIOUS ISSUES OF SHARES OTHERWISE THAN FOR CASH**

Except as stated in the chapter titled “*Capital Structure*” beginning on page 62 of this Prospectus, our Company has not issued any Equity Shares for consideration otherwise than for cash.

#### **COMMISSION AND BROKERAGE ON PREVIOUS ISSUES**

Since this is the initial public offer of the Equity Shares by our Company, no sum has been paid or has been payable as commission or brokerage for subscribing to or procuring or agreeing to procure subscription for any of our Equity Shares.

#### **PARTICULARS IN REGARD TO OUR COMPANY AND OTHER LISTED COMPANIES UNDER THE SAME MANAGEMENT WITHIN THE MEANING OF SECTION 186 OF COMPANIES ACT, 2013 WHICH MADE ANY CAPITAL ISSUE DURING THE LAST THREE YEARS**

None of the equity shares of our Group Companies are listed on any recognized stock exchange except B.C. Power Controls Limited. However, none of the above companies have raised any capital during the past 3 years.

#### **PROMISE VERSUS PERFORMANCE FOR OUR COMPANY**

Our Company is an “Unlisted Issuer” in terms of the SEBI ICDR Regulations, 2018, and this Issue is an “Initial Public Offer” in terms of the SEBI ICDR Regulations, 2018. Further, our subsidiary is not listed and we have only one promoter i.e. Mr. Arun Kumar Jain. Therefore, the data regarding promise versus performance is not applicable to us.

#### **OUTSTANDING DEBENTURES, BONDS, REDEEMABLE PREFERENCE SHARES AND OTHER INSTRUMENTS ISSUED BY OUR COMPANY**

As on the date of this Prospectus, our Company has no outstanding debentures, bonds or redeemable preference shares.

#### **STOCK MARKET DATA FOR OUR EQUITY SHARES**

Our Company is an “Unlisted Issuer” in terms of the SEBI ICDR Regulations, 2018, and this Issue is an “Initial Public Offer” in terms of the SEBI ICDR Regulations, 2018. Thus, there is no stock market data available for the Equity Shares of our Company.



**DISCLOSURE OF PRICE INFORMATION OF LATEST TEN ISSUES HANDLED BY SARTHI CAPITAL ADVISORS PRIVATE LIMITED**

**TABLE 1**

Financial year	Total no. of IPOs	Total funds raised (Rs. in Crores)	No. of IPOs trading at discount – 30 <sup>th</sup> calendar days from listing			No. of IPOs trading at premium – 30 <sup>th</sup> calendar days from listing			No. of IPOs trading at discount – 180 <sup>th</sup> calendar day from listing			No. of IPOs trading at premium – 180 <sup>th</sup> 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%
12-13	1	12.21	-	-	-	-	-	1	-	-	-	-	1	-
13-14	4	34.39	-	-	2	1	-	1	-	-	2	-	1	1
14-15	4	13.65	-	-	2	-	-	2	-	1	-	1	-	2
15-16	7	47.48	-	-	4	1	-	2	-	-	2	2	-	3
16-17	6	37.94	-	1	1	2	-	2	-	2	2	1	1	-
17-18	17	279.36	-	1	8	2	1	3	-	2	6	2	2	3
18-19	3	67.32	-	-	2	-	-	1	-	1	-	-	-	1

**TABLE 2**

Sr. No.	Issue Name	Issue Size (Cr)	Issue Price (Rs.)	Listing date	Opening price on listing date	+/- change in closing price, [% change in closing Benchmark]-30 <sup>th</sup> calendar day from listing	+/- change in closing price, [% change in closing Benchmark]-90 <sup>th</sup> calendar day from listing	+/- change in closing price, [% change in closing Benchmark]-180 <sup>th</sup> calendar day from listing
1.	D P Wires Limited	26.88	75.00	October 05, 2017	78.00	-1.33[5.69]	37.33[5.61]	-9.33[3.60]
2.	Omfurn India Limited	4.17	23.00	October 13, 2017	27.60	-8.10[0.56]	8.53[4.76]	-21.23[2.46]
3.	Sanghvi Brands Limited	18.96	69.00	November 22, 2017	75.90	104.59[14.03]	27.48[9.70]	37.98[9.00]
4.	Pulz Electronics Limited	3.92	54.00	November 24, 2017	64.80	-18.50[1.36]	-30[-0.07]	-32.86[0.39]
5.	Brand Concepts Limited	12.62	45.00	January 10, 2018	54.00	1.85[0.63]	124.07[-2.16]	-29.63[2.08]

6.	Arvee Laboratories (India) Limited	8.91	61.00	February 22, 2018	61.00	-2.24[-3.70]	-10.24[0.46]	-16.96[11.44]
7.	Marvel Décor Limited	26.26	47.00	March 23, 2018	57.75	-2.33[8.76]	-3.28[4.73]	-1.04[-6.12]
8.	Mittal Life Style Limited	4.41	21.00	April 02, 2018	21.00	1.19[5.73]	8.10[0.70]	7.14[-7.90]
9.	Five Core Electronics Limited*	46.66	140.00	May 21, 2018	141.00	-12.71[-2.55]	-	-
10.	Marshall Machines Limited	16.25	42.00	September 07, 2018	37.45	-3.31[-5.35]	-18.58[-2.54]	-28.75[-4.69]

\*Trading in Equity Shares of the Company has been suspended in accordance with the NSE Circular dated June 18, 2019 vide reference no. NSE/CML/41337.

Sources: All share price data is from [www.bseindia.com](http://www.bseindia.com) / [www.nseindia.com](http://www.nseindia.com)

Note:-

1. The BSE Sensex/ Nifty is considered as the Benchmark Index.
2. Price on BSE/ NSE is considered for all of the above calculations.
3. In case 30<sup>th</sup>/90<sup>th</sup>/180<sup>th</sup> day is not a trading day (trading holiday), closing price on BSE/ NSE of the next trading day has been considered.
4. In case 30<sup>th</sup>/90<sup>th</sup>/180<sup>th</sup> day if there is no trade then the closing price of the next day when trading has taken place has been considered.

### MECHANISM FOR REDRESSAL OF INVESTOR GRIEVANCES

The Agreement between the Registrar and our Company provides for retention of records with the Registrar for a period of at least three years from the last date of dispatch of the letters of allotment, demat credit to enable the investors to approach the Registrar to this Issue for redressal of their grievances. All grievances relating to this Issue may be addressed to the Registrar with a copy to the Company Secretary and Compliance Officer, giving full details such as the name, address of the applicant, number of Equity Shares applied for, amount paid on application and the bank branch or collection centre where the application was submitted.

All grievances relating to the ASBA process may be addressed to the SCSB, giving full details such as name, address of the applicant, number of Equity Shares applied for, amount paid on application, UPI ID linked bank account number in which amount is blocked and the Designated Branch or the collection center of the SCSB where the Application Form was submitted by the ASBA applicants.

### DISPOSAL OF INVESTOR GRIEVANCES BY OUR COMPANY

Our Company or the Registrar to the Issue or the SCSB in case of ASBA Applicant shall redress routine investor grievances within 15 working days from the date of receipt of the complaint. In case of non-routine complaints and complaints where external agencies are involved, our Company will seek to redress these complaints as expeditiously as possible.



We have constituted the Stakeholders Relationship Committee of the Board *vide* resolution passed at the Board Meeting held on July 02, 2019. For further details, please refer to the chapter titled “*Our Management*” beginning on page 145 of this Prospectus.

Our Company has appointed Mr. Naveen Kumar as the Company Secretary and Compliance Officer and he may be contacted at the following address:

**BONLON INDUSTRIES LIMITED**

7A/39 (12-First Floor), WEA Channa Market

Karol Bagh, New Delhi-110005

**Tel:** 011-47532792

**Fax:** 011-47532798

**E-mail:** [info@bonlonindustries.com](mailto:info@bonlonindustries.com)

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

Investors can contact the Company Secretary and Compliance Officer or the Registrar in case of any pre-Issue or post-Issue related problems such as non-receipt of letters of allocation, credit of allotted Equity Shares in the respective beneficiary account etc.

## SECTION VIII – ISSUE INFORMATION

### TERMS OF THE ISSUE

*The Equity Shares being issued are subject to the provisions of the Companies Act, SCRA, SCRR, SEBI (ICDR) Regulations, the SEBI Listing Regulations, our Memorandum and Articles of Association, the terms of this Prospectus, the abridged prospectus, any addendum/ corrigendum thereto, Application Form, the Revision Form, the Confirmation of Allocation Note ('CAN') and other terms and conditions as may be incorporated in the Allotment advices and other documents/ certificates that may be executed in respect of the Issue. The Equity Shares shall also be subject to all applicable laws, guidelines, notifications and regulations relating to the issue of capital and listing of securities issued from time to time by SEBI, the Government of India, BSE, RoC, RBI and/or other authorities, as in force on the date of the Issue and to the extent applicable.*

*Please note that, in accordance with the Regulation 256 of the SEBI (ICDR), Regulations, 2018 read with SEBI circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 all the Applicants have to compulsorily apply through the ASBA Process. As an alternate payment mechanism, Unified Payments Interface (UPI) has been introduced (vide SEBI Circular Ref: SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018) as a payment mechanism in a phased manner with ASBA for applications in public issues by retail individual investors through intermediaries (Syndicate members, Registered Stock Brokers, Registrar and Transfer agent and Depository Participants).*

### AUTHORITY FOR THE ISSUE

The present Public Issue of 37,56,000 Equity Shares has been authorized by a resolution of the Board of Directors of our Company at their meeting held on 01<sup>st</sup> May, 2019 and was approved by the Shareholders of our Company by passing Special Resolution at the Extra Ordinary General Meeting held on 8<sup>th</sup> May, 2019 in accordance with the provisions of Section 62(1)(c) of the Companies Act, 2013.

### RANKING OF EQUITY SHARES

The Equity Shares being offered shall be subject to the provisions of the Companies Act, 2013, our Memorandum and Articles of Association, SEBI ICDR Regulations, SCRA and shall rank *pari-passu* in all respects with the existing Equity Shares including in respect of the rights to receive dividends and other corporate benefits, if any, declared by us after the date of Allotment.

For further details, please refer to the section titled, 'Main Provisions of the Articles of Association of the Company' on page 292 of this Prospectus.

### MODE OF PAYMENT OF DIVIDEND

The declaration and payment of dividend will be as per the provisions of Companies Act, 2013 the Articles of Association, the provision of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and any other rules, regulations or guidelines as may be issued by the Government of India and recommended by the Board of Directors at their discretion and approved by the shareholders and will depend on a number of factors, including but not limited to earnings, capital requirements and overall financial condition of our Company. We shall pay dividends, if declared to our shareholders as per provisions of the Companies Act, 2013. For further details, please refer to the chapter titled 'Dividend Policy' on page 183 of this Prospectus.

### FACE VALUE AND ISSUE PRICE

The Equity Shares having a Face Value of Rs. 10/- each are being offered in terms of this Prospectus at the price of Rs. 28/-per Equity Share (including the premium of Rs. 18 per equity share). The Issue Price is determined by our Company in consultation with the Lead Manager and is justified under the chapter titled 'Basis for Issue Price'

beginning on page 99 of this Prospectus. At any given point of time there shall be only one denomination of the Equity Shares of our Company, subject to applicable laws.

#### **COMPLIANCE WITH SEBI ICDR REGULATIONS**

Our Company shall comply with all requirements of the SEBI (ICDR) Regulations, 2018 as amended from time to time. 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 powers, unless prohibited by law;
- Right to vote on a poll either in person or by proxy;
- Right to receive annual reports and notices to members;
- Right to receive offers for rights shares and be allotted bonus shares, if announced;
- Right to receive surplus on liquidation, subject to any statutory and preferential claim being satisfied;
- Right of free transferability of the Equity Shares, subject to applicable laws of any authority and
- Such other rights, as may be available to a shareholder of a listed public company under the Companies Act, terms of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Memorandum and Articles of Association of the Company.

For a detailed description of the main provision of the Articles of Association of our Company relating to voting rights, dividend, forfeiture and lien and / or consolidation / splitting, etc, please refer to the section titled "Main Provisions of Articles of Association" beginning on page 292 of this Prospectus

#### **MINIMUM APPLICATION VALUE, ALLOTMENT OF EQUITY SHARES IN DEMATERIALIZED FORM, MARKET LOT AND TRADING LOT**

In accordance with Regulation 267 (2) of the SEBI ICDR Regulations, our Company shall ensure that the minimum application size shall not be less than Rs. 1,00,000 (Rupees One Lakh) per application

As per the provisions of the Depositories Act, 1996 & regulations made thereunder and Section 29(1) of the Companies Act, 2013, the Equity Shares of an issuer shall be in dematerialized form i.e. not in the form of physical certificates but be fungible and be represented by the statement issued through electronic mode. The trading of the Equity Shares will happen in the minimum contract size of 4000 Equity Shares and the same may be modified by the BSE from time to time by giving prior notice to investors at large. Allocation and allotment of Equity Shares through this Issue will be done in multiples of 4000 Equity Shares subject to a minimum allotment of 4000 Equity Shares to the successful applicants in terms of the SEBI circular No. CIR/MRD/DSA/06/2012 dated February 21, 2012.

#### **MINIMUM NUMBER OF ALLOTTEES**

In accordance with the Regulation 268(1) of SEBI (ICDR) Regulations, 2018, the minimum number of allottees in this Issue shall be 50 shareholders. In case the minimum number of prospective allottees is less than 50, no allotment will be made pursuant to this Issue and all the monies blocked by SCSBs shall be unblocked within 6 working days of closure of Issue.

#### **JOINT HOLDERS**

Where two or more persons are registered as the holders of any Equity Shares, they will be deemed to hold such Equity Shares as joint-holders with benefits of survivorship

## NOMINATION FACILITY TO INVESTOR

In accordance with Section 72 of the Companies Act, 2013, read with Companies (Share Capital and Debentures) Rules, 2014, the sole Applicant, or the first Applicant along with other joint applicants, may nominate any one person in whom, in the event of the death of sole Applicant or in case of joint Applicants, death of all the Applicants, as the case may be, the Equity Shares Allotted, if any, shall vest. A person, being a nominee, entitled to the Equity Shares by reason of the death of the original holder(s), shall in accordance with section 72 of the Companies Act, 2013, be entitled to the same advantages to which he or she would be entitled if he or she were the registered holder of the Equity Share(s). Where the nominee is a minor, the holder(s) may make a nomination to appoint, in the prescribed manner, any person to become entitled to equity share(s) in the event of his or her death during the minority. A nomination shall stand rescinded upon a sale of Equity Share(s) by the person nominating. A buyer will be entitled to make a fresh nomination in the manner prescribed. Fresh nomination can be made only on the prescribed form available on request at our Registered Office or to the registrar and transfer agents of our Company.

Any person who becomes a nominee by virtue of Section 72 of the Companies Act, 2013, shall upon the production of such evidence as may be required by the Board, elect either:

- a. to register himself or herself as the holder of the Equity Shares; or
- b. to make such transfer of the Equity Shares, as the deceased holder could have made.

Further, the Board may, at any time, give notice requiring any nominee to choose either to be registered himself or herself or to transfer the Equity Shares, and if the notice is not complied with within a period of 90 days, the Board may, thereafter, withhold payment of all dividends, bonuses or other monies payable in respect of the Equity Shares, until the requirements of the notice have been complied with.

**Since the Allotment of Equity Shares in the Issue will be made only in dematerialized form, there is no need to make a separate nomination with our Company. Nominations registered with respective depository participant of the applicant would prevail. If the Applicants require changing of their nomination, they are requested to inform their respective depository participant.**

## WITHDRAWAL OF THE OFFER

Our Company in consultation with the Lead Manager, reserve the right not to proceed with the Fresh Issue, after the Issue Opening Date but before the Allotment. In such an event, our Company would issue a public notice in the newspapers in which the pre-issue advertisements were published, within two days of the Issue Closing Date or such other time as may be prescribed by SEBI, providing reasons for not proceeding with the Issue. The Lead Manager, through the Registrar to the Offer, shall notify the SCSBs and the Sponsor Bank (in case of RII's using the UPI Mechanism), to unblock the bank accounts of the ASBA Applicant and the Escrow Collection Bank to release the Application Amounts to the Anchor Investors, within one Working Day from the date of receipt of such notification. Our Company shall also inform the same to the Stock Exchanges on which the Equity Shares are proposed to be listed.

Notwithstanding the foregoing, this Issue is also subject to obtaining (i) the final listing and trading approvals of the Stock Exchanges, which our Company shall apply for after Allotment; and (ii) the final RoC approval of the Prospectus after it is filed with the RoC. If our Company in consultation with the Lead Manager withdraw the Issue after the Issue Closing Date and thereafter determine that they will proceed with public offering of the Equity Shares, our Company shall file a fresh Prospectus with the Stock Exchange.

**MINIMUM SUBSCRIPTION**

In accordance with Regulation 260 (1) of the SEBI ICDR Regulations, our Issue shall be hundred percent underwritten. Thus, the underwriting obligations shall be for the entire hundred percent of the Issue through the Prospectus and shall not be restricted to the minimum subscription level.

