



AANCHAL ISPAT LIMITED

Our Company was incorporated as 'Vinita Projects Private Limited' a private limited company under the Companies Act, 1956 pursuant to Certificate of Incorporation dated January 30, 1996 issued by the Registrar of Companies, West Bengal. The name of our Company was changed to 'Aanchal Ispat Private Limited' pursuant to fresh certificate of incorporation consequent upon change of name dated November 29, 2012, issued by the Registrar of Companies, West Bengal. Our Company was converted into a public limited company under the Companies Act and the name of our Company was changed to 'Aanchal Ispat Limited' pursuant to certificate of incorporation consequent upon conversion to public limited company dated August 21, 2014, issued by the Registrar of Companies, West Bengal. Our corporate identification number is U27106WB1996PLC076866. For further details of our Company, please refer to the chapters titled 'General Information' and 'History and Certain Corporate Matters' beginning on page numbers 33 and 85, respectively, of the Prospectus

Registered Office: J.L. No. 5, National Highway No. 6, Mouza Chamrail, Howrah- 711 114, West Bengal, India

Tel: +91 3212 246 121, Fax: +91 3212 246 069

Corporate Office: Paridhan Garment Park, SDF V, Block E, Module 503, 19 Canal South Road, Kolkata – 700 015, West Bengal, India

Tel: +91 33 2251 0128, Fax: +91 33 2251 0128

Website: www.aanchalispac.com, **E-mail:** ipo@aanchalispac.com

Company Secretary and Compliance Officer: Ms. Babita Kaur Bagga

PROMOTERS: MR. MUKESH GOEL; MR. MANOJ GOEL AND PRATIK SUPPLIERS PRIVATE LIMITED

PUBLIC ISSUE OF 80,04,000 EQUITY SHARES OF FACE VALUE OF ₹ 10 EACH ("EQUITY SHARES") OF AANCHAL ISPAT LIMITED (THE "COMPANY" OR THE "ISSUER") FOR CASH AT A PRICE OF ₹ 20 PER EQUITY SHARE, INCLUDING A SHARE PREMIUM OF ₹ 10 PER EQUITY SHARE (THE "ISSUE PRICE"), AGGREGATING ₹ 1,600.80 LACS ("THE ISSUE"), OF WHICH 4,08,000 EQUITY SHARES OF FACE VALUE OF ₹ 10 EACH FOR CASH AT A PRICE OF ₹ 20 PER EQUITY SHARE, AGGREGATING ₹ 81.60 LACS WILL BE RESERVED FOR SUBSCRIPTION BY THE MARKET MAKERS TO THE ISSUE (THE "MARKET MAKER RESERVATION PORTION"). THE ISSUE LESS MARKET MAKER RESERVATION PORTION I.E. ISSUE OF 75,96,000 EQUITY SHARES OF FACE VALUE OF ₹ 10 EACH FOR CASH AT A PRICE OF ₹ 20 PER EQUITY SHARE, AGGREGATING ₹ 1,519.20 LACS IS HEREINAFTER REFERRED TO AS THE "NET ISSUE". THE ISSUE AND THE NET ISSUE WILL CONSTITUTE 38.38% AND 36.43% RESPECTIVELY OF THE FULLY DILUTED POST ISSUE PAID UP EQUITY SHARE CAPITAL OF OUR COMPANY.

THE ISSUE IS BEING IN TERMS OF CHAPTER X-B OF THE SEBI (ICDR) REGULATIONS, 2009 AS AMENDED FROM TIME TO TIME.

For further details please refer the section titled 'Issue Related Information' beginning on page 171 of the Prospectus

All potential investors may participate in the Issue through an Application Supported by Blocked Amount ("ASBA") process providing details about the bank account which will be blocked by the Self Certified Syndicate Banks ("SCSBs") for the same. For details in this regard, specific attention is invited to the chapter titled "Issue Procedure" beginning on page 177 of the Prospectus. Qualified Institutional Buyers and Non-Institutional Investors shall compulsorily participate in the Issue through the ASBA process.

THE FACE VALUE OF THE EQUITY SHARES IS ₹ 10 EACH AND THE ISSUE PRICE OF ₹ 20 IS 2 TIMES OF THE FACE VALUE

RISKS IN RELATION TO FIRST ISSUE

This being the first public issue of the Issuer, there has been no formal market for our Equity Shares. The face value of the Equity Shares of our Company is ₹ 10 and the Issue price of ₹ 20 per Equity Share is 2 times of the face value. The Issue Price (as determined by our Company in consultation with the Lead Manager, as stated under the chapter titled 'Basis for the Issue Price' beginning on page 56 of the Prospectus) should not be taken to be indicative of the market price of the Equity Shares after such Equity Shares are listed. No assurance can be given regarding an active and/or sustained trading in the Equity Shares or regarding the price at which the Equity Shares will be traded after listing.

GENERAL RISKS

Investments in equity and equity-related securities involve a degree of risk and investors should not invest any funds in this Issue unless they can afford to take the risk of losing their investment. Investors are advised to read the risk factors carefully before taking an investment decision in this Issue. For taking an investment decision, investors must rely on their own examination of the Issuer and this Issue, including the risks involved. The Equity Shares have not been recommended or approved by the Securities and Exchange Board of India ("SEBI"), nor does SEBI guarantee the accuracy or adequacy of the contents of the Prospectus. Specific attention of the investors is invited to the section titled 'Risk Factors' beginning on page 10 of the Prospectus.

ISSUER'S ABSOLUTE RESPONSIBILITY

The Issuer, having made all reasonable inquiries, accepts responsibility for and confirms that the Prospectus contains all information with regard to the Issuer and this Issue, which is material in the context of this Issue, that the information contained in the 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 the 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 the Prospectus are proposed to be listed on the BSE SME Platform. In terms of the Chapter XB of the SEBI (ICDR) Regulations, 2009, as amended from time to time, we are not required to obtain an in-principal listing approval for the shares being offered in this issue. However, our Company has received an approval letter dated October 14, 2014 from BSE for using its name in this offer document for listing of our shares on the SME Platform of BSE Limited ('BSE'). For the purpose of this Issue, the designated Stock Exchange will be the BSE.

LEAD MANAGER TO THE ISSUE

REGISTRAR TO THE ISSUE



INVENTURE MERCHANT BANKER SERVICES PRIVATE LIMITED
2nd Floor, Viraj Tower, Nr. Andheri Flyover (North End)
Western Express Highway, Andheri (East) Mumbai – 400 069
Tel No: +91 22 4075 1515; **Fax No:** +91 22 4075 1552
Email: sme.ipo@inventuremerchantbanker.com
Investor Grievance Email: redressal@inventuremerchantbanker.com
Website: www.inventuregrowth.com
SEBI Registration No: INM000012003
Contact Person: Mr. Saurabh Vijay

PURVA SHARE REGISTRY (INDIA) PRIVATE LIMITED
No. 9, Shiv Shakti Ind. Estate, Gr. Floor, J. R. Boricha Marg
Lower Parel, Mumbai-400 011
Tel: +91 22 2301 6761/8261
Fax: +91 22 2301 2517
Website: www.purvashare.com
Email: basicomp@vsnl.com
SEBI Regn No. INR000001112
Contact Person: Mr. Rajesh Shah

ISSUE PROGRAMME

ISSUE OPENS ON:

MONDAY, NOVEMBER 24, 2014

ISSUE CLOSES ON:

WEDNESDAY, NOVEMBER 26, 2014

TABLE OF CONTENTS

| | |
|---|------------|
| SECTION I – GENERAL | 3 |
| DEFINITIONS AND ABBREVIATIONS | 3 |
| PRESENTATION OF FINANCIAL, INDUSTRY AND MARKET DATA | 8 |
| FORWARD LOOKING STATEMENTS..... | 9 |
| SECTION II - RISK FACTORS | 10 |
| SECTION III – INTRODUCTION | 24 |
| SUMMARY OF OUR INDUSTRY | 24 |
| SUMMARY OF OUR BUSINESS | 26 |
| SUMMARY OF OUR FINANCIAL INFORMATION | 27 |
| THE ISSUE | 32 |
| GENERAL INFORMATION..... | 33 |
| CAPITAL STRUCTURE | 40 |
| OBJECTS OF THE ISSUE..... | 51 |
| BASIS FOR ISSUE PRICE | 56 |
| STATEMENT OF TAX BENEFITS..... | 58 |
| SECTION IV – ABOUT THE COMPANY | 66 |
| INDUSTRY OVERVIEW | 66 |
| OUR BUSINESS | 71 |
| KEY REGULATIONS AND POLICIES..... | 84 |
| HISTORY AND CERTAIN CORPORATE MATTERS | 85 |
| OUR MANAGEMENT | 89 |
| OUR PROMOTERS AND PROMOTER GROUP | 101 |
| OUR GROUP ENTITIES | 109 |
| DIVIDEND POLICY | 119 |
| SECTION V – FINANCIAL INFORMATION | 120 |
| FINANCIAL INFORMATION..... | 120 |
| MANAGEMENT’S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITIONS AND RESULTS OF OPERATIONS | 142 |
| SECTION VI – LEGAL AND OTHER INFORMATION | 151 |
| OUTSTANDING LITIGATIONS AND MATERIAL DEVELOPMENTS | 151 |
| GOVERNMENT AND OTHER APPROVALS..... | 156 |
| OTHER REGULATORY AND STATUTORY DISCLOSURES | 159 |
| SECTION VII - ISSUE RELATED INFORMATION | 171 |
| TERMS OF THE ISSUE | 171 |
| ISSUE STRUCTURE | 175 |
| ISSUE PROCEDURE..... | 177 |
| RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES..... | 194 |
| SECTION VIII – MAIN PROVISIONS OF THE ARTICLES OF ASSOCIATION | 195 |
| SECTION IX – OTHER INFORMATION | 219 |
| MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION | 219 |
| DECLARATION | 221 |

SECTION I – GENERAL

DEFINITIONS AND ABBREVIATIONS

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

General Terms

| Term | Description |
|---|--|
| “Aanchal Ispat Limited”, “AIL”, “We” or “us” or “our Company” or “the Issuer” | Unless the context otherwise requires, refers to Aanchal Ispat Limited, a Company incorporated under the Companies Act, 1956 and having its registered office at J.L. No. 5, National Highway No. 6, Mouza Chamrail, Howrah– 711 114, West Bengal, India |

Company Related Terms

| Terms | Description |
|--|---|
| Articles / Articles of Association | Unless the context otherwise requires, requires, refers to the Articles of Association of Aanchal Ispat Limited, as amended from time to time. |
| Auditors | The Statutory Auditors of our Company, being M/s R Modi & Co., Chartered Accountants |
| Board of Directors / Board | The Board of Directors of Aanchal Ispat Limited, including all duly constituted Committees thereof. |
| Companies Act | Companies Act, 1956, as superceded and substituted by notified provisions of the Companies Act, 2013 |
| Depositories Act | The Depositories Act, 1996, as amended from time to time |
| Director(s) | Director(s) of Aanchal Ispat Limited unless otherwise specified |
| Equity Shares | Equity Shares of our Company of Face Value of ₹ 10 each unless otherwise specified in the context thereof |
| HUF | Hindu Undivided Family |
| Indian GAAP | Generally Accepted Accounting Principles in India |
| MOA / Memorandum / Memorandum of Association | Memorandum of Association of Aanchal Ispat Limited |
| Non Residents | A person resident outside India, as defined under FEMA |
| NRIs / Non Resident Indians | A person outside India, as defined under FEMA and who is a citizen of India or a Person of Indian Origin under Foreign Outside India) Regulations, 2000 |
| Person or Persons | Any individual, sole proprietorship, unincorporated association, unincorporated organization, body corporate, corporation, Company, partnership, limited liability Company, joint venture, or trust or any other entity or organization validity constituted and/or incorporated in the jurisdiction in which it exists and operates, as the context requires |
| Promoter/ Core Promoter | Mr. Mukesh Goel, Mr. Manoj Goel and Pratik Suppliers Private Limited |
| Registered Office | The Registered Office of our company is located at J.L. No. 5, National Highway No. 6, Mouza Chamrail, Howrah– 711 114, West Bengal, India |
| RoC | Registrar of Companies, West Bengal situated at Kolkata |
| SEBI | Securities and Exchange Board of India constituted under the SEBI Act, 1992 |
| SEBI Act | Securities and Exchange Board of India Act 1992, as amended from time to time |
| SEBI (ICDR) Regulations/ Regulations | SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 issued by SEBI on August 26, 2009 as amended |

| | |
|---------------------------|---|
| SEBI Takeover Regulations | Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeover) Regulations, 1997 and 2011, as amended from time to time depending on the context of the matter being referred to |
| SICA | Sick Industrial Companies (Special Provisions) Act, 1985 |
| Stock Exchange | Unless the context requires otherwise, refers to, the BSE Limited |

Issue Related Terms

| Terms | Description |
|-----------------------------------|---|
| Applicant | Any prospective investor who makes an application for Equity Shares in terms of the Prospectus |
| Application Form | The Form in terms of which the applicant shall apply for the Equity Shares of our Company |
| Allotment | Issue of the Equity Shares pursuant to the Issue to the successful applicants |
| Allottee | The successful applicant to whom the Equity Shares are being / have been issued |
| Bankers to our Company | The Karur Vysya Bank Limited |
| Bankers to the Issue | ICICI Bank Limited |
| BSE | BSE Limited |
| Depository | A depository registered with SEBI under the SEBI (Depositories and Participant) Regulations, 1996 |
| Depository Participant | A Depository Participant as defined under the Depositories Act, 1996 |
| Escrow Account | Account opened/to be opened with the Escrow Collection Bank(s) and in whose favour the Applicant (excluding the ASBA Applicant) will issue cheques or drafts in respect of the Application Amount when submitting an Application |
| Escrow Agreement | Agreement entered / to be entered into amongst our Company, Lead Manager, the Registrar, the Escrow Collection Bank(s) for collection of the Application Amounts and for remitting refunds (if any) of the amounts collected to the Applicants (excluding the ASBA Applicants) on the terms and condition thereof |
| Escrow Collection Bank(s) | The banks which are clearing members and registered with SEBI as Bankers to the Issue at which bank(s) the Escrow Account of our Company will be opened |
| 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, notified by SEBI. |
| IPO | Initial Public Offering |
| Issue / Issue Size / Public Issue | The Public Issue of 80,04,000 Equity Shares of ₹ 10 each at ₹ 20 (including share premium of ₹ 10) per Equity Share aggregating to ₹ 1600.80 Lacs by Aanchal Ispat Limited |
| Issue Price | The price at which the Equity Shares are being issued by our Company under the Prospectus being ₹ 20 |
| LM / Lead Manager | Lead Manager to the Issue, in this case being Inventure Merchant Banker Services Private Limited |
| Listing Agreement | Unless the context specifies otherwise, this means the SME Equity Listing Agreement to be signed between our company and the SME Platform of BSE. |
| Net Issue | The Issue (excluding the Market Maker Reservation Portion) of 75,96,000 Equity Shares of ₹ 10 each at ₹ 20 (including share premium of ₹ 10) per Equity Share par aggregating ₹ 1519.20 Lacs by Aanchal Ispat Limited |

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|--|--|
| Prospectus | The Prospectus, filed with the RoC containing, inter alia, the Issue opening and closing dates and other information |
| Qualified Institutional Buyers / QIBs | As defined under the SEBI ICDR Regulations, including public financial institutions as specified in Section 2(72) of the Companies Act, 2013, scheduled commercial banks, mutual fund registered with SEBI, FII and sub-account (other than a sub-account which is a foreign corporate or foreign individual) registered with SEBI, Alternative Investment Fund, multilateral and bilateral development financial institution, venture capital fund registered with SEBI, foreign venture capital investor registered with SEBI, state industrial development corporation, insurance company registered with Insurance Regulatory and Development Authority, provident fund with minimum corpus of ₹ 2,500 Lacs, pension fund with minimum corpus of ₹ 2,500 Lacs, National Investment Fund set up by resolution no. F. No. 2/3/2005-DDII dated November 23, 2005 of the Government of India published in the Gazette of India, insurance funds set up and managed by army, navy or air force of the Union of India and Insurance funds set up and managed by the Department of Posts, India |
| Refund Account | Account opened / to be opened with a SEBI Registered Banker to the Issue from which the refunds of the whole or part of the Application Amount (excluding to the ASBA Applicants), if any, shall be made |
| Refund Bank | ICICI Bank Limited |
| Refunds through electronic transfer of funds | Refunds through electronic transfer of funds means refunds through ECS, Direct Credit or RTGS or NEFT or the ASBA process, as applicable |
| Registrar/ Registrar to the Issue | Registrar to the Issue being Purva Sharegistry (India) Private Limited |
| Retail Individual Investors | Individual investors (including HUFs, in the name of Karta and Eligible NRIs) who apply for the Equity Shares of a value of not more than ₹ 2,00,000 |
| SCSB | A Self Certified Syndicate Bank registered with SEBI under the SEBI (Bankers to an Issue) Regulations, 1994 and offers the facility of ASBA, including blocking of bank account. A list of all SCSBs is available at http://www.sebi.gov.in/pmd/scsb.pdf |
| SME Platform of BSE | The SME Platform of BSE for listing of equity shares offered under Chapter X-B of the SEBI (ICDR) Regulations which was approved by SEBI as an SME Exchange on September 27, 2011. |
| Underwriters | Inventure Merchant Banker Services Private Limited and GCM Securities Limited |
| Underwriting Agreement | The Agreement entered into between the Underwriters and our Company dated September 6, 2014 |
| Working Days | All days on which banks in Mumbai are open for business except Sunday and public holiday, provided however during the Application period a working day means all days on which banks in Mumbai are open for business and shall not include a Saturday, Sunday or a public holiday |

Technical / Industry Related Terms

| Term | Description |
|------|---------------------------------------|
| CSO | Central Statistical Organisation |
| GDP | Gross Domestic Product |
| DEPB | Duty entitlement pass book scheme |
| EPCG | Export Promotion Capital Goods Scheme |
| FDI | Foreign Direct Investment |
| F&O | Futures and Options |
| FMC | Forward Market Commission |
| GOI | Government of India |
| FOB | Free on Board |

| Term | Description |
|--------|---|
| RONW | Return on Net Worth |
| SSI | Small Scale Industry |
| VCF | Venture Capital Funds |
| SENSEX | Bombay Stock Exchange Sensitive Index |
| NIFTY | National Stock Exchange Sensitive Index |

Conventional Terms / General Terms / Abbreviations

| Abbreviation | Full Form |
|----------------------------|---|
| A/c | Account |
| ACS | Associate Company Secretary |
| AGM | Annual General Meeting |
| AS | Accounting Standards as issued by the Institute of Chartered Accountants of India |
| ASBA | Applications Supported by Blocked Amount |
| AY | Assessment Year |
| BSE | BSE Limited (formerly known as Bombay Stock Exchange Limited) |
| CAGR | Compounded Annual Growth Rate |
| CDSL | Central Depository Services (India) Limited |
| CFO | Chief Financial Officer |
| CIN | Company Identification Number |
| CIT | Commissioner of Income Tax |
| DIN | Director Identification Number |
| DP | Depository Participant |
| ECS | Electronic Clearing System |
| EGM | Extraordinary General Meeting |
| EPS | Earnings Per Share |
| FEMA | Foreign Exchange Management Act, 1999, as amended from time to time, and the regulations framed there under |
| FIIs | Foreign Institutional Investors (as defined under Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000) registered with SEBI under applicable laws in India |
| FIPB | Foreign Investment Promotion Board |
| F&NG | Father and Natural Guardian |
| FY / Fiscal/Financial Year | Period of twelve months ended March 31 of that particular year, unless otherwise stated |
| GDP | Gross Domestic Product |
| GoI/Government | Government of India |
| HUF | Hindu Undivided Family |
| I.T. Act | Income Tax Act, 1961, as amended from time to time |
| ICSI | Institute of Company Secretaries Of India |
| MAPIN | Market Participants and Investors' Integrated Database |
| MoF | Ministry of Finance, Government of India |
| MOU | Memorandum of Understanding |
| NA | Not Applicable |
| NAV | Net Asset Value |
| NPV | Net Present Value |
| NRE Account | Non Resident External Account |
| NRIs | Non Resident Indians |
| NRO Account | Non Resident Ordinary Account |
| NSDL | National Securities Depository Limited |
| OCB | Overseas Corporate Bodies |

| | |
|----------------------------|--|
| p.a. | per annum |
| P/E Ratio | Price/Earnings Ratio |
| PAC | Persons Acting in Concert |
| PAN | Permanent Account Number |
| PAT | Profit After Tax |
| QIC | Quarterly Income Certificate |
| RBI | The Reserve Bank of India |
| ROE | Return on Equity |
| RONW | Return on Net Worth |
| Bn | Billion |
| ₹ or Rs. | Rupees, the official currency of the Republic of India |
| RTGS | Real Time Gross Settlement |
| SCRA | Securities Contract (Regulation) Act, 1956, as amended from time to time |
| SCRR | Securities Contracts (Regulation) Rules, 1957, as amended from time to time. |
| Sec. | Section |
| STT | Securities Transaction Tax |
| US/United States | United States of America |
| USD/ US\$/ \$ | United States Dollar, the official currency of the United States of America |
| VCF / Venture Capital Fund | Foreign Venture Capital Funds (as defined under the Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996) registered with SEBI under applicable laws in India. |

The words and expressions used but not defined in this Prospectus will have the same meaning as assigned to such terms under the Companies Act, SEBI Act, SCRA, the Depositories Act and the rules and regulations made thereunder.

Notwithstanding the foregoing:

1. In the section titled '*Main Provisions of the Articles of Association*' beginning on page 195 of the Prospectus, defined terms shall have the meaning given to such terms in that section;
2. In the chapters titled '*Summary of Our Business*' and '*Our Business*' beginning on page 26 and 71 respectively, of the Prospectus, defined terms shall have the meaning given to such terms in that section;
3. In the section titled '*Risk Factors*' beginning on page 10 of the Prospectus, defined terms shall have the meaning given to such terms in that section;
4. In the chapter titled '*Statement of Tax Benefits*' beginning on page 58 of the Prospectus, defined terms shall have the meaning given to such terms in that section;
5. In the chapter titled '*Management's Discussion and Analysis of Financial Conditions and Results of Operations*' beginning on page 142 of the Prospectus, defined terms shall have the meaning given to such terms in that section.