**MIGRATION TO MAIN BOARD**

In accordance with the BSE Circular dated November 26, 2012 our Company will have to be mandatorily listed and traded on the SME Platform of the BSE for a minimum period of two years from the date of listing and only after that it can migrate to the Main Board of the BSE as per the guidelines specified by SEBI and as per the procedures laid down under Chapter IX of the SEBI (ICDR) Regulations

As per the provisions of the Chapter IX of the SEBI (ICDR) Regulation, 2018, our Company may migrate to the main board of BSE from the SME Exchange on a later date subject to the following:

- a) If the Paid-up Capital of our Company is likely to increase above Rs. 25 crore by virtue of any further issue of capital by way of rights, preferential issue, bonus issue etc. (which has been approved by a special resolution through postal ballot wherein the votes cast by the shareholders other than the Promoters in favour of the proposal amount to at least two times the number of votes cast by shareholders other than promoter shareholders against the proposal and for which the company has obtained in-principal approval from the main board), our Company shall apply to BSE for listing of its shares on its Main Board subject to the fulfillment of the eligibility criteria for listing of specified securities laid down by the Main Board.

OR

- b) If the Paid-up Capital of our company is more than 10 crores and the capitalization of our equity is more than 25 crores and our company have been listed on SME Platform for atleast two years, our Company may still apply for migration to the main board if the same has been approved by a special resolution through postal ballot wherein the votes cast by the shareholders other than the Promoters in favor of the proposal amount to at least two times the number of votes cast by shareholders other than promoter shareholders against the proposal.

Further vide notice number 20180810-27 dated August 10, 2018 if any company desiring to migrate to the Main Board from the SME Platform within two years of listing on the same, has to fulfill the following conditions:

- a. The increase in post issue face value capital beyond Rs. 25 crore should arise only because of merger/acquisition or for expansion purposes;
- b. The company should have a minimum turnover of Rs. 100 crore as per last audited financials and market capitalization of Rs. 100 crore;
- c. The company should have a minimum profit before tax of Rs. 10 crore for two years out of three preceding years;
- d. There should not be any action against the company by any regulatory agency at the time of application for migration.

**MARKET MAKING**

The shares offered through this issue are proposed to be listed on the SME Platform of BSE wherein the Lead Manager to the issue shall ensure compulsory Market Making through registered Market Makers of the BSE Limited for a minimum period of three years from the date of listing of shares offered through this Prospectus. For further details of the Market Making arrangement see chapter titled "General Information - Details of the Market Making Arrangements for this Issue" beginning on page 52 of this Prospectus.

## **RESTRICTIONS, IF ANY, ON TRANSFER AND TRANSMISSION OF SHARES AND ON THEIR CONSOLIDATION OR SPLITTING**

Except for lock-in of the pre-issue Equity Shares and Promoter's minimum contribution as detailed in chapter titled "Capital Structure" beginning on page 62 of this Prospectus, and except as provided in the Articles of Association, there are no restrictions on transfers of Equity Shares. There are no restrictions on transmission of Equity Shares and on their consolidation/ splitting except as provided in the Articles of Association. Please refer to the section "Main Provisions of the Articles of Association" beginning on page 292 of this Prospectus.

## **ARRANGEMENTS FOR DISPOSAL OF ODD LOTS**

The trading of the Equity Shares will happen in the minimum contract size of 4000 shares in terms of the SEBI circular No. CIR/MRD/DSA/06/2012 dated February 21, 2012. However, in terms of Regulation 261(5) of the SEBI (ICDR) Regulations, 2018, 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 BSE SME.

## **APPLICATION BY ELIGIBLE NRIS, FPIS/FIIS REGISTERED WITH SEBI, VCFS REGISTERED WITH SEBI AND QFIs**

It is to be understood that there is no reservation for Eligible NRIs or FPIs/FIIs registered with SEBI or VCFS or QFIs. Such Eligible NRIs, QFIs, FIIs registered with SEBI will be treated on the same basis with other categories for the purpose of Allocation.

NRIs, FPIs/FIIs and foreign venture capital investors registered with SEBI are permitted to purchase shares of an Indian company in a public Issue without the prior approval of the RBI, so long as the price of the equity shares to be issued is not less than the price at which the equity shares are issued to residents. The transfer of shares between an Indian resident and a non-resident does not require the prior approval of the FIPB or the RBI, provided that (i) the activities of the investee company are under the automatic route under the foreign direct investment ("FDI") Policy and the non-resident shareholding is within the sectoral limits under the FDI policy; and (ii) the pricing is in accordance with the guidelines prescribed by the SEBI/RBI.

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.

## **ALLOTMENT OF EQUITY SHARES IN DEMATERIALIZED FORM**

Our Company shall issue shares only in dematerialized form. Investors making application in dematerialized form may get the specified securities rematerialized subsequent to allotment. However, as per Rule 9A of the Companies (Prospectus and Allotment of Securities) Rules, 2014, no transfer of equity shares shall take place if the same are not in dematerialized form.

Further it is mandatory for the investor to furnish the details of his/her depository account, & if for any reasons details of the account are incomplete or incorrect the application shall be treated as incomplete & may be rejected by the Company without any prior notice.



## **NEW FINANCIAL INSTRUMENTS**

There are no new financial instruments such as deep discount bonds, debentures with warrants, secured premium notes, etc. issued by our Company.

## **JURISDICTION**

Exclusive jurisdiction for the purpose of this Issue is with the competent courts / authorities in New Delhi, India.

The Equity Shares have not been and will not be registered under the U.S. Securities Act or any state securities laws in the United States and may not be offered or sold within the United States or to, or for the account or benefit of, “U.S. persons” (as defined in Regulation S), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable U.S. state securities laws. Accordingly, the Equity Shares are being offered and sold only outside the United States in offshore transactions in reliance on Regulation S under the U.S. Securities Act and the applicable laws of the jurisdiction where those offers and sales occur.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and applications may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

## ISSUE STRUCTURE

This Issue is being made in terms of Regulation 229(2) of Chapter IX of SEBI (ICDR) Regulations, 2018, as amended from time to time, whereby, an issuer whose post-issue face value capital exceeds ten crore rupees and upto twenty five crore rupees, may 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 to the chapters titled 'Terms of the Issue' and 'Issue Procedure' beginning on page 258 and 267 of this Prospectus.

The Issue is being made by way of Fixed Price method.

### FOLLOWING IS THE ISSUE STRUCTURE:

Public Issue of 37,56,000 Equity Shares of face value of Rs. 10/- each fully paid (the 'Equity Shares') for cash at a price of Rs. 28/- per Equity Share aggregating to Rs. 1,051.68 Lakhs ('the Issue') by our Company.

The Issue comprises a Net Issue to Public of 35,68,000 Equity Shares ('the Net Issue') and a reservation of 1,88,000 Equity Shares for subscription by the designated Market Maker ('the Market Maker Reservation Portion').

Particulars of the Issue	Net Issue to Public*	Market Maker Reservation Portion
Number of Equity Shares available for allocation	35,68,000 Equity Shares	1,88,000 Equity Shares
Percentage of Issue Size available for allocation	94.99% of the Issue size (50% to Retail Individual Investors and the balance 50% to other investors).	5.01 % of the Issue size
Basis of Allotment	Proportionate subject to minimum allotment of 4000 Equity Shares and further allotment in multiples of 4000 Equity Shares each.  For further details, please refer to the "Basis of Allotment" on page 286 of this Prospectus.	Firm Allotment
Mode of Application	1. As per SEBI Circular SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019, RII shall compulsorily apply through the UPI mechanism. 2. All Applicants other than RII must compulsorily apply through ASBA Process.	Through ASBA Process Only
Minimum Application Size	<u>For QIB and NII:</u> Such number of Equity Shares in multiples of 4000 Equity Shares such that the Application Value exceeds Rs. 2,00,000/- <u>For Retail Individuals:</u> 4000 Equity Shares	1,88,000 Equity Shares

Particulars of the Issue	Net Issue to Public*	Market Maker Reservation Portion
Maximum Application Size	<p><u>For QIB and NII:</u> Such number of equity shares in multiples of 4000 Equity Shares such that the Application Size does not exceed 35,68,000 Equity Shares.</p> <p><u>For Retail Individuals:</u> Such number of Equity Shares in multiples of 4000 Equity Shares such that the Application Value does not exceed Rs. 2,00,000/-.</p>	Application size shall be 1,88,000 equity shares since there is a firm allotment
Mode of Allotment	Dematerialized Form	
Trading Lot	4000 Equity Shares	4000 Equity Shares. However, the Market Maker may accept odd lots if any in the market as required under the SEBI (ICDR) Regulations, 2018.
Terms of Payment	In case of ASBA, the entire Application Amount will be payable at the time of submission of the Application Form and in case of UPI, application amount shall be blocked at the time of confirmation of mandate collection request by the applicant.	

This Issue is being made in terms of Chapter IX of the SEBI (ICDR) Regulations, 2018, as amended from time to time. For further details, please refer to “Issue Structure” on page 264 of this Prospectus.

\*As per Regulation 253, sub regulation (2) of the SEBI (ICDR) Regulations, 2018, the allocation in the net issue to public category shall be made as follows:

- a) Minimum fifty percent to retail individual investors; and
- b) Remaining to:
  - i. individual applicants other than retail individual investors; and
  - ii. other investors including corporate bodies or institutions, irrespective of the number of specified securities applied for;

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

*For the purpose of Regulation 253(2), if the retail individual investor category is entitled to more than fifty percent, on proportionate basis, the retail individual investors shall be allocated that higher percentage.*

<b>ISSUE OPENING DATE</b>	<b>June 30, 2020</b>
<b>ISSUE CLOSING DATE</b>	<b>July 03, 2020</b>

Applications and any revision to the same (except that on the Issue Closing Date) will be accepted only between 10.00 a.m. and 5.00 p.m. (Indian Standard Time) during the Issue Period at the Application Centers mentioned in the Application Form. On the Issue Closing date application and revision to the same will be accepted between 10.00 a.m. and 3.00 p.m. (Indian Standard Time). Applications will be accepted only on Working Days, i.e., all trading days of stock exchange excluding Sundays and bank holidays.

## ISSUE PROCEDURE

All Applicants should review the General Information Document for Investing in Public Issues prepared and issued in accordance with the circular (CIR/CFD/DIL/12/2013) dated October 23, 2013 notified by SEBI (“General Information Document”) and including SEBI circular bearing number CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 and SEBI circular bearing number (CIR/CFD/DIL/1/2016) dated January 1, 2016 and SEBI circular bearing number SEBI/HO/CFD/DIL/CIR/P/2016/26 dated January 21, 2016, SEBI circular SEBI/HO/CFD/DIL2/CIR/P/2018/22 dated February 15, 2018, SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 01, 2018 (“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, the Securities Contracts (Regulation) Act, 1956, the Securities Contracts (Regulation) Rules, 1957 and the SEBI ICDR Regulations, 2018 as amended. The General Information Document has been updated to reflect to the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014, SEBI Listing Regulations and provisions of the Companies Act, 2013, to the extent applicable to a public issue. The General Information Document is also available on the websites of the Stock Exchange and the Lead Manager. Please refer to the relevant provisions of the General Information Document which are applicable to the Issue.

### **Phased Implementation of Unified Payments Interface (UPI)**

Pursuant to the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) (Fifth Amendment) Regulations, 2015, SEBI introduced certain changes in the issue procedure for initial public offerings including making ASBA Process mandatory for all investors, allowing registrar, share transfer agents, collecting depository participants and stock brokers to accept application forms. Further, SEBI, by its circular No. (CIR/CFD/POLICYCELL/11/2015) dated November 10, 2015, reduced the time taken for listing after the closure of an issue to six working days. These changes were applicable for all public issues which open on or after January 01, 2016.

However, in its endeavor to provide an efficient mechanism for raising funds, SEBI through its circular no. SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 01, 2018, has proposed to introduce an alternate payment mechanism using Unified Payments Interface (“UPI”) and consequent reduction in timelines for listing in a phased manner. From January 1, 2019, the UPI mechanism for RIIs applying through Designated Intermediaries was made effective along with the existing process and existing timeline of T+6 days. The same was supposed to continue for a period of three months or launch of five main board public issues, whichever is later (“UPI Phase I”). However, based on the representations received from the various market intermediaries, the proposed timeline for the implementation of Phase I was extended for further three months i.e. till June 30, 2019 by SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/50 dated April 03, 2019. Thereafter, for application by RIIs through Designated Intermediaries, the existing process of physical movement of forms from Designated Intermediaries to SCSBs for blocking of funds was discontinued and only the UPI mechanism with existing timeline of T+6 days has to be continued for a period of three months or launch of five main board public issues, whichever is later (“UPI Phase II”). Subsequently, the final reduced timeline will be made effective using the UPI mechanism for applications by RIIs (“UPI Phase III”), as may be prescribed by SEBI. **This Issue will be under UPI Phase II.**

Please note that all Applicants applying in the Issue (except the RIIs who shall apply only through UPI mechanism) can participate in the Issue only either through the ASBA process or through the UPI mechanism. Applicants should carefully read the provisions applicable before making their application through the ASBA process. Applicants are required to ensure that the ASBA Account has sufficient credit balance as an amount equivalent to the full Application Amount can be blocked by the SCSB at the time of submitting the Application. As an alternate payment mechanism, investors may apply through UPI as per SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018.

**Retail Individual Investors should note that the Application using UPI Channel is compulsory for them now.** Further, as notified by SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019, the applications through UPI in IPOs can be made only through the SCSBs / mobile applications whose name appears on the SEBI website [www.sebi.gov.in](http://www.sebi.gov.in) at the following path:

*Home » Intermediaries/Market Infrastructure Institutions » Recognised intermediaries » Self Certified Syndicate Banks eligible as Issuer Banks for UPI.*

*An investor shall ensure that when applying in IPO using UPI, the name of his Bank appears in the list of SCSBs displayed on the SEBI website which are live on UPI. Further, he/she shall also ensure that the name of the app and the UPI handle being used for making the application is also appearing in the aforesaid list.*

*An application made using incorrect UPI handle or using a bank account of an SCSBs or bank which is not mentioned in the aforesaid list is liable to be rejected.*

*All Designated Intermediaries in relation to the Issue should ensure compliance with the SEBI circular(CIR/CFD/POLICYCELL/11/2015) dated November 10, 2015, as amended and modified by the SEBI circular(SEBI/HO/CFD/DIL/CIR/P/2016/26) dated January 21, 2016 and SEBI circular (SEBI/HO/CFD/DIL2/CIR/P/2018/22)dated February 15, 2018 and (SEBI/HO/CFD/DIL2/CIR/P/2018/138) dated November 1, 2018, in relation to clarifications on streamlining the process of public issue of equity shares and convertibles.*

*This section applies to all the Applicants, please note that all the Applicants are required to make payment of the full Application Amount along with the Application Form.*

*Please note that the information stated/ covered in this section may not be complete and/or accurate and as such would be subject to modification/change. Our Company and the Lead Manager do not accept any responsibility for the completeness and accuracy of the information stated in this section and the General Information Document. Applicants are advised to make their independent investigations and ensure that their Applications do not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or as specified in this Prospectus.*

***Our Company and the LM are not liable for any amendments, modifications or change in applicable laws or regulations, which may occur after the date of this Prospectus.***

## **FIXED PRICE ISSUE PROCEDURE**

This Issue is being made in terms of Regulation 229(2) of Chapter IX of SEBI (ICDR) Regulations, 2018 via Fixed Price Process wherein 50% of the Net Issue to public is being offered to the Retail Individual Applicants and the balance is being offered to other Investors including QIBs and Non-Institutional Applicants. However, in case of under-subscription in either category, unsubscribed portion shall be allocated to investors in other category subject to valid Applications being received from them at the Issue Price

Applicants are required to submit their Applications to the SCSB or Registered Brokers of Stock Exchanges or Registered Registrar to an Issue and Share Transfer Agents (RTAs) or Depository Participants (DPs) registered with SEBI.

In case of QIB Bidders, only the (i) SCSBs (for Bids other than the Bids by Anchor Investors); and (ii) BRLM have the right to reject bids. However, such rejection shall be made at the time of receiving the Bid and only after assigning a reason for such rejection in writing.

In case of Non-Institutional Applicants and Retail Individual Applicants, our Company would have a right to reject the Applications only on technical grounds.



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 BSE Limited.

Investors should note that the Equity Shares will be allotted to all successful Applicants only in dematerialized form. The Application Forms which do not have the details of the Applicants depository account including ID, PAN and Beneficiary Account Number/UPI ID shall be treated as incomplete and rejected. In case DP ID, Client ID and PAN mentioned in the Application Form and entered into the electronic system of the stock exchanges, do not match with the DP ID, Client ID and PAN available in the depository database, the bid is liable to be rejected. Applicants will not have the option of being allotted Equity Shares in physical form. The Equity Shares, on Allotment, shall be traded only in the dematerialized segment of the Stock Exchanges, as mandated by SEBI.

### APPLICATION FORM

Applicants shall only use the specified Application Form for the purpose of making an Application in terms of this Prospectus. The Application Form shall contain space for indicating number of specified securities subscribed for in demat form.

ASBA Applicants shall submit an Application Form either in physical or electronic form to the SCSB's authorizing blocking funds that are available in the bank account specified in the Application Form used by ASBA applicants.

The prescribed color of the Application Form for various categories is as follows:

Category	Color of Application Form*
Resident Indians and Eligible NRIs applying on a non-repatriation basis	White
Non-Residents and Eligible NRIs applying on a repatriation basis	Blue

*\*Excluding electronic Application Form.*

In accordance with the SEBI circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015, all the applicants were compulsorily required to apply through the ASBA Process. However in its endeavor to provide an efficient mechanism for raising funds, SEBI through its circular no. SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018, has proposed to introduce an alternate payment mechanism using Unified Payments Interface ("UPI"). As the phase II of the UPI mechanism, as mentioned under the said circular has begun, hence it is now compulsory for the RIIs to make their applications only through the UPI mechanism. The other applicants may use either of the two modes of application i.e. ASBA process or UPI mechanism. For further details on the UPI Channel, please refer SEBI circular No. SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018.

Applicants shall only use the specified Application Form for the purpose of making an Application in terms of this Prospectus. The Application Form shall contain information about the Applicant and the price and the number of equity shares that the applicants wish to apply for. Application forms downloaded and printed from the websites of the stock exchanges shall bear a system generated unique application number.

The ASBA Applicants are required to ensure that the ASBA Account has sufficient credit balance as an amount equivalent to the full Application Amount that can be blocked by the SCSBs, as applicable at the time of submitting the Application Form.

## SUBMISSION AND ACCEPTANCE OF APPLICATION FORMS

Applicants are required to submit their applications only through any of the following Application Collecting Intermediaries:

- (i) an SCSB, with whom the bank account to be blocked, is maintained;
- (ii) a syndicate member (or sub-syndicate member);
- (iii) 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");
- (iv) a depository participant ('DP') (and whose name is mentioned on the website of the stock exchange as eligible for this activity);
- (v) a registrar to an issue and share transfer agent ('RTA') (and whose name is mentioned on the website of the stock exchange as eligible for this activity).

The aforesaid intermediaries shall, at the time of receipt of application, give an acknowledgement to investor, by giving the counter foil or specifying the application number to the investor, as a proof of having accepted the application form, in physical or electronic mode, respectively.

The upload of the details in the electronic bidding system of stock exchange will be done by:

<b>For Applications submitted by investors to SCSB:</b>	After accepting the form, SCSB shall capture and upload the relevant details in the electronic bidding system as specified by the stock exchange(s) and may begin blocking funds available in the bank account specified in the form, to the extent of the application money specified.
<b>For Applications submitted by investors to intermediaries other than SCSBs without use of UPI for payment:</b>	After accepting the application form, respective intermediary shall capture and upload the relevant details in the electronic bidding system of stock exchange(s). Post uploading they shall forward a schedule as per prescribed format along with the application forms to designated branches of the respective SCSBs for blocking of funds within one day of closure of Issue.
<b>For applications submitted by investors to intermediaries other than SCSBs with use of UPI for payment</b>	<p>After accepting the application form, respective intermediary shall capture and upload the relevant application details, including UPI ID, in the electronic bidding system of stock exchange.</p> <p>Stock exchange shall share application details including the UPI ID with sponsor bank on a continuous basis, to enable sponsor bank to initiate mandate request on investors for blocking of funds.</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>

Upon completion and submission of the Application Form to Application Collecting intermediaries, the Applicants have deemed to have authorized our Company to make the necessary changes, without prior or subsequent notice of such changes to the Applicants.



**WHO CAN APPLY?**

Persons eligible to invest under all applicable laws, rules, regulations and guidelines: -

- Indian nationals resident in India who are not incompetent to contract in single or joint names (not more than three) or in the names of minors as natural/legal guardian;
- 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;
- Companies, Corporate Bodies and Societies registered under the applicable laws in India and authorized to invest in the Equity Shares under their respective constitutional and charter documents;
- Mutual Funds registered with SEBI;
- 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;
- Indian Financial Institutions, scheduled commercial banks, regional rural banks, co-operative banks (subject to RBI permission, and the SEBI Regulations and other laws, as applicable);
- FIIs and sub-accounts registered with SEBI, other than a sub-account which is a foreign corporate or a foreign individual under the QIB Portion;
- Limited Liability Partnerships (LLPs) registered in India and authorized to invest in equity shares;
- Sub-accounts of FIIs registered with SEBI, which are foreign corporates or foreign individuals only under the Non-Institutional applicants category;
- Alternative Investment Funds, Venture Capital Funds, Foreign Venture Capital Investors registered with SEBI;
- Portfolio Managers registered with SEBI;
- State Industrial Development Corporations;
- Trusts/societies registered under the Societies Registration Act, 1860, as amended, or under any other law relating to Trusts and who are authorized under their constitution to hold and invest in equity shares;
- Scientific and/or Industrial Research Organizations authorized to invest in equity shares;
- Insurance Companies registered with Insurance Regulatory and Development Authority, India;
- Provident Funds with minimum corpus of Rs. 2,500 Lakhs and who are authorized under their constitution to hold and invest in equity shares;
- Pension Funds with minimum corpus of Rs. 2,500 Lakhs and who are authorized under their constitution to hold and invest in equity shares;
- Multilateral and Bilateral Development Financial Institutions;
- National Investment Fund set up by resolution no. F. No. 2/3/2005-DDII dated November 23, 2005 of Government of India published in the Gazette of India;
- Insurance funds set up and managed by army, navy or air force of the Union of India.
- Insurance funds set up and managed by the Department of Posts, India;

- Any other person eligible to applying in this Issue, under the laws, rules, regulations, guidelines and policies applicable to them.

Applications not to be made by:

- Minors (except under guardianship);
- Foreign Nationals (except NRIs);
- Partnership firms or their nominees;
- Overseas Corporate Bodies.

**As per the existing regulations, OCBs cannot participate in this Issue.**

#### **PARTICIPATION BY ASSOCIATES OF LM**

The LM shall not be entitled to subscribe to this Issue in any manner except towards fulfilling their underwriting obligations. However, associates and affiliates of the LM may subscribe to Equity Shares in the Issue, either in the QIB Portion and Non-Institutional Portion where the allotment is on a proportionate basis. All categories of Applicants, including associates and affiliates of the LM, shall be treated equally for the purpose of allocation to be made on a proportionate basis.

#### **OPTION TO SUBSCRIBE IN THE ISSUE**

- a) As per Section 29(1) of the Companies Act 2013, Investors will get the allotment of Equity Shares in dematerialization form only.
- b) The Equity Shares, on allotment, shall be traded on Stock Exchange in demat segment only.
- c) In a single Application Form any investor shall not exceed the investment limit/minimum number of specified securities that can be held by him/her/it under the relevant regulations/statutory guidelines and applicable law.

#### **APPLICATION BY INDIAN PUBLIC INCLUDING ELIGIBLE NRIS APPLYING ON NON-REPATRIATION**

Application must be made only in the names of individuals, limited companies, Portfolio managers or Statutory Corporations/institutions and not in the names of minors (other than minor having valid depository accounts as per demographic details provided by the depository), foreign nationals, non-residents (except for those applying on non-repatriation), trusts, (unless the trust is registered under the Societies Registration Act, 1860 or any other applicable trust laws and is authorized under its constitution to hold shares and debentures in a company), Hindu undivided families, partnership firms or their nominees. In case of HUF's application shall be made by the Karta of the HUF.

An applicant in the Net Public Category cannot make an application for that number of Equity Shares exceeding the number of Equity Shares offered to the public.

Eligible NRIs applying on a non-repatriation basis should authorize their SCSB to block their NRE/FCNR accounts as well as NRO accounts.

#### **APPLICATION BY MUTUAL FUNDS**

With respect to Applications by Mutual Funds, a certified copy of their SEBI registration certificate must be lodged with the Application Form. Failing this, our Company reserves the right to reject any application without assigning any reason thereof. Applications made by asset management companies or custodians of Mutual Funds shall specifically state names of the concerned schemes for which such Applications are made. As per the current regulations, the following restrictions are applicable for investments by mutual funds:

No mutual fund scheme shall invest more than 10% of its net asset value in the Equity Shares or equity related instruments of any single Company provided that the limit of 10% shall not be applicable for investments in case of index funds or sector or industry specific funds/Schemes. No mutual fund under all its schemes should own more than 10% of any Company's paid up share capital carrying voting rights.

In case of a Mutual Fund, a separate Application can be made in respect of each scheme of the Mutual Fund registered with SEBI and such Applications in respect of more than one scheme of the Mutual Fund will not be treated as multiple applications provided that the Applications clearly indicate the scheme concerned for which the Application has been made.

#### **APPLICATIONS BY ELIGIBLE NRIS**

NRIs may obtain copies of Application Form from the offices of the Lead Manager and the Designated Intermediaries. Eligible NRI Applicants applying on a repatriation basis by using the Non-Resident Forms should authorize their SCSB to block their Non-Resident External ("NRE") accounts, or Foreign Currency Non-Resident ("FCNR") ASBA Accounts, and eligible NRI Applicants applying on a non-repatriation basis by using Resident Forms should authorize their SCSB to block their Non-Resident Ordinary ("NRO") accounts for the full Application Amount, at the time of the submission of the Application Form..Non-resident Indian applicants may please note that only such applications as are accompanied by payment in free foreign exchange shall be considered for allotment under the reserved category. The non-resident Indians who intend to make payment through Non-Resident Ordinary (NRO) accounts shall use the form meant for Resident Indians and shall not use the forms meant for reserved category.

Under FEMA, general permission is granted to companies vide notification no. FEMA/20/2000 RB dated May 03, 2000 to issue securities to NRIs subject to the terms and conditions stipulated therein. Companies are required to file the declaration in the prescribed form to the concerned Regional Office of RBI within 30 (thirty) days from the date of issue of shares of allotment to NRIs on repatriation basis.

Eligible NRIs applying on non-repatriation basis are advised to use the Application Form for residents (white in colour).

Eligible NRIs applying on a repatriation basis are advised to use the Application Form meant for Non-Residents (blue in colour).

#### **APPLICATIONS BY SEBI REGISTERED ALTERNATIVE INVESTMENT FUND (AIF), VENTURE CAPITAL FUNDS AND FOREIGN VENTURE CAPITAL INVESTORS**

The SEBI (Venture Capital) Regulations, 1996 and the SEBI (Foreign Venture Capital Investor) Regulations, 2000 prescribe investment restrictions on venture capital funds and foreign venture capital investors registered with SEBI. As per the current regulations, the restrictions are applicable for SEBI registered venture capital funds and foreign venture capital investors:

Accordingly, the holding by any individual venture capital fund registered with SEBI in one company should not exceed 25% of the corpus of the venture capital fund; a Foreign Venture Capital Investor can invest its entire funds committed for investments into India in one company. Further, Venture Capital Funds and Foreign Venture Capital Investor can invest only up to 33.33% of the funds available for investment by way of subscription to an Initial Public Offer.

The SEBI (Alternative Investment Funds) Regulations, 2012 prescribes investment restrictions for various categories of AIF's.

The category I and II AIFs cannot invest more than 25% of the investable funds in one Investee Company. A category III AIF cannot invest more than 10% of the investable funds in one Investee Company. A venture capital

fund registered as a category I AIF, as defined in the SEBI AIF Regulations, cannot invest more than 1/3<sup>rd</sup> of the investable fund by way of subscription to a initial public offering [Reg 16(2)] of a venture capital undertaking.

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.

All non-resident investors should note that refunds, dividends and other distributions, if any, will be payable in Indian Rupees only and net of bank charges and commission

#### **APPLICATIONS BY LIMITED LIABILITY PARTNERSHIPS**

In case of applications made by limited liability partnerships registered under the Limited Liability Partnership Act, 2008, a certified copy of certificate of registration issued under the Limited Liability Partnership Act, 2008, must be attached to the Application Form. Failing this, our Company reserves the right to reject any application, without assigning any reason thereof.

#### **APPLICATIONS BY INSURANCE COMPANIES**

In case of applications made by insurance companies registered with the IRDA, a certified copy of certificate of registration issued by IRDA must be attached to the Application Form. Failing this, our Company reserves the right to reject any application, without assigning any reason thereof.

The exposure norms for insurers, prescribed under the Insurance Regulatory and Development Authority (Investment) Regulations, 2016, as amended (the “IRDAI Investment Regulations”), are broadly set forth below:

- a. equity shares of a company: the lower of 10%\* of the investee company’s outstanding equity shares (facevalue) or 10% of the respective fund in case of a life insurer/investment assets in case of a general insurer or a reinsurer;
- b. the entire group of the investee company: not more than 15% of the respective fund in case of a life insurer or 15% of investment assets in case of a general insurer or a reinsurer or 15% of the investment assets in all companies belonging to the group, whichever is lower; and
- c. the industry sector in which the investee company operates: not more than 15% of the respective fund of a life insurer or general insurance or 15% of the investment assets, whichever is lower.

The maximum exposure limit, in the case of an investment in equity shares, cannot exceed the lower of an amount of 10% of the investment assets of a life insurer or general insurer and the amount calculated under points (i), (ii) or (iii) above, as the case may be.

*\*The above limit of 10% shall stand substituted as 15% of outstanding equity shares (face value) for insurance companies with investment assets of Rs. 2,500,000 million or more and 12% of outstanding equity shares (face value) for insurers with investment assets of Rs. 500,000 million or more but less than Rs. 2,500,000 million.*

Insurance companies participating in this Offer shall comply with all applicable regulations, guidelines and circulars issued by IRDAI from time to time.

Insurance companies participating in this Issue shall comply with all applicable regulations, guidelines and circulars issued by IRDA from time to time.

**APPLICATION BY PROVIDENT FUNDS/ PENSION FUNDS**

In case of applications made by provident funds/pension funds, subject to applicable laws, with minimum corpus of Rs. 2,500 Lakhs, a certified copy of certificate from a chartered accountant certifying the corpus of the provident fund/ pension fund must be attached to the Application Form. Failing this, our Company reserves the right to reject any application, without assigning any reason thereof.

**APPLICATION UNDER POWER OF ATTORNEY**

In case of Applications made pursuant to a power of attorney or by limited companies, corporate bodies, registered societies, eligible FPIs (including FIIs), Mutual Funds, insurance companies, insurance funds set up by the army, navy or air force of the India, insurance funds set up by the Department of Posts, India or the National Investment Fund and provident funds with a minimum corpus of Rs. 2,500 Lakhs (subject to applicable law) and pension funds with a minimum corpus of Rs. 2,500 Lakhs, a certified copy of the power of attorney or the relevant resolution or authority, as the case may be, along with a certified copy of the memorandum of association and articles of association and/ or bye laws must be lodged along with the Application Form. Failing this, our Company reserve the right to accept or reject any Application in whole or in part, in either case, without assigning any reason thereof.

In addition to the above, certain additional documents are required to be submitted by the following entities:

- (a) With respect to applications by VCFs, FVCIs, FIIs and Mutual Funds, a certified copy of their SEBI registration certificate must be lodged along with the Application Form. Failing this, our Company reserves the right to accept or reject any application, in whole or in part, in either case without assigning any reasons thereof.
- (b) With respect to applications by insurance companies registered with the Insurance Regulatory and Development Authority, in addition to the above, a certified copy of the certificate of registration issued by the Insurance Regulatory and Development Authority must be lodged with the Application Form as applicable. Failing this, our Company reserves the right to accept or reject any application, in whole or in part, in either case without assigning any reasons thereof.
- (c) With respect to applications made by provident funds with minimum corpus of Rs. 250.00 million (subject to applicable law) and pension funds with a minimum corpus of Rs. 250.00 million, a certified copy of a certificate from a chartered accountant certifying the corpus of the provident fund/pension fund must be lodged along with the Application Form. Failing this, our Company reserves the right to accept or reject such application, in whole or in part, in either case without assigning any reasons thereof.

Our Company in its absolute discretion, reserves the right to relax the above condition of simultaneous lodging of the power of attorney along with the Application Form, subject to such terms and conditions that our Company, the lead manager may deem fit.

Our Company, in its absolute discretion, reserves the right to permit the holder of the power of attorney to request the Registrar to the Issue that, for the purpose of mailing of the Allotment Advice / CANs / letters notifying the unblocking of the bank accounts of ASBA applicants, the Demographic Details given on the Application Form should be used (and not those obtained from the Depository of the application). In such cases, the Registrar to the Issue shall use Demographic Details as given on the Application Form instead of those obtained from the Depositories.

***The above information is given for the benefit of the Applicants. The Company and the LM are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this 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 SYSTEMICALLY IMPORTANT NON-BANKING FINANCIAL COMPANIES

In case of Applications made by Systemically Important Non-Banking Financial Companies registered with RBI, certified copies of: (i) the certificate of registration issued by RBI, (ii) certified copy of its last audited financial statements on a standalone basis and a net worth certificate from its statutory auditor, and (iii) such other approval as may be required by the Systemically Important Non-Banking Financial Companies, are required to be attached to the Application Form. Failing this, our Company in consultation with the LM, reserves the right to reject any Applications without assigning any reason thereof. Systematically Important NBFCs participating in the Offer shall comply with all applicable regulations, guidelines and circulars issued by RBI from time to time.

The investment limit for Systemically Important NBFCs shall be as prescribed by RBI from time to time.

**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 Prospectus. Applicants are advised to make their independent investigations and Applicants are advised to ensure that any single Application from them does not exceed the applicable investment limits or maximum number of Equity Shares that can be held by them under applicable law or regulation or as specified in this Prospectus.**

## ISSUE PROCEDURE FOR ASBA (APPLICATION SUPPORTED BY BLOCKED ACCOUNT) 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 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.**

Lists of banks that have been notified by SEBI to act as SCSB (Self Certified Syndicate Banks) for the ASBA Process are provided on [www.sebi.gov.in](http://www.sebi.gov.in). For details on designated branches of SCSB collecting the Application Form, please refer the below mentioned SEBI link.

<https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=35>

<https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34>

## ASBA PROCESS

A resident retail individual investor shall submit his application only through UPI channel in terms of SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated 26th July, 2019, Retail Individual Investor shall not make Application through an Application Form, either in physical or electronic mode, the Retail Individual Applicants while making application through UPI Channel, shall 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. For further details on the UPI Channel, please refer to the UPI Circular available on the website of the LM and SEBI.