PRESENTATION OF FINANCIAL, INDUSTRY AND MARKET DATA

Financial Data

Unless stated otherwise, the financial data in the Prospectus is derived from our audited financial statements for the financial years ended March 31, 2010, 2011, 2012, 2013 & 2014 and Six Months Ended September 30, 2014 prepared in accordance with Indian GAAP, the Companies Act and restated in accordance with the SEBI ICDR Regulations and the Indian GAAP which are included in the Prospectus, and set out in the section titled '*Financial Information*' beginning on page 120 of the Prospectus. Our Financial Year commences on April 1 and ends on March 31 of the following year, so all references to a particular Financial Year are to the twelve-month period ended March 31 of that year. In the Prospectus, discrepancies in any table, graphs or charts between the total and the sums of the amounts listed are due to rounding-off.

There are significant differences between Indian GAAP, IFRS and U.S. GAAP. Our Company has not attempted to explain those differences or quantify their impact on the financial data included herein, and the investors should consult their own advisors regarding such differences and their impact on the financial data. Accordingly, the degree to which the restated financial statements included in the Prospectus will provide meaningful information is entirely dependent on the reader's level of familiarity with Indian accounting practices. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in the Prospectus should accordingly be limited.

Any percentage amounts, as set forth in the sections / chapters titled '*Risk Factors*', '*Our Business*' and '*Management's Discussion and Analysis of Financial Condition and Results of Operations*' beginning on pages 10, 71 and 142, respectively, of the Prospectus and elsewhere in the Prospectus, unless otherwise indicated, have been calculated on the basis of our restated financial statements prepared in accordance with Indian GAAP, the Companies Act and restated in accordance with the SEBI ICDR Regulations and the Indian GAAP.

Currency and units of presentation

In the Prospectus, unless the context otherwise requires, all references to;

- 'Rupees' or '₹' or 'Rs.' or 'INR' are to Indian rupees, the official currency of the Republic of India.
- 'US Dollars' or 'US\$' or 'USD' or '\$' are to United States Dollars, the official currency of the United States of America.

All references to the word 'Lakh' or 'Lac', means 'One hundred thousand' and the word 'Million' means 'Ten lacs' and the word 'Crore' means 'Ten Million' and the word 'Billion' means 'One thousand Million'.

Industry and Market Data

Unless stated otherwise, industry data used throughout the Prospectus has been obtained or derived from industry and government publications, publicly available information and sources. Industry publications generally state that the information contained in those publications has been obtained from sources believed to be reliable but that their accuracy and completeness are not guaranteed and their reliability cannot be assured. Although our Company believes that industry data used in the Prospectus is reliable, it has not been independently verified.

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

FORWARD LOOKING STATEMENTS

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

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

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

For a further discussion of factors that could cause our current plans and expectations and actual results to differ, please refer to the chapters titled ‘*Risk Factors*’, ‘*Our Business*’ and ‘*Management’s Discussion and Analysis of Financial Condition and Results of Operations*’ beginning on page 10, 71 and 142, respectively of the Prospectus.

Forward looking statements reflects views as of the date of the Prospectus and not a guarantee of future performance. By their nature, certain market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual future gains or losses could materially differ from those that have been estimated. Neither our Company / our Directors nor the Lead Manager, nor any of its affiliates have any obligation to update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition. In accordance with SEBI requirements, our Company and the Lead Manager will ensure that investors in India are informed of material developments until such time as the listing and trading permission is granted by the Stock Exchange(s).

SECTION II - RISK FACTORS

An investment in the Equity Shares involves a high degree of risk. You should carefully consider all the information in the Prospectus, including the risks and uncertainties summarised below, before making an investment in our Equity Shares. The risks described below are relevant to the industries our Company is engaged in, our Company and our Equity Shares. To obtain a complete understanding of our Company, you should read this section in conjunction with the chapters titled ‘Our Business’ and ‘Management’s Discussion and Analysis of Financial Condition and Results of Operations’ beginning on page 71 and 142, respectively, of the Prospectus as well as the other financial and statistical information contained in the Prospectus. Prior to making an investment decision, prospective investors should carefully consider all of the information contained in the section titled ‘Financial Information’ beginning on page 120 of the Prospectus. Unless stated otherwise, the financial data in this section is as per our financial statements prepared in accordance with Indian GAAP.

If any one or more of the following risks as well as other risks and uncertainties discussed in the Prospectus were to occur, our business, financial condition and results of our operation could suffer material adverse effects, and could cause the trading price of our Equity Shares and the value of investment in the Equity Shares to materially decline which could result in the loss of all or part of investment. Prospective investors should pay particular attention to the fact that our Company is incorporated under the laws of India, and is therefore subject to a legal and regulatory environment that may differ in certain respects from that of other countries.

The Prospectus also contains forward looking statements that involve risks and uncertainties. Our actual results could differ materially from those anticipated in these forward-looking statements as a result of many factors, including the considerations described below and elsewhere in the Prospectus.

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

Materiality

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

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

INTERNAL RISKS

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

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

| Particulars | No. of cases | Financial implications (₹ in lacs)* |
|---|---------------------|--|
| Cases involving our Company | | |
| Income Tax Matters | 2 | 117.61 |
| Excise Matters | 2 | 209.74 |
| Employees Provident Fund & Miscellaneous Provisions Act, 1952 | 1 | 2.59 |
| Companies Act, 1956 | 2 | 5.13 |

| Particulars | No. of cases | Financial implications (₹ in lacs)* |
|---|--------------|--|
| Cases Involving our Group Companies | | |
| AANCHAL CEMENT LIMITED | | |
| Excise Matters | 1 | 60.39 |
| Civil Matter/ Criminal Matters | 1 | 700.00 |
| Commercial Taxes | 1 | 454.50 |
| AANCHAL IRON & STEELS PRIVATE LIMITED | | |
| VAT | 1 | 190.03 |
| AANCHAL COLLECTION LIMITED | | |
| ESIC | 1 | 17.71 |
| Employees Provident Fund & Miscellaneous Provisions Act, 1952 | 1 | 1.46 |
| Excise Matter | 1 | 32.28 |
| Civil | 6 | 153.59 |

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

For further details regarding the same, please refer to the chapter titled ‘Outstanding Litigations and Material Developments’ beginning on page 151 of the Draft Red Herring Prospectus.

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

(₹ in lacs)

| Cash flow from | September 30, 2014 | March 31, 2014 | March 31, 2013 | March 31, 2012 |
|----------------------|-----------------------|----------------|----------------|----------------|
| Operating activities | -- | (90.36) | (6.94) | (1,253.08) |
| Investing activities | (0.47) | -- | -- | (36.61) |
| Financing Activities | (172.58) | (160.70) | -- | -- |

Cash flow of a company is a key indicator to show the extent of cash generated from operations to meet its capital expenditure, pay dividends, repay loans and make new investments without raising finance from external resources. If we are not able to generate sufficient cash flow, it may adversely affect our business and financial operations. For further details please refer to the section titled ‘Financial Information’ and chapter titled ‘Management’s Discussion and Analysis of Financial Condition and Results of Operations’ beginning on page 120 and 142, respectively, of the Prospectus.

3. The objects of the Issue for which funds are being raised have not been appraised by any bank or financial institution. The deployment of funds in the project is entirely at the discretion of our management and as per the details mentioned in the section titled “Objects of the Issue”. Any revision in the estimates may require us to reschedule our project expenditure and may have a bearing on our expected revenues and earnings.

Our funding requirements and the deployment of the proceeds of the Issue are purely based on our management’s estimates and have not been appraised by any bank or financial institution. Our Company may have to revise such estimates from time to time and consequently our funding requirements may also change. Our estimates for expansion may exceed the value that would have been determined by third party appraisals and may require us to reschedule our expenditure which may have a bearing on our expected revenues and earnings. Further, the deployment of the funds towards the objects of the Issue is entirely at the discretion of our management and is not subject to monitoring by any external independent agency. However, the deployment of funds is subject to monitoring by our Audit Committee.

4. ***Our Company have not yet placed orders for plant and machinery aggregating ₹492.87 lacs required by us for the proposed automation and upgradation project. Any delay in placing the orders / or supply of plant and machinery may result in time and cost overruns, and may affect our profitability.***

Our Company propose to acquire plant and machinery aggregating ₹ 492.87 lacs for our proposed project which is approximately 30.79 % of the Issue Proceeds. Our Company have not yet placed orders for plant and machinery aggregating ₹ 492.87 lacs required by us which constitutes 100% of the total plant and machinery propose to be acquired for our proposed project. Our Company is further subject to risks on account of inflation in the price of plant and machinery.

Our Company has received quotations for these machineries, and negotiations with the vendors have commenced. The details of quotations received appear in paragraph titled ‘Plant and Machinery’ under the section titled ‘Objects of the Issue’ beginning on page 51 of the Draft Red Herring Prospectus. Since the funding for the plant and machinery is solely from the IPO proceeds, any delay in access to IPO proceeds would eventually delay the process of placing the orders. The purchase of plant and machinery would require us to consider factors including but not limited to pricing, delivery schedule and after-sales maintenance. There may also be a possibility of delay at the suppliers’ end in providing timely delivery of these machineries, which in turn may delay the implementation of our project.

5. ***We have not made firm arrangements with any bank or financial institution for funding of our balance working capital requirements for the proposed project. The failure to obtain additional financing may adversely affect our ability to grow and our future profitability.***

Additional working capital requirement has been estimated at ₹ 1167.30 lacs for the proposed project, of which ₹ 1,015.00 lacs would be funded out of the Issue Proceeds, whereas the balance amount i.e. ₹ 152.30 lacs would be arranged by way of borrowings from banks or internal accruals. However, as on date of the Draft Red Herring Prospectus our Company has not made firm arrangements with any bank or financial institution for funding of our balance working capital requirements. Our Company cannot assure you that we will be able to raise such additional financing on acceptable terms in a timely manner or at all. Our failure to renew existing funding or to obtain additional financing on acceptable terms and in a timely manner could materially and adversely impact our planned capital expenditure, which, in turn, could materially and adversely affect our business, financial condition and results of operations.

6. ***We have not made any alternate arrangements for meeting our 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 capital requirements for the objects of the issue. We meet our capital requirements through our bank finance, owned funds and internal accruals. Any shortfall in our net owned funds, internal accruals and our inability to raise debt in future would result in us being unable to meet our capital requirements, which in turn will negatively affect our financial condition and results of operations. Further we have not identified any alternate source of funding and hence any failure or delay on our part to raise money from this issue or any shortfall in the issue proceeds may delay the implementation schedule and could adversely affect our growth plans. For further details please refer to the chapter titled “Objects of the Issue” beginning on page 51 of the Prospectus.

7. ***Our proposed expansion plans are financially dependent on the Issue proceeds any delay in raising of the same may result in escalation of project cost thereby impacting the operations and financials of our Company.***

Our proposed expansion plans are dependent on the proceeds of this Issue. We have not arranged for any alternate source of funding the major part of the project. Any delay in the proposed Issue may increase the project cost and also result in delay in project implementation. This may adversely affect our operations and profitability.

8. ***Our Company is dependent on third party transportation providers for the supply of raw materials and delivery of our products and any disruption in their operations or a decrease in the quality of their services could affect our Company's reputation and results of operations***

Our Company uses third party transportation providers for the supply of most of our raw materials and delivery of our products to our domestic customers. Though our business has not experienced any disruptions due to transportation strikes in the past, any future transportation strikes may have an adverse effect on the supplies from our suppliers and deliveries to our customers. In addition, raw materials and products maybe lost or damaged in transit for various reasons including occurrence of accidents or natural disasters. There may also be delay in delivery of raw materials and products which may also affect our business and results of operation negatively. An increase in the freight costs or unavailability of freight for transportation of our products to our customers may have an adverse effect on our business and results of operations.

9. *We are a labour intensive industry and hence may face labour disruptions and other planned and unplanned outages that would interfere with our operations.*

Our Company's activities are labour intensive. We use contractual labour at our manufacturing facilities. Strikes and other labour action may have an adverse impact on our operations. Though we have not experienced any such labour disruption in the past, we cannot guarantee that we will not experience any strike, work stoppage or other industrial action in the future. Any such event could disrupt our operations, possibly for a significant period of time, result in increased wages and other costs and otherwise have a material adverse effect on our business, results of operations or financial condition.

10. *Raw materials constitute a significant percentage of our Company's total expenses. Any increase in prices of the raw material would materially adversely affect our Company's business*

Raw materials constitute a significant percentage of the total expenses of our Company. The cost of total raw materials consumed accounted for 93.65%, 94.08% and 94.85% of total expenditure in each of the Financial Years 2012, 2013 and 2014, respectively. Any increase in the price of the raw materials which our Company is unable to pass on the impact of, would have a material adverse effect on our Company's business. Any material shortage or interruption in the domestic and international supply or decrease in the quality of raw materials due to natural causes or other factors could result in increased production costs that our Company may not successfully be able to pass on to customers, which in turn would have a material adverse effect on our Company's business.

11. *We are dependent upon few suppliers for our raw material for our current manufacturing facilities. In an eventuality where our suppliers are unable to deliver us the required materials in a time-bound manner it may have a material adverse effect on our business operations and profitability.*

About 85.36% of our purchases depend upon our top 5 suppliers while 90.43% of our purchases depend on our top 10 suppliers for the financial year ended March 31, 2014. Any problems faced by our suppliers in their manufacturing facilities resulting in delays or non-adherence to quality requirements could adversely impact our ability to meet our customer's requirements in time and our operations would be affected to the extent we are unable to line up supplies from alternate suppliers.

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

About 42.27% of our sales depend upon our top 5 suppliers while 48.29% of our purchases depend on our top 10 suppliers for the financial year ended March 31, 2014. The loss of our major customers or a decrease in the volume of products sourced from us may adversely affect our revenues and profitability. We cannot assure you 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 operations and profitability.

13. *We do not have long-term contracts with our buyers or distributors, which may adversely affect our business and financial conditions.*

Purchases by our customers and distributors are mainly through individual orders or on a fixed delivery basis. We do not have any long term contracts with any of our customers/distributors and there is no assured guarantee that our present customers/distributors will continue to procure supplies from us. Any

loss of our major customers/distributors arising out of competition or from cheaper sources can lead to reduced margins and our results of operations may be affected.

14. *Our business requires us to obtain and renew certain registrations, licenses and permits from government and regulatory authorities and the failure to obtain and renew them in a timely manner may adversely affect our business operations.*

Our business operations require us to obtain and renew from time to time, certain approvals, licenses, registrations and permits, some of which may expire and for which we may have to make an application for obtaining the approval or its renewal. We will be applying for certain approvals relating to our business. If we fail to maintain such registrations and licenses or comply with applicable conditions, or a regulatory authority claims we have not complied, with these conditions, our certificate of registration for carrying on a particular activity may be suspended and/or cancelled and we will not then be able to carry on such activity.

Further, we may become liable to penal action if our activities are adjudged to be undertaken in the manner not authorized under the applicable law. This could materially and adversely affect our business, financial condition and results of operations. We cannot assure you that we will be able to obtain approvals in respect of such applications or any application made by us in the future. For more information about the licenses required in our business and the licenses and approvals applied for, please refer to sections titled “Government and other Key Approvals” beginning on page 156 of the Prospectus.

15. *Our success depends largely upon the services of our Directors and other Key Managerial Personnel and our ability to attract and retain them. 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.*

Our Managing Director, Mr. Mukesh Goel has built relations with clients and other persons who are connected with us. Our success is substantially dependent on the expertise and services of our Directors and our Key Managerial Personnel. They provide expertise which enables us to make well informed decisions in relation to our business and our future prospects. Our future performance will depend upon the continued services of these persons. Demand for Key Managerial Personnel in the industry is intense. We cannot assure you that we will be able to retain any or all, or that our succession planning will help to replace, the key members of our management. The loss of the services of such key members of our management team and the failure of any succession plans to replace such key members could have an adverse effect on our business and the results of our operations.

16. *The business of our Company is dependent on our manufacturing facility. The loss of or shutdown of operations at any of manufacturing facilities may have a material adverse effect on Company’s business, financial condition and results of operations.*

The principal manufacturing facilities at Mouza Chamrail, Howrah are subject to operating risks, such as the breakdown or failure of equipment, power supply or processes, performance below expected levels of output or efficiency, obsolescence, labour disputes, strikes, lock-outs continued inavailability of services of our external contractors, earthquakes and other natural disasters, industrial accidents and the need to comply with the directives of relevant government authorities. Though we have not experienced any such event in the past. The occurrence of any of these risks could significantly affect our operating results.

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

Our Company faces significant competition from other players in the iron and steel industry. In particular, we compete with other brands in TMT Bars and Structural Re-Bars present in the markets in which we are present. We compete on the basis of a number of factors, including execution, quality and depth of product offerings, innovation, reputation and price. Our competitors may have advantages over us, including, but not limited to:

- Substantially greater financial resources;
- Longer operating history than in certain of our businesses;

- Greater brand recognition among consumers;
- Larger customer bases in and outside India; or
- More diversified operations which allow profits from certain operations to support others with lower profitability.

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

18. The Company does not own the brandname "Relicon" under which our products are being marketed and sold.

The Company does not own the brandname "Relicon" under which the products of the Company are being marketed and sold. However, the brandname "Relicon" is not owned by our Company and we have made an application for the registration of brand name to Government of India, Trade Marks Registry on July 30, 2014. The registration for the said brand name / trademark is important to retain product identity of our products. If the application for registration is rejected 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. 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.

19. Our operations may be adversely affected in case of industrial accidents at any of our production facilities.

Usage of heavy machinery, handling of materials by labour during production process or otherwise, lifting of materials by humans, cranes, heating processes of the furnace etc. may result in accidents, which could cause injury to our labour, employees, other persons on the site and could also damage our properties thereby affecting our operations. Though our plants and machinery and personnel are covered under insurance, occurrence of accidents could hamper our production and consequently affect our profitability.

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

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

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

21. Future issuances of Equity Shares or future sales of Equity Shares by our Promoters and certain shareholders, or the perception that such sales may occur, may result in a decrease of the market price of our Equity Shares.

In the future, we may issue additional equity securities for financing our capital requirements. In addition, our Promoters and certain shareholders may dispose off their interests in our Equity Shares directly, indirectly or may pledge or encumber their Equity Shares. Any such issuances or sales or the prospect of any such issuances or sales could result in a dilution of shareholders' holding or a negative market perception and potentially in a lower market price of our Equity Shares.

22. The growth of our business may require us to obtain substantial financing, which we may not be able to obtain on reasonable terms or at all. We may need to raise additional funds through incurring debt to satisfy our capital needs, which we may not be able to procure on acceptable terms or at all.

Our growth is dependent on having a strong balance sheet to support our activities. In addition to the Net Proceeds and our internally generated cash flow, we may need other sources of financing to meet our capital needs which may include entering into new debt facilities with lending institutions or raising additional debt or equity in the capital markets. We may need to raise additional capital from time to time, depending on business conditions. The factors that would require us to raise additional capital could be business growth beyond what our current balance sheet can sustain; additional capital requirements imposed due to changes in the regulatory regime or new guidelines; or significant depletion in our existing capital base due to unusual operating losses. Any fresh issue of shares or convertible securities would dilute existing shareholding, and such issuance may not be done at terms and conditions that are favourable to the existing shareholders of the Company.

If we decide to raise additional funds through the incurrence of debt, our interest obligations will increase and we may be subject to additional covenants, which could further limit our ability to access cash flows from our operations. Such financing could cause our debt to equity ratio to increase or require us to create further charges or liens on our assets in favour of lenders. We cannot assure you that we will be able to secure adequate financing in the future on acceptable terms, in time, or at all. Our failure to obtain sufficient financing could result in the delay or abandonment of our expansion plans. Our business and future results of operations may be adversely affected if we delay or are unable to implement our expansion strategy.

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

We have entered into transactions with our Promoters and our Promoter Group. While we believe that all such transactions have been conducted on an arm’s length basis, there can be no assurance that we could not have achieved more favorable terms had such transactions not been entered into with related parties. Furthermore, it is likely that we may enter into related party transactions in the future. There can be no assurance that such transactions, individually or in the aggregate, will not have an adverse effect on our financial condition and results of operations. For further details, please refer to “*Related Party Transactions*” beginning on page 104 of this Prospectus.

24. Our insurance cover may not adequately protect us against all material hazards.

Our Company have various insurance policies covering stocks, building, furniture, plant and machinery, etc. We believe that we have insured ourselves against the majority of the risks associated with our business. Our significant insurance policies provide cover for risks relating to physical loss, theft or damage to our assets, as well as business interruption losses. While we believe that the policies that we maintain would reasonably be adequate to cover all normal risks associated with the operation of our business, there can be no assurance that any claim under the insurance policies maintained by us will be honoured fully, in part or on time, or that we have obtained sufficient insurance (either in amount or in terms of risks covered) to cover all material losses. To the extent that we suffer loss or damage for events for which we are not insured or for which our insurance is inadequate, the loss would have to be borne by us, and, as a result, our results of operations and financial condition could be adversely affected.

25. Some of the Group Companies promoted by our Promoters have incurred losses in the last three years. Sustained financial losses by our Group Companies may not be perceived positively by external parties such as clients, customers, bankers etc, which may affect our credibility and business operations.

The following Group Companies promoted by the Promoters has incurred losses in one or more of the last three years:

| Name of the Company | (₹ Lacs) | | |
|---------------------------------------|----------|---------|---------|
| | FY 2013 | FY 2012 | FY 2011 |
| Aanchal Iron & Steels Private Limited | (362.97) | | |
| Kalyani Rice Mills Private Limited | (0.10) | (0.11) | (0.08) |
| Maina Securities Private Limited | | (0.38) | (0.38) |
| Haldia Alloys & Ispat Private Limited | (0.11) | (0.17) | (0.19) |
| Khush Metalliks Private Limited | (0.12) | (0.15) | (0.22) |
| Penguin Creation Private Limited | (0.12) | (0.15) | (0.22) |
| Jaya Rice Mills Private Limited | (0.12) | (0.14) | (0.08) |

26. Some of the Group Companies promoted by our Promoters has negative net worth. Negative net worth of our Group Companies may not be perceived positively by external parties such as clients, customers, bankers etc, which may affect our credibility and business operations.