In case of investors other than retail individual investors shall make application through an Application Form, either in physical or electronic mode to the SCSB with whom the bank account of the ASBA applicant or bank account utilized by the ASBA Applicant (“ASBA Account”) is maintained. The SCSB shall block an amount equal to the Application Amount in the bank account specified in the ASBA Application Form, physical or electronic, on the basis of an authorization to this effect given by the account holder at the time of submitting the Application.

The Application Amount shall remain blocked in the aforesaid ASBA Account until finalization of the Basis of Allotment in the Issue and consequent transfer of the Application Amount against the allocated shares to the ASBA

Public Issue Account, or until withdrawal/failure of the Issue or until withdrawal/rejection of the ASBA Application, as the case may be.

The ASBA data shall thereafter be uploaded by the SCSB in the electronic IPO system of the Stock Exchange. Once the Basis of Allotment is finalized, the Registrar to the Issue shall send an appropriate request to the Controlling Branch of the SCSB for unblocking the relevant bank accounts and for transferring the amount allocable to the successful ASBA Applicants to the ASBA Public Issue Account. In case of withdrawal/failure of the Issue, the blocked amount shall be unblocked on receipt of such information from the Lead Manager.

ASBA Applicants are required to submit their Applications, either in physical or electronic mode. In case of application in physical mode, the ASBA Applicant shall submit the ASBA Application Form at the Designated Branch of the SCSB or Registered Brokers or Registered RTA's or DPs registered with SEBI. In case of application in electronic form, the ASBA Applicant shall submit the Application Form either through the internet banking facility available with the SCSB, or such other electronically enabled mechanism for applying and blocking funds in the ASBA account held with SCSB, and accordingly registering such Applications.

## HOW TO APPLY

In accordance to SEBI Circular SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019, RII shall compulsorily apply through the UPI mechanism.

Applications through UPI in IPOs can be made only through the SCSBs / mobile applications (apps) whose name appears on the SEBI website – [www.sebi.gov.in](http://www.sebi.gov.in) at the following path:

Home » Intermediaries/Market Infrastructure Institutions » Recognised Intermediaries » Self Certified Syndicate Banks eligible as Issuer Banks for UPI

All Applicants other than RII must compulsorily apply either through ASBA Processonline or through physical application.

## MODE OF PAYMENT

Upon submission of an Application Form with the SCSB, whether in physical or electronic mode, each ASBA Applicant shall be deemed to have agreed to block the entire Application Amount and authorized the Designated Branch of the SCSB to block the Application Amount, in the bank account maintained with the SCSB.

Application Amount paid in cash, by money order or by postal order or by stock invest, or ASBA Application Form accompanied by cash, draft, money order, postal order or any mode of payment other than blocked amounts in the SCSB bank accounts, shall not be accepted.

After verifying that sufficient funds are available in the ASBA Account, the SCSB shall block an amount equivalent to the Application Amount mentioned in the ASBA Application Form till the Designated Date.

On the Designated Date, the SCSBs shall transfer the amounts allocable to the ASBA Applicants from the respective ASBA Account, in terms of the SEBI Regulations, into the ASBA Public Issue Account. The balance amount, if any against the said Application in the ASBA Accounts shall then be unblocked by the SCSBs on the basis of the instructions issued in this regard by the Registrar to the Issue.

The entire Application Amount, as per the Application Form submitted by the respective ASBA Applicants, would be required to be blocked in the respective ASBA Accounts until finalization of the Basis of Allotment in the Issue and consequent transfer of the Application Amount against allocated shares to the ASBA Public Issue Account, or until withdrawal/failure of the Issue or until rejection of the ASBA Application, as the case may be.

## UNBLOCKING OF ASBA ACCOUNT

On the basis of instructions from the Registrar to the Issue, the SCSBs shall transfer the requisite amount against each successful ASBA Applicant to the Public Issue Account as per the provisions of section 40(3) of the Companies Act, 2013 and shall unblock excess amount, if any in the ASBA Account.

However, the Application Amount may be unblocked in the ASBA Account prior to receipt of intimation from the Registrar to the Issue by the Controlling Branch of the SCSB regarding finalization of the Basis of Allotment in the Issue, in the event of withdrawal/failure of the Issue or rejection of the ASBA Application, as the case may be.

## MAXIMUM AND MINIMUM APPLICATION SIZE

### a) For Retail Individual Applicants

The Application must be for a minimum of 4,000 Equity Shares. As the Application Price payable by the Applicant cannot exceed Rs. 2,00,000/-, they can make Application for only minimum Application size i.e. for 4,000 Equity Shares. In case of revision of the Application, the Retail Individual Applicants have to ensure that the Application Amount does not exceed Rs. 2,00,000

### b) For Other Applicants (Non- Institutional Applicants and QIBs):

The Application must be for a minimum of such number of Equity Shares such that the Application Amount exceeds Rs. 2,00,000/- and in multiples of 4,000 Equity Shares thereafter. An Application cannot be submitted for more than the Issue Size. However, the maximum Application by a QIB investor should not exceed the investment limits prescribed for them by applicable laws. Under existing SEBI Regulations, a QIB Applicant cannot withdraw its Application after the Issue Closing Date and is required to pay 100% QIB Margin upon submission of Application.

The above information is given for the benefit of the Applicants. The Company and the LM are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Prospectus. Applicants are advised to ensure that any single Application from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or regulation or as specified in this Prospectus.

## OPTION TO RECEIVE EQUITY SHARES IN DEMATERIALIZED FORM

Investors should note that Allotment of Equity Shares to all successful Applicants will only be in the dematerialized form in compliance of the Companies Act, 2013.

**Furnishing the details depository account is mandatory and applications without depository account shall be treated as incomplete and rejected.**

The Equity Shares on Allotment shall be traded only in the dematerialized segment of the Stock Exchanges.

Applicants will not have the option of getting Allotment of the Equity Shares in physical form. Allottees shall have the option to re-materialize the Equity Shares, if they so desire after allotment, as per the provision of the Companies Act and the Depositories Act.

Further it should be noted that if after allotment equity shareholder chooses to re-materialize its equity shares then such shareholder cannot transfer such shares or subscribe to any security either by way of private placement, bonus issue or right issue unless all his existing securities are held in dematerialized form.

## INFORMATION FOR THE APPLICANTS

- a) Our Company will file the Prospectus with the Registrar of Companies, New Delhi, at least 3 (three) days before the Issue Opening Date.



- b) Any investor (who is eligible to invest in our Equity Shares) who would like to obtain the Prospectus and/ or the Application Form can obtain the same from our Registered Office or from the office of the LM.
- c) Applicants who are interested in subscribing for the Equity Shares should approach the LM or their authorized agent(s) to register their Applications.
- d) Applications made in the name of Minors and/or their nominees shall not be accepted.

#### **PRE-ISSUE ADVERTISEMENT**

Subject to Section 30 of the Companies Act, 2013 the Company shall, after filing the Prospectus with the RoC, publish a pre-Issue advertisement, in the form prescribed by the SEBI Regulations, in one widely circulated English language national daily newspaper; one widely circulated Hindi language national daily newspaper and one regional newspaper with wide circulation. In the pre-issue advertisement, we shall state the Issue Opening Date and the Issue Closing Date. This advertisement, subject to the provisions of Section 30 of the Companies Act, 2013, shall be in the format prescribed in Part A of Schedule X of the SEBI (ICDR) Regulations, 2018.

#### **SIGNING OF UNDERWRITING AGREEMENT**

Our Company has signed underwriting agreement with LM dated August 06, 2019.

#### **FILING OF THE PROSPECTUS WITH THE ROC**

The Company will file a copy of the Prospectus with the Registrar of Companies, New Delhi, in terms of Section 26 of Companies Act, 2013.

#### **COMPLETION OF FORMALITIES FOR LISTING & COMMENCEMENT OF TRADING**

The Issuer may ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges are taken within 6 Working Days of the Issue Closing Date. The Registrar to the Issue may give instruction for credit to Equity Shares the beneficiary account with DPs, and dispatch the allotment Advise within 6 Working Days of the Issue Closing Date.

#### **NON-RECEIPT OF LISTING PERMISSION**

An Issuer makes an Application to the Stock Exchange(s) for permission to deal in/list and for an official quotation of the Equity Shares. All the Stock Exchanges from where such permission is sought are disclosed in Prospectus. The designated Stock Exchange may be as disclosed in the Prospectus with which the Basis of Allotment may be finalized.

If the permission to deal in and official quotation of the Equity Shares are not granted by any of the Stock Exchange(s), the Issuer may forthwith repay, without interest, all money received from the Applicants in pursuance of the Prospectus.

In the event that the listing of the Equity Shares does not occur in the manner described in this Prospectus, the Lead Manager and Registrar to the Issue shall intimate Public Issue bank/Bankers to the Issue and Public Issue Bank/Bankers to the Issue shall transfer the funds from Public Issue account to Refund Account as per the written instruction from lead Manager and the Registrar for further payment to the beneficiary bidders.

If such money is not repaid within eight days after the Issuer becomes liable to repay it, then the Issuer and every director of the Issuer who is an officer in default may, on and from such expiry of eight days, be liable to repay the money, with interest at such rate as disclosed in the Prospectus.

Within 6 working days of the Issue Closing Date, the Registrar to the Issue may give instruction to SCSBs for unblocking the amount in ASBA Account to unsuccessful Application and also for any excess amount blocked on Application.

#### **MODE OF MAKING REFUND FOR ASBA APPLICANTS**

In case of ASBA Application, the registrar of the issue may instruct the controlling branch of the SCSB to unblock the funds in the relevant ASBA Account for any withdrawn, rejected or unsuccessful ASBA applications or in the event of withdrawal or failure of the Issue.

#### **INTEREST IN CASE OF DELAY IN ALLOTMENT OR REFUND**

The issuer shall allot securities offered to the public shall be made within the period prescribed by the Board. The issuer shall also pay interest at the rate of fifteen per cent. per annum if the allotment letters or refund orders have not been dispatched to the applicants or if, in a case where the refund or portion thereof is made in electronic manner, the refund instructions have not been given to the clearing system in the disclosed manner with in eight days from the date of the closure of the issue. However applications received after the closure of issue in fulfillment of underwriting closure of the issue. However applications received after the closure of issue in fulfilment of underwriting obligations to meet the minimum subscription requirement, shall not be entitled for the said interest.

1. **Issuance of Allotment Advice:** Upon approval of the Basis of Allotment by the Designated Stock Exchange, the Lead Manager or the Registrar to the Issue shall send to the Bankers to the Issue a list of their Applicants who have been allocated/Allotted Equity Shares in this Issue.
2. Pursuant to confirmation of corporate actions with respect to Allotment of Equity Shares, the Registrar to the Issue will dispatch Allotment Advice to the Applicants who have been Allotted Equity Shares in the Issue.
3. Approval of the Basis of Allotment by the Designated Stock Exchange. As described above shall be deemed a valid, binding and irrevocable contract for the Applicant.

#### **GENERAL INSTRUCTIONS**

##### ***Do's:***

- Check if you are eligible to apply;
- Read all the instructions carefully and complete the applicable Application Form;
- Ensure that the details about Depository Participant and Beneficiary Account are correct as Allotment of Equity Shares will be in the dematerialized form only;
- Applicant shall use only his / her own bank account or only his / her own bank account linked UPI ID to makean application;
- Each of the Applicants should mention their Permanent Account Number (PAN) allotted under the Income Tax Act, 1961;
- Ensure that the Demographic Details (as defined herein below) are updated, true and correct in all respects;
- Ensure that the name(s) given in the Application Form is exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant.
- Ensure that you have funds equal to the Application Amount in the ASBA account maintained with the SCSB before submitting the Application Form to the respective Designated Branch of the SCSB, the Registered Broker (at the Broker Centers), 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 under the ASBA process;
- Ensure that the Application Form is signed by the account holder in case the applicant is not the account holder.
- Ensure that you have mentioned the correct bank account number in the Application Form;

- Ensure that the Application Forms are delivered by the applicants within the time prescribed as per the Application Form and the Prospectus;
- Ensure that you receive an acknowledgement from the concerned Designated Intermediary, for the submission of your Application Form;
- The Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.
- All Applicants should submit their application through ASBA process only and in case of Retail Individual Applicants applying through UPI Channel, ensure that you have mentioned the correct UPI ID.

***Don'ts:***

- Do not apply for lower than the minimum Application size;
- Do not apply at a price different from the price mentioned herein or in the application form;
- Do not apply on another Application Form after you have submitted an Application to the Bankers of the Issue;
- Do not pay the Application Price in cash, by money order or by postal order or by stock invest;
- Do not send Application Forms by post; instead submit the same to the Application Collection Intermediaries only;
- Do not submit the Application Forms to any non-SCSB bank or our Company;
- 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;
- Do not make Applications if you are not competent to contract under the Indian Contract Act, 1872, as amended.
- Do not use third party bank account or third party UPI ID linked Bank Account for making the Application.

**INSTRUCTIONS FOR COMPLETING THE APPLICATION FORM**

In Addition to the instructions for completing the application form as mentioned under Part B of General Information Document for Investing in Public Issues- Instructions for Filing the Application Form (Fixed Price Issue), the following instruction should be noted by the Applicants:

- 1) The Applications should be submitted on the prescribed Application Form in block letters and in English only, in accordance with the instructions contained herein and in the application Form. Applications not so made, are liable to be rejected.
- 2) ASBA Application Forms should bear the stamp of the Application Collecting Intermediaries or SCSB's. ASBA Application Forms, which do not bear the stamp of the SCSB, will be rejected.
- 3) Pursuant to SEBI circular no.-CIR/CFD/POLICYCELL/11/2015 dated 10th November, 2015 all the Applicants have to compulsorily apply through the ASBA Mode only. However, In terms of SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated 28th June, 2019, Phase II of the aforesaid Circular dated November 01, 2018, shall become effective from July 1, 2019, Retail Individual Investors shall make Application using UPI Channel is compulsory and they cannot make Applications by submitting Application Forms, in physical form or in electronic mode, to the members of the Syndicate, the sub-Syndicate, SCSBs, the Registered Brokers, Registrars to an Issue and Share Transfer Agents and Depository Participants.

4)

#### **APPLICANT'S DEPOSITORY ACCOUNT AND BANK DETAILS**

**Please note that, providing bank account details in the space provided in the application form is mandatory and applications that do not contain such details are liable to be rejected.**

Applicants should note that on the basis of name of the Applicants, Depository Participant's name, Depository Participant Identification number and Beneficiary Account Number provided by them in the Application Form, the Registrar to the Issue will obtain from the Depository the demographic details including address, Applicants bank account details, MICR code and occupation (hereinafter referred to as 'Demographic Details'). These Bank Account details would be used for giving refunds to the Applicants. Hence, Applicants are advised to immediately update their Bank Account details as appearing on the records of the depository participant. Please note that failure to do so could result in delays in dispatch/ credit of refunds to Applicants at the Applicants' sole risk and neither the Lead Manager nor the Registrar to the Issue or the Escrow Collection Banks or the SCSB nor the Company shall have any responsibility and undertake any liability for the same. Hence, Applicants should carefully fill in their Depository Account details in the Application Form. These Demographic Details would be used for all correspondence with the Applicants including mailing of the CANs / Allocation Advice and printing of Bank particulars on the refund orders or for refunds through electronic transfer of funds, as applicable. 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.

#### **PAYMENT BY STOCKINVEST**

In terms of the Reserve Bank of India Circular No.DBOD No. FSC BC 42/24.47.001/ 2003 04 dated November 05, 2003; the option to use the stock invest instrument in lieu of cheques or bank drafts for payment of Application money has been withdrawn. Hence, payment through stock invest would not be accepted in this Issue.

#### **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 (1<sup>st</sup> 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.

After submitting an ASBA Application either in physical or electronic mode, an ASBA Applicant can not apply (either in physical or electronic mode) to either the same or another Designated Branch of the SCSB. Submission of a second Application in such manner will be deemed a multiple Application and would be rejected.

Duplicate copies of Application Forms downloaded and printed from the website of the Stock Exchange bearing the same application number shall be treated as multiple applications and are liable to be rejected. The Company, in consultation with the Lead Manager reserves the right to reject, in its absolute discretion, all or any multiple applications in any or all categories. In this regard, the procedure which would be followed by the Registrar to the Issue to detect multiple applications is given below:

1. All Applications will be checked for common PAN. For Applicants other than Mutual Funds and FII sub-accounts, Applications bearing the same PAN will be treated as multiple Applications and will be rejected.
2. For Applications from Mutual Funds and FII sub-accounts, submitted under the same PAN, as well as Applications on behalf of the Applicants for whom submission of PAN is not mandatory such as the Central or State Government, an official liquidator or receiver appointed by a court and residents of Sikkim, the Application Forms will be checked for common DP ID and Client ID.

#### **PERMANENT ACCOUNT NUMBER OR PAN**

Pursuant to the circular MRD/DoP/Circ 05/2007 dated April 27, 2007, SEBI has mandated Permanent Account Number ('PAN') to be the sole identification number for all participants transacting in the securities market, irrespective of the amount of the transaction w.e.f. July 02, 2007. Each of the Applicants should mention his/her PAN allotted under the IT Act. Applications without this information will be considered incomplete and are liable to be rejected except where the requirement to hold a permanent account number has been specifically exempt under applicable law. 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.

#### **GROUND FOR REJECTIONS**

Applicants are advised to note that Applications are liable to be rejected inter alia on the following technical grounds:

- PAN not mentioned in the Application Form, wrong PAN and mismatch of PAN with depository participant ;
- Amount blocked does not tally with the amount payable for the Equity Shares applied for;
- In case of partnership firms, Equity Shares may be registered in the names of the individual partners and no firm as such shall be entitled to apply;

- Application by persons not competent to contract under the Indian Contract Act, 1872 including minors, insane persons;
- GIR number furnished instead of PAN;
- Applications for lower number of Equity Shares than specified for that category of investors;
- Applications made using a third party bank account or using third party UPI ID linked bank account;
- Applications at a price other than the Fixed Price of The Issue;
- Applications for number of Equity Shares which are not in multiples of 4000;
- Category not ticked;
- Multiple Applications as defined in this Prospectus;
- In case of Application under power of attorney or by limited companies, corporate, trust etc., where relevant documents are not submitted;
- Applications accompanied by Stock invest/ money order/ postal order/ cash/ cheque/ demand draft/ pay order;
- Signature of sole Applicant is missing;
- Application Forms are not delivered by the Applicant within the time prescribed as per the Application Forms, Issue Opening Date advertisement and the Prospectus and as per the instructions in the Prospectus and the Application Forms;
- In case no corresponding record is available with the Depositories that matches three parameters namely, names of the Applicants (including the order of names of joint holders), the Depository Participant's identity (DP ID) and the beneficiary's account number;
- Applications for amounts greater than the maximum permissible amounts prescribed by the regulations;
- Applications by OCBs;
- Applications by US persons other than in reliance on Regulation S or "qualified institutional buyers" as defined in Rule 144A under the Securities Act;
- Applications by any persons outside India if not in compliance with applicable foreign and Indian laws;
- Applications that do not comply with the securities laws of their respective jurisdictions are liable to be rejected;
- Applications by persons prohibited from buying, selling or dealing in the shares directly or indirectly by SEBI or any other regulatory authority;
- Applications by persons who are not eligible to acquire Equity Shares of the Company in terms of all applicable laws, rules, regulations, guidelines, and approvals;
- Applications or revisions thereof by QIB Applicants, Non Institutional Applicants where the Application Amount is in excess of Rs. 2,00,000, received after 3.00 pm on the Issue Closing Date;
- Detailed of ASBA Account not provided in the Application Form;
- Amount not blocked in ASBA within prescribed time;
- More than five application forms blocked from one ASBA Account.

- In case of Retail Individual Applicants applying through the UPI mechanism, details of UPI ID, not provided in the Application form; etc.

For details of instruction in relation to the Application Form, Applicants may refer to the relevant section of GID and UPI Circular.

### **EQUITY SHARES IN DEMATERIALIZED FORM WITH NSDL OR CDSL**

To enable all shareholders of the Company to have their shareholding in electronic form, the Company is in process of entering following tripartite agreements with the Depositories and the Registrar and Share Transfer Agent:

- (a) We have entered into a tripartite agreement between NSDL, the Company and the Registrar to the Issue on November 11, 2019.
- (b) We have entered into a tripartite agreement between CDSL, the Company and the Registrar to the Issue on November 07, 2019.

The Company's Equity shares bear an ISIN No. INE0B9A01018

An Applicant applying for Equity Shares must have at least one beneficiary account with either of the Depository Participants of either NSDL or CDSL prior to making the Application.

- The Applicant must necessarily fill in the details (including the Beneficiary Account Number and Depository Participant's identification number) appearing in the Application Form or Revision Form.
- Allotment to a successful Applicant will be credited in electronic form directly to the beneficiary account (with the Depository Participant) of the Applicant.
- Names in the Application Form or Revision Form should be identical to those appearing in the account details in the Depository. In case of joint holders, the names should necessarily be in the same sequence as they appear in the account details in the Depository.
- If incomplete or incorrect details are given under the heading 'Applicants Depository Account Details' in the Application Form or Revision Form, it is liable to be rejected.
- The Applicant is responsible for the correctness of his or her Demographic Details given in the Application Form vis à vis those with his or her Depository Participant.
- Equity Shares in electronic form can be traded only on the stock exchanges having electronic connectivity with NSDL and CDSL. The Stock Exchange where our Equity Shares are proposed to be listed has electronic connectivity with CDSL and NSDL.
- The allotment and trading of the Equity Shares of the Company would be in dematerialized form only for all investors.

### **COMMUNICATIONS**

All future communications in connection with the Applications made in this Issue should be addressed to the Registrar to the Issue quoting the full name of the sole or First Applicant, Application Form number, Applicants Depository Account Details, number of Equity Shares applied for, date of Application form, name and address of the Banker to the Issue where the Application was submitted and a copy of the acknowledgement slip.

Investors can contact the Compliance Officer or the Registrar to the Issue in case of any pre Issue or post Issue related problems such as non-receipt of letters of allotment, credit of allotted shares in the respective beneficiary accounts, etc.

## DISPOSAL OF APPLICATIONS

Our Company shall ensure that all steps for completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges where the Equity Shares are proposed to be listed, are taken within 6 Working Days of the Bid/ Offer Closing Date.

## IMPERSONATION

Attention of the applicants is specifically drawn to the provisions of section 38(1) of the Companies Act, 2013 which is reproduced below:

‘Any person who:

- a. makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or
  - b. makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or
  - c. otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name,
- Shall be liable for action under section 447 of Companies Act, 2013 and shall be treated as Fraud.

*Section 447 of the Companies Act, 2013, is reproduced as below:*

*Without prejudice to any liability including repayment of any debt under this Act or any other law for the time being in force, any person who is found to be guilty of fraud involving an amount of at least ten lakh rupees or one per cent. of the turnover of the company, whichever is lower shall be punishable with imprisonment for a term which shall not be less than six months but which may extend to ten years and shall also be liable to fine which shall not be less than the amount involved in the fraud, but which may extend to three times the amount involved in the fraud:*

*Provided that where the fraud in question involves public interest, the term of imprisonment shall not be less than three years.*

*Provided further that where the fraud involves an amount less than ten lakh rupees or one per cent. Of the turnover of the company, whichever is lower, and does not involve public interest, any person guilty of such fraud shall be punishable with imprisonment for a term which may extend to five years or with fine which may extend to twenty lakh rupees or with both.*

## INVESTOR GRIEVANCE

In case of any pre-Issue or post-Issue related problems regarding demat credit/refund orders/unblocking etc., the Investors can contact the Compliance Officer of our Company.

## BASIS OF ALLOTMENT

Allotment will be made in consultation with BSE (The Designated Stock Exchange). In the event of oversubscription, the allotment will be made on a proportionate basis in marketable lots as set forth here:

1. The total number of Shares to be allocated to each category as a whole shall be arrived at on a proportionate basis i.e. the total number of Shares applied for in that category multiplied by the inverse of the over subscription ratio (number of applicants in the category x number of Shares applied for).
2. The number of Shares to be allocated to the successful applicants will be arrived at on a proportionate basis in marketable lots (i.e. Total number of Shares applied for into the inverse of the over subscription ratio).



3. For applications where the proportionate allotment works out to less than 4,000 equity shares the allotment will be made as follows:
  - a) Each successful applicant shall be allotted 4,000 equity shares; and
  - b) The successful applicants out of the total applicants for that category shall be determined by the drawl of lots in such a manner that the total number of Shares allotted in that category is equal to the number of Shares worked out as per (2) above.
4. If the proportionate allotment to an applicant works out to a number that is not a multiple of 4,000 equity shares, the applicant would be allotted Shares by rounding off to the lower nearest multiple of 4,000 equity shares subject to a minimum allotment of 4,000 equity shares.
5. If the Shares allocated on a proportionate basis to any category is more than the Shares allotted to the applicants in that category, the balance available Shares for allocation shall be first adjusted against any category, where the allotted Shares are not sufficient for proportionate allotment to the successful applicants in that category, the balance Shares, if any, remaining after such adjustment will be added to the category comprising of applicants applying for the minimum number of Shares.
6. Since present issue is a fixed price issue, the allocation in the net offer to the public category in terms of Regulation 253 of the SEBI (ICDR) Regulations, 2018 shall be made as follows:
  - a) Minimum of 50% of the net offer of shares to the Public shall be made available for allotment to retail individual investors; and
  - b) The balance net offer of shares to the public shall be made available for allotment to Non Institutional Investors, including Qualified Institution Buyers, Corporate Bodies/ Institutions.
  - c) The unsubscribed portion in either of the categories specified in (a) or (b) above may be allocated to the applicants in the other category.

Explanation: If the retails individual investor category is entitled to more than allocated portion on proportionate basis, the retails individual investors shall be allocated that higher percentage.

Please note that the Allotment to each Retail Individual Investor shall not be less than the minimum application lot, subject to availability of Equity Shares in the Retail portion. The remaining available Equity Shares, if any in Retail portion shall be allotted on a proportionate basis to Retail individual Investor in the manner in this para titled “BASIS OF ALLOTMENT” on page 286 of this Prospectus.

“Retail Individual Investor” means an investor who applies for shares of value of not more than Rs. 2,00,000/-. Investors may note that in case of over subscription allotment shall be on proportionate basis and will be finalized in consultation with the BSE Limited.

#### **BASIS OF ALLOTMENT IN THE EVENT OF UNDER SUBSCRIPTION**

In the event of under subscription in the Issue, the obligations of the Underwriters shall get triggered in terms of the Underwriting Agreement. The Minimum subscription of 100% of the Issue size shall be achieved before our company proceeds to get the basis of allotment approved by the Designated Stock Exchange.

The Executive Director/Managing Director of the BSE Limited – the Designated Stock Exchange in addition to Lead Manager and Registrar to the Public Issue shall be responsible to ensure that the basis of allotment is finalized in a fair and proper manner in accordance with the SEBI (ICDR) Regulations, 2018.

As per the RBI regulations, OCBs are not permitted to participate in the Issue. There is no reservation for Non Residents, NRIs, FPIs and foreign venture capital funds and all Non-Residents, NRI, FPI and Foreign Venture Capital Funds applicants will be treated on the same basis with other categories for the purpose of allocation.

## **UNDERTAKING BY OUR COMPANY**

The Company undertakes the following:

1. that the complaints received in respect of this Issue shall be attended to by us expeditiously and satisfactorily;
2. that all steps for completion of the necessary formalities for listing and commencement of trading of the Equity Shares at the Stock Exchange where the Equity Shares are proposed to be listed are taken within six Working days of Issue Closing Date or such time as prescribed;
3. that the funds required for making refunds/unblocking to unsuccessful applicants as per the mode(s) disclosed shall be made available to the Registrar to the issue by the issuer.
4. that the instruction for electronic credit of Equity Shares/ refund orders/intimation about the refund to non - resident Indians shall be completed within specified time; and
5. that no further issue of Equity Shares shall be made till the Equity Shares offered through this Prospectus are listed or till the application monies are refunded on account of non-listing, under subscription, etc.,
6. that Company shall not have recourse to the Issue proceeds until the approval for trading of the Equity Shares from the Stock Exchange where listing is sought has been received.
7. That if the Company withdraws the Issue after the Issue Closing Date, our Company shall be required to file afresh offer document with the RoC/ Exchange, in the event our Company subsequently decides to proceed with the Issuer;

## **UTILIZATION OF ISSUE PROCEEDS**

Our Board certifies that:

1. All monies received out of the Issue shall be credited/ transferred to a separate bank account other than the bank account referred to in Section 40(3) of the Companies Act, 2013;
2. Details of all monies utilized out of the Issue shall be disclosed and continue to be disclosed till any part of the issue proceeds remains unutilized under an appropriate separate head in the Company's balance sheet 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 the appropriate separate head in the balance sheet indicating the form in which such unutilized monies have been invested;
4. Our Company shall comply with the requirements of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 in relation to the disclosure and monitoring of the utilization of the proceeds of the Issue.
5. Our Company shall not have recourse to the Issue Proceeds until the approval for listing and trading of the Equity Shares from the Stock Exchange where listing is sought has been received.

## RESTRICTION ON FOREIGN OWNERSHIP OF INDIAN SECURITIES

Foreign investment in Indian securities is regulated through the Industrial Policy, 1991 of the Government of India and FEMA. While the Industrial Policy, 1991 prescribes the limits and the conditions subject to which foreign investment can be made in different sectors of the Indian economy, FEMA regulates the precise manner in which such investment may be made. Under the Industrial Policy, unless specifically restricted, foreign investment is freely permitted in all sectors of Indian economy up to any extent and without any prior approvals, but the foreign investor is required to follow certain prescribed procedures for making such investment. Foreign investment is allowed up to 100% under automatic route in our Company.

India's current Foreign Direct Investment ("FDI") Policy issued by the Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, GoI ("DIPP") by circular of 2017 with effect from August 28, 2017 ("Circular of 2017"), consolidates and supersedes all previous press notes, press releases and clarifications on FDI issued by the DIPP. The Government usually updates the consolidated circular on FDI Policy once every Year and therefore, this circular of 2017 will be valid until the DIPP issues an updated circular.

The transfer of shares between an Indian resident and a Non-resident does not require the prior approval of the the RBI, subject to fulfillment of certain conditions as specified by DIPP / RBI, from time to time. Such conditions include (i) the activities of the investee company are under the automatic route under the foreign direct investment ("FDI") Policy and the non-resident shareholding is within the sectoral limits under the FDI policy; (ii) the pricing is in accordance with the guidelines prescribed by the SEBI/RBI and such other conditions as provided in the FDI Policy from time to time. Investors are advised to refer to the exact text of the relevant statutory provisions of law before investing and / or subsequent purchase or sale transaction in the Equity Shares of Our Company.

### 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, 2A, 3, 6, 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.

#### **i. 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 be less than 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 percent and 24 percent will be called the individual and aggregate limit, respectively. However, this aggregate 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.

**ii. Investment by Registered Foreign Portfolio Investor (RFPI) under Foreign Portfolio Investment (FPI) Scheme**

With respect to purchase/sale of shares or convertible debentures or warrants, a RFPI registered in accordance with SEBI (FPI) Regulations, 2014 as amended in regular intervals may purchase shares or convertible debentures or warrants of an Indian company under FPI scheme. The total holding by each RFPI shall be below 10 % of the total paid-up equity capital or 10 % of the paid-up value of each series of convertible debentures issued by an Indian company and the total holdings of all RFPI put together shall not exceed 24 % of paid-up equity capital or paid up value of each series of convertible debentures. The said limit of 24 % will be called aggregate limit. However, the aggregate limit of 24 % may be increased up to the 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. For arriving at the ceiling on holdings of RFPI, shares or convertible debentures or warrants acquired both through primary as well as secondary market will be included. However, the ceiling will exclude investment made by RFPI through off-shore Funds, Global Depository Receipts and Euro-Convertible Bonds but include holding of RFPI and deemed RFPI in the investee company for computation of 24 % or enhanced limit.

**iii. Investment by NRI on repatriation and non-repatriation basis under PIS:**

With respect to purchase/sale of shares and/or convertible debentures by a NRI on a stock exchange in India on repatriation and/or non-repatriation basis under PIS is allowed subject to certain conditions under Schedule 3 of the FEMA (Transfer or Issue of security by a person resident outside India) Regulations, 2000. Further, with regard to limits:

- the paid-up value of shares of an Indian company, purchased by each NRI both on repatriation and on repatriation basis, does not exceed 5% of the paid-up value of shares issued by the company concerned;
- the paid-up value of each series of convertible debentures purchased by each NRI both on repatriation and non-repatriation basis does not exceed 5% of the paid-up value of each series of convertible debentures issued by the company concerned;
- the aggregate paid-up value of shares of any company purchased by all NRIs does not exceed 10% of the paid-up capital of the company and in the case of purchase of convertible debentures.
- the aggregate paid-up value of each series of debentures purchased by all NRIs does not exceed 10% of the paid-up value of each series of convertible debentures;

However, 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 concerned.

**iv. Investment by NRI 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 (U.S. Securities Act”) or any state securities laws in the United States and may not be offered or sold within the United States or to, or for the account or benefit of, “U.S. Persons (as defined in Regulation S), except pursuant to exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities laws.



Accordingly, the Equity Shares are being offered and sold only outside the United States in offshore transaction in reliance on Regulation S under the U.S Securities Act and the applicable laws of the jurisdiction where those offers and sale occur. However, the Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Applications may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

The above information is given for the benefit of the Applicants. Our Company and the LM are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Prospectus. Applicants are advised to make their independent investigations and ensure that the Applications are not in violation of laws or regulations applicable to them.

## SECTION IX – MAIN PROVISION OF ARTICLES OF ASSOCIATION

Pursuant to Schedule II of the Companies Act and the SEBI Regulation, the main provisions of our Articles relating to, inter alia, voting rights, dividend, lien, forfeiture, restrictions on transfer and transmission of Equity Shares or debentures and/or on their consolidation/splitting are detailed below. Please note that each Provision herein below is numbered as per the corresponding article number in our Articles and capitalized/defined terms herein have the same meaning given to them in our Articles.