The following Group Companies promoted by the Promoters has incurred losses in one or more of the last three years:

| Name of the Company | FY 2014 | FY 2013 | FY 2012 | (₹ Lacs) |
|---------------------------------------|----------|----------|---------|----------|
| | | | | FY 2011 |
| Aanchal Iron & Steels Private Limited | (106.19) | (113.59) | | |
| Haldia Alloys & Ispat Private Limited | | (0.001) | | |
| Khush Metalliks Private Limited | | (0.16) | (0.04) | |
| Penguin Creation Private Limited | | (0.16) | (0.04) | |

27. We have certain contingent liabilities that have not been provided for in our Company's financials, which if realised, could adversely affect our financial condition.

Our contingent liabilities as at September 30, 2014 were as follows:

| Contingent Liabilities | (₹ in lacs.) |
|--|--------------------------|
| | As at September 30, 2014 |
| Excise demad disputed in appeal | 209.74 |
| EPF Damages for delayed contribution in appeal | 2.59 |
| IT demand disputed in appeal | 117.61 |
| Total | 329.94 |

We cannot assure you that any or all of these contingent liabilities will not become direct liabilities. In the event any or all of these contingent liabilities become direct liabilities, it may have an adverse effect on our financial condition and results of operations.

28. Covenants with institutional lenders may restrict our operations and expansion ability, which may affect our business and results of operations and financial condition.

As per our current financing arrangements with banks, we are subject to certain restrictive covenants which require us to obtain the prior consent of the respective lenders before undertaking certain actions such as:

- effect any change in the capital structure
- formulate any scheme of amalgamation or reconstruction.
- implement any scheme of expansion or acquire fixed assets.
- make investments/ advances or deposit amounts with any other concern.
- enter into borrowing arrangements with any bank/FI/company.
- undertake guarantee obligations on behalf of any other company.
- declare dividends for any year except out of profits relating to that year

Although we have received the NoC cum Consent from our lenders for this issue, we can not assure you that we will be able to receive such consents in future.

29. Our Company has unsecured loans, which are repayable on demand. Any demand from lenders for repayment of such unsecured loans, may adversely affect our business operations and financial condition of our Company.

As on September 30, 2014, our Company has unsecured loans aggregating to ₹ 236.97 Lacs, which are repayable on demand. For further details of these unsecured loans, please refer to chapter titled ‘Financial Information’ beginning on page 120 of the Draft Red Herring Prospectus. In case of any demand from lenders for repayment of such unsecured loans, the resultant cash outgo, may adversely affect our business operations and financial position of our Company.

- 30. *Our Promoters and Directors are promoters / directors our Group Company namely, Aanchal Iron & Steels Private Limited which is engaged in the business, inter alia, of trading of iron and steel and other related products, which is similar to that of our Company. This may create a conflict of interest. Further we do not enjoy contractual protection by way of a non-compete or other agreement or arrangement with such Group Entities. As these entities do not have any non-compete agreements in place amongst themselves, there is a conflict of interest between our Company and the said Group Entities.***
- 31. *The requirements of being a listed company may strain our resources.***

As a listed company, we will incur significant legal, accounting, corporate governance and other expenses that we did not incur as an unlisted company. We will be subject to the listing agreements with the BSE, which require us to file audited annual and unaudited quarterly reports with respect to our business and financial condition. If we experience any delays, we may fail to satisfy our reporting obligations and/or we may not be able to readily determine and accordingly report any changes in our results of operations as timely as other listed companies. As a listed company, we will need to maintain and improve the effectiveness of our disclosure controls and procedures and internal control over financial reporting, for which significant resources and management overview will be required.

EXTERNAL RISKS

- 1. *We cannot predict the effect of the proposed notification of the Companies Act, 2013 on our business.***

The Companies Act, 2013 (the “2013 Act”) has been notified by the Government of India on August 30, 2013 (the “Notification”). Under the Notification, Section 1 of the 2013 Act has come into effect and the remaining provisions of the 2013 Act have and shall come into force on such dates as the Central Government has notified and shall notify. Section 1 of the 2013 Act deals with the commencement and application of the 2013 Act, and among others, sets out the types of companies to which the 2013 Act applies. Further the Ministry of Corporate Affairs has by their notification dated September 12, 2013 notified 98 sections of the 2013 Act, which have come into force from September 12, 2013.

The 2013 Act is expected to replace the existing Companies Act, 1956. The 2013 Act provides for, among other things, changes to the regulatory framework governing the issue of capital by companies, corporate governance, audit procedures, corporate social responsibility, the requirements for independent directors, director’s liability, class action suits, and the inclusion of women directors on the boards of companies. The 2013 Act is expected to be complemented by a set of rules that shall set out the procedure for compliance with the substantive provisions of the 2013 Act. In the absence of such rules, it is difficult to predict with any degree of certainty the impact, adverse or otherwise, of the 2013 Act on the Issue, and on the business, prospects and results of operations of the Company. Further, as mentioned above, certain provisions of the 2013 Act have already come into force and the rest shall follow in due course. In event some or all of the provisions of the 2013 Act and the rules thereto are notified prior to the consummation of the Issue, we may have to undertake certain additional actions that we are not currently aware of (in the absence of the rules), which may result in delay of the Issue.

- 2. *We cannot guarantee the accuracy or completeness of facts and other statistics with respect to India, the Indian economy and the financial services sector contained in the Prospectus.***

While facts and other statistics in the Prospectus relating to India, the Indian economy and the steel sector has been based on various government publications and reports from government agencies that we believe are reliable, we cannot guarantee the quality or reliability of such materials. While we have taken reasonable care in the reproduction of such information, industry facts and other statistics have not been prepared or independently verified by us or any of our respective affiliates or advisors and, therefore we make no representation as to their accuracy or completeness. These facts and other statistics include the

facts and statistics included in the chapter titled ‘*Industry Overview*’ beginning on page number 66 of the Draft Red Herring Prospectus. Due to possibly flawed or ineffective data collection methods or discrepancies between published information and market practice and other problems, the statistics herein may be inaccurate or may not be comparable to statistics produced elsewhere and should not be unduly relied upon. Further, there is no assurance that they are stated or compiled on the same basis or with the same degree of accuracy, as the case may be, elsewhere.

3. *Global economic, political and social conditions may harm our ability to do business, increase our costs and negatively affect our stock price.*

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

4. *Global economic conditions have been unprecedented and continue to have, an adverse effect on the global and Indian financial markets which may continue to have a material adverse effect on our business.*

Recent global market and economic conditions have been unprecedented and challenging with tighter credit conditions and an economic recession has been witnessed in most economies in 2009. Continued concerns about the systemic impact of potential long-term and wide-spread economic recession, energy costs, geopolitical issues, the availability and cost of credit, and the global housing and mortgage markets have contributed to increased market volatility and diminished expectations for western and emerging economies. These conditions, combined with volatile oil prices, declining business and consumer confidence and increased unemployment, have contributed to volatility of unprecedented levels. As a result of these market conditions, the cost and availability of credit has been and may continue to be adversely affected by illiquid credit markets and wider credit spreads. Concern about the stability of the markets generally and the strength of counterparties specifically has led many lenders and institutional investors to reduce, and in some cases, cease to provide credit to businesses and consumers. These factors have led to a decrease in spending by businesses and consumers alike and corresponding decreases in global infrastructure spending and commodity prices. These market and economic conditions have an adverse effect on the global and Indian financial markets and may continue to have a material adverse effect on our business and financial performance, and may have an impact on the price of the Equity Shares.

5. *Any disruption in the supply of power, IT infrastructure, telecom lines and disruption in internet connectivity could disrupt our business process or subject us to additional costs.*

Any disruption in basic infrastructure or the failure of the Government to improve the existing infrastructure facilities could negatively impact our business since we may not be able to provide timely or adequate services to our clients. We do not maintain business interruption insurance and may not be covered for any claims or damages if the supply of power, IT infrastructure, internet connectivity or telecom lines is disrupted. This may result in the loss of a client, impose additional costs on us and have an adverse effect on our business, financial condition and results of operations and could lead to decline in the price of our Equity Shares.

6. *Natural calamities and changing weather conditions caused as a result of global warming could have a negative impact on the Indian economy and consequently impact our business and profitability.*

Natural calamities such as draughts, floods, and earthquakes could have a negative impact on the Indian economy and may cause suspension, delays or damage to our current projects and operations, which may adversely impact our business and our operating results. India’s being a monsoon driven economy, climate change caused due to global warming bringing deficient / untimely monsoons could impact Government policy which in turn would adversely affect our business.

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

The Government of India has traditionally exercised and continues to exercise a significant influence over many aspects of the economy. Our business, and the market price and liquidity of our Equity Shares, may be affected by interest rates, changes in Government policy, taxation, social and civil unrest and other political, economic or other developments in or affecting India. Since 1991, successive governments have pursued policies of economic liberalization and financial sector reforms. However, there can be no assurance that such policies will be continued in the future. A significant change in India's economic liberalization and deregulation policies could disrupt business and economic conditions in India generally and adversely affect our business, financial condition and results of operations.

8. *Civil unrest, acts of violence including terrorism or war involving India and other countries could materially and adversely affect the financial markets and our business.*

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. Terrorist attacks and other acts of violence may adversely affect the Indian stock markets, where our Equity Shares will trade, and the global equity markets generally.

9. *There is no guarantee that the Equity Shares issued pursuant to the Issue will be listed on the SME Platform of BSE in a timely manner, or at all.*

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

10. *The price of our Equity Shares may be volatile, or an active trading market for our Equity Shares may not develop.*

Prior to this Issue, there has been no public market for our Equity Shares. Our Company and the Lead Manager have appointed GCM Securities Limited as Designated Market Maker for the equity shares of our Company. However, the trading price of our Equity Shares may fluctuate after this Issue due to a variety of factors, including our results of operations and the performance of our business, competitive conditions, general economic, political and social factors, the performance of the Indian and global economy and significant developments in India's fiscal regime, volatility in the Indian and global securities market, performance of our competitors, the Indian Capital Markets and Finance industry, changes in the estimates of our performance or recommendations by financial analysts and announcements by us or others regarding contracts, acquisitions, strategic partnerships, joint ventures, or capital commitments.

In addition, if the stock markets experience a loss of investor confidence, the trading price of our Equity Shares could decline for reasons unrelated to our business, financial condition or operating results. The trading price of our Equity Shares might also decline in reaction to events that affect other companies in our industry even if these events do not directly affect us. Each of these factors, among others, could materially affect the price of our Equity Shares. There can be no assurance that an active trading market for our Equity Shares will develop or be sustained after this Issue, or that the price at which our Equity Shares are initially offered will correspond to the prices at which they will trade in the market subsequent to this Issue. For further details of the obligations and limitations of Market Makers please refer to the chapter titled "General Information" beginning on page 33 of this Prospectus.

11. *There are restrictions on daily movements in the price of the Equity Shares, which may adversely affect a shareholder's ability to sell, or the price at which it can sell, Equity Shares at a particular point in time.*

Following the Issue, we will be subject to a daily "circuit breaker" imposed by BSE, which does not allow transactions beyond specified increases or decreases in the price of the Equity Shares. This circuit breaker operates independently of the index-based, market-wide circuit breakers generally imposed by SEBI on Indian stock exchange. The percentage limit on our circuit breakers will be set by the stock exchange based on the historical volatility in the price and trading volume of the Equity Shares.

The BSE may not inform us of the percentage limit of the circuit breaker in effect from time to time and may change it without our knowledge. This circuit breaker will limit the upward and downward movements in the price of the Equity Shares. As a result of this circuit breaker, no assurance can be given regarding your ability to sell your Equity Shares or the price at which you may be able to sell your Equity Shares at any particular time.

12. Conditions in the Indian securities market may affect the price or liquidity of our Equity Shares.

The Indian securities markets are smaller than securities markets in more developed economies and the regulation and monitoring of Indian securities markets and the activities of investors, brokers and other participants differ, in some cases significantly, from those in the more developed economies. Indian stock exchange have in the past experienced substantial fluctuations in the prices of listed securities. Further, the Indian stock exchanges have experienced volatility in the recent times. The Indian stock exchanges have also experienced problems that have affected the market price and liquidity of the securities of Indian companies, such as temporary exchange closures, broker defaults, settlement delays and strikes by brokers. In addition, the governing bodies of the Indian stock exchanges have from time to time restricted securities from trading and limited price movements. A closure of, or trading stoppage on the BSE could adversely affect the trading price of the Equity Shares.

PROMINENT NOTES:

1. This is a Public Issue of 80,04,000 Equity Shares of ₹ 10 each at ₹ 20 (including share premium of ₹ 10) per Equity Share aggregating ₹ 1600.80 Lacs.
2. For information on changes in our Company’s name, Registered Office and changes in the objects clause of the MOA of our Company, please refer to the chapter titled “History and Certain Corporate Matters” beginning on page 85 of the Prospectus.
3. Our Net Worth as at March 31, 2014 was ₹ 2294.58 Lacs and as at September 30, 2014 was ₹ 2333.35 Lacs.
4. The Net Asset Value per Equity Share as at March 31, 2014 was ₹ 53.57 and as at September 30, 2014 was ₹ 18.16.
5. Investors may contact the Lead Manager for any complaint pertaining to the Issue. All grievances relating to ASBA may be addressed to the Registrar to the Issue, with a copy to the relevant SCSBs, giving full details such as name, address of the Applicant, number of Equity Shares for which the applied, Application Amounts blocked, ASBA Account number and the Designated Branch of the SCSBs where the ASBA Form has been submitted by the ASBA Applicant.
6. The average cost of acquisition per Equity Share by our Promoters is set forth in the table below:

| Name of the Promoter | Average cost of acquisition (in ₹) |
|----------------------------------|---|
| Mr. Mukesh Goel | 6.71 |
| Mr. Manoj Goel | 3.33 |
| Pratik Suppliers Private Limited | 31.40 |

For further details relating to the allotment of Equity Shares to our Promoters, please refer to the chapter titled “Capital Structure” beginning on page 40 of the Prospectus.

7. Our Company its Promoters / Directors, Company’s Associates or Group companies have not been prohibited from accessing the Capital Market under any order or direction passed by SEBI. The Promoter, their relatives, Company, group companies, associate companies are not declared as willful defaulters by RBI / Government authorities and there are no violations of securities laws committed in the past or pending against them.
8. Investors are advised to refer to the paragraph titled “Basis for Issue Price” beginning on page 56 of the Prospectus.
9. The Lead Manager and our Company shall update the Prospectus and keep the investors / public informed of any material changes till listing of the Equity Shares offered in terms of the Prospectus and commencement of trading.
10. Investors are free to contact the Lead Manager for any clarification, complaint or information pertaining to the Issue. The Lead Manager and our Company shall make all information available to the public and investors at large and no selective or additional information would be made available for a section of the investors in any manner whatsoever.
11. In the event of over-subscription, allotment shall be made as set out in paragraph titled “Basis of Allotment” beginning on page 182 of the Prospectus and shall be made in consultation with the Designated Stock Exchange i.e. BSE. The Registrar to the Issue shall be responsible to ensure that the basis of allotment is finalized in a fair and proper manner as set out therein.
12. The Directors / Promoters of our Company have no interest in our Company except to the extent of remuneration and reimbursement of expenses (if applicable) and to the extent of any Equity Shares (of Aanchal Ispat Limited) held by them or their relatives and associates or held by the companies, firms and trusts in which they are interested as director, member, partner, and/or trustee, and to the extent of benefits arising out of such shareholding. For further details please refer to the section titled “Our Management” on page 89 of the Prospectus.

13. No loans and advances have been made to any person(s) / companies in which Directors are interested except as stated in the Auditors Report. For details please refer to “*Section VI Financial Information*” beginning on page 120 of the Prospectus.
14. No part of the Issue proceeds will be paid as consideration to Promoter, Directors, Key Managerial Personnel or persons forming part of Promoter Group.
15. There has been no financing arrangement whereby the Promoter Group, our Directors and their relatives have financed the purchase, by any other person, of securities of our Company other than in the normal course of the business of the financing entity during the period of six months immediately preceding the date of the Prospectus.
16. The details of transaction by our Company are disclosed under “*Related Party Transactions*” beginning on page 104 of the Prospectus.
17. Our contingent liabilities as at September 30, 2014 were as follows:

| <i>(₹ in lacs.)</i> | |
|--|---------------------------------|
| Contingent Liabilities | As at September 30, 2014 |
| Excise demad disputed in appeal | 209.74 |
| EPF Damages for delayed contribution in appeal | 2.59 |
| IT demand disputed in appeal | 117.61 |
| Total | 329.94 |

SECTION III – INTRODUCTION

SUMMARY OF OUR INDUSTRY

INDIAN IRON AND STEEL INDUSTRY

Introduction

Steel is crucial to the development of any modern economy and is considered to be one of the backbones of human civilisation. The level of per capita consumption of steel is treated as an important index of the level of socio-economic development in a country. From only three steel plants, a few electric arc furnace-based plants and a mere one million tonne (MT) capacity status at the time of Independence, India is now the fourth largest crude steel producer in the world and the largest producer of sponge iron. Presently, steel contributes to nearly two per cent of the gross domestic product (GDP) and employs over 500,000 people. The total market value of the Indian steel sector stood at US\$ 57.8 billion in 2011 and is expected to touch US\$ 95.3 billion by 2016. India's per capita steel consumption stood at 57.8 kilograms in 2013, according to a World Steel Association report and is expected to rise with increased industrialisation throughout the country.

<http://www.ibef.org/industry/steel.aspx>

Market size

India is slated to become the second-largest steel producer in the world by 2015. Steel production in the country has increased at a compound annual growth rate (CAGR) of 6.9 per cent over 2008-2012. India's real consumption of total finished steel grew by 0.6 per cent year-on-year in April-March 2013-14 to 73.93 MT, according to the Joint Plant Committee (JPC), Ministry of Steel. Increasing demand by sectors such as infrastructure, real estate and automobiles at home and abroad has put India on the world map. The construction sector accounts for around 60 per cent of the country's total steel demand while the automobile industry accounts for 15 per cent. <http://www.ibef.org/industry/steel.aspx>

Global Scenario

- In 2013 the world crude steel production reached 1606 million tonnes (mt) and showed a growth of 3% over 2012. (Source: World Steel Association or WSA)
- China remained the world's largest crude steel producer in 2013 (779 mt) followed by Japan (111 mt), the USA (87 mt) and India (81 mt) at the 4th position.
- WSA has projected Indian steel demand to grow by 3.3% in 2014 as compared to global steel use growth of 3% and Chinese growth of 3.1%. For 2015, further recovery is projected for world (3.3%) and India (4.5%) and a slowing down for China (2.7%).
- Per capita finished steel consumption in 2013 is estimated at 225 kg for world and 515 kg for China. <http://steel.nic.in/overview.htm>

Domestic Scenario

- The Indian steel industry has entered into a new development stage from 2007-08, riding high on the resurgent economy and rising demand for steel.
- Rapid rise in production has resulted in India becoming the 4th largest producer of crude steel and the largest producer of sponge iron or DRI in the world.
- As per the report of the Working Group on Steel for the 12th Plan, there exist many factors which carry the potential of raising the per capita steel consumption in the country, currently at 59.2 kg. These include among others, an estimated infrastructure investment of nearly a trillion dollars, a projected growth of manufacturing from current 8% to 11-12%, increase in urban population to 600 million by 2030 from the current level of 400 million, emergence of the rural market for steel currently consuming around 10 kg per annum buoyed by projects like Bharat Nirman, Pradhan Mantri Gram Sadak Yojana, Rajiv Gandhi Awaas Yojana among others.

- At the time of its release, the National Steel Policy 2005 had envisaged steel production to reach 110 million tonnes by 2019-20. However, based on the assessment of the current ongoing projects, both in greenfield and brownfield, the Working Group on Steel for the 12 th Plan has projected that the crude steel capacity in the country is likely to be 140 mt by 2016-17 and has the potential to reach 149 mt if all requirements are adequately met.
- The National Steel Policy 2005 is currently being reviewed keeping in mind the rapid developments in the domestic steel industry (both on the supply and demand sides) as well as the stable growth of the Indian economy since the release of the Policy in 2005.
<http://steel.nic.in/overview.htm>

Production

- Steel industry was delicensed and decontrolled in 1991 & 1992 respectively.
- Today, India is the 4 th largest crude steel producer of steel in the world.
- In 2013-14, production for sale of total finished steel (alloy + non alloy) was 87.67 mt.
- Production for sale of Pig Iron in 2013-14 was 7.95 mt.
- India is the largest producer of sponge iron in the world with the coal based route accounting for 88% of total sponge iron production in the country.
- Last five year's production for sale of pig iron, sponge iron and total finished steel (alloy + non-alloy) are given below:

| Indian steel industry : Production for Sale (in million tonnes) | | | | | |
|--|---------|---------|---------|---------|---------|
| Category | 2009-10 | 2010-11 | 2011-12 | 2012-13 | 2013-14 |
| Pig Iron | 5.88 | 5.68 | 5.371 | 6.870 | 7.950 |
| Sponge Iron | 24.33 | 25.08 | 19.63 | 14.33 | 18.20 |
| Total Finished Steel (alloy + non alloy) | 60.62 | 68.62 | 75.70 | 81.68 | 87.67 |
| Source: Joint Plant Committee | | | | | |

<http://steel.nic.in/overview.htm>

Road Ahead

The liberalisation of the industrial policy and other initiatives taken by the government have spurred the growth of the private sector in the steel industry. While the existing units are being modernised or expanded, a large number of new steel plants have also come up in different parts of the country based on cost-effective and state-of-the-art technologies. In the last few years, the rapid and stable growth of the demand side has also prompted domestic entrepreneurs to set up fresh greenfield projects in different states of India.

With the increase in global population, there is a greater need for steel to build public-transport infrastructure. Emerging economies will continue to drive demand as these countries require a significant amount of steel for urbanisation and industrialisation purposes. India's steel sector is anticipated to witness investment of about Rs 2 trillion (US\$ 33.26 billion) in the coming years, as per Tata Steel.
<http://www.ibef.org/industry/steel.aspx>

SUMMARY OF OUR BUSINESS

We are engaged in manufacturing of Mild Steel TMT Re-bars, Structural Re-bars, Round and other Sectional products as per orders. Our products are broadly categorized as the Re-bars in the Steel Industry. The main applications of our products currently being manufactured are used in the Infrastructure and Construction Industry. Our existing manufacturing unit is ISO 9001:2008 certified from BSCIC Quality Management Systems. The products that we manufacture conform to ISI Standard. Necessary license has been obtained from BIS being license No. CM/L 5525566 for IS:1786 and CM/L 5489992 for IS:2062.

Currently we are having two manufacturing facilities, one for TMT Re-bars and other for Structural Re-bars. We are having an installed capacity of 21000 TPA for TMT Re-bars and 24000 TPA for Structural Re-Bars.

We are also engaged in the trading of the products like Mild Steel Billets, Cement & Clinker and TMT & Structural Re-Bars.

Initially, our Company set up a manually operated Rolling Mill to manufacture Mild Steel Re-bars, Viz Ribbed, Round, Flat and square Re-bars of various size ranging from 5.5mm to 20mm dia. In the year 2004, our Company added one more vertical to its manufacturing process to manufacture Structural Re-bars viz: Angle, Channels etc, by setting up an additional unit to manufacture structurals within the same compound.

In the year 2006, our Company converted its manufacturing division into a Semi-Automatic Rolling Mill and added 2 continuous Mill Stands with DC Drive and TMT processing Unit.

In the financial year 2010, our current Promoters took over the management of the Company. In the year 2012 our Company launched its products under the brand name of "RELICON" and also started its new vertical of Trading of Long Products.

Our company envisages expansion and modernizing by upgradation and automation of our TMT manufacturing facilities. We intend to convert our semi-automatic Rolling mill to fully automatic Rolling Mill by inter alia replacing Fiber Mill Stand to Roller Bearing Mill Stands. Automation will also increase our capacity due to increase in speed of our machines and will also improve our quality. Post implementation of this project our capacity will increase as follows:

| Sr. No. | Product | Pre Modernisation | Post Modernisation |
|---------|--------------------|-------------------|--------------------|
| 1 | TMT Re-bars | 21000 MT P.A. | 75000 MT P.A. |
| 2 | Structural Re-Bars | 24000 MT P.A. | 24000 MT P.A. |

SUMMARY OF OUR FINANCIAL INFORMATION

The following tables set forth summary financial information derived from restated standalone financial statements as of and for the financial years ended March 31, 2010, 2011, 2012, 2013 & 2014 and six months period ended September 30, 2014. The summary financial information presented below should be read in conjunction with the chapter titled “*Management’s Discussion and Analysis of Financial Conditions and Results of Operations*” and “*Financial Information*” beginning on page 142 and 120, respectively of the Prospectus.

AANCHAL ISPAT LIMITED (STANDALONE)**Statement of Assets and Liabilities (As Restated)**

(₹ in Lacs)

| Particulars | 30.09.14 | 31.03.14 | 31.03.13 | 31.03.12 | 31.03.11 | 31.03.10 |
|---|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| Equity & Liabilities | | | | | | |
| Shareholders Fund | | | | | | |
| ➤ Equity Share Capital | 1,284.98 | 428.33 | 428.33 | 412.33 | 284.73 | 284.73 |
| Total (A) | 1,284.98 | 428.33 | 428.33 | 412.33 | 284.73 | 284.73 |
| Reserves and surplus | | | | | | |
| ➤ General Reserve | 36.00 | 36.00 | 36.00 | 36.00 | 36.00 | 36.00 |
| ➤ Share premium | 658.28 | 1,514.93 | 1,514.93 | 1,450.93 | 302.53 | 302.53 |
| ➤ Profit and Loss Account | 354.09 | 315.32 | 239.85 | 181.37 | 133.37 | 128.91 |
| ➤ Less: Revaluation Reserve | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Total (B) | 1,048.37 | 1,866.25 | 1,790.78 | 1,668.30 | 471.90 | 467.44 |
| Total (C=A+B) | 2,333.35 | 2,294.58 | 2,219.11 | 2,080.63 | 756.63 | 752.17 |
| | | | | | | |
| Non Current Liabilities | | | | | | |
| ➤ Long Term Borrowings | 314.46 | 316.01 | 307.58 | 107.75 | 294.80 | 447.84 |
| ➤ Long term provisions | 3.57 | 3.57 | 2.28 | 0.00 | 0.00 | 0.00 |
| ➤ Deferred Tax Liability | 83.75 | 84.73 | 84.84 | 82.87 | 79.08 | 70.33 |
| Total Non Current Liabilities (D) | 401.78 | 404.31 | 394.70 | 190.62 | 373.88 | 518.17 |
| | | | | | | |
| Current Liabilities | | | | | | |
| ➤ Short Term Borrowings | 2,530.80 | 2,509.86 | 2,292.96 | 1,972.71 | 1,480.40 | 677.53 |
| ➤ Trade Payables | 2,152.94 | 1,518.44 | 1,759.16 | 1,424.28 | 3,877.53 | 1,392.71 |
| ➤ Other Current Liabilities | 3.56 | 103.56 | 406.01 | 604.30 | 951.52 | 540.70 |
| ➤ Short Term Provisions | 300.49 | 248.97 | 189.42 | 216.55 | 24.97 | 18.38 |
| Total Current Liabilities (E) | 4,987.78 | 4,380.82 | 4,647.55 | 4,217.84 | 6,334.43 | 2,629.32 |
| | | | | | | |
| Total Equity & Liability (F=C+D+E) | 7,722.91 | 7,079.71 | 7,261.36 | 6,489.09 | 7,464.94 | 3,899.66 |
| | | | | | | |
| Non-Current Assets | | | | | | |
| ➤ Fixed Assets | | | | | | |
| ➤ Tangible Assets | 569.04 | 587.80 | 627.51 | 651.55 | 675.95 | 677.47 |
| ➤ Capital Work -in-Progress | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Total Fixed Assets | 569.04 | 587.80 | 627.51 | 651.55 | 675.95 | 677.47 |

| | | | | | | |
|--------------------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| ➤ Non Current Investments | 0.00 | 0.00 | 7.10 | 24.10 | 0.94 | 0.00 |
| ➤ Long Term Loans and Advances | 77.06 | 77.06 | 278.86 | 203.92 | 202.69 | 0.00 |
| ➤ Other Non Current Assets | 158.00 | 86.00 | 42.00 | 121.69 | 25.21 | 0.00 |
| Total Non Current Assets (G) | 804.10 | 750.86 | 955.47 | 1,001.26 | 904.79 | 677.47 |
| | | | | | | |
| Current assets | | | | | | |
| ➤ Current Investments | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| ➤ Inventories | 3,199.74 | 2,596.90 | 1,950.35 | 2,978.95 | 3,209.99 | 1,440.77 |
| ➤ Trade Receivables | 3,573.53 | 3,500.59 | 3,791.68 | 2,054.10 | 3,097.72 | 1,413.25 |
| ➤ Cash and Cash Equivalents balances | 76.36 | 67.37 | 299.34 | 13.66 | 12.54 | 100.45 |
| ➤ Short Term Loans and advances | 69.18 | 163.98 | 264.52 | 441.12 | 239.90 | 267.72 |
| ➤ Other Current Assets | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Total Current Assets (H) | 6,918.81 | 6,328.85 | 6,305.89 | 5,487.83 | 6,560.15 | 3,222.19 |
| Total Assets (I=G+H) | 7,722.91 | 7,079.71 | 7,261.36 | 6,489.09 | 7,464.94 | 3,899.66 |

Note: The above statement should be read with the Significant Accounting Policies and Notes on Financial Statements appearing in Annexure IV & V respectively.

Summary Statement of Profit and Loss, As Restated*(₹ in Lacs)*

| Particulars | 30.09.14 | 31.03.14 | 31.03.13 | 31.03.12 | 31.03.11 | 31.03.10 |
|--|-----------------|--------------------|------------------|------------------|------------------|-----------------|
| Income | | | | | | |
| Sales of Products Manufactured by the Company | 7,553.91 | 11,828.15 | 6,961.57 | 8,264.53 | 6,718.26 | 5,372.67 |
| Sales of Products Traded by the Company | 2,668.16 | 8,510.70 | 8,177.78 | 7,877.71 | 7,055.07 | 0.00 |
| Other Operating Income | 0.00 | 0.00 | 11.98 | 0.00 | 0.00 | 0.00 |
| Export Sales | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Less: Excise Duty | (830.96) | (1,301.14) | (760.26) | (773.87) | (728.94) | (264.91) |
| Net Sales | 9,391.11 | 19,037.72 | 14,391.07 | 15,368.37 | 13,044.39 | 5,107.76 |
| Other Income | 4.03 | 17.78 | 21.71 | 5.23 | 1.66 | 15.04 |
| Changes in inventories of finished goods, work-in-progress and Stock- in-trade | 301.86 | 102.23 | (306.62) | 574.47 | 283.05 | (1,067.60) |
| Total Revenue | 9,697.00 | 19,157.73 | 14,106.16 | 15,948.07 | 13,329.10 | 4,055.20 |
| Expenditure | | | | | | |
| Cost of Materials consumed | 6,612.54 | 9,293.59 | 5,371.82 | 7,852.14 | 6,864.13 | 3,024.04 |
| Purchase of Traded Goods | 2,284.56 | 8,356.19 | 7,468.88 | 6,703.10 | 5,524.38 | 442.63 |
| Manufacturing / Selling / Administrative Expenses | 505.22 | 914.05 | 778.79 | 956.39 | 661.74 | 337.11 |
| Employee Benefit Expenses | 26.97 | 45.13 | 29.53 | 30.57 | 20.76 | 14.34 |
| | | | | | | |
| Total (B) | 9,429.29 | 18,608.96 | 13,649.02 | 15,542.20 | 13,071.01 | 3,818.12 |
| Profit Before Interest, Depreciation and Tax | 267.71 | 548.77 | 457.14 | 405.87 | 258.09 | 237.08 |
| Depreciation | 23.27 | 45.50 | 44.88 | 43.07 | 32.12 | 32.24 |
| Profit Before Interest and Tax | 244.44 | 503.27 | 412.26 | 362.80 | 225.97 | 204.84 |
| Financial Charges | 191.97 | 386.03 | 325.33 | 290.45 | 206.18 | 153.31 |
| Profit before Taxation | 52.47 | 117.24 | 86.93 | 72.35 | 19.79 | 51.53 |
| Provision for Taxation | 18.32 | 41.88 | 26.49 | 20.56 | 6.59 | 8.37 |
| Provision for Deferred Tax | (0.98) | (0.11) | 1.96 | 3.79 | 8.74 | 11.10 |
| Total | 17.34 | 41.77 | 28.45 | 24.35 | 15.33 | 19.47 |
| Profit After Tax but Before Extra ordinary Items | 35.13 | 75.47 | 58.48 | 48.00 | 4.46 | 32.06 |
| Prior Period Items | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Net Profit after adjustments | 35.13 | 75.47 | 58.48 | 48.00 | 4.46 | 32.06 |
| Net Profit Transferred to Balance Sheet | 35.13 | 75.47 | 58.48 | 48.00 | 4.46 | 32.06 |

Note: The above statement should be read with the Significant Accounting Policies and Notes on Financial Statements appearing in Annexure IV & V respectively.

Summary Statement of Cash Flow, As Restated

(₹ in Lacs)

| Sr. No. | PARTICULARS | 30.09.14 | 31.03.14 | 31.03.13 | 31.03.12 | 31.03.11 | 31.03.10 |
|----------|---|---------------|----------------|---------------|-------------------|-----------------|----------------|
| A | CASH FLOW FROM OPERATING ACTIVITIES | | | | | | |
| | Profit Before Tax | 52.47 | 117.24 | 86.93 | 72.35 | 19.79 | 51.53 |
| | <i>Adjusted for :</i> | | | | | | |
| I. | Depreciation | 23.27 | 45.50 | 44.88 | 43.07 | 32.12 | 32.24 |
| II. | Interest Expenses | 191.97 | 386.03 | 325.33 | 290.45 | 206.18 | 153.31 |
| III. | Other Adjustments | 3.64 | 0.00 | 1.35 | 2.83 | 0.00 | 0.00 |
| IV. | Interest Income | (4.04) | (17.78) | (21.71) | (5.23) | (1.66) | (15.04) |
| | | | | | | | |
| | Operating profit before working capital changes | 267.31 | 530.99 | 436.78 | 403.47 | 256.43 | 222.04 |
| | <i>Adjusted for :</i> | | | | | | |
| I. | Decrease /(Increase) in Inventories | (602.84) | (646.55) | 1,028.60 | 231.04 | (1,769.22) | 1,366.64 |
| II. | Decrease / (Increase) in trade receivable | (72.94) | 291.09 | (1,737.58) | 1,043.62 | (1,684.47) | 1,035.28 |
| III. | (Increase) / Decrease in short term loans & advances | 94.80 | 100.54 | 176.60 | (201.22) | 27.82 | 328.46 |
| IV. | (Increase) / Decrease in Other Non Current Assets | (72.00) | (44.00) | 79.69 | (96.48) | (25.21) | 0.00 |
| V. | (Increase) / Decrease in Long term loans and advances | 0.00 | 201.80 | (74.94) | (1.23) | (202.69) | 0.00 |
| VI. | Increase / (Decrease) in Trade Payables | 634.50 | (240.72) | 334.88 | (2,453.25) | 2,484.82 | (2,104.84) |
| VII. | Increase / (Decrease) in short term provisions | 51.52 | 59.55 | (27.13) | 191.58 | 6.59 | (8.98) |
| VIII. | Increase / (Decrease) in other current liabilities | (100.00) | (302.45) | (198.29) | (347.22) | 410.82 | (905.50) |
| IX. | Increase / (Decrease) in Long Term Provisions | 0.00 | 1.29 | 2.28 | 0.00 | 0.00 | 0.00 |
| | | | | | | | |
| | Cash generated from operations | 200.36 | (48.48) | 20.89 | (1,229.69) | (495.10) | (66.90) |
| | Income Tax Paid (Net of refunds) | 18.32 | 41.88 | 27.83 | 23.39 | 6.59 | 8.37 |
| | NET CASH GENERATED FROM OPERATION | 182.04 | (90.36) | (6.94) | (1,253.08) | (501.69) | (75.27) |
| | | | | | | | |
| B | CASH FLOW FROM INVESTING ACTIVITIES | | | | | | |

| | | | | | | | |
|----------|--|-----------------|-----------------|---------------|-----------------|----------------|---------------|
| I. | Purchase (sale) of Fixed Assets | (4.51) | (5.79) | (20.84) | (18.68) | (30.60) | (6.73) |
| II. | (Purchase) / Sale of non-current investment | 0.00 | 7.10 | 17.00 | (23.16) | (0.94) | 0.00 |
| III. | (Increase) in Misc. Expenses | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| IV. | Interest received | 4.04 | 17.78 | 21.71 | 5.23 | 1.66 | 15.04 |
| V. | Dividend Income | | | - | - | - | - |
| | Net Cash (used) in investing activities | (0.47) | 19.09 | 17.87 | (36.61) | (29.88) | 8.31 |
| | | | | | | | |
| C | CASH FLOW FROM FINANCING ACTIVITES | | | | | | |
| I. | Interest Paid | (191.97) | (386.03) | (325.33) | (290.45) | (206.18) | (153.31) |
| II. | Proceeds from share issued / application | 0.00 | 0.00 | 80.00 | 1,276.00 | 0.00 | 87.26 |
| III. | (Repayments) / proceeds of long term borrowings | (1.55) | 8.43 | 199.83 | (187.05) | (153.04) | (427.77) |
| IV. | (Repayments) / proceeds of short term borrowings | 20.94 | 216.90 | 320.25 | 492.31 | 802.87 | 593.82 |
| | | | | | | | |
| D | Net Cash Generated / (used) in Financing Activities | (172.58) | (160.70) | 274.75 | 1,290.82 | 443.65 | 100.00 |
| | | | | | | | |
| E | Net Increase / (Decrease) in Cash and Cash Equivalentts | 8.99 | (231.97) | 285.68 | 1.13 | (87.91) | 33.04 |
| F | Cash and Cash Equivalentts at the beginning of the Year | 67.37 | 299.34 | 13.66 | 12.54 | 100.45 | 67.41 |
| G | Cash and Cash Equivalentts at the end of the Year | 76.36 | 67.37 | 299.34 | 13.67 | 12.54 | 100.45 |

Notes:

- The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in Accounting Standard -3 'Cash Flow Statement'. Previous year's figures have been regrouped / rearranged / recasted wherever necessary to make them comparable with those of current year.
- The above statement should be read with the Significant Accounting Policies and Notes on Financial Statements appearing in Annexure IV & V respectively.

THE ISSUE

Present Issue in terms of the Prospectus:

| Issue Details | |
|--|---|
| Equity Shares offered | 80,04,000 Equity Shares of face value of ₹ 10 each |
| <i>Of which:</i> | |
| Reserved for Market Makers | 4,08,000 Equity Shares of face value of ₹ 10 each |
| Net Issue to the Public | 75,96,000 Equity Shares of face value of ₹ 10 each |
| Equity Shares outstanding prior to the Issue | 1,28,49,750 Equity Shares of face value of ₹ 10 each |
| Equity Shares outstanding after the Issue | 2,08,53,750 Equity Shares of face value of ₹ 10 each |
| Use of Proceeds | For further details please refer chapter titled “ <i>Objects of the Issue</i> ” beginning on page 51 of the Prospectus for information on use of Issue Proceeds |

Notes

1. *This Issue is being made in terms of Chapter XB of the SEBI (ICDR) Regulations, 2009, as amended from time to time. For further details please refer to section titled ‘Issue related Information’ beginning on page 171 of the Prospectus.*
2. *The Issue has been authorized by the Board of Directors vide a resolution passed at its meeting held on August 12, 2014 and by the shareholders of our Company vide a special resolution passed pursuant to section 62(1)(c) of the Companies Act at the AGM held on September 5, 2014.*

GENERAL INFORMATION**AANCHAL ISPAT LIMITED**

Our Company was incorporated as ‘Vinita Projects Private Limited’ a private limited company under the Companies Act, 1956 pursuant to Certificate of Incorporation dated January 30, 1996 issued by the Registrar of Companies, West Bengal. The name of our Company was changed to ‘Aanchal Ispat Private Limited’ pursuant to fresh certificate of incorporation consequent upon change of name dated November 29, 2012, issued by the Registrar of Companies, West Bengal. Our Company was converted into a public limited company under the Companies Act and the name of our Company was changed to ‘Aanchal Ispat Limited’ pursuant to certificate of incorporation consequent upon conversion to public limited company dated August 21, 2014, issued by the Registrar of Companies, West Bengal. Our corporate identification number is U27106WB1996PLC076866.

| Registered Office of our Company | Corporate Office of our Company |
|---|---|
| Aanchal Ispat Limited J.L. No. 5, National Highway No. 6, Mouza Chamrail, Howrah– 711 114, West Bengal Tel: +91 3212 246 121 Fax: +91 3212 246 069 Email: ipo@aanchalispac.com Website: www.aanchalispac.com | Aanchal Ispat Limited Paridhan Garment Park, SDF V, Block E, Module 503, 19 Canal South Road, Kolkata – 700 015, West Bengal Tel: +91 33 2251 0128 Fax: +91 33 2251 0128 Email: ipo@aanchalispac.com Website: www.aanchalispac.com |

For details of change in the name and Registered Office of our Company, please refer to the chapter titled “History and Certain Corporate Matters” beginning on page 85 of the Prospectus.

Address of the RoC

Registrar of Companies, West Bengal
 Nizam Palace, 2nd MSO Building,
 2nd Floor, 234/4 A.J.C.B Road,
 Kolkata - 700 020

Name of the Stock Exchange where Equity Shares are proposed to be listed

Our Company proposed to list its Equity Shares on the SME Platform of BSE Limited.

Issue Programme

Issue Opens on: **MONDAY, NOVEMBER 24, 2014**

Issue Closes on: **WEDNESDAY, NOVEMBER 26, 2014**

Our Board of Directors

The following table sets out details regarding our Board as on the date of the Prospectus:

| Sr. No. | Name and Designation | Age (in years) | DIN | Address |
|----------------|---|-----------------------|------------|---|
| 1. | Mr. Mukesh Goel <i>Managing Director</i> | 36 | 00555061 | AD-235, Salt Lake City, Sector I, PO-CC Block, Bidhan Nagar, Kolkata – 700 064, West Bengal |
| 2. | Mr. Manoj Goel <i>Director</i> | 34 | 00554986 | AD-235, Salt Lake City, Sector I, PO-CC Block, Bidhan Nagar, Kolkata – 700 064, West Bengal |
| 3. | Mr. Sudhir Kumar Budhia <i>Independent Director</i> | 34 | 02869779 | Aral, BL-5, 3 rd Floor, FT-T, 104 Bidhan Nagar Road, Kolkata – 700067, West Bengal |

| Sr. No. | Name and Designation | Age (in years) | DIN | Address |
|---------|--|----------------|----------|--|
| 4. | Mr. Mukesh Agarwal <i>Independent Director</i> | 42 | 06954595 | 36, Rajnarayan Roy Choudhary Ghat Road, Howrah Municipal Corporation, Shibpur, Howrah - 711102 |

For detailed profile of our Managing Director and other Directors, refer to chapters titled “*Our Management*” and “*Our Promoters and Promoter Group*” beginning on page 89 and 101 respectively of the Prospectus.

Company Secretary and Compliance Officer

Ms. Babita Kaur Bagga

Aanchal Ispat Limited

J.L. No. 5, National Highway No. 6,

Mouza Chamrail,

Howrah– 711 114,

West Bengal

Tel: +91 3212 246 121

Fax: +91 3212 246 069

Email: ipo@aanchalispac.com

Website: www.aanchalispac.com

Investors may contact our Company Secretary and Compliance Officer and/or the Registrar to the Issue, Purva Shareregistry (India) Private Limited and / or the Lead Manager, i.e., Inventure Merchant Banker Services Private Limited, in case of any pre-Issue or post-Issue related problems, such as non-receipt of letters of allotment, credit of allotted Equity Shares in the respective beneficiary account or refund orders, etc.

All grievances relating to the ASBA process may be addressed to the Registrar to the Issue, with a copy to the relevant SCSB to whom the Application was submitted (at ASBA Locations), giving full details such as name, address of the applicant, number of Equity Shares applied for, Amount blocked, ASBA Account number and the Designated Branch of the relevant SCSBs to whom the Application was submitted (at ASBA Locations) where the ASBA Form was submitted by the ASBA Applicants.