### SHARE CAPITAL

3. The Authorised Share Capital of the company shall be such amounts and be divided into such shares as may, from time to time, be provided in Clause V of the Memorandum of Association with power to increase or reduce the capital in accordance with the Company's regulations and legislative provisions for the time being in force on that behalf with the powers to divide the share capital, whether original or increased or decreased into several classes and attach thereto respectively such ordinary, preferential or special rights and conditions in such manner as may for the time being be provided by the Regulations of the Company and allowed by law.
4. Subject to the provisions of these Articles and of the Act, the shares shall be under the control of the Board of Directors, who may allot or otherwise dispose off the same to such persons, on such terms and conditions and at such time as they think fit and with full power to give any person the option to call of or be allotted shares of the Company of any class, either at a premium or at par and for such time and for such consideration as the Board of Directors think fit (subject to the provisions of Section 53, 54, 56 and 58 of the Act), provided that option or right to call of shares shall not be given to any person except with the sanction of the Company in General Meeting. The Board shall cause to be made the returns as the allotment provided for in Section 39 of the Act.
5. Subject to the provisions of these Articles and of the Act, the Company is authorized to issue shares on preferential basis subject to compliance of the provisions of Section 62 (1) (c) read with Section 42 of the Companies Act, 2013.
6. Any application signed by or on behalf of an applicant for shares in the Company, followed by an allotment of any shares therein, shall be an acceptance of shares within the meaning of these Articles; and every person who thus or otherwise accepts any shares and whose name is on the register shall, for the purposes of the Articles, be a member.
7. (i) If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may, subject to the provisions of Section 48 of the Act, the consent in writing of the holders of three fourths of the issued shares of that class or with a sanction of a special resolution passed at a separate meeting of the holders of the shares of that class.  
  
(ii) To every such separate meeting, the provisions of these regulations relating to general meetings shall mutatis mutandis apply, but so that the necessary quorum shall be at least two persons holding at least one-third of the issued shares of the class in question.
8. The rights conferred upon the holders of the shares of any class issued with preferred or other rights shall not unless otherwise provided by the terms of issue of the shares of that class be deemed to be varied by the creation or issue of further shares ranking pari passu therewith.

9. (1) The company may exercise the powers of paying commissions conferred by Section 40 of the Act, provided that the rate per cent or the amount of the commission paid or agreed to be paid shall be disclosed in the manner required by the Section.
- (2) The rate of commission shall not exceed the rate of 5% (five percent) of the price at which the shares in respect whereof the same is paid are issued or an amount equal to 5% (five percent) of such price, as the case may be and in the case of debentures 2½% (two and a half per cent) of the price at which the debentures in respect whereof the same is paid are issued or an amount equal to 2½% (two and a half per cent) of such price, as the case may be.
- (3) The commission may be satisfied by payment in cash or by allotment of fully or partly paid shares or partly in one way and partly in the other.
- (4) The Company may also, on any issue of shares, pay such brokerage as may be lawful.
10. (1) Every person whose name is entered as a member in the register of members shall be entitled to receive within two months after allotment (or within such other period as the conditions of issue shall provide) or within one month after the application for the registration of transfer is received by the Company.
  - (a) One certificate for all his shares without payment, or
  - (b) Several certificates, each for one or more of his shares, provided that any subdivision, consolidation or splitting of certificates required in marketable lots shall be done by the Company free of any charges.
- (2) Every certificate shall specify the shares to which it relates and the amount paid-up thereon and shall be signed by two directors or by a director and the company secretary, wherever the company has appointed a company secretary;

Provided that in case the company has a common seal it shall be affixed in the presence of the persons required to sign the certificate.
- (3) In respect of any share or shares held jointly by several persons, the Company shall not be bound to issue more than one certificate, and delivery of a certificate for a share to one of several joint holders shall be sufficient delivery to all such holders.
11. The Company agrees, that it will not charge any fees exceeding those which may be agreed upon with the Stock Exchange.
  - (i) for issue of new certificates in replacement of those that are torn out, defaced lost or destroyed;
  - (ii) for sub-division and consolidation of shares and debenture certificates and for subdivision of Letters of Allotment and Split, Consolidation, Renewal and Pucca Transfer Receipts into denominations other than those fixed for the market units of trading".
12. If any shares stands in the names of two or more persons, the person first named in the register of members shall as regards receipt of dividends, the service of notices and subject to the provisions of these Articles, all or any other matter connected with the Company except the issue of share certificates, voting at meeting and the transfer of the share, be deemed the sole holder thereof.

## **LIEN**

13. Subject to the provisions of Companies Act, 2013 the Company shall have a first and paramount lien upon all the shares (not being a fully paid up share) for all monies (presently payable) registered in the name of such member (whether solely or jointly with others) and upon the proceeds of sale thereof for his debts, liabilities and engagements (whether presently payable or not) solely or jointly with any other person, to or with the Company, whether the period for the payment, fulfillment or discharge thereof shall have actually lien or not and such lien shall extend to all dividends, from time to time, declared in respect of shares, subject to section 123 of the Companies Act 2013. The Board of Directors may at any time declare any shares to be wholly or in part exempt from the provisions of this clause.
14. The Company may sell, in such manner as the Board think fit, any share on which the Company has a lien provided that no sale shall be made :-
  - (a) unless a sum in respect of which the lien exists is presently payable; or
  - (b) until the expiration of fourteen days after a notice in writing stating and demanding payment of such part of the amount in respect of which the lien exists as is presently payable, has been given to the registered holder for the time being of the share or the person entitled thereto by reason of his death or insolvency.
15.
  - (1) To give effect to any such sale, the Board may authorise some person to transfer the shares sold to the purchaser thereof.
  - (2) The purchaser shall be registered as the shareholder of the shares comprised in any such transfer.
  - (3) The purchaser shall not be bound to see to the application of the purchase money, nor shall his title to the share be affected by any irregularity or invalidity in the proceedings in reference to the sale.
16.
  - (1) The proceeds of the sale shall be received by the company and applied in payment of the whole or part of the amount in respect of which the lien exist as is presently payable.
  - (2) The residue, if any, shall, subject to a like lien for sums not presently payable as existed upon the shares as the date of sale, be paid to the person entitled to the shares at the date of the sale.

## **CALLS ON SHARES**

17.
  - (1) The Board of Directors may, from time to time, make calls upon the members in respect of money unpaid on their shares (whether on account of the nominal value of the shares or by way of premium) and not by the conditions of allotment thereof made payable at fixed times. Provided that no call shall exceed one-fourth of the nominal value of the share or be payable at less than one month from the date fixed for the payment of the last preceding call.
  - (2) Each member shall, subject to receiving at least Fourteen days notice specifying the time or times and place of payment of the call money pay to the Company at the time or times and place so specified, the amount called on his shares.
  - (3) A call may be revoked or postponed at the discretion of the Board.
18. A call shall be deemed to have been made at the time when the resolution of the Board authorising the call was passed. Call money may be required to be paid by installments.



19. The joint holders of a share shall be jointly and severally liable to pay all calls in respect thereof.
20. (1) If a sum called in respect of a share is not paid before or on the day appointed for payment thereof, the person from whom the sum is due shall pay interest thereon from the day appointed for payment thereof to the time of actual payment at ten percent or at such lower rate, if any as the Board may determine.  
(2) The Board shall be at liberty to waive payment of any such interest wholly or in part.
21. (1) Any sum which by the terms of issue of a share become payable on allotment or at any fixed date, whether on account of the nominal value of the shares or by way of premium, shall for purposes of these regulations, be deemed to be a call duly made and payable on the date on which by the terms of issue such sum becomes payable.  
(2) In case of non-payment of such sum, all the relevant provisions of these regulations as to payment of interest and expenses, forfeiture or otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified.
22. Subject to the provisions of Section 50 and 179 of the Act, the Board :-
  - (a) May, if it thinks fit, receive from any member willing to advance all or any part of the money uncalled and unpaid upon any shares held by him; and
  - (b) If it thinks fit, may pay interest upon all or any of the moneys advanced on uncalled and unpaid shares (until the same would but for such advance become presently payable) at such rate not exceeding, unless the Company in general meeting shall otherwise direct, 12% (twelve percent) per annum as may be agreed upon between the Board and the member paying the sums or advances, Money so paid in advance shall not confer a right to dividend or to participate in profits.
23. On the trial or hearing on any suit or proceedings brought by the Company against any member or his representative to recover any debt or money claimed to be due to the Company in respect of his share, it shall be sufficient to prove that the name of the defendant is or was, when the claim arose, on the Register of members of the company as a holder or one of the holders of the number of shares in respect of which such claim is made and that the amount claimed is not entered as paid in the books of the Company and it shall not be necessary to prove the appointment of the Directors who resolved to make any call, nor that a quorum of Directors was present at Board Meeting at which any call was resolved to be made, nor that the meeting at which any call was resolved to be made was duly convened or constituted nor any other matter, but the proof of the matters aforesaid shall be conclusive evidence of the debt.
24. Neither the receipt by the Company of a portion of any money which shall, from time to time, be due from any member to the Company in respect of his shares, either by way of principal or interest, nor any indulgence granted by the Company in respect of the payment of any such money, shall, preclude the Company from thereafter proceeding to enforce a forfeiture of such shares as hereinafter provided.

#### **TRANSFER AND TRANSMISSION OF SECURITIES**

25. The Company shall keep a "Register of Transfers" and therein shall fairly and distinctly enter particulars of every transfer or transmission of any share(s) or securities.
26. (1) the instrument of transfer of any securities in the Company shall be executed by or on behalf of both the transferor and the transferee;

- (2) the transferor shall be deemed to remain a holder of the security until a properly signed deed of transfer is received by the Company within 2 months of its execution and proper note thereof has been taken and name of transferee has been entered in the Register of Members/Securities, as the case may be;
  - (3) that there shall be no forfeiture of unclaimed dividends before the claim becomes barred by law;
  - (4) that a common form of transfer shall be used;
  - (5) that fully paid shares shall be free from all lien and that in the case of partly paid shares the Company's lien shall be restricted to moneys called or payable at a fixed time in respect of such shares;
  - (6) that registration of transfer shall not be refused on the ground of the transferor being either alone or jointly with any other person or persons indebted to the Company on any account whatsoever;
  - (7) that any amount paid up in advance of calls on any share may carry interest but shall not in respect thereof confer a right to dividend or to participate in profits;
  - (8) that option or right to call of shares shall not be given to any person except with the sanction of the Company in general meetings;
  - (9) Permission for Sub-Division/Consolidation of Share Certificate.
27. The instrument of transfer shall be in writing and all the provisions of Companies Act 2013 and modification thereof for the time being shall be complied with in respect of all transfers of shares and registration thereof.
28. Unless the Directors decide otherwise, when an instrument of transfer is tendered by the transferee, before registering any such transfer, the Directors shall give notice by letter sent by registered acknowledgement due post to the registered holder that such transfer has been lodged and that unless objection is taken the transfer will be registered. If such registered holder fails to lodge an objection in writing at the office within ten days from the posting of such notice to him, he shall be deemed to have admitted the validity of the said transfer. Where no notice is received by the registered holder, the Directors shall be deemed to have decided not to give notice and in any event to the non-receipt by the registered holder of any notice shall not entitle him to make any claim of any kind against the Company or the Directors in respect of such non-receipt.

### **TRANSFER OF SECURITIES**

29. The Board of Directors may, subject to the right of appeal conferred by Section 58 of the Companies Act, 2013 decline to register :-
- (a) the transfer of a share not being a fully paid up share, to a person of whom they do not approve; or
  - (b) any transfer of the share on which the Company has a lien, provided that the registration transfer shall not be refused on the ground of transferor being either alone or jointly with any person or persons indebted to the Company on any account except a lien.
30. The Board may decline to recognize any instrument of transfer unless:-
- (a) the instrument of transfer is in the form as prescribed in rules made under sub-section (1) of section 56;
  - (b) the instrument of transfer is accompanied by the certificate of the shares to which it relates, and such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer; and

- (c) the instrument of transfer is in respect of only one class of shares.
31. All instruments of transfer which shall be registered shall be retained by the Company, but may be destroyed upon the expiration of such period as the Board may from time to time determine. Any instrument of transfer which the Board declines to register shall (except in any case of fraud) be returned to the person depositing the same.
32. (a) On giving not less than seven days' previous notice in accordance with section 91 and rules made thereunder, the registration of transfers may be suspended at such times and for such periods as the Board may from time to time determine:

Provided that such registration shall not be suspended for more than thirty days at any one time or for more than forty-five days in the aggregate in any year.

- (b) There shall be no charge for :
  - (a) registration of shares or debentures.
  - (b) sub-division and/or consolidation of shares and debentures certificates and sub-division of Letters of Allotment and split consolidation, renewal and pucca transfer receipts into denominations corresponding to the market unit or trading;
  - (c) sub-division of renounceable Letters of Right;
  - (d) issue of new certificates in replacement of those which are decrepit or worn out or where the cages on the reverse for recording transfers have been fully utilized;
  - (e) registration of any Powers of Attorney, Letter of Administration and similar other documents.

#### **TRANSMISSION OF SECURITIES**

33. (a) On the death of a member, the survivor or survivors where the member was a joint holder, and his nominee or nominees or legal representatives where he was a sole holder, shall be the only persons recognised by the company as having any title to his interest in the shares.
- (b) Nothing in clause (a) shall release the estate of a deceased joint holder from any liability in respect of any share which had been jointly held by him with other persons.
34. (a) Any person becoming entitled to a share in consequence of the death or insolvency of a member may, upon such evidence being produced as may from time to time properly be required by the Board and subject as hereinafter provided, elect, either :-
- (i) to be registered himself as holder of the share; or
  - (ii) to make such transfer of the share as the deceased or insolvent member could have made.
- (b) The Board shall, in either case, have the same right to decline or suspend registration as it would have had, if the deceased or insolvent member had transferred the share before his death or insolvency.
35. (a) If the person so becoming entitled shall elect to be registered as holder of the share himself, he shall deliver or send to the company a notice in writing signed by him stating that he so elects.

- (b) If the person aforesaid shall elect to transfer the share, he shall testify his election by executing a transfer of the share.
  - (c) All the limitations, restrictions and provisions of these regulations relating to the right to transfer and the registration of transfers of shares shall be applicable to any such notice or transfer as aforesaid as if the death or insolvency of the member had not occurred and the notice or transfer were a transfer signed by that member.
36. On the transfer of the share being registered in his name a person becoming entitled to a share by reason of the death or insolvency of the holder shall be entitled to the same dividends and other advantages to which he would be entitled if he were the registered holder of the share, except that he shall not, before being registered as a member in respect of the share, be entitled in respect of it to exercise any right conferred by membership in relation to meetings of the company.
- Provided that the Board may, at any time, give notice requiring any such person to elect either to be registered himself or to transfer the share and if the notice is not complied with within 90 (ninety) days, the Board may thereafter withhold payment of all dividends, bonuses or other moneys payable in respect of the share, until the requirements of the notice have been complied with.
37. Where the Company has knowledge through any of its principal officers within the meaning of Section 2 of the Estate Duty Act, 1953 of the death of any member of or debenture holder in the company, it shall furnish to the controller within the meaning of such section, the prescribed particulars in accordance with that Act and the rules made thereunder and it shall not be lawful for the Company to register the transfer of any shares or debentures standing in the name of the deceased, unless the transferor has acquired such shares for valuable consideration or a certificate from the Controller is produced before the Company to the effect that the Estate Duty in respect of such shares and debentures has been paid or will be paid or that none is due, as the case may be.
38. The Company shall incur liability whatever in consequence of its registering or giving effect, to any transfer of share made or purporting to be made by any apparent legal owner thereof (as shown or appearing in the register of members) to the prejudice of persons having or claiming any equitable right, title of interest to or in the said shares notwithstanding that the Company may have had notice of such equitable right, title or interest or notice prohibiting registration of such transfer and may have entered such notice or referred thereto, in any book of the Company and the Company shall not be bound or required to regard or attend or give effect to any notice which may be given to it of any equitable right, title or interest or be under any liability for refusing or neglecting so to do, though it may have been entered or referred to in some book of the Company but the Company though not bound so to do, shall be at liberty to regard and attend to any such notice and give effect thereto if the Board shall so think fit.

#### **FORFEITURE OF SHARES**

39. If a member fails to pay any call, or installment of a call, on the day appointed for payment thereof, the Board may, at any time thereafter during such time as any part of the call or instalment remains unpaid, serve a notice on him requiring payment of so much of the call or instalment as is unpaid, together with any interest which may have accrued.
40. The notice aforesaid shall:-
- (a) name a further day (not being earlier than the expiry of 14 (fourteen) days from the date of service of the notice) on or before which the payment required by the notice is to be made; and

- (b) state that, in the event of non-payment on or before the day so named, the shares in respect of which the call was made shall be liable to be forfeited.
41. If the requirements of any such notice as aforesaid are not complied with, any share in respect of which the notice has been given may, at any time, thereafter, before the payment required by the notice has been made, be forfeited by a resolution of the Board to that effect. Such forfeiture shall include all dividends declared in respect of the forfeited shares and not actually paid before the date of forfeiture, which shall be the date on which the resolution of the Board is passed forfeiting the shares.
42. (1) A forfeited share may be sold or otherwise disposed of on such terms and in such manner as the Board thinks fit.
- (2) At any time before a sale or disposal, as aforesaid, the Board may annul the forfeiture on such terms as it thinks fit.
43. (1) A person whose shares have been forfeited shall cease to be a member in respect of the forfeited shares, but shall, notwithstanding the forfeiture, remain liable to pay to the Company all moneys which, at date of forfeiture, were presently payable by him to the Company in respect of the shares together with interest thereon from the time of forfeiture until payment at the rate of 9 % (nine percent) per annum.
- (2) The Liability of such person shall cease if and when the Company shall have received payments in full of all such money in respect of the shares.
44. (1) A duly verified declaration in writing that the declarant is a director, the manager or the secretary of the Company and that a share in the company has been duly forfeited on a date stated in the declaration, shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the share.
- (2) The Company may receive the consideration, if any, given for the share on any sale or disposal thereof and may execute a transfer of the share in favour of the person to whom the share is sold or disposed off.
- (3) The transferee shall thereupon be registered as the holder of the share.
- (4) The transferee shall not bound to see to the application of the purchase money, if any, nor shall his title to the share be affected by any irregularity or invalidity in the proceedings in reference to the forfeiture, sale of disposal of the share.
45. The provisions of these regulations as to forfeiture shall apply, in the case of non-payment of any sum which, by the terms of issue of a share, becomes payable at a fixed time, whether on account of the nominal value of the share or by way of premium, as if the same had been payable by virtue of a call duly made and notified.
46. The forfeiture of a share shall involve the extinction of all interest in and also of all claims and demands against the Company in respect of the share, and all other rights incidental thereto except only such of those right as by these Articles are expressly saved.
47. Upon any sale, after forfeiture or for enforcing a lien in purported exercise of powers hereinbefore given, the Board may appoint some person to execute an instrument of transfer of the shares sold and cause the purchaser's name to be entered in the Register in respect of the shares sold and the purchaser shall not be bound to see to the regularity of the proceedings or to be application of the purchase money and after his name has been entered in the Register in respect of such shares, the validity, of the sale shall not be impeached by

any person and the remedy of any person aggrieved by the sale shall be in damages only and against the Company exclusively.