Lead Manager to the Issue

Inventure Merchant Banker Services Private Limited

2nd Floor, Viraj Tower,

Nr. Andheri Flyover (North End)

Western Express Highway,

Andheri (East), Mumbai – 400 069

Tel No: +91 22 4075 1515

Fax No: +91 22 4075 1552

Email: sme.ipo@inventuremerchantbanker.com

Investor Grievance Email: redressal@inventuremerchantbanker.com

Website: www.inventuregrowth.com

SEBI Registration No: INM000012003

Contact Person: Mr. Saurabh Vijay

Registrar to the Issue

Purva Shareregistry (India) Private Limited

No. 9, Shiv Shakti Ind. Estate,

Gr. Floor, J. R. Boricha Marg

Lower Parel, Mumbai-400 011

Tel: +91 22 2301 6761/8261

Fax: +91 22 2301 2517

Website: www.purvashare.com

Email: busicomp@vsnl.com
SEBI Regn No. INR000001112
Contact Person: Mr. Rajesh Shah

Legal Counsel to the Issue

A.K. Gandhi
Advocate
8, Old Post Office Street,
2nd Floor, Room No. 3,
Kolkata – 700 001
West Bengal
Tel: +91 33 2242 7369
Email: arun_gandhi1959@yahoo.co.in

Bankers to our Company

The Karur Vysya Bank Limited
9, Ram Sevak Mullick Lane,
Off, 43 Strand Road,
Kolkata – 700007,
West Bengal
Tel: +91 33 2269 6485
Fax: +91 33 2270 0343
Email: calcutta@kvbmail.com
Website: www.kvb.co.in
Contact Person: Mr. Navjot Kumar

Statutory Auditors of our Company

R Modi & Company
Chartered Accountants
Poddar Court,
Gate No. 1, 5th Floor,
Room No. 507,
18, Rabindra Sarini,
Kolkata -700001
Tel: +91 98832 41087
Email: globalca2012@gmail.com
Contact Person: Mr. Ranjit Kumar Modi
Membership No: 062254
FRN: 327727E

Independent Auditor of our Company (Peer Review certified)

Maheshwari & Co.
Chartered Accountants
10-11, Third Floor,
Esplanade Building,
3 A.K. Naik Marg (Bestian Road),
Fort, Mumbai - 400001
Tel: +91 22 2207 7472
Fax: +91 22 2207 2620
Email: info@maheshwariandco.in
Contact Person: Mr. K.K. Maloo
Membership No: 075872
FRN: 105834W

Bankers to the Issue/Escrow Collection Bank/ Refund Banker to the Issue

ICICI Bank Limited

Capital Market Division
 1st floor, 122, Mistry Bhawan, Dinshaw Vachha Road,
 Backbay Reclamation,
 Churchgate, Mumbai—400020
Tel: +91 22 22859932
Fax: +91 22 22611138
Email: anil.gadoo@icicibank.com
Website: www.icicibank.com
Contact Person: Mr. Anil Gadoo

Self Certified Syndicate Banks (SCSB's)

The list of Designated Branches that have been notified by SEBI to act as SCSB for the ASBA process is provided on <http://www.sebi.gov.in/pmd/scsb.html>. For more information on the Designated Branches collecting ASBA Forms, see the above mentioned SEBI link.

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

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

Credit Rating

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

IPO Grading

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

Brokers to the Issue

All members of the recognized stock exchanges would be eligible to act as Brokers to the Issue.

Expert Opinion

Except for the report which will be provided by (a) statutory auditors' reports on the restated financial statements; and (b) statement of tax benefits by the statutory auditors, (a copy of the said report and statement of tax benefits has been included in the Prospectus), we have not obtained any other expert opinions.

Trustees

This is an issue of Equity Shares, the appointment of trustee is not required.

Appraisal and Monitoring Agency

The objects of the Issue have not been appraised by any agency. The Objects of the Issue and means of finance, therefore, are based on internal estimates of our Company. As the net proceeds of the Issue will be less than ₹ 50,000 Lacs, under the sub-regulation (1) of Regulation 16 of SEBI (ICDR) Regulations, 2009 it is not required that a monitoring agency be appointed by our Company.

However, as per Clause 52 of the SME Listing Agreement to be entered into with the Stock Exchange upon listing of the Equity Shares and in accordance with the corporate governance requirements, the Audit Committee of our Company would be monitoring the utilization of the Issue Proceeds.

Underwriting Agreement

This Issue is 100% Underwritten. The Underwriting agreement is dated September 6, 2014. Pursuant to the

terms of the Underwriting Agreement, the obligations of the Underwriters are several and are subject to certain conditions specified therein.

The Underwriters have indicated their intention to underwrite the following number of specified securities being offered through this Issue:

| Details of the Underwriter | No. of shares underwritten | Amount Underwritten (₹ in Lacs) | % of the Total Issue Size Underwritten |
|--|----------------------------|---------------------------------|--|
| Inventure Merchant Banker Services Private Limited 2 nd Floor, Viraj Tower, Nr. Andheri Flyover (North End) Western Express Highway, Andheri (East), Mumbai – 400 069 Tel No: +91 22 4075 1515 Fax No: +91 22 4075 1552 Email: sme.ipo@inventuremerchantbanker.com Website: www.inventuregrowth.com SEBI Registration No: INM000012003 | 1206000 | 241.20 | 15.07% |
| GCM Securities Limited 805, Raheja Centre, Free Press Journal Marg, Nariman Point, Mumbai – 400 021; Tel: +91 22 3023 5727, Fax: +91 22 3020 1364 Email: gcmsecu.kolkata@gmail.com Website: www.gcmsecuritiesltd.com | 6798000 | 1,359.60 | 84.93% |
| Total | 8004000 | 1,600.80 | 100.00% |

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

Details of the Market Making Arrangement for this Issue

Our Company and the Lead Manager have entered into a tripartite agreement dated September 6, 2014, with the following Market Maker, duly registered with BSE to fulfill the obligations of Market Making:

GCM Securities Limited

805, Raheja Centre,
 Free Press Journal Marg,
 Nariman Point,
 Mumbai – 400 021;
Tel: +91 22 3023 5727,
Fax: +91 22 3020 1364
Email: gcmsecu.kolkata@gmail.com
Website: www.gcmsecuritiesltd.com
SEBI Registration No: INB010793439

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

- 1) The Market Maker(s) (individually or jointly) shall be required to provide a 2-way quote for 75% of the time in a day. The same shall be monitored by the stock exchange. Further, the Market Maker(s) shall

inform the exchange in advance for each and every black out period when the quotes are not being offered by the Market Maker(s).

- 2) The minimum depth of the quote shall be ₹ 1,00,000. However, the investors with holdings of value less than ₹ 1,00,000 shall be allowed to offer their holding to the Market Maker(s) (individually or jointly) in that scrip provided that he sells his entire holding in that scrip in one lot along with a declaration to the effect to the selling broker.
- 3) Execution of the order at the quoted price and quantity must be guaranteed by the Market Maker(s), for the quotes given by him.
- 4) 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.
- 5) 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.
- 6) The Marker maker may also be present in the opening call auction, but there is no obligation on him to do so.
- 7) There will be special circumstances under which the Market Maker may be allowed to withdraw temporarily/fully from the market – for instance due to system problems, any other problems. All controllable reasons require prior approval from the Exchange, while *force-majeure* will be applicable for non controllable reasons. The decision of the Exchange for deciding controllable and non-controllable reasons would be final.
- 8) The Market Maker(s) shall have the right to terminate said arrangement by giving a three months notice or on mutually acceptable terms to the Merchant Banker, 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 in replacement during the term of the notice period being served by the Market Maker but prior to the date of releasing the existing Market Maker from its duties in order to ensure compliance with the requirements of regulation 106V of the SEBI (ICDR) Regulations, 2009. Further our Company and the Lead Manager reserve the right to appoint other Market Makers either as a replacement of the current Market Maker or as an additional Market Maker subject to the total number of Designated Market Makers does not exceed five or as specified by the relevant laws and regulations applicable at that particulars point of time. The Market Making Agreement is available for inspection at our registered office from 11.00 a.m. to 5.00 p.m. on working days.

#

- 9) **Risk containment measures and monitoring for Market Makers:** BSE SME Exchange 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.
- 10) **Punitive Action in case of default by Market Makers:** BSE SME Exchange will monitor the obligations on a real time basis and punitive action will be initiated for any exceptions and/or non-compliances. Penalties / fines may be imposed by the Exchange on the Market Maker, in case he is not able to provide the desired liquidity in a particular security as per the specified guidelines. These penalties / fines will be set by the Exchange from time to time. The Exchange will impose a penalty on the Market Maker in case he is not present in the market (offering two way quotes) for at least 75% of the time. The nature of the penalty will be monetary as well as suspension in market making activities / trading membership.

The Department of Surveillance and Supervision of the Exchange would decide and publish the penalties / fines / suspension for any type of misconduct/ manipulation/ other irregularities by the Market Maker from time to time.

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

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

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

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

| Issue Size | Buy quote exemption threshold (including mandatory initial inventory of 5% of the Issue Size) | Re-Entry threshold for buy quote (including mandatory initial inventory of 5% of the Issue Size) |
|--------------------|---|--|
| Up to ₹ 20 Crore | 25% | 9 |
| ₹ 20 to ₹ 50 Crore | 20% | 8 |
| ₹ 50 to ₹ 80 Crore | 15% | 6 |
| Above ₹ 80 Crore | 12% | 5 |

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

CAPITAL STRUCTURE

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

| No. | Particulars | Amount (₹ in Laacs) | |
|---|---|-------------------------|--------------------------------|
| | | Aggregate nominal value | Aggregate value at Issue Price |
| A. Authorised Share Capital | | | |
| | 2,20,00,000 Equity Shares of ₹ 10 each | 2,200.00 | -- |
| B. Issued, Subscribed and Paid-Up Share Capital before the Issue | | | |
| | 1,28,49,750 Equity Shares of ₹ 10 each | 1284.98 | -- |
| C. Present Issue in terms of the Prospectus^(a) | | | |
| | Public Issue of 80,04,000 Equity Shares at a Issue price of ₹ 20 per Equity Share | 800.40 | 1,600.80 |
| <i>Which comprises:</i> | | | |
| a) | Reservation for Market Maker(s) - 4,08,000 Equity Shares of face value of ₹ 10 each reserved as Market Maker portion at a price of ₹ 20 per Equity Share | 40.80 | 81.60 |
| b) | Net Issue to the Public of 75,96,000 Equity Shares of face value of ₹ 10 each at a price of ₹ 20 per Equity Share | 759.60 | 1,519.20 |
| Of the Net Issue to the Public | | | |
| Allocation to Retail Individual Investors | | | |
| - | 37,98,000 Equity Shares of face value of ₹ 10 each at a price of ₹ 20 per Equity Share shall be available for allocation for Investors applying for a value of upto ₹ 2 lacs | 379.80 | 759.60 |
| Allocation to Other than Retail Individual Investors | | | |
| - | 37,98,000 Equity Shares of face value of ₹ 10 each at a price of ₹ 20 per Equity Share shall be available for allocation for Investors applying for a value of above ₹ 2 lacs | 379.80 | 759.60 |
| D. Issued, Subscribed and Paid-up Share Capital after the Issue | | | |
| | 2,08,53,750 Equity Shares of ₹ 10 each | 2085.38 | -- |
| E. Securities Premium Account | | | |
| | Before the Issue | | 658.28 |
| | After the Issue | | 1458.68 |

The Issue has been authorised by the Board of Directors vide a resolution passed at its meeting held on August 12, 2014, and by the shareholders of our Company vide a special resolution passed pursuant to section 62(1)(c) of the Companies Act, 2013 at the AGM held on September 5, 2014.

NOTES TO THE CAPITAL STRUCTURE**1. Details of increase in authorised Share Capital:**

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

| Particulars of Change | | Date of Shareholders' Meeting | AGM/EGM |
|---|--|-------------------------------|---------|
| From | To | | |
| ₹ 5,00,000 consisting of 50,000 Equity shares of ₹ 10 each. | | On incorporation | - |
| ₹ 5,00,000 consisting of 50,000 Equity shares of ₹ 10 each | ₹ 50,00,000 consisting of 5,00,000 Equity shares of ₹ 10 each | FY 1998 | EGM |
| ₹ 50,00,000 consisting of 5,00,000 Equity shares of ₹ 10 each | ₹ 1,00,00,000 consisting of 10,00,000 Equity shares of ₹ 10 each | March 11, 1999 | EGM |
| ₹ 1,00,00,000 consisting of 10,00,000 Equity shares of ₹ 10 each | ₹ 1,50,00,000 consisting of 15,00,000 Equity shares of ₹ 10 each | December 19, 2003 | EGM |
| ₹ 1,50,00,000 consisting of 15,00,000 Equity shares of ₹ 10 each | ₹ 2,50,00,000 consisting of 25,00,000 Equity shares of ₹ 10 each | March 29, 2005 | EGM |
| ₹ 2,50,00,000 consisting of 25,00,000 Equity shares of ₹ 10 each | ₹ 3,00,00,000 consisting of 30,00,000 Equity shares of ₹ 10 each | March 24, 2006 | EGM |
| ₹ 3,00,00,000 consisting of 30,00,000 Equity shares of ₹ 10 each. | ₹ 5,00,00,000 consisting of 50,00,000 Equity shares of ₹ 10 each. | March 31, 2011 | EGM |
| ₹ 5,00,00,000 consisting of 50,00,000 Equity shares of ₹ 10 each. | ₹ 22,00,00,000 consisting of 2,20,00,000 Equity shares of ₹ 10 each. | July 30, 2014 | EGM |

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

| Date of Allotment / Fully Paid-up | No. of Equity Shares allotted | Face value (₹) | Issue Price (₹) | Nature of consideration | Nature of Allotment | Cumulative number of Equity Shares | Cumulative Paid-up Capital (₹) | Cumulative Securities premium (₹) |
|-----------------------------------|-------------------------------|----------------|-----------------|-------------------------|---|------------------------------------|--------------------------------|-----------------------------------|
| 13-Jan-96 | 200 | 10 | 10 | Cash | Subscription to Memorandum of Association | 200 | 2,000 | |
| FY 1998 | 204,175 | 10 | 10 | Cash | Preferential Allotment | 204,375 | 2,043,750 | 0 |
| 30-Mar-99 | 706,625 | 10 | 10 | Cash | Preferential Allotment | 911,000 | 9,110,000 | 0 |
| 15-Mar-04 | 289,000 | 10 | 10 | Cash | Preferential Allotment | 1,200,000 | 12,000,000 | 0 |
| 31-Mar-05 | 1,000,000 | 10 | 10 | Cash | Preferential Allotment | 2,200,000 | 22,000,000 | 0 |
| 31-Mar-06 | 420,000 | 10 | 50 | Cash | Preferential Allotment | 2,620,000 | 26,200,000 | 16800000 |
| 31-Mar-09 | 140,000 | 10 | 50 | Cash | Preferential Allotment | 2,760,000 | 27,600,000 | 22400000 |

| | | | | | | | | |
|-----------|-----------|----|-----|-------|-------------------------------------|------------|-------------|-----------|
| 31-Mar-10 | 87,250 | 10 | 100 | Cash | Preferential Allotment | 2,847,250 | 28,472,500 | 30252500 |
| 1-Dec-11 | 910,000 | 10 | 100 | Cash | Preferential Allotment | 3,757,250 | 37,572,500 | 112152500 |
| 31-Mar-12 | 366,000 | 10 | 100 | Cash | Preferential Allotment | 4,123,250 | 41,232,500 | 145092500 |
| 28-Mar-13 | 160,000 | 10 | 50 | Cash | Preferential Allotment | 4,283,250 | 42,832,500 | 151492500 |
| 12-Aug-14 | 8,566,500 | 10 | Nil | Bonus | Bonus Allotment in the ratio of 2:1 | 12,849,750 | 128,497,500 | 65827500 |

3. Equity Shares issued for consideration other than cash by our Company.

Other than the Bonus Issue of Equity Shares as mentioned above, our Company has not issued any Equity Shares for consideration other than cash.

4. Details of Promoters' contribution and Lock-in

The Equity Shares held by the Promoters were acquired / allotted in the following manner:

Details of build-up of shareholding of the Promoters and lock-in

| Date of Allotment / acquisition / transaction and when made fully paid up | Nature of acquisition (Allotment/ transfer) | Number of Equity Shares | Face Value per Equity Share (in ₹) | Issue/ Transfer price per Equity Share (in ₹) | Consideration (cash/ other than cash) | % of pre issue capital | % of post issue capital | Lock-in Period | Source of Funds |
|---|---|-------------------------|------------------------------------|---|---------------------------------------|------------------------|-------------------------|----------------|-----------------|
| Mr. Mukesh Goel | | | | | | | | | |
| 7-Jan-10 | Purchased from Mr. Sudhir Garhwal | 200,400 | 10 | 10 | Cash | 1.56% | 0.96% | 1 Year | Own Funds |
| 7-Jan-10 | Purchased from M.S. Garhwal HUF | 151,000 | 10 | 10 | Cash | 1.18% | 0.72% | 1 Year | Own Funds |
| 7-Jan-10 | Purchased from Sardha Garhwal | 70,800 | 10 | 10 | Cash | 0.55% | 0.34% | 1 Year | Own Funds |
| 7-Jan-10 | Purchased from Sudhir Garhwal HUF | 113,000 | 10 | 10 | Cash | 0.88% | 0.54% | 1 Year | Own Funds |
| 31-Mar-10 | Preferential Allotment | 74,750 | 10 | 100 | Cash | 0.58% | 0.36% | 1 Year | Own Funds |
| 31-Mar-11 | Purchased from Mr. Santosh Singh | 55,000 | 10 | 10 | Cash | 0.43% | 0.26% | 1 Year | Own Funds |
| 12-Aug-14 | Bonus Allotment | 1,329,900 | 10 | Nil | Nil | 10.35% | 6.38% | 1 Year | N.A. |
| | Sub-total | 1,994,850 | | | | 15.52% | 9.57% | | |
| Mr. Manoj Goel | | | | | | | | | |
| 7-Jan-10 | Purchased from Mr. Mohan Garhwal | 135,300 | 10 | 10 | Cash | 1.05% | 0.65% | 1 Year | Own Funds |
| 7-Jan-10 | Purchased from Mrs. Sangita Garhwal | 128,500 | 10 | 10 | Cash | 1.00% | 0.62% | 1 Year | Own Funds |
| 7-Jan-10 | Purchased from Mrs. Chanda Garhwal | 96,000 | 10 | 10 | Cash | 0.75% | 0.46% | 1 Year | Own Funds |
| 7-Jan-10 | Purchased from Pushpa Trading HUF | 20,000 | 10 | 10 | Cash | 0.16% | 0.10% | 1 Year | Own Funds |
| 7-Jan-10 | Purchased from Mohan Garhwal HUF | 132,000 | 10 | 10 | Cash | 1.03% | 0.63% | 1 Year | Own Funds |
| 31-Mar-11 | Purchased from SK Singhal Private Limited | 20,000 | 10 | 10 | Cash | 0.16% | 0.10% | 3 Years | Own Funds |

| | | | | | | | | | |
|---|---------------------------------|------------------|----|-----|------|---------------|---------------|---------|-----------|
| 31-Mar-11 | Purchased from Mr. Rajeev Gupta | 20,000 | 10 | 10 | Cash | 0.16% | 0.10% | 3 Years | Own Funds |
| 31-Mar-11 | Purchased from Mr. Ajay Singh | 20,500 | 10 | 10 | Cash | 0.16% | 0.10% | 3 Years | Own Funds |
| 12-Aug-14 | Bonus Allotment | 1,144,600 | 10 | Nil | Nil | 8.91% | 5.49% | 1 Year | N.A. |
| | Sub-total | 1,716,900 | | | | 13.36% | 8.23% | | |
| Pratik Suppliers Private Limited | | | | | | | | | |
| 1-Dec-11 | Preferential Allotment | 850,000 | 10 | 100 | Cash | 6.61% | 4.08% | 3 Years | Own Funds |
| 31-Mar-12 | Preferential Allotment | 366,000 | 10 | 100 | Cash | 2.85% | 1.76% | 3 Years | Own Funds |
| 28-Mar-13 | Preferential Allotment | 160,000 | 10 | 50 | Cash | 1.25% | 0.77% | 3 Years | Own Funds |
| 12-Aug-14 | Bonus Allotment | 2,752,000 | 10 | Nil | Nil | 21.42% | 13.20% | 3 Years | N.A. |
| | Sub-total | 4,128,000 | | | | 32.13% | 19.80% | | |
| | Grand Total | 7,839,750 | | | | 61.01% | 37.59% | | |

As per clause (a) sub-regulation (1) Regulation 32 of the SEBI ICDR Regulations and in terms of the aforesaid table, an aggregate of 20% of the post-Issue Equity Share Capital of our Company shall be locked in by our Promoters for a period of three (3) years from the date of Allotment (“minimum Promoter’ contribution”).

The Promoters’ contribution has been brought in to the extent of not less than the specified minimum amount and has been contributed by the persons defined as Promoters under the SEBI ICDR Regulations. Our Company has obtained written consents from our Promoters for the lock-in of 41,88,500 Equity Shares for a period of three years from the date of Allotment in the Issue.

The balance pre-Issue Equity Share capital of our Company, *i.e.* 86,61,250 Equity Shares shall be locked in for a period of one year from the date of Allotment in the Issue. Equity Shares offered by the Promoters for the minimum Promoters’ contribution are not subject to pledge. Lock-in period shall commence from the date of Allotment of Equity Shares in the Issue.

We confirm that the minimum Promoters’ 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 revaluation of assets or capitalisation of intangible assets;
- Equity Shares acquired during the preceding three years resulting from a bonus issue by utilisation of revaluation reserves or unrealised profits of the issuer or from bonus issue against equity shares which are ineligible for minimum Promoters’ contribution;
- Equity Shares acquired by Promoters during the preceding one year at a price lower than the price at which equity shares are being offered to public in the Issue; or equity shares pledged with any creditor.

Further, our Company has not been formed by the conversion of a partnership firm into a company and no Equity Shares have been allotted pursuant to any scheme approved under Section 391-394 of the Companies Act, 1956.

The share certificates for the Equity Shares in physical form, which are subject to lock-in, shall carry the inscription ‘non-transferable’ and the non-transferability details shall be informed to the depositories.

Equity Shares locked-in for one year

In addition to 20% of the post-Issue shareholding of our Company locked-in for three years as the minimum Promoters’ contribution, the balance Pre-Issue Paid-up Equity Share Capital *i.e.* 86,61,250 Equity Shares, would be locked-in for a period of one year from the date of Allotment in the proposed Initial Public Offering. Further, such lock-in of the Equity Shares would be created as per the bye laws of the Depositories.