48. Upon any sale, re-allotment or other disposal under the provisions of these Articles relating to lien or to forfeiture, the certificate or certificates originally issued in respect of the relative shares shall (unless the same shall on demand by the Company have been previously surrendered to it by the defaulting member) stand cancelled and become null and void and of no effect. When any shares, under the powers in that behalf herein contained are sold by the Board and the certificate in respect thereof has not been delivered up to the Company by the former holder of such shares, the Board may, issue a new certificate for such shares distinguishing it in such manner as it may think fit, from the certificate not so delivered.
49. The Directors may subject to the provisions of the Act, accept from any member on such terms and conditions as shall be agreed, a surrender of his shares or stock or any part thereof.

### **CONVERSION OF SHARES INTO STOCK**

50. The Company may, by an ordinary resolution:-
  - (a) convert any paid-up shares into stock; and
  - (b) reconvert any stock into paid-up shares of any denomination authorised by these regulations.
51. The holders of stock may transfer the same or any part thereof in the same manner as, and subject to the same regulations under which, the shares from which the stock arose might before the conversion have been transferred or as near thereto as circumstances admit:

Provided the Board may, from time to time, fix the minimum amount of Stock transferable, so however, that such minimum shall not exceed the nominal amount of the shares from which the stock arose.
52. The holders of stock shall, according to the amount of stock held by them, have the same rights, privileges and advantages as regard dividends voting and meeting of the Company, and other matters, as if they held the shares from which the stock arose; but no such privilege or advantage (except participation in the dividends and profits of the Company and in the assets on winding up) shall be conferred by an amount of stock which would not, if existing in shares, have conferred that privilege or advantage.
53. Such of the regulations of the Company (other than those relating to share warrants), as are applicable to paid-up shares shall apply to stock and the words "share" and "shareholders" in those regulations shall include "stock" and "stockholder" respectively.

### **SHARE WARRANTS**

54. The Company may issue share warrant, subject to and in accordance with, the provisions of the Companies Act 2013 and accordingly the Board may in its discretion with respect of any share which is fully paid up, on application in writing signed by the person registered as holder of the share and authenticated by such evidence (if any) as the Board may, from time to time, require as to the identity of the person signing the application and on receiving the certificate (if any) of the share; and the amount of the stamp duty on the warrant and such fee as the Board may, from time to time, require, issue a share warrant.
55. (1) The bearer of a share warrant may at any time deposit the warrant at the office of the Company and so long as the warrant remains so deposited, the depositor shall have the same right of signing a requisition for calling a meeting of the Company and of attending and voting and exercising, the other privileges of

a member at any meeting held after the expiry of two clear days from the time of deposit, as if his name were inserted in the register of members as the holder of the shares included in the deposited warrant.

- (2) Not more than one person shall be recognised as depositor of the share warrant.
  - (3) The Company shall, on two days written notice, return the deposited share warrant to the depositor.
56. (1) Subject as herein otherwise expressly provided, no person shall, as bearer of a share warrant, sign a requisition for calling meeting of the Company or attend or vote or exercise any other privilege of a member at a meeting of the company or be entitled to receive any notice from the Company.
- (2) The bearer of a share warrant shall be entitled in all other respects to the same privileges and advantages as if he was named in the register of member as the holder of the shares including in the warrant and he shall be deemed to be a member of the Company in respect thereof.
57. The Board may, from time to time, make rules as to the terms on which (if it shall think fit) a new share warrant or coupon may be issued by way of renewal in case of defacement, loss or destruction of the original.

#### **ALTERATION OF CAPITAL**

58. The Company may, from time to time, by ordinary resolution increase its share capital by such sum, to be divided into shares of such amount, as the resolution shall specify.
59. The Company may, by ordinary resolution in general meeting :
- (a) consolidate and divide all or any of its capital into shares of larger amounts than its existing shares :
  - (b) sub-divide its shares or any of them, into shares of similar amounts than is fixed by the Memorandum of Association, so however, that in the sub-division the proportion between the amount paid and the amount, if any, unpaid on each reduced share shall be the same as it was in the case of the share from which the reduced share is derived;
  - (c) cancel any share which, at the date of the passing of the resolution in that behalf, have not been taken or agreed to be taken by any person and diminish the amount of its share capital by the amount of the shares so cancelled.
60. The company may, by special resolution, reduce in any manner and with, and subject to, any incident authorised and consent required by law :-
- (a) its share capital;
  - (b) any capital redemption reserve account; or
  - (c) any share premium account.
61. The Company may, from time to time, by special resolution and on compliance with the provisions of Section 66 of the Act, reduce its share capital.
62. The Company shall have power to establish Branch Offices, subject to the provisions of the Act or any statutory modifications thereof.

63. The Company shall have power to pay interest out of its capital on so much of shares which were issued for the purpose of raising money to defray the expenses of the construction of any work or building or the provision of any plant for the Company in accordance with the provisions of the Act.
64. The Company, if authorised by a special resolution passed at a General Meeting may amalgamate or cause itself to be amalgamated with any other person, firm or body corporate, subject however, to the provisions of Section 230 to 232 of the Act.

#### **BUY-BACK OF SHARES**

65. Notwithstanding anything contained in these articles but subject to the provisions of sections 68 to 70 and any other applicable provision of the Act or any other law for the time being in force, the company may purchase its own shares or other specified securities.

#### **GENERAL MEETING**

66. All General Meetings other than the Annual General Meetings of the Company shall be called Extra-Ordinary General Meetings.
67. (1) The Board may, whenever it thinks fit call an Extraordinary General Meeting.  
(2) If at any time directors capable of acting who are sufficient in number to form a quorum are not within India, any director or any two members of the company may call an extraordinary general meeting in the same manner, as nearly as possible, as that in which such a meeting may be called by the Board.

#### **CONDUCT OF GENERAL MEETINGS**

68. No general meeting, annual or extraordinary, shall be competent to enter upon, discuss or transact any business which has not been stated in the notice by which it was convened or called.
69. (1) No business shall be transacted at any general meeting, unless a quorum of members is present at the time when the meeting proceeds to business.  
(2) Save as otherwise provided in Section 103 of the Act, a minimum of:-
  - a) five members personally present if the number of members as on the date of meeting is not more than one thousand;
  - b) fifteen members personally present if the number of members as on the date of meeting is more than one thousand but up to five thousand;
  - c) thirty members personally present if the number of members as on the date of the meeting exceeds five thousand;

Furthermore, A body corporate, being member, shall be deemed to be personally present if it is represented in accordance with Section 113 of the Act.

#### **CONDUCT OF MEETINGS**

70. The Chairman, if any of the Board shall preside as Chairman at every general meeting of the company.



71. If there is no such Chairman or if he is not present within fifteen minutes of the time appointed for holding the meeting or is unwilling to act as Chairman of the meeting, the Directors present shall elect one of their members to be the Chairman of the meeting.
72. If at any meeting no Director is willing to act as Chairman or if no Director is present within 15 (fifteen) minutes of the time appointed for holding the meeting, the members present shall choose one of their members to be the Chairman of the meeting.
73. No business shall be discussed at any general meeting except the election of a Chairman, whilst the chair is vacant.
74.
  - (1) The Chairman may with the consent of any meeting at which a quorum is present and shall, if so directed by the meeting, adjourn the meeting, from time to time and place to place.
  - (2) No business shall be transacted at any adjourned meeting, other than the business left unfinished at the meeting from which the adjournment took place.
  - (3) When a meeting is adjourned for thirty days or more, fresh notice of any adjourned meeting shall be given as in the case of an original meeting.
  - (4) Save as aforesaid, it shall not be necessary to give any notice of any adjournment or of the business to be transacted at an adjourned meeting.
75. In the case of an equality of votes, whether on a show of hands or on a poll, the chairman of the meeting at which the show of hands takes place or at which the poll is demanded shall be entitled to a second or casting vote.
76. Any business other than that upon which a poll has been demanded, may be proceeded with, pending the taking of the poll.

#### **VOTES OF MEMBERS**

77. Subject to any rights or restrictions for the time being attached to any class or classes of shares:
  - (a) on a show of hands, every member present in person shall have one vote; and
  - (b) on a poll, the voting rights of members shall be as laid down in Section 47 of the Act.
78. In the case of joint holders, the vote of the senior who tenders a vote whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders. For this purpose, seniority shall be determined by the order in which the names of joint holders stand in the Register of members.
79. A member of unsound mind or in respect of whom an order has been made by any Court having jurisdiction in lunacy, may vote, whether on a show of hands or on a poll by his committee or other legal guardian, and any such committee or guardian may on a poll, vote by proxy, provided that such evidence as the Board may require of the authority of the person claiming to vote shall have been deposited at the office not less than 24 hours before the time of holding the meeting or adjourned meeting at which such person claims to vote on poll.
80. A member may exercise his vote at a meeting by electronic means in accordance with section 108 and shall vote only once.

81. No member shall be entitled to vote at any general meeting unless all calls and other sums presently payable by him in respect of shares in the Company or in respect of shares, on which the Company has exercised any right of lien, have been paid.
82. (1) No objection shall be raised to the qualification of any voter, except at the meeting or adjourned meeting at which the vote objected to is given or tendered, and every vote not disallowed at such meeting shall be valid for all purposes.  
(2) Any such objection made in due time shall be referred to the Chairman of the meeting, whose decision thereon shall be final and conclusive.
83. The instrument appointing a proxy and the power-of-attorney or other authority, if any, under which it is signed or a notarised copy of that power or authority, shall be deposited at the registered office of the company not less than 48 hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote, or, in the case of a poll, not less than 24 hours before the time appointed for the taking of the poll; and in default the instrument of proxy shall not be treated as valid.
84. An instrument appointing a proxy shall be in the form as prescribed in the rules made under section 105.
85. A vote given in accordance with the terms of an instrument of proxy shall be valid, notwithstanding the previous death or insanity of the principal or the revocation of the proxy or of the authority under which the proxy was executed, or the transfer of the shares in respect of which the proxy is given, Provided that no intimation in writing of such death, insanity, revocation or transfer shall have been received by the company at its office before the commencement of the meeting or adjourned meeting at which the proxy is used.

#### **BOARD OF DIRECTORS**

86. The number of Directors of the Company shall not be less than three and not more than fifteen.
87. The following are the first directors of the Company: -
  1. Arun Kumar Jain
  2. Rajat Jain
88. At every Annual General Meeting of the Company one-third of such of the Directors for the time being as are liable to retire by rotation in accordance with the provisions of Section 152 of the Act or if their number is not three or a multiple of three, then the number nearest to one third shall retire from office in accordance with the provisions of Sections 152 of the Act.
89. (1) Subject to the provisions of the Companies Act, 2013 and Rules made there under each Director shall be paid sitting fees for each meeting of the Board or a committee thereof, attended by him a sum not exceeding Rs. 2,000/- (Rupees Two Thousand Only).  
(2) Subject to the provisions of Section 197 of the Act, the Directors shall be paid such further remuneration, whether in the form of monthly payment or by a percentage of profit or otherwise, as the Company in General Meeting may, from time to time, determine and such further remuneration shall be divided among the Directors in such proportion and in such manner as the Board may, from time to time, determine and in default of such determination, shall be divided among the directors equally of is so determined paid on a monthly basis.

- (3) The remuneration of the Directors shall, in so far as it consists of a monthly payment, be deemed to accrue from day to day.
  - (4) Subject to the provisions of Sections 197 of the Act, if any Director be called upon to perform any extra services or make special exertions or efforts (which expression shall include work done by a Director as a member of any committee formed by the Directors) the Board may pay such Director special remuneration for such extra services or special exertions or efforts either by way of a fixed sum or by percentage of profit otherwise and may allow such Director at the cost and expense of the Company such facilities or amenities (such as rent free house, medical aid and free conveyance) as the Board may determine from time to time.
  - (5) In addition to the remuneration payable to them in pursuance of the Act, the Directors may be paid in accordance with company's rules to be made by the Board all travelling, hotel and other expenses properly incurred by them :-
    - (a) In attending and returning from meetings or adjourned meeting of the Board of Directors or any committee thereof; or
    - (b) In connection with the business of the Company.
90. The Directors shall not be required to hold any qualification shares in the Company.
91. Subject to the provisions of section 149, the Board shall have power at any time, and from time to time, to appoint a person as an additional director, provided the number of the directors and additional directors together shall not at any time exceed the maximum strength fixed for the Board by the articles.
- Such person shall hold office only up to the date of the next annual general meeting of the company but shall be eligible for appointment by the company as a director at that meeting subject to the provisions of the Act.
92. If it is provided by any trust deed securing or otherwise in connection with any issue of debentures of the Company that any person or persons shall have power to nominate a Director of the Company then in the case of any and every such issue of debentures, the persons having such power may exercise such power, from time to time and appoint a Director accordingly. Any Director so appointed is herein referred to as a Debenture Director. A Debenture Director may be removed from office at time by the person or persons in whom for the time being is vested the power under which he was appointed and another Director may be appointed in his place. A debenture Director shall not be liable to retire by rotation.
93. In the course of its business and for its benefit the Company shall, subject to the provisions of the Act, be entitled to agree with any person, firm, corporation, government, financing institution or other authority that he or it shall have the right to appoint his or its nominee on the Board of Directors of the Company upon such terms and conditions as the Directors may deem fit. Such nominees and their successors in office appointed under this Article shall be called Nominee Directors. Nominee Directors shall be entitled to hold office until requested to retire by the government, authority, person, firm, institution or corporation who may have appointed them and will not be bound to retire by rotation. As and whenever a Nominee Director vacates office whether upon request as aforesaid or by death, resignation or otherwise the government, authority, person, firm, institution or corporation who appointed such Nominee Director may if the agreement so provide, appoint another Director in his place.
94. Subject to the provisions of Section 161 of the Act, the Board of Directors shall have power to appoint an alternate Director to act for a Director during his absence for a period of not less than three months from India.

95. The Directors shall have power, at any time and from time to time, to appoint any qualified person to be a director to fill a casual vacancy. Such casual vacancy shall be filled by the Board of Directors at a meeting of the Board. Any person so appointed shall held office only upto the date upto which the director in whose place he is appointed would have held office if it had not been vacated as aforesaid but he shall then be eligible for re-election.
96. A person may be or become a director of any company promoted by the company or in which it may be interested as a vendor, shareholder or otherwise and no such Director shall be accountable for any benefits received as director or shareholder of such company. Such Director, before receiving or enjoying such benefits in case in which the provisions of Section 188 of the Act are attracted will ensure that the same have been complied with.
97. Every nomination, appointment or removal of a Special Director shall be in writing and in accordance with the rules and regulations of the government, corporation or any other institution. A Special Director shall be entitled to the same rights and privileges and be subject to same obligations as any other Director or the Company.
98. The office of a Director shall become vacant:-
  - (i) on the happening of any of the events provided for in Section 167 of the Act;
  - (ii) on the contravention of the provisions of Sections 188 of the Act, or any statutory modifications thereof;
  - (iii) if a person is a Director of more than twenty Companies at a time, out of which not more than 10 (Ten) shall be Public Companies.
  - (iv) in the case of alternate Director on return of the original Director to the State, in terms of Section 161 of the Act; or
  - (v) on resignation of his office by notice in writing and is accepted by the Board.
99. Every Director present at any meeting of the Board or a committee thereof shall sign his name in a book to be kept for that purpose, to show his attendance thereat.

#### **POWERS OF BOARD OF DIRECTORS**

100. The Board of directors may pay all expenses incurred in the formation, promotion and registration of the Company.
101. The Company may exercise the powers conferred on it by Section 88 of the Act with regard to the keeping of a foreign register; and the Board may (subject to the provisions of those Sections) make and vary such regulations as it may think fit with respect to the keeping of any such register.
102. The Directors may enter into contracts or arrangements on behalf of the Company subject to the necessary disclosures required by the provisions of Section 184 of the Act being made wherever any Director is in any way, whether directly or indirectly concerned or interested in the contract or arrangements.

### **BORROWING POWER**

103. Subject to the provisions of Sections 73, 76, 179, and 180 of the Act, and the Regulations thereunder and Directions issued by the RBI, Directors may exercise all the powers of the company to borrow money and to mortgage or charge its undertaking, property (both present and future), or any part thereof and to issue debentures, debenture stock and other securities whether outright or as security for any debt, liability or obligation of the Company or of any third party.
104. The payment or repayment of moneys borrowed as aforesaid may be secured in such manner and upon such terms and conditions in all respects as the Board may think fit subject to the provisions of Section 73 & 76 of the Act and rules framed thereunder.
105. All cheques, promissory notes, drafts, hundis, bills of exchange and other negotiable instruments, and all receipts for monies paid to the company, shall be signed, drawn, accepted, endorsed, or otherwise executed, as the case may be, by such person and in such manner as the Board shall from time to time by resolution determine.