Other requirements in respect of ‘lock-in’

In terms of Regulation 40 of the SEBI ICDR Regulations, the Equity Shares held by persons other than the Promoter' prior to the Issue may be transferred to any other person holding the Equity Shares which are locked-in as per Regulation 37 of the SEBI ICDR Regulations, subject to continuation of the lock-in in the hands of the transferees for the remaining period and compliance with the Takeover Code as applicable.

In terms of Regulation 40 of the SEBI ICDR Regulations, the Equity Shares held by our Promoters which are locked in as per the provisions of Regulation 36 of the SEBI ICDR Regulations, may be transferred to and amongst Promoters / members of the Promoter Group or to a new promoter or persons in control of our Company, subject to continuation of lock-in in the hands of transferees for the remaining period and compliance of Takeover Code, as applicable.

In terms of Regulation 39 of the SEBI ICDR Regulations, the locked-in Equity Shares held by our Promoters can be pledged only with any scheduled commercial banks or public financial institutions as collateral security for loans granted by such banks or financial institutions, subject to the following:

- If the specified securities are locked-in in terms of sub-regulation (a) of Regulation 36 of the SEBI ICDR Regulations, the loan has been granted by such bank or institution for the purpose of financing one or more of the objects of the issue and the pledge of specified securities is one of the terms of sanction of the loan;
- If the specified securities are locked-in in terms of sub-regulation (b) of Regulation 36 of the SEBI ICDR Regulations and the pledge of specified securities is one of the terms of sanction of the loan.

5. Our shareholding pattern

(a) The table below represents the shareholding pattern of our Company in accordance with clause 37 of the SME Equity Listing Agreement, as on the date of the Prospectus:

| Category code | Category of shareholder | No. of shareholders | Total no. of shares | No. of shares held in dematerialized form | Total shareholding as a % of total number of shares | | Shares pledged or otherwise encumbered | |
|---------------|---|---------------------|---------------------|---|---|-------------------|--|------------------------|
| | | | | | As a % of (A+B) | As a % of (A+B+C) | No. of shares | As a % of shareholding |
| (A) | Promoter and Promoter Group | | | | | | | |
| 1 | Indian | | | | | | | |
| (a) | Individuals/ Hindu Undivided Family / Nominee of Promoter | 5 | 3801750 | Nil | 29.59 | 29.59 | Nil | Nil |
| (b) | Central Government/ State Government(s) | Nil | Nil | Nil | Nil | Nil | Nil | Nil |
| (c) | Bodies Corporate | 3 | 9048000 | Nil | 70.41 | 70.41 | Nil | Nil |
| (d) | Financial Institutions/ Banks | Nil | Nil | Nil | Nil | Nil | Nil | Nil |
| (e) | Any Other (Trusts) | Nil | Nil | Nil | Nil | Nil | Nil | Nil |
| | Sub-Total (A)(1) | 8 | 12849750 | Nil | 100.00 | 100.00 | Nil | Nil |
| 2 | Foreign | | | | | | | |
| (a) | Individuals (Non-Resident Individuals/ Foreign Individuals) | Nil | Nil | Nil | Nil | Nil | Nil | Nil |
| (b) | Promoter Companies | Nil | Nil | Nil | Nil | Nil | Nil | Nil |
| (c) | Institutions | Nil | Nil | Nil | Nil | Nil | Nil | Nil |
| (d) | Any Other (specify) | Nil | Nil | Nil | Nil | Nil | Nil | Nil |
| | Sub-Total (A)(2) | Nil | Nil | Nil | Nil | Nil | Nil | Nil |
| | Total Shareholding of Promoter and Promoter Group (A)= (A)(1)+(A)(2) | 8 | 12849750 | Nil | 100.00 | 100.00 | Nil | Nil |
| (B) | Public shareholding | | | | | | | |
| 1 | Institutions | | | | | | | |
| (a) | Mutual Funds/ UTI | Nil | Nil | Nil | Nil | Nil | Nil | Nil |
| (b) | Financial Institutions/ Banks | Nil | Nil | Nil | Nil | Nil | Nil | Nil |
| (c) | Central Government/ State Government(s) | Nil | Nil | Nil | Nil | Nil | Nil | Nil |

| Category code | Category of shareholder | No. of shareholders | Total no. of shares | No. of shares held in dematerialized form | Total shareholding as a % of total number of shares | | Shares pledged or otherwise encumbered | |
|---------------|---|---------------------|---------------------|---|---|-------------------|--|------------------------|
| | | | | | As a % of (A+B) | As a % of (A+B+C) | No. of shares | As a % of shareholding |
| (d) | Venture Capital Funds | Nil | Nil | Nil | Nil | Nil | Nil | Nil |
| (e) | Insurance Companies | Nil | Nil | Nil | Nil | Nil | Nil | Nil |
| (f) | Foreign Institutional Investors | Nil | Nil | Nil | Nil | Nil | Nil | Nil |
| (g) | Foreign Venture Capital Investors | Nil | Nil | Nil | Nil | Nil | Nil | Nil |
| (h) | Foreign Bodies Corporate | Nil | Nil | Nil | Nil | Nil | Nil | Nil |
| | Sub-Total (B)(1) | Nil | Nil | Nil | Nil | Nil | Nil | Nil |
| 2 | Non-institutions | | | | | | | |
| (a) | Bodies Corporate | Nil | Nil | Nil | Nil | Nil | Nil | Nil |
| (b) | Individuals | | | | | | | |
| | i. Individual shareholders holding nominal share capital up to Rs. 1 lakh. | Nil | Nil | Nil | Nil | Nil | Nil | Nil |
| | ii. Individual shareholders holding nominal share capital in excess of Rs. 1 lakh. | Nil | Nil | Nil | Nil | Nil | Nil | Nil |
| (c) | Any Other | | | | | | | |
| | 1. NRI | Nil | Nil | Nil | Nil | Nil | Nil | Nil |
| | 2. Directors & Relatives | Nil | Nil | Nil | Nil | Nil | Nil | Nil |
| | 3. Foreign Company | Nil | Nil | Nil | Nil | Nil | Nil | Nil |
| | 4. Trust | Nil | Nil | Nil | Nil | Nil | Nil | Nil |
| | 5. HUFs | Nil | Nil | Nil | Nil | Nil | Nil | Nil |
| | Sub-Total (B)(2) | Nil | Nil | Nil | Nil | Nil | Nil | Nil |
| | Total Public Shareholding (B) = (B)(1)+(B)(2) | Nil | Nil | Nil | Nil | Nil | Nil | Nil |
| | TOTAL (A)+(B) | 8 | 12849750 | Nil | 100.00 | 100.00 | Nil | Nil |
| (C) | Shares held by Custodians and against which Depository Receipts have been issued | Nil | Nil | Nil | Nil | Nil | Nil | Nil |
| (a) | Promoter and Promoter group | Nil | Nil | Nil | Nil | Nil | Nil | Nil |
| (b) | Public | Nil | Nil | Nil | Nil | Nil | Nil | Nil |
| | GRAND TOTAL (A)+(B)+(C) | 8 | 12849750 | Nil | 100.00 | 100.00 | Nil | Nil |

Our Company will file the shareholding pattern of our Company, in the form prescribed under clause 37 of the SME Equity Listing Agreement for listing on SME Exchange, one day prior to the listing of Equity Shares. The shareholding pattern will be uploaded on the website of BSE before commencement of trading of such Equity Shares.

(b) The table below represents the holding of partly paid-up shares / outstanding convertible securities / warrants in our Company:

| Partly paid-up shares | No. of partly paid-up shares | As a % of total no. of partly paid-up Shares | As a % of total no. of shares of our Company |
|------------------------------------|-------------------------------|---|--|
| Held by promoter/promoter Group | NIL | - | - |
| Held by public | NIL | - | - |
| Total | NIL | - | - |
| Outstanding convertible securities | No. of outstanding Securities | As a % of total no. of outstanding convertible securities | As a % of total no. of shares of our Company, assuming full conversion of the convertible securities |
| Held by promoter/promoter Group | NIL | - | - |
| Held by public | NIL | - | - |
| Total | NIL | - | - |
| Warrants | No. of warrants | As a % of total no. of warrants | As a % of total no. of shares of our Company, assuming full conversion of |

| Warrants | |
|--|-----------------|
| Held by promoter/promoter Group | NIL |
| Held by public | NIL |
| Total | NIL |
| Total paid-up capital of our Company, assuming full conversion of warrants and convertible securities | 12849750 |

(c) Following are the details of the holding of securities (including shares, warrants, convertible securities) of persons belonging to the category “Promoter and Promoter Group”

| Sr | Name of the shareholder | Details of Shares held | | Encumbered shares (*) | | | Details of warrants | | Details of convertible securities | | Total shares (including underlying shares assuming full conversion of warrants and convertible securities) as a % of diluted share capital |
|--------------|----------------------------------|------------------------|-----------------------|-----------------------|---|-----------------------|-------------------------|--|---------------------------------------|--|--|
| | | No. of Shares held | As a % of grand total | No. | As a % of total number of Encumbered shares | As a % of grand total | Number of warrants held | As a % of total number of warrants of the same Class | Number of convertible securities held | As a % of total number of convertible securities of the same class | |
| 1. | Pratik Suppliers Pvt. Ltd. | 4128000 | 32.13% | Nil | Nil | Nil | Nil | Nil | Nil | Nil | 32.13% |
| 2. | Mukesh Goel | 1994850 | 15.52% | Nil | Nil | Nil | Nil | Nil | Nil | Nil | 15.52% |
| 3. | Manoj Goel | 1716900 | 13.36% | | | | | | | | 13.36% |
| 4. | Maina Securities Private Limited | 4740000 | 36.89% | | | | | | | | 36.89% |
| 5. | Aanchal Cement Limited | 180000 | 1.40% | | | | | | | | 1.40% |
| 6. | Monika Goel | 42,000 | 0.33% | | | | | | | | 0.33% |
| 7. | Rashmi Goel | 33,000 | 0.26% | | | | | | | | 0.26% |
| 8. | Sitaram Goyal | 15,000 | 0.12% | | | | | | | | 0.12% |
| TOTAL | | 12,849,750 | 100.00% | Nil | Nil | Nil | Nil | Nil | Nil | Nil | 100.00% |

(*) The term “encumbrance” has the same meaning as assigned to it in regulation 28(3) of the SAST Regulations, 2011.

(d) Following are the details of the holding of securities (including shares, warrants, convertible securities) of persons belonging to the category “Public” and holding more than 1% of the total number of shares: **NIL**

(e) Following are the details of the holding of securities (including shares, warrants, convertible securities) of persons belonging to the category “Public” and holding more than 5% of the total number of shares: **NIL**

(f) There are no Equity Shares against which depository receipts have been issued.

(g) Other than the Equity Shares, there is no other class of securities issued by our Company.

6. The shareholding pattern of our Company before and after the Issue is set forth below:

| Sr. No. | Particulars | Pre Issue | | Post Issue | |
|---------|----------------|-------------------|----------------|-------------------|----------------|
| | | No. of Shares | % Holding | No. of Shares | % Holding |
| a) | Promoters | 7,839,750 | 61.01% | 7,839,750 | 37.59% |
| b) | Promoter Group | 5,010,000 | 38.99% | 5,010,000 | 24.02% |
| c) | Public | 0 | 0.00% | 8,004,000 | 38.38% |
| | Total | 12,849,750 | 100.00% | 20,853,750 | 100.00% |

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

| Sr. No | Particulars | Pre Issue | | Post Issue | |
|--------|--|-------------------|----------------|-------------------|---------------|
| | | No. of Shares | % Holding | No. of Shares | % Holding |
| a) | Promoters | 7,839,750 | 61.01% | 7,839,750 | 37.59% |
| | Mukesh Goel | 1,994,850 | 15.52% | 1,994,850 | 9.57% |
| | Manoj Goel | 1,716,900 | 13.36% | 1,716,900 | 8.23% |
| | Pratik Suppliers Pvt. Ltd. | 4,128,000 | 32.13% | 4,128,000 | 19.80% |
| b) | Immediate Relatives of the Promoters | 90,000 | 0.70% | 90,000 | 0.43% |
| | Monika Goel | 42,000 | 0.33% | 42,000 | 0.20% |
| | Rashmi Goel | 33,000 | 0.26% | 33,000 | 0.16% |
| | Sitaram Goyal | 15,000 | 0.12% | 15,000 | 0.07% |
| c) | Companies in which 10% or more of the share capital is held by the promoter / an immediate relative of the promoter / a firm or HUF in which the promoter or any one of their immediate relatives is a member | 4920000 | 38.29% | 4,920,000 | 23.59% |
| | Maina Securities Private Limited | 4740000 | 36.89% | 4,740,000 | 22.73% |
| | Aanchal Cement Limited | 180000 | 1.40% | 180,000 | 0.86% |
| d) | Companies in which Company mentioned in c. above holds 10% or more of the share capital | -- | -- | -- | -- |
| e) | HUF or firm in which the aggregate share of the promoter and his immediate relatives is equal to or more than 10% of the total | -- | -- | -- | -- |
| f) | All persons whose shareholding is aggregated for the purpose of disclosing in the prospectus as “Shareholding of the promoter group” | -- | -- | -- | -- |
| | Total | 12,849,750 | 100.00% | 12,849,750 | 61.62% |

8. Our Company has not revalued its assets since inception and has not issued any Equity Shares (including bonus shares) by capitalizing any revaluation reserves.

9. Our Company does not have any Employee Stock Option Scheme / Employee Stock Purchase Plan for our employees and we do not intend to allot any shares to our employees under Employee Stock Option Scheme / Employee Stock Purchase Plan from the proposed issue. As and when, options are granted to our employees under the Employee Stock Option Scheme, our Company shall comply with the SEBI (Employee Stock Option Scheme and Employees Stock Purchase Plan) Guidelines 1999.
10. Other than the bonus issue of Equity Shares as mentioned below, our Company has not issued any Equity Shares during a period of one year preceding the date of the Prospectus at a price lower than the Issue price:

| Sr. No. | Name of the Allottee | No. of Equity Shares | Consideration |
|---------|----------------------------|----------------------|---------------|
| 1 | Aanchal Cement Ltd. | 120000 | Nil |
| 2 | Maina Securities (P) Ltd. | 3,160,000 | Nil |
| 3 | Pratik Suppliers Pvt. Ltd. | 2,752,000 | Nil |
| 4 | Manoj Goel | 1,144,600 | Nil |
| 5 | Mukesh Goel | 1,329,900 | Nil |
| 6 | Monika Goel | 28,000 | Nil |
| 7 | Rashmi Goel | 22,000 | Nil |
| 8 | Sitaram Goyal | 10,000 | Nil |
| | Total | 8,566,500 | |

11. There will be no further issue of capital, whether by way of issue of bonus shares, preferential allotment, rights issue or in any other manner during the period commencing from the date of the Prospectus until the Equity Shares have been listed. Further, our Company presently does not have any intention or proposal to alter our capital structure for a period of six months from the date of opening of this Issue, by way of split / consolidation of the denomination of Equity Shares or further issue of Equity Shares (including issue of securities convertible into exchangeable, directly or indirectly, for our Equity Shares) whether preferential or otherwise, except that if we enter into acquisition(s) or joint venture(s), we may consider additional capital to fund such activities or to use Equity Shares as a currency for acquisition or participation in such joint ventures.
12. During the past six months immediately preceding the date of filing Prospectus, there are no transactions in our Equity Shares, which have been purchased/(sold) by our Promoter, his relatives and associates, persons in Promoter Group [as defined under sub clause (zb) sub regulation (1) Regulation 2 of SEBI (ICDR) Regulations] or the directors of the company which is a promoter of the Company and/or the Directors of the Company.
13. The members of the Promoter Group, our Directors or the relatives of our Directors have not 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 six months preceding the date of filing of the Prospectus.
14. Our Company, our Promoter, our Directors and the Lead Manager to this Issue have not entered into any buy-back, standby or similar arrangements with any person for purchase of our Equity Shares issued by our Company through the Prospectus.
15. There are no safety net arrangements for this public issue.
16. An oversubscription to the extent of 10% of the Issue can be retained for the purposes of rounding off to the minimum allotment lot and multiple of one share thereafter, while finalizing the Basis of Allotment. Consequently, the actual allotment may go up by a maximum of 10% of the Issue as a result of which, the post-issue paid up capital after the Issue would also increase by the excess amount of allotment so made. In such an event, the Equity Shares held by the Promoters and subject to lock- in shall be suitably increased so as to ensure that 20% of the Post Issue paid-up capital is locked in for 3 years.
17. Under-subscription in the net issue, if any, in any category, would be allowed to be met with spill over from any other category or a combination of categories at the discretion of our Company in consultation with the Lead Manager and the BSE.
18. As on the date of filing of the Prospectus, there are no outstanding warrants, options or rights to convert debentures, loans or other financial instruments into our Equity Shares.

19. All the Equity Shares of our Company are fully paid up as on the date of the Prospectus. Further, since the entire money in respect of the Issue is being called on application, all the successful applicants will be issued fully paid-up equity shares.

20. As per RBI regulations, OCBs are not allowed to participate in this Issue.

21. Particulars of top ten shareholders:

(a) Particulars of the top ten shareholders as on the date of the Prospectus:

| Sr. No. | Name of shareholder | No. of Shares | % of then Issued Capital |
|---------|----------------------------|-----------------|--------------------------|
| 1. | Maina Securities (P) Ltd. | 4740000 | 36.89% |
| 2. | Pratik Suppliers Pvt. Ltd. | 4128000 | 32.13% |
| 3. | Mukesh Goel | 1994850 | 15.52% |
| 4. | Manoj Goel | 1716900 | 13.36% |
| 5. | Aanchal Cement Ltd. | 180000 | 1.40% |
| 6. | Monika Goel | 42000 | 0.33% |
| 7. | Rashmi Goel | 33000 | 0.26% |
| 8. | Sitaram Goyal | 15000 | 0.12% |
| | Total | 12849750 | 100.00% |

(b) Particulars of top ten shareholders ten days prior to the date of the Prospectus:

| Sr. No. | Name of shareholder | No. of Shares | % of then Issued Capital |
|---------|----------------------------|-----------------|--------------------------|
| 1. | Maina Securities (P) Ltd. | 4740000 | 36.89% |
| 2. | Pratik Suppliers Pvt. Ltd. | 4128000 | 32.13% |
| 3. | Mukesh Goel | 1994850 | 15.52% |
| 4. | Manoj Goel | 1716900 | 13.36% |
| 5. | Aanchal Cement Ltd. | 180000 | 1.40% |
| 6. | Monika Goel | 42000 | 0.33% |
| 7. | Rashmi Goel | 33000 | 0.26% |
| 8. | Sitaram Goyal | 15000 | 0.12% |
| | Total | 12849750 | 100.00% |

(c) Particulars of the shareholders two years prior to the date of the Prospectus:

| Sr. No. | Name of shareholder | No. of Shares | % of the Issued Capital |
|---------|----------------------------|----------------|-------------------------|
| 1 | Maina Securities (P) Ltd. | 1580000 | 38.32% |
| 2 | Pratik Suppliers Pvt. Ltd. | 1216000 | 29.49% |
| 3 | Mukesh Goel | 664950 | 16.13% |
| 4 | Manoj Goel | 572300 | 13.88% |
| 5 | Aanchal Cement Ltd. | 60000 | 1.46% |
| 6 | Monika Goel | 14000 | 0.34% |
| 7 | Rashmi Goel | 11000 | 0.27% |
| 8 | Sitaram Goyal | 5000 | 0.12% |
| | Total | 4123250 | 100.00% |

22. Our Company has not raised any bridge loan against the proceeds of this Issue. However, depending on business requirements, we might consider raising bridge financing facilities, pending receipt of the Net Proceeds.

23. Our Company undertakes that at any given time, there shall be only one denomination for our Equity Shares, unless otherwise permitted by law.

24. Our Company shall comply with such accounting and disclosure norms as specified by SEBI from time to time.
25. An Applicant cannot make an application for more than the number of Equity Shares being issued through this Issue, subject to the maximum limit of investment prescribed under relevant laws applicable to each category of investors.
26. No payment, direct or indirect in the nature of discount, commission, allowance or otherwise shall be made either by us or our Promoters to the persons who receive allotments, if any, in this Issue.
27. We have 8 shareholders as on the date of filing of the Prospectus.
28. Our Promoters and the members of our Promoter Group will not participate in this Issue.
29. Our Company has not made any public issue since its incorporation.
30. Neither the Lead Manager, nor their associates hold any Equity Shares of our Company as on the date of the Prospectus.
31. Our Company shall ensure that transactions in the Equity Shares by the Promoters 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.
32. For the details of transactions by our Company with our Promoter Group, Group Companies during the financial years ended March 31, 2010, 2011, 2012, 2013 and 2014, please refer to paragraph titled “*Statement of Transactions with Related Parties, as Restated*” in the chapter titled ‘*Financial Information*’ beginning on page 120 of the Prospectus.
33. None of our Directors or Key Managerial Personnel holds Equity Shares in our Company, except as stated in the chapter titled “*Our Management*” beginning on page 89 of the Prospectus.

OBJECTS OF THE ISSUE

The present issue is being made to raise the funds for the following purposes:

1. Expansion and modernizing by upgradation and automation of our TMT Bar manufacturing facilities
2. Meeting Additional Working Capital Requirements
3. Meeting Public Issue Expenses

The other Objects of the Issue also include creating a public trading market for the Equity Shares of our Company by listing them on BSE. We believe that the listing of our Equity Shares will enhance our visibility and brand name and enable us to avail of future growth opportunities.

The main object clause of Memorandum of Association of our Company enables us to undertake the existing activities and the activities for which the funds are being raised by us through the present Issue. Further, we confirm that the activities which we have been carrying out till date are in accordance with the object clause of our Memorandum of Association.