### **PROCEEDINGS OF THE BOARD**

106. Subject to Section 174 of the Act, the quorum for a meeting of the Board of Directors shall be one third of its total strength (any fraction contained in that one third being rounded off as one) or two Directors, whichever is higher; provided that where at any time the number of interested Directors exceeds or is equal to two thirds of the total strength, the number of the remaining Directors, that is to say, the number of directors, who are not interested, present at the meeting, being not less than two, shall be the quorum during such time.
107. The participation of the Directors by video conferencing or by other audio visual means shall also be counted for the purposes of quorum under clause 105 of the Articles.
108. If a meeting of the Board could not be held for want of quorum, whatever number of Directors not being less than two, shall be present at the adjourned meeting, notice where of shall be given to all the Directors, shall form a quorum.
109. (1) Save as otherwise expressly provided in the Act, questions arising at any meeting of the Board shall be decided by a majority of vote.  
  
(2) In case of an equality of votes, the Chairman of the meeting shall have a second or casting vote.
110. The continuing Directors may act notwithstanding any vacancy in the Board, but if and so long as their number is reduced below the quorum fixed by the Act for a meeting of the Board, the continuing Directors or Director may act for the purpose of increasing the number of Directors to that fixed for the quorum, or for summoning a General meeting of the Company, but for no other purpose.
111. (1) The Board may elect one of its members as Chairman of its meetings and determine the period for which he is to hold office as such.  
  
(2) If no such Chairman is elected or if at any meeting the Chairman is not present within fifteen minutes after the time appointed for holding the meeting, the Directors present may choose one of their members to be Chairman of the meeting.
112. Subject to the restrictions contained in Section 179 & 180 of the Act, the Board may delegate any of its powers to committees of the Board consisting of such member or members of its body as it think fit and it may, from

time to time, revoke such delegation and discharge any such committee of the Board either wholly or in part, and either as to persons or purposes, but every committee of the Board so formed shall in the exercise of the powers so delegated conform to any regulations that may from time to time be imposed on it by the Board. All acts done by any such committee of the Board in conformity with such regulations and in fulfilment of the purposes of their appointment but not otherwise, shall have the like force and effect as if done by the Board.

113. The meetings and proceedings of any such committee of the Board consisting of two or more members shall be governed by the provisions herein contained for regulating the meetings and proceedings of the Directors so far as the same are applicable thereto and are not superseded by any regulations made by the Directors under the last proceeding Article.
114. (1) A committee may elect a chairman of its meetings.
- (2) If no such chairman is elected or if at any meeting the chairman is not present within five minutes of the time appointed for holding the meeting, the members present may choose one of their members to be chairman of the meeting.
115. (1) A committee may meet and adjourn as it think proper.
- (2) Questions arising at any meeting of a committee shall be determined by a majority of votes of the members present and in case of an equality of votes, the chairman shall have a second or casting vote.
116. All acts done by any meeting of the Board or by a committee thereof by any person acting as a Director shall, notwithstanding that it shall afterwards be discovered that there was some defect in the appointment or continuance in office of any such Directors or persons acting as aforesaid: or that they or any of them were disqualified or had vacated office or were not entitled to act as such or that the appointment of any of them had been terminated by virtue of any provisions contained in the Act or in these Articles, be as valid as if every such person had been duly appointed, had duly continued in office was qualified, had continued to be a Director his appointment had not been terminated and he had been entitled to be a Director provided that nothing in this Article shall be deemed to give validity to any act done by a Director after his appointment has been shown to the Company to be invalid or to have terminated.
117. Subject to Section 175 of the Act and except a resolution which the Act requires specifically to be passed in any board meeting, a resolution in writing, signed by the majority members of the Board or of a committee thereof; for the time being entitled to receive notice of a meeting of the Board or committee, shall be as valid and effectual as if it had been passed at a meeting of the Board or committee, duly convened and held.

#### **MANAGING DIRECTOR(S) AND WHOLE TIME DIRECTOR(S)**

118. Subject to provisions of Section 196 & 197 of the Act, the Board of Directors may, from time to time, appoint one or more of their body to the office of Managing Directors or whole time Directors for a period not exceeding 5 (five) years at a time and on such terms and conditions as the Board may think fit and subject to the terms of any agreement entered into with him, may revoke such appointment, and in making such appointments the Board shall ensure compliance with the requirements of the Companies Act, 2013 and shall seek and obtain such approvals as are prescribed by the Act, provided that a Director so appointed, shall not be whilst holding such office, be subject to retirement by rotation but his appointment shall automatically be determined if he ceases to be a Director.
119. The Board may entrust and confer upon Managing Director/s or whole time Director/s any of the powers of management which would not otherwise be exercisable by him upon such terms and conditions and with such

restrictions as the Board may think fit, subject always to the superintendence, control and direction of the Board and the Board may, from time to time revoke, withdraw, alter or vary all or any of such powers.

120. Subject to Section 203 of the Act, a Secretary of the Company may be appointed by the Board on such terms, at such remuneration and upon such conditions as it may think fit, and any Secretary so appointed may be removed by the Board.

#### **THE SEAL**

121. (1) The Board shall provide a common seal for the purposes of the Company and shall have power, from time to time, to vary or cancel the same and substitute a new seal in lieu thereof. The Board shall provide for the safe custody of the seal for the time being.
- (2) Subject to any statutory requirements as to Share Certificates or otherwise, the seal of the company shall not be affixed to any Instrument except by the authority of a resolution of the Board or of a committee of the Board authorised by it in that behalf, and except in the presence of at least two directors and of the secretary or such other person as the Board may appoint for the purpose; and those two directors and the secretary or other person aforesaid shall sign every instrument to which the seal of the company is so affixed in their presence.

#### **DIVIDENDS AND RESERVES**

122. The Company in General meeting may declare dividends but no dividend shall exceed the amount recommended by the Board.
123. Subject to the provisions of section 123, the Board may from time to time pay to the members such interim dividends as appear to it to be justified by the profits of the company.
124. (i) The Board may, before recommending any dividend, set aside out of the profits of the company such sums as it thinks fit as a reserve or reserves which shall, at the discretion of the Board, be applicable for any purpose to which the profits of the company may be properly applied, including provision for meeting contingencies or for equalizing dividends; and pending such application, may, at the like discretion, either be employed in the business of the company or be invested in such investments (other than shares of the company) as the Board may, from time to time, think fit.
- (ii) The Board may also carry forward any profits which it may consider necessary not to divide, without setting them aside as a reserve.
125. (i) Subject to the rights of persons, if any, entitled to shares with special rights as to dividends, all dividends shall be declared and paid according to the amounts paid or credited as paid on the shares in respect whereof the dividend is paid, but if and so long as nothing is paid upon any of the shares in the company, dividends may be declared and paid according to the amounts of the shares.
- (ii) No amount paid or credited as paid on a share in advance of calls shall be treated for the purposes of this regulation as paid on the share.
- (iii) All dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the shares during any portion or portions of the period in respect of which the dividend is paid; but if any share is issued on terms providing that it shall rank for dividend as from a particular date such share shall rank for dividend accordingly.

126. The Board may deduct from any dividend payable to any member all sums of money, if any, presently payable by him to the company on account of calls or otherwise in relation to the shares of the company.
127. (i) Any dividend, interest or other monies payable in cash in respect of shares may be paid by cheque or warrant sent through the post directed to the registered address of the holder or, in the case of joint holders, to the registered address of that one of the joint holders who is first named on the register of members, or to such person and to such address as the holder or joint holders may in writing direct.
- (ii) Every such cheque or warrant shall be made payable to the order of the person to whom it is sent.
128. Any one of two or more joint holders of a share may give effective receipts for any dividends, bonuses or other monies payable in respect of such share.
129. Notice of any dividend that may have been declared shall be given to the persons entitled to share therein in the manner mentioned in the Act.
130. No dividend shall bear interest against the Company, irrespective of the reason for which it has remained unpaid.

#### **ACCOUNTS**

131. (1) The Board shall cause proper books of accounts to be maintained under Sections 128 & 129 of the Act.
- (2) The Board shall, from time to time, determine whether and to what extent and at what times and places and under what conditions or regulations, the accounts and books of the Company or any or them, shall be open to the inspection of members not being Directors.
- (3) No member (not being a director) shall have any right of inspecting any account or book or document of the company except as conferred by law or authorised by the Board or by the company in general meeting.

#### **BALANCE SHEET AND PROFIT AND LOSS ACCOUNT**

132. Balance Sheet and Profit and Loss Account of the Company will be audited once in a year by a qualified auditor for correctness as per provision of the Act.

#### **AUDIT**

133. (a) The first Auditor of the Company shall be appointed by the Board of Directors within thirty days from the date of registration of the Company and the Auditors so appointed shall hold office until the conclusion of the first Annual General Meeting.
- (b) The auditor shall be hold office from the conclusion of First Annual General Meeting till conclusion of Sixth Annual General Meeting
- (c) The remuneration of the Auditor shall be fixed by the Company in the Annual General Meeting or in such manner as the Company in the Annual General Meeting may determine. In case of an Auditor appointed by the Board his remuneration shall be fixed by the Board.
- (d) The Board of Director may fill any casual vacancy in the office of the auditor and where any such vacancy continues, the remaining auditor, if any may act, but where such vacancy is caused by the resignation of the auditors and vacancy shall be filled up by the Company in General Meeting.



**CAPITALISATION OF PROFITS**

134. (1) The company in General Meeting may, upon the recommendation of the Board resolve:-
- (a) that it is desirable to capitalise any part of the amount for the time being standing to the credit of any of the Company's reserve accounts, or to the credit of the Profit and Loss Account, or otherwise available for distribution; and
  - (b) that such sum be accordingly set free for distribution in the manner specified in clause (2) among the members who would have been entitled thereto, if distributed by way of dividend and in the same proportions.
- (2) The sum aforesaid shall not be paid in cash, but shall be applied, subject to the provisions contained in clause (3), either in or towards :-
- (i) paying up any amounts for the time being unpaid on any shares held by such members respectively;
  - (ii) paying up in full, unissued shares of the Company to be allotted and distributed, credited as fully paid up, to and amongst such members in the proportions aforesaid; or
  - (iii) partly in the way specified in sub-clause (i) and partly in that is specified in sub-clause (ii).
- (3) Any share/securities premium account and any capital redemption reserve fund may, for the purpose of this regulation, only be applied in the paying up of unissued share to be issued to members of the Company as fully paid bonus shares.
- (4) The Board shall give effect to the resolution passed by the Company in pursuance of this regulation.
135. (1) Whenever such as resolution as aforesaid shall have been passed, the Board shall:-
- (a) make all appropriations and applications of the undivided profits resolved to be capitalised thereby, and all allotments and issues of fully paid shares, if any; and
  - (b) do all acts and things required to give effect thereto.
- (2) The Board shall have full power :-
- (a) to make such provision, by the issue of fractional certificates or by payment in cash or otherwise as it thinks fit in the case of shares becoming distributable in fractions; and also
  - (b) to authorise any person to enter, on behalf of all the members entitled thereto, into an agreement with the company providing for the allotment to them respectively, credited as fully paid-up, of any further shares to which they may be entitled upon such capitalisation, or as the case may require, for the payment by the company on their behalf, by the application thereto of their respective proportions of profits resolved to be capitalised, of the amount or any part of the amounts remaining unpaid on their existing shares;
- (3) Any agreement made under such authority shall be effective and binding on all such members.

### **SECRECY**

136. Subject to the provisions of law of land and the act, every manager, auditor trustee, member of a committee, officer servant, agent accountant or other persons employed in the business of the company shall, if so required by the Board of Directors before entering upon his duties, sign, declaration, pledging himself to observe strict secrecy respecting all transactions of the Company with its customers and the state of account with individuals and in matters relating thereto and shall by such declaration pledge himself, not to reveal any of the matters which may come to his knowledge in the discharge of his duties except when required to do so by the directors or by any court of law and except so far as may be necessary in order to comply with any of the provisions in these presents.

### **WINDING UP**

137. Subject to the provisions of Chapter XX of the Act and rules made thereunder:-

- (i) If the company shall be wound up, the liquidator may, with the sanction of a special resolution of the company and any other sanction required by the Act, divide amongst the members, in specie or kind, the whole or any part of the assets of the company, whether they shall consist of property of the same kind or not.
- (ii) For the purpose aforesaid, the liquidator may set such value as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the members or different classes of members.
- (iii) The liquidator may, with the like sanction, vest the whole or any part of such assets in trustees upon such trusts for the benefit of the contributories if he considers necessary, but so that no member shall be compelled to accept any shares or other securities whereon there is any liability.

### **INDEMNITY**

138. Subject to the provisions of Companies Act 2013, every Director, Manager, Auditor, Secretary and other officers or servants of the Company shall be indemnified, out of the assets of the Company against any bonafide liability incurred by him in defending any bonafide proceedings, whether civil or criminal, in which judgment is given in his favour or in which he is acquitted or in connection with any application under section 463 of the Companies Act 2013, in which relief is granted to him by the Court.

**SECTION X- 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 Prospectus) which are or may be deemed material have been entered or are to be entered into by our Company. These contracts, copies of which will be attached to the copy of the Prospectus to be delivered to the ROC for registration and also the documents for inspection referred to hereunder, may be inspected at the Registered Office of our Company located at 7A/39 (12- First Floor), WEA Channa Market, Karol Bagh, New Delhi- 110005 from date of filing the Prospectus with ROC to Issue Closing Date on working days from 10.00 a.m. to 5.00 p.m.

**MATERIAL CONTRACTS**

1. Mandate letter dated January 01, 2019 issued by the Lead Manager to our Company.
2. Issue Agreement dated August 06, 2019 between the Lead Manager and our Company.
3. Agreement dated August 06, 2019 between our Company and the Registrar to the Issue.
4. Public Issue Account Agreement dated June 15, 2020 among our Company, the Lead Manager, the Banker to Issue/Public Issue Bank/Refund Banker/Sponsor Banker, and the Registrar to the Issue.
5. Underwriting Agreement dated August 06, 2019 between our Company and Lead Manager.
6. Market Making Agreement dated August 06, 2019 between our Company, the Lead Manager and the Market Maker.
7. Agreement among NSDL, our Company and the Registrar to the Issue dated November 11, 2019.
8. Agreement among CDSL, our Company and the Registrar to the Issue dated November 07, 2019.

**MATERIAL DOCUMENTS**

1. Certified True Copy of the Memorandum and Articles of Association of our Company, as amended from time to time including certificates of incorporation.
2. Resolution of the Board dated May 01, 2019 authorizing the Issue.
3. Special Resolution of the shareholders passed at the Extra Ordinary General Meeting dated May 08, 2019 authorizing the Issue.
4. Statement of Tax Benefits dated June 23, 2020 issued by Gaur & Associates, Chartered Accountants, Statutory Auditor of our Company.
5. Report of the Peer Review Auditor, Ashok Khandelwal Associates, Chartered Accountants dated June 23, 2020 on the Restated Financial Statements for nine months ending December 31, 2019 & for Financial Years ended as on March 31, 2019, 2018 and 2017 of our Company
6. Consents of Promoters, Directors, Company Secretary and Compliance Officer, Chief Financial Officer, Statutory Auditors, Banker to our Company, Lenders, the Lead Manager, Underwriter, Registrar to the Issue, Market Maker to the Issue, Peer Review Auditor, Legal Advisor, Banker to the Issue/Public Issue Bank, Refund Banker to the Issue, Sponsor Bank to the Issue, to act in their respective capacities.
7. Copy of approval from BSE *vide* letter dated January 20, 2020 to use the name of BSE in this offer document for listing of Equity Shares on BSE SME.
8. Due Diligence Certificate dated June 23, 2020 from the Lead Manager.

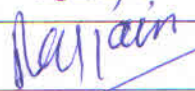




9. Copy of Managing Director Agreement with Mr. Raj Jain and our Company dated June 11, 2019 for his appointment.

Any of the contracts or documents mentioned in this Prospectus may be amended or modified at any time if so required in the interest of our Company or if required by other parties, subject to compliance of the provisions contained in the Companies Act and other relevant statutes.

## DECLARATION

We hereby certify and declare that, all relevant provisions of the Companies Act, 2013, applicable provisions of Companies Act, 1956 and the rules/guidelines/regulations issued by the Government of India or the regulations / guidelines issued by Securities and Exchange Board of India, established under Section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in the Prospectus is contrary to the provisions of the Companies Act, 2013, applicable provisions of Companies Act, 1956, the Securities and Exchange Board of India Act, 1992 or rules made there under or regulations / guidelines issued, as the case may be. We further certify that all the disclosures and statements made in the Prospectus are true and correct.

Signed by the Directors of our Company

Name	DIN	Designation	Signature
Raj Jain	01018724	Managing Director	
Arun Kumar Jain	00438324	Director	
Smita Jain	00438282	Non-Executive Director	
Parveen Kumar Jain	08475527	Non-Executive Director and Independent Director	
Bela Khattar Chauhan	08475517	Non-Executive Director and Independent Director	

Signed by Company Secretary & Compliance Officer and Chief Financial Officer



Naveen Kumar  
Company Secretary & Compliance Officer



Ankit Gupta  
Chief Financial Officer

Date: June 24, 2020

Place: New Delhi