Cost of Project and Means of Finance

The Cost of Project and Means of Finance as estimated by our management are given below:

Cost of Project

| | | (₹ in lacs) |
|--------------|---|-----------------|
| Sr. No. | Particulars | Amount |
| A. | Expansion and modernizing by upgradation and automation of our TMT Bar manufacturing facilities | 536.29 |
| B. | Additional Working Capital Requirements | 1015.00 |
| C. | Public Issue Expenses | 49.51 |
| Total | | 1,600.80 |

Means of Finance

| | | (₹ in lacs) |
|--------------|------------------------------------|-----------------|
| Sr. No. | Particulars | Amount |
| A. | Proceeds from Initial Public Offer | 1,600.80 |
| Total | | 1,600.80 |

We propose to meet the requirement of funds for the stated objects of the Issue from the Net Proceeds. Hence, no amount is required to be raised through means other than the Issue Proceeds. Accordingly, the requirements under Regulation 4 (2) (g) of the SEBI ICDR Regulations and Clause VII C of Part A of Schedule VIII of the SEBI ICDR Regulations (which requires firm arrangements of finance through verifiable means for 75% of the stated means of finance, excluding the Issue Proceeds and existing identifiable internal accruals) are not applicable.

Our fund requirements and deployment thereof are based on the estimates of our management and have not been appraised by any bank or financial institution or independent third party entity. These are based on current circumstances of our business and are subject to change in light of changes in external circumstances or costs, or in our financial condition, business or strategy, as discussed further below and also detailed under the section 'Our Business' beginning on page 71 of the Prospectus. Our management, in response to the dynamic nature of the industry, will have the discretion to revise its business plan from time to time and consequently our funding requirement and deployment of funds may also change. This may also include rescheduling the proposed utilization of Proceeds and increasing or decreasing expenditure for a particular object vis-à-vis the utilization of Proceeds. In case of a shortfall in the Net Proceeds, our management may explore a range of options which include utilisation of our internal accruals, debt or equity financing. Our management expects that such alternate arrangements would be available to fund any such shortfall.

Variation in fund requirements and Surplus / Shortfall of Net Proceeds

We intend to utilise the Issue Proceeds in the manner provided above, in the event of a surplus, we will use such surplus towards general corporate purposes including meeting future growth requirements. In case of any variations in the actual utilization of funds earmarked for the above activities, increased fund deployment for a particular activity may be financed by surplus funds, if any, available in any other object for which funds are being raised in the Issue, subject to applicable law. In the event of any shortfall in the Issue Proceeds, our Company will bridge the fund requirements from internal accruals, debt or equity financing. In the event that estimated utilization out of the Net Proceeds in a Fiscal is not completely met, the same shall be utilized in the next Fiscal. No part of the issue proceeds will be paid as consideration to Promoters, Promoter Group, Group Entities, directors, Key Managerial Personnel and associates.

DETAILED BREAK UP OF THE PROJECT COST

(A) Expansion and modernizing by upgradation and automation of our TMT Bar manufacturing facilities

Our existing manufacturing facilities are semi-automatic to increase and enhance the capacity, efficiency and further improve the quality, we propose for the Automation and Upgradation of existing manufacturing facilities for production of TMT Bars. Automation will also increase our capacity due to increase in speed of our machines and will also improve our quality. Post implementation of this project our capacity for production of TMT Bars will increase to 75000 MTPA.

We believe that the key constituent for any business to succeed in the market is good quality product and through this automatin and upgradation process, the quality of our products will further improve. The following expenditure has been estimated for the same:

1. Civil Works

The cost of civil works for our automation and upgradation project has been estimated as under:

| Description | Name of Suppliers | Date of Quotations | Qty./ Set | Amount | |
|--|----------------------------|--------------------|-----------|--------------|--|
| | | | | (₹ Lacs) | |
| Civil Work for Rolling Mill Section | Halдар Enterprises, Howrah | 12-Aug-14 | LS | 25.77 | |
| Civil Work For Coal Gasifier with Burner | | | LS | 17.65 | |
| Total | | | | 43.42 | |

2. Plant & Machinery

Our Company proposes to purchase following plant & machinery amounting to Rs. 492.87 Lacs for our automation and upgradation project:

| Description of Items | Name of Suppliers | Date of Quotations | Qty./ Set | Amount (₹ Lacs) | |
|--|---|--------------------|---------------|-----------------|-----------|
| | | | | Rate per unit | Sub Total |
| Hot Coal Gasifier System for TMT Mill | Radhe Renewable Energy Development Private Limited, Rajkot, Gujarat | 12-Aug-14 | 1.00 | 69.00 | 69.00 |
| Rolling Mill Equipment | UGI Engineering Works Private Limited, Kolkata | 8-Aug-14 | LS | 270.05 | 270.05 |
| Rolls for Mill Stand 5 SETS | Mahalaxmi Rolls Castings, Malerkotla | 24-Aug-14 | Various Sizes | | 78.34 |
| JCB Liftall 1253 - 12 Ton Capacity Pick and Carry Hydraulic Mobile Crane | JCB India Limited | 5-May-14 | 1.00 | 12.38 | 12.38 |
| Air Circuit Breaker - Simens Make | Bothra Electric Co., Kolkata | 28-Aug-14 | 1.00 | 2.77 | 2.77 |

| | | | | | |
|--------------------------|--------------------|--|--|--|---------------|
| | Sub Total | | | | 432.54 |
| Excise Duty, CST and VAT | | | | | 60.33 |
| | Grand Total | | | | 492.87 |

(A) Additional working capital requirements

We will need additional working capital for the growth of our business. We have estimated our additional working capital requirements for fiscal 2015 which will be funded through the proposed public issue. The working capital will be primarily used for expanding our business operations.

Our Company proposes to meet the incremental requirement to the extent of ₹ 1015.00 Lacs from the Proceeds of the Issue. The details of working capital are as mentioned below:

(₹ in Lacs)

| Particulars | 31-Mar-14 | No. of Days | 31-Mar-15 | No. of Days |
|---|-----------------|-------------|-----------------|-------------|
| Current Assets | | | | |
| Inventories | 2,596.90 | 49.79 | 2,725.00 | 43.54 |
| Loans and Advances | 163.98 | | 153.98 | |
| Debtors | 3,500.59 | 67.11 | 4,100.00 | 65.51 |
| Total | 6,261.47 | | 6,978.98 | |
| Current Liabilities | | | | |
| Trade Payables | 1,518.44 | 31.40 | 850.00 | 14.55 |
| Provisions | 248.97 | | 307.90 | |
| Other Current Liabilities | 103.56 | | 70.63 | |
| Total | 1870.97 | | 1228.53 | |
| Working Capital Gap | 4,390.50 | | 5,750.45 | |
| Less: Existing Bank Borrowings | 2,507.35 | | 2,700.00 | |
| Net Working Capital Requirement | 1,883.15 | | 3,050.45 | |
| Proposed Working Capital to be funded from IPO | 0.00 | | 1,015.00 | |
| Funding through Internal Accruals and Unsecured Loans | 1,883.15 | | 2,035.45 | |

(B) Public Issue Expenses

The expenses of this Issue include, among others, underwriting and management fees, selling commission, printing and distribution expenses, legal fees, advertising expenses and listing fees. The estimated Issue expenses are as follows:

| Sr. No. | Particulars | Amount (₹ in Lacs) |
|---------|--|--------------------|
| 1. | Payment to Merchant Banker including fees and reimbursements of Market Making Fees, selling commissions, brokerages, payment to other intermediaries such as Legal Advisors, Advisors, Registrars, Bankers etc and other out of pocket expenses. | 38.51 |
| 2. | Printing & Stationery, Postage Expenses and Marketing & Advertisement Expenses | 6.00 |
| 3. | Regulatory fees and other expenses | 5.00 |
| | Total | 49.51 |

Schedule of implementation

| Particulars | Month of Commencement | | Month of Completion | |
|-----------------------------------|-----------------------|--|---------------------|--|
| | | | | |
| Other Civil Works | December 2014 | | February 2015 | |
| Plant & Machinery | | | | |
| - Placement of Order – Indigenous | December 2014 | | January 2015 | |
| - Receipt of Plant & Machinery | February 2015 | | April 2015 | |
| - Erection and Commissioning | February 2015 | | April 2015 | |
| Trial Run Production | May 2015 | | | |
| Commercial Production | May 2015 | | | |

The entire Working capital will be utilised during FY 2014-15.

Deployment of Funds in the Project

Our Company has incurred the following expenditure on the project till October 31, 2014. The same has been certified by our statutory auditors R Modi & Co., Chartered Accountants *vide* their certificate dated November 5, 2014.

(₹ in Lacs)

| Sr. No. | Particulars | Amount |
|---------|-----------------------|--------------|
| 1 | Public Issue Expenses | 18.99 |
| | Total | 18.99 |

The above funds were deployed from the Company's internal accruals.

Details of balance fund deployment

(₹ in Lacs)

| Sr. No. | Particulars | Expenses Already Incurred | FY 2014-15 | FY 2015-16 | Total |
|---------|---|---------------------------|-----------------|---------------|-----------------|
| 1 | Automation and Upgradation of existing manufacturing facilities for production of Structural and TMT Bars | 0.00 | 429.03 | 107.26 | 536.29 |
| 2 | Additional Working Capital Requirements | 0.00 | 1,015.00 | 0.00 | 1,015.00 |
| 3 | Public Issue Expenses | 18.99 | 30.52 | 0.00 | 49.51 |
| | Total | 18.99 | 1,474.55 | 107.26 | 1,600.80 |

Appraisal Report

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

Bridge Financing Facilities

We have currently not raised any bridge loans against the Net Proceeds.

Interim Use of Funds

The management, in accordance with the approval of the Board of Directors, will have the flexibility in deploying the Issue Proceeds. Pending utilization for the purposes described above, we intend to invest the Issue Proceeds in interest/dividend bearing liquid instruments including money market mutual funds and deposits with banks for the necessary duration. Such investments would be in accordance with all applicable laws and

investment policies approved by our Board from time to time. Our Company confirms that pending utilization of the Issue Proceeds; it shall not use the funds for any investments in the equity markets.

Monitoring of Issue proceeds

As the size of the Issue will not exceed ₹ 50,000 Lacs, the appointment of Monitoring Agency would not be required as per Regulation 16 of the SEBI ICDR Regulations. Our Board will monitor the utilization of the proceeds of the Issue. Our Company will disclose the details of the utilization of the Issue proceeds, including interim use, under a separate head in our financial statement specifying the purpose for which such proceeds have been utilized or otherwise disclosed as per the disclosure requirements of our listing agreements with the Stock Exchange. The statement shall be certified by our Statutory Auditors.

Further, we will furnish to the Stock Exchange on a quarterly basis, a statement indicating material deviations, if any, in the use of proceeds from the objects stated in the Prospectus. Further, this information shall be furnished to the Stock Exchange along with the interim or annual financial results submitted under clause 43 of the SME Listing Agreement and shall be published in the newspapers simultaneously with the interim or annual financial results, after placing it before the Audit Committee. No part of the proceeds of this issue will be paid as consideration to our Promoter, Directors, Key Managerial Personnel or group concerns/companies promoted by our Promoters.

BASIS FOR ISSUE PRICE

The Issue Price is determined by our Company in consultation with the Lead Manager. The financial data presented in this section are based on our Company’s restated financial statements. Investors should also refer to the sections titled ‘*Risk Factors*’ and ‘*Financial Information*’ on pages 10 and 120, respectively, of the Prospectus to get a more informed view before making the investment decision.

Qualitative Factors

For details of Qualitative factors please refer to the paragraph “*Our Competitive Strengths*” in the chapter titled “*Our Business*” beginning on page 71 of the Prospectus.

Quantitative Factors (Based on Standalone Financial Statements)

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

| Period | Basic and Diluted EPS (₹) | Weightage |
|-------------------------|---------------------------|-----------|
| Fiscal 2014 | 1.76 | 3 |
| Fiscal 2013 | 1.42 | 2 |
| Fiscal 2012 | 1.52 | 1 |
| Weighted Average | 1.61 | |

2. Price to Earnings (P/E) ratio in relation to Issue Price of ₹ 20:

- a. Based on the basic and diluted EPS of ₹ 1.76 as per restated financial statements for the year ended March 31, 2014, the P/E ratio is 11.35
- b. Based on the weighted average EPS of ₹ 1.61, as per restated financial statements the P/E ratio is 12.44
- c. Industry P/E

| Industry P/E | |
|---|------|
| ▪ Highest - Mahindra UGINE Steel Company Limited | 57.5 |
| ▪ Lowest – National Steel & Agro Industries Limited | 3.0 |
| ▪ Average (Steel – Medium/Small) | 11.0 |

Source: Capital Market, September 15 – September 28, 2014

3. Return on Net Worth

| Period | Return on Net Worth (%) | Weights |
|---------------------------|-------------------------|---------|
| Year ended March 31, 2014 | 3.29 | 3 |
| Year ended March 31, 2013 | 2.64 | 2 |
| Year ended March 31, 2012 | 2.31 | 1 |
| Weighted Average | 2.91 | |

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

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

- A) Based on weighted average EPS of ₹ 1.61

At the Issue Price of ₹ 20: 8.62% based on restated financial statements.

- B) Based on Basic and Diluted EPS for the year ended March 31, 2014 of ₹ 1.76

At the Issue Price of ₹ 20: 9.42% based on restated financial statements.

5. *Net Asset Value per Equity Share*

- As of March 31, 2014 ₹ 53.57
- NAV per Equity Share after the Issue is ₹ 18.68
- Issue Price per Equity Share is ₹ 20.00

6. *Comparison of Accounting Ratios*

| Name of the Company | Face Value (₹) | EPS TTM (₹)# | P/E Ratio | RONW (%) | NAV (₹) |
|-----------------------|----------------|--------------|-----------|----------|---------|
| Kamdhenu Ispat | 10 | 3.0 | 18.1 | 5.7 | 40.2 |
| Mahamaya Steel | 10 | 1.9 | 15.5 | 1.1 | 67.2 |
| Gallant Metal | 10 | 2.0 | 11.4 | 6.3 | 30.4 |
| Aanchal Ispat Limited | 10 | 1.76 | 11.35 | 3.29 | 53.57 |

Source: Capital Market, September 15 – September 28, 2014

*Based on March 31, 2014 restated financial statements.

Standalone

The face value of Equity Shares of our Company is ₹ 10 per Equity Share and the Issue price of ₹ 20 is 2 times the face value.

The Issue Price of ₹ 20 is determined by our Company, in consultation with the Lead Manager is justified based on the above accounting ratios. For further details, please refer to the section titled 'Risk Factors', and chapters titled 'Our Business' and 'Financial Information' beginning on page 10, 71 and 120, respectively of the Prospectus.

STATEMENT OF TAX BENEFITS

To,
The Board of Directors
Aanchal Ispat Limited
J.L. No. 5, National Highway No. 6,
Mouza Chamrail,
Howrah– 711 114,
West Bengal

Dear Sirs,

Sub: Statement of possible tax benefits available to the Company and its shareholders on proposed Public Issue of Shares under the existing tax laws

We hereby confirm that the enclosed Annexure, prepared by Aanchal Ispat Limited ('the Company'), states the possible tax benefits available to the Company and the shareholders of the Company under the Income-tax Act, 1961 ('IT Act') and the Wealth Tax Act, 1957, presently in force in India. Several of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant tax laws. Hence, the ability of the Company or its shareholders to derive the tax benefits is dependent upon fulfilling such conditions which, based on business imperatives which the Company may face in the future, the Company may or may not fulfill.

The benefits discussed in the Annexure are not exhaustive and the preparation of the contents stated is the responsibility of the Company's management. We are informed that this statement is only intended to provide general information to the investors and hence is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences, the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the issue. Our confirmation is based on the information, explanations and representations obtained from the Company and on the basis of our understanding of the business activities and operations of the Company and the interpretation of the current tax laws in force in India. We do not express any opinion or provide any assurance whether:

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

The contents of the annexure are based on information, explanations and representations obtained from the Company and on the basis of our understanding of the business activities and operations of the Company. No assurance is given that the revenue authorities / courts will concur with the views expressed herein. The views are based on the existing provisions of law and its interpretation, which are subject to change from time to time. We would not assume responsibility to update the view, consequence to such change. We shall not be liable Aanchal Ispat Limited for any claims, liabilities or expenses relating to this assignment except to the extent of fees relating to this assignment, as finally judicially determined to have resulted primarily from bad faith of intentional misconduct.

Thanking you,
Yours faithfully,
For **R Modi & Co.**
Chartered Accountants
FRN: 327727E

Mr. Ranjit Modi
Membership No: 062254
Date: September 5, 2014

ANNEXURE

STATEMENT OF POSSIBLE TAX BENEFITS AVAILABLE TO OUR COMPANY AND ITS SHAREHOLDERS

A) SPECIAL TAX BENEFITS AVAILABLE TO OUR COMPANY AND ITS SHAREHOLDERS

I. Special Benefits available to our Company

There are no special tax benefits available to our Company.

II. Special Benefits available to the Shareholders of our Company

There are no special tax benefits available to the Equity Shareholders.

B) OTHER GENERAL TAX BENEFITS TO THE COMPANY AND ITS SHAREHOLDERS

The following tax benefits shall be available to the Company and its Shareholders under Direct tax law **Under the Income-Tax Act, 1961 (,the Act’)**:

I. Benefits available to the Company

1. Depreciation

As per the provisions of Section 32 of the Act, the Company is eligible to claim depreciation on tangible and specified intangible assets as explained in the said section and the relevant Income Tax rules there under. In accordance with and subject to the conditions specified in Section 32(1) (iia) of the Act, the Company is entitled to an additional depreciation allowance of 20% of the cost of new machines acquired and put to use during a year.

2. Dividend Income

Dividend income, if any, received by the Company from its investment in shares of another domestic Company will be exempt from tax under Section 10(34) read with Section 115-O of the Income Tax Act, 1961.

3. Income from Mutual Funds / Units

As per section 10(35) of the Act, the following income shall be exempt in the hands of the Company:
Income received in respect of the units of a Mutual Fund specified under clause (23D) of section 10; or
Income received in respect of units from the Administrator of the specified undertaking; or
Income received in respect of units from the specified company.

However, this exemption does not apply to any income arising from transfer of units of the Administrator of the specified undertaking or of the specified company or of a mutual fund, as the case may be.

For this purpose (i) , Administrator’ mean the Administrator as referred to in section 2(a) of the Unit Trust of India (Transfer of Undertaking and Repeal) Act, 2002 and (ii) ,Specified Company’ means a company as referred to in section 2(h) of the said Act.

1. Income from Long Term Capital Gain

As per section 10(38) of the Act, long term capital gains arising to the Company from the transfer of a long-term capital asset, being an equity share in a company or a unit of an equity oriented fund where such transaction is chargeable to securities transaction tax would not be liable to tax in the hands of the Company.

For this purpose, ,Equity Oriented Fund’ means a fund –

- (i) Where the investible funds are invested by way of equity shares in domestic companies to the extent of more than sixty five percent of the total proceeds of such funds; and
- (ii) Which has been set up under a scheme of a Mutual Fund specified under section 10(23D) of the Act.

As per section 115JB, the Company will not be able to reduce the income to which the provisions of section 10(38) of the Act apply while calculating 'book profits' under the provisions of section 115JB of the Act and will be required to pay Minimum Alternative Tax as follows-

| Book Profit | A.Y.-2012-13 | A.Y.-2013-14 |
|---|---------------------|---------------------|
| If book profit is less than or equal to Rs. 1 Crore | 19.055% | 19.055% |
| If book profit is more than Rs. 1 Crore | 20.01% | 20.01% |

5. Section 14A of the Act restricts claim for deduction of expenses incurred in relation to incomes which do not form part of the total income under the Act. Thus, any expenditure incurred to earn tax exempt income is not tax deductible.

6. As per the provisions of Section 112 of the Income Tax Act, 1961, long-term capital gains as computed above that are not exempt under Section 10(38) of the Income Tax Act, 1961 would be subject to tax at a rate of 20 percent (plus applicable surcharge plus education cess plus secondary and higher education cess). However, as per the provision to Section 112(1), if the tax on long-term capital gains resulting on transfer of listed securities or units, calculated at the rate of 20 percent with indexation benefit exceeds the tax on long-term capital gains computed at the rate of 10 percent without indexation benefit, then such gains are chargeable to tax at a concessional rate of 10 percent (plus applicable surcharge plus education cess plus secondary and higher education cess).

7. As per section 54EC of the Act and subject to the conditions and to the extent specified therein, long-term capital gains (in cases not covered under section 10(38) of the Act) arising on the transfer of a long-term capital asset will be exempt from capital gains tax if the capital gains are invested in a 'long term specified asset' within a period of 6 months after the date of such transfer. However, if the assessee transfers or converts the long term specified asset into money within a period of three years from the date of their acquisition, the amount of capital gains exempted earlier would become chargeable to tax as long-term capital gains in the year in which the long term specified asset is transferred or converted into money.

A 'long term specified asset' means any bond, redeemable after three years and issued on or after the 1st day of April 2006:

(i) by the National Highways Authority of India constituted under section 3 of the National Highways Authority of India Act, 1988, and notified by the Central Government in the Official Gazette for the purposes of this section; or

(ii) By the Rural Electrification Corporation Limited, a company formed and registered under the Companies Act, 1956, and notified by the Central Government in the Official Gazette for the purposes of this section.

8. As per section 111A of the Act, short-term capital gains arising to the Company from the sale of equity share or a unit of an equity oriented fund transacted through a recognized stock exchange in India, where such transaction is chargeable to securities transaction tax, will be taxable at the rate of 15% (plus applicable surcharge plus education cess plus secondary and higher education cess)

9. Preliminary Expenses

Under Section 35D of the Act, the company will be entitled to the deduction equal to 1/5th of the Preliminary expenditure of the nature specified in the said section, including expenditure incurred on present issue, such as Brokerage and other charges by way of amortization over a period of 5 successive years, subject to stipulated limits.

10. Credit for Minimum Alternate Taxes (MAT)

Under Section 115JAA (2A) of the Income Tax Act, 1961, tax credit shall be allowed in respect of any tax paid (MAT) under Section 115JB of the Income Tax Act, 1961 for any Assessment Year commencing on or after April 1, 2006. Credit eligible for carry forward is the difference between MAT paid and the tax computed as per the normal provisions of the Income Tax Act, 1961. Such MAT credit shall not be available for set-off beyond 10 years immediately succeeding the year in which the MAT credit initially arose.

II. Benefits to the Resident Shareholders of the Company under the Income-Tax Act, 1961:

1. As per section 10(34) of the Act, any income by way of dividends referred to in Section 115-O (i.e. dividends declared, distributed or paid on or after 1 April 2003) received on the shares of the Company is exempt from tax in the hands of the shareholders.
2. Section 48 of the Act, which prescribes the mode of computation of capital gains, provides for deduction of cost of acquisition/improvement and expenses incurred in connection with the transfer of a capital asset, from the sale consideration to arrive at the amount of capital gains. However, in respect of long-term capital gains, it offers a benefit by permitting substitution of cost of acquisition / improvement with the indexed cost of acquisition / improvement, which adjusts the cost of acquisition / improvement by a cost inflation index as prescribed from time to time.
3. Under Section 10(38) of the Income Tax Act, 1961, long-term capital gains arising to a shareholder on transfer of equity shares in the company would be exempt from tax where the sale transaction has been entered into on a recognized stock exchange of India and is liable to STT. However, the long-term capital gain of a shareholder being company shall be subject to income tax computation on book profit under section 115JB of the Income Tax, 1961.
4. Section 14A of the Act restricts claim for deduction of expenses incurred in relation to incomes which do not form part of the total income under the Act. Thus, any expenditure incurred to earn tax exempt income is not tax deductible.
5. As per section 112 of the Act, if the shares of the company are listed on a recognized stock exchange, taxable long-term capital gains, if any, on sale of the shares of the Company (in cases not covered under section 10(38) of the Act) would be charged to tax at the rate of 20% (plus applicable surcharge plus education cess plus secondary and higher education cess) after considering indexation benefits or at 10% (plus applicable surcharge plus education cess plus secondary and higher education cess) without indexation benefits, whichever is less.
6. As per section 54EC of the Act and subject to the conditions and to the extent specified therein, long-term capital gains (in cases not covered under section 10(38) of the Act) arising on the transfer of a long-term capital asset will be exempt from capital gains tax if the capital gains are invested in a 'long-term specified asset' within a period of 6 months after the date of such transfer. If only part of capital gain is so reinvested, the exemption shall be allowed proportionately provided that the investment made in the long-term specified asset during any financial year does not exceed fifty Lac rupees. In such a case, the cost of such long-term specified asset will not qualify for deduction under section 80C of the Act. However, if the assessee transfers or converts the long-term specified asset into money within a period of three years from the date of their acquisition, the amount of capital gains exempted earlier would become chargeable to tax as long-term capital gains in the year in which the long-term specified asset is transferred or converted into money. A 'long-term specified asset' means any bond, redeemable after three years and issued on or after the 1st day of April 2006: (i) by the National Highways Authority of India constituted under section 3 of the National Highways Authority of India Act, 1988, and notified by the Central Government in the Official Gazette for the purposes of this section; or (ii) By the Rural Electrification Corporation Limited, a company formed and registered under the Companies Act, 1956, and notified by the Central Government in the Official Gazette for the purposes of this section.
7. Under Section 54F of the Income Tax Act, 1961 and subject to the conditions specified therein, long-term capital gains (other than those exempt from tax under Section 10(38) of the Income Tax Act, 1961) arising to an individual or a Hindu Undivided Family ('HUF') on transfer of shares of the company will be exempt from capital gains tax subject to certain conditions, if the net consideration from transfer of such shares are used for purchase of residential house property within a period of 1 year before or 2 years after the date on which the transfer took place or for construction of residential house property within a period of 3 years after the date of such transfer.
8. Under Section 111A of the Income Tax Act, 1961 and other relevant provisions of the Income Tax Act, 1961, short-term capital gains (i.e., if shares are held for a period not exceeding 12 months) arising on transfer of equity share in the company would be taxable at a rate of 15 percent (plus applicable surcharge plus education cess plus secondary and higher education cess) where such transaction of sale is entered on a recognized stock exchange in India and is liable to STT. Short-term capital gains arising from transfer of shares in a Company, other than those covered by Section 111A of the Income Tax Act, 1961, would be subject to tax as calculated under the normal provisions of the Income Tax Act, 1961.

9. As per section 36(1)(xv) of the Act, the securities transaction tax paid by the shareholder in respect of taxable securities transactions entered in the course of the business will be eligible for deduction from the income chargeable under the head —Profits and Gains of Business or Profession if income arising from taxable securities transaction is included in such income.

III. Non-Resident Indians/Non-Resident Shareholders (Other than FIIs and Foreign Venture Capital Investors)

1. Dividend income, if any, received by the Company from its investment in shares of another domestic company will be exempt from tax under Section 10(34) read with Section 115-O of the Income Tax Act, 1961. Income, if any, received on units of a Mutual Funds specified under Section 10(23D) of the Income Tax Act, 1961 will also be exempt from tax under Section 10(35) of the Income Tax Act, 1961, received on the shares of the Company is exempt from tax.

2. As per section 10(38) of the Act, long-term capital gains arising to the shareholders from the transfer of a long-term capital asset being an equity share in the Company, where such transaction is chargeable to securities transaction tax would not be liable to tax in the hands of the shareholder.

3. Section 14A of the Act restricts claim for deduction of expenses incurred in relation to incomes which do not form part of the total income under the Act. Thus, any expenditure incurred to earn tax exempt income is not tax deductible.

4. As per section 54EC of the Act and subject to the conditions and to the extent specified therein, long-term capital gains (in cases not covered under section 10(38) of the Act) arising on the transfer of a long-term capital asset will be exempt from capital gains tax if the capital gains are invested in a 'long-term specified asset' within a period of 6 months after the date of such transfer. If only part of capital gain is so reinvested, the exemption shall be allowed proportionately provided that the investment made in the long-term specified asset during any financial year does not exceed fifty Lac rupees. In such a case, the cost of such long-term specified asset will not qualify for deduction under section 80C of the Act. However, if the assessee transfers or converts the long-term specified asset into money within a period of three years from the date of their acquisition, the amount of capital gains exempted earlier would become chargeable to tax as long-term capital gains in the year in which the long-term specified asset is transferred or converted into money.

A 'longterm specified asset' means any bond, redeemable after three years and issued on or after the 1st day of April 2006: (i) by the National Highways Authority of India constituted under section 3 of the National Highways Authority of India Act, 1988, and notified by the Central Government in the Official Gazette for the purposes of this section; or (ii) By the Rural Electrification Corporation Limited, a company formed and registered under the Companies Act, 1956, and notified by the Central Government in the Official Gazette for the purposes of this section.

5. Under Section 54F of the Income Tax Act, 1961 and subject to the conditions specified therein, long-term capital gains (other than those exempt from tax under Section 10(38) of the Income Tax Act, 1961) arising to an individual or a Hindu Undivided Family ('HUF') on transfer of shares of the Company will be exempt from capital gains tax subject to certain conditions, if the net consideration from transfer of such shares are used for purchase of residential house property within a period of 1 year before or 2 years after the date on which the transfer took place or for construction of residential house property within a period of 3 years after the date of such transfer.

6. Under Section 111A of the Income Tax Act, 1961 and other relevant provisions of the Income Tax Act, 1961, short-term capital gains (i.e., if shares are held for a period not exceeding 12 months) arising on transfer of equity share in the Company would be taxable at a rate of 15 percent (plus applicable surcharge plus education cess plus secondary and higher education cess) where such transaction of sale is entered on a recognized stock exchange in India and is liable to STT. Short-term capital gains arising from transfer of shares in a company, other than those covered by Section 111A of the Income Tax Act, 1961, would be subject to tax as calculated under the normal provisions of the Income Tax Act, 1961.

7. Under section 115-C (e) of the Act, the Non-Resident Indian shareholder has an option to be governed by the provisions of Chapter XIII A of the Act viz. 'Special Provisions Relating to Certain Incomes of Non-Residents' which are as follows:

(i) As per provisions of section 115D read with section 115E of the Act, where shares in the Company are acquired or subscribed to in convertible foreign exchange by a Non-Resident Indian, capital gains arising to the non-resident on transfer of shares held for a period exceeding 12 months, shall (in cases not covered under section 10(38) of the Act) be concessionaly taxed at the flat rate of 10% (plus applicable surcharge plus education cess plus secondary and higher education cess) (without indexation benefit but with protection against foreign exchange fluctuation). (ii) As per section 115F of the Act, long-term capital gains (in cases not covered under section 10(38) of the Act) arising to a Non-Resident Indian from the transfer of shares of the company subscribed to in convertible foreign exchange shall be exempt from income tax, if the net consideration is reinvested in specified assets within six months from the date of transfer. If only part of the net consideration is so reinvested, the exemption shall be proportionately reduced. The amount so exempted shall be chargeable to tax subsequently, if the specified assets are transferred or converted into money within three years from the date of their acquisition. (iii) As per section 115G of the Act, Non-Resident Indians are not obliged to file a return of income under section 139(1) of the Act, if their only source of income is income from specified investments or long-term capital gains earned on transfer of such investments or both, provided tax has been deducted at source from such income as per the provisions of Chapter XVII-B of the Act. (iv) As per section 115H of the Act, where the Non-Resident Indian becomes assessable as a resident in India, he may furnish a declaration in writing to the Assessing Officer, along with his return of income for the assessment year in which he is first assessable as a Resident, under section 139 of the Act to the effect that the provisions of the Chapter XII-A shall continue to apply to him in relation to such investment income derived from the specified assets for that year and subsequent assessment years until such assets are converted into money. (v) As per section 115-I of the Act, a Non-Resident Indian may elect not to be governed by the provision of Chapter XII-A for any assessment year by furnishing his return of income for that assessment year under section 139 of the Act, declaring therein that the provisions of Chapter XIIA shall not apply to him for that assessment year and accordingly his total income for that assessment year will be computed in accordance the other provisions of the Act.

8. The tax rates and consequent taxation mentioned above shall be further subject to any benefits available under the Tax Treaty, if any, between India and the country in which the non-resident has fiscal domicile. As per the provisions of section 90(2) of the Act, the provisions of the Act would prevail over the provisions of the Tax Treaty to the extent they are more beneficial to the non-resident.

IV. Foreign Institutional Investors (FIIs)

1. Dividend income, if any, received by the Company from its investment in shares of another domestic company will be exempt from tax under Section 10(34) read with Section 115-O of the Income Tax Act, 1961. Income, if any, received on units of a Mutual Funds specified under Section 10(23D) of the Income Tax Act, 1961 will also be exempt from tax under Section 10(35) of the Income Tax Act, 1961 received on the shares of the Company is exempt from tax.

2. As per section 10(38) of the Act, long-term capital gains arising to the FIIs from the transfer of a long-term capital asset being an equity share in the Company or a unit of equity oriented fund where such transaction is chargeable to securities transaction tax would not be liable to tax in the hands of the FIIs.

3. As per section 115AD of the Act, FIIs will be taxed on the capital gains that are not exempt under the section 10(38) of the Act at the following rates:

| Nature of Income | Tax Rate (%) |
|---|---------------------|
| Long Term Capital Gain | 10% |
| Short-Term Capital Gain (Referred to Section 111A) | 15% |
| Short-Term Capital Gain (other than under section 111A) | 30% |

The above tax rates have to be increased by the applicable surcharge, education cess, and secondary and higher education cess.

4. In case of long-term capital gains, (in cases not covered under section 10(38) of the Act), the tax is levied on the capital gains computed without considering the cost indexation and without considering foreign exchange fluctuation.

5. As per section 54EC of the Act and subject to the conditions and to the extent specified therein, long-term capital gains (in cases not covered under section 10(38) of the Act) arising on the transfer of a long-term capital asset will be exempt from capital gains tax if the capital gains are invested in a 'long-term specified asset' within a period of 6 months after the date of such transfer. If only part of capital gain is so reinvested, the

exemption shall be allowed proportionately provided that the investment made in the long-term specified asset during any financial year does not exceed fifty Lac rupees. In such a case, the cost of such long-term specified asset will not qualify for deduction under section 80C of the Act. However, if the assessee transfers or converts the long-term specified asset into money within a period of three years from the date of their acquisition, the amount of capital gains exempted earlier would become chargeable to tax as long-term capital gains in the year in which the long-term specified asset is transferred or converted into money.

A 'long-term specified asset' means any bond, redeemable after three years and issued on or after the 1st day of April 2006: (i) by the National Highways Authority of India constituted under section 3 of the National Highways Authority of India Act, 1988, and notified by the Central Government in the Official Gazette for the purposes of this section; or (ii) By the Rural Electrification Corporation Limited, a company formed and registered under the Companies Act, 1956, and notified by the Central Government in the Official Gazette for the purposes of this section.

6. The tax rates and consequent taxation mentioned above shall be further subject to any benefits available under the Tax Treaty, if any, between India and the country in which the FII has fiscal domicile. As per the provisions of section 90(2) of the Act, the provisions of the Act would prevail over the provisions of the Tax Treaty to the extent they are more beneficial to the FII.

7. However, where the equity shares form a part of its stock-in-trade, any income realized in the disposition of such equity shares may be treated as business profits, taxable in accordance with the DTAA between India and the country of tax residence of the FII. The nature of the equity shares held by the FII is usually determined on the basis of the substantial nature of the transactions, the manner of maintaining books of account, the magnitude of purchases, sales and the ratio between purchases and sales and the holding etc. If the income realized from the disposition of equity shares is chargeable to tax in India as business income, FII's could claim, STT paid on purchase/sale of equity shares as allowable business expenditure. Business profits may be subject to applicable Tax Laws.

V. Venture Capital Companies/Funds

1. Under Section 10(23FB) of the Income Tax Act, 1961, any income of Venture Capital company / funds (set up to raise funds for investment in venture capital undertaking notified in this behalf) registered with the Securities and Exchange Board of India would be exempt from income tax, subject to conditions specified therein. As per Section 115U of the Income Tax Act, 1961, any income derived by a person from his investment in venture capital companies / funds would be taxable in the hands of the person making an investment in the same manner as if it were the income received by such person had the investments been made directly in the venture capital undertaking.

VI. Mutual Funds

1. As per Section 10(23D) of the Act, any income of Mutual Funds registered under the Securities and Exchange Board of India Act, 1992 or Regulations made there under, Mutual Funds set up by public sector banks or public financial institutions and Mutual Funds authorized by the Reserve Bank of India would be exempt from income tax, subject to such conditions as the Central Government may by notification in the Official Gazette specify in this behalf.

Under the Wealth Tax Act, 1957 Benefits to shareholders of the Company

Shares of the Company held by the shareholder will not be treated as an asset within the meaning of section 2 (ea) of Wealth Tax Act, 1957. Hence the shares are not liable to Wealth Tax.

Tax Treaty Benefits

An investor has an option to be governed by the provisions of the Income Tax Act, 1967 or the provisions of a Tax Treaty that India has entered into with another country of which the investor is a tax resident, whichever is more beneficial.

Notes:

The above Statement of Possible Direct Tax Benefits sets out the provisions of law in a summary manner only and is not a complete analysis or listing of all potential tax consequences of the purchase, ownership and disposal of equity shares;

The above Statement of Possible Direct Tax Benefits sets out the possible tax benefits available to the Company and its shareholders under the current tax laws presently in force in India as amended from time to time. Several

of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant tax laws;

This Statement is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences, the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the issue;

In respect of non-residents, the tax rates and the consequent taxation mentioned above shall be further subject to any benefits available under the Double Taxation Avoidance Agreement, if any, between India and the country in which the non-resident has fiscal domicile; and

The stated benefits will be available only to the sole/first named holder in case the shares are held by joint shareholders.

SECTION IV – ABOUT THE COMPANY

INDUSTRY OVERVIEW

Disclaimer: Pursuant to the requirements of the SEBI ICDR Regulations, the discussion on the business of Our Company in this Draft Red Herring Prospectus consists of disclosures pertaining to industry grouping and classification. The industry grouping and classification is based on our Company's own understanding and perception and such understanding and perception could be substantially different or at variance from the views and understanding of third parties. Our Company acknowledges that certain product/servicess described in the Draft Red Herring Prospectus could be trademarks, brand names and/ or generic names of products owned by third parties and the reference to such trademarks, brand names and/or generic names in the Draft Red Herring Prospectus is only for the purpose of describing the products. The industry data has been collated from various industry and/or research publications and from information available from the World Wide Web.

The information in this section is derived from various government/Industry Association publications and other sources. Neither we, nor any other person connected with the issue has verified this information. Industry sources and publications generally state that the information contained therein has been obtained from sources generally believed to be reliable, but their accuracy, completeness and underlying assumptions are not guaranteed and their reliability cannot be assured and accordingly, investment decisions should not be based on such information.

INDIAN IRON AND STEEL INDUSTRY

Introduction

Steel is crucial to the development of any modern economy and is considered to be one of the backbones of human civilisation. The level of per capita consumption of steel is treated as an important index of the level of socio-economic development in a country. From only three steel plants, a few electric arc furnace-based plants and a mere one million tonne (MT) capacity status at the time of Independence, India is now the fourth largest crude steel producer in the world and the largest producer of sponge iron. Presently, steel contributes to nearly two per cent of the gross domestic product (GDP) and employs over 500,000 people. The total market value of the Indian steel sector stood at US\$ 57.8 billion in 2011 and is expected to touch US\$ 95.3 billion by 2016. India's per capita steel consumption stood at 57.8 kilograms in 2013, according to a World Steel Association report and is expected to rise with increased industrialisation throughout the country.
<http://www.ibef.org/industry/steel.aspx>

Market size

India is slated to become the second-largest steel producer in the world by 2015. Steel production in the country has increased at a compound annual growth rate (CAGR) of 6.9 per cent over 2008-2012. India's real consumption of total finished steel grew by 0.6 per cent year-on-year in April-March 2013-14 to 73.93 MT, according to the Joint Plant Committee (JPC), Ministry of Steel. Increasing demand by sectors such as infrastructure, real estate and automobiles at home and abroad has put India on the world map. The construction sector accounts for around 60 per cent of the country's total steel demand while the automobile industry accounts for 15 per cent. <http://www.ibef.org/industry/steel.aspx>

Global Scenario

- In 2013 the world crude steel production reached 1606 million tonnes (mt) and showed a growth of 3% over 2012. (Source: World Steel Association or WSA)
- China remained the world's largest crude steel producer in 2013 (779 mt) followed by Japan (111 mt), the USA (87 mt) and India (81 mt) at the 4th position.
- WSA has projected Indian steel demand to grow by 3.3% in 2014 as compared to global steel use growth of 3% and Chinese growth of 3.1%. For 2015, further recovery is projected for world (3.3%) and India (4.5%) and a slowing down for China (2.7%).
- Per capita finished steel consumption in 2013 is estimated at 225 kg for world and 515 kg for China.
<http://steel.nic.in/overview.htm>

Domestic Scenario

- The Indian steel industry has entered into a new development stage from 2007-08, riding high on the resurgent economy and rising demand for steel.
- Rapid rise in production has resulted in India becoming the 4th largest producer of crude steel and the largest producer of sponge iron or DRI in the world.
- As per the report of the Working Group on Steel for the 12th Plan, there exist many factors which carry the potential of raising the per capita steel consumption in the country, currently at 59.2 kg. These include among others, an estimated infrastructure investment of nearly a trillion dollars, a projected growth of manufacturing from current 8% to 11-12%, increase in urban population to 600 million by 2030 from the current level of 400 million, emergence of the rural market for steel currently consuming around 10 kg per annum buoyed by projects like Bharat Nirman, Pradhan Mantri Gram Sadak Yojana, Rajiv Gandhi Awaas Yojana among others.
- At the time of its release, the National Steel Policy 2005 had envisaged steel production to reach 110 million tonnes by 2019-20. However, based on the assessment of the current ongoing projects, both in greenfield and brownfield, the Working Group on Steel for the 12th Plan has projected that the crude steel capacity in the country is likely to be 140 mt by 2016-17 and has the potential to reach 149 mt if all requirements are adequately met.
- The National Steel Policy 2005 is currently being reviewed keeping in mind the rapid developments in the domestic steel industry (both on the supply and demand sides) as well as the stable growth of the Indian economy since the release of the Policy in 2005.
<http://steel.nic.in/overview.htm>

Production

- Steel industry was delicensed and decontrolled in 1991 & 1992 respectively.
- Today, India is the 4th largest crude steel producer of steel in the world.
- In 2013-14, production for sale of total finished steel (alloy + non alloy) was 87.67 mt.
- Production for sale of Pig Iron in 2013-14 was 7.95 mt.
- India is the largest producer of sponge iron in the world with the coal based route accounting for 88% of total sponge iron production in the country.
- Last five year's production for sale of pig iron, sponge iron and total finished steel (alloy + non-alloy) are given below:

| Indian steel industry : Production for Sale (in million tonnes) | | | | | |
|--|---------|---------|---------|---------|---------|
| Category | 2009-10 | 2010-11 | 2011-12 | 2012-13 | 2013-14 |
| Pig Iron | 5.88 | 5.68 | 5.371 | 6.870 | 7.950 |
| Sponge Iron | 24.33 | 25.08 | 19.63 | 14.33 | 18.20 |
| Total Finished Steel (alloy + non alloy) | 60.62 | 68.62 | 75.70 | 81.68 | 87.67 |
| Source: Joint Plant Committee | | | | | |

<http://steel.nic.in/overview.htm>

Demand - Availability Projection

- Demand – Availability of iron and steel in the country is projected by Ministry of Steel in its Five Yearly Plan documents.
- Gaps in availability are met mostly through imports.
- Interface with consumers by way of a Steel Consumers' Council exists, which is conducted on regular basis.
- Interface helps in redressing availability problems, complaints related to quality.

<http://steel.nic.in/overview.htm>

Steel Prices

- Price regulation of iron & steel was abolished on 16.1.1992. Since then steel prices are determined by the interplay of market forces.
- Domestic steel prices are influenced by trends in raw material prices, demand – supply conditions in the market, international price trends among others.
- An Inter-Ministerial Group (IMG) is functioning in the Ministry of Steel, under the Chairmanship of Secretary (Steel) to monitor and coordinate major steel investments in the country.
- The Government earlier took various fiscal and other measures for stabilizing steel prices like significant reduction in import duties on steel, major raw materials, including mineral products and ores and concentrates in last few years. Also, excise duty for steel is currently at 12% and there is no export duty on steel items. The government has also imposed export duty of 30% on all forms of iron ore and 5% on iron ore pellets in order to control ad-hoc exports of the mineral and conserve it for long term requirement of the domestic steel industry.
- For ensuring quality of steel several items have been brought under a quality control order issued by the Government.
- Further, a Steel Price Monitoring Committee has been constituted by the Government with the aim to monitor price rationalization, analyze price fluctuations and advice all concerned regarding any irrational price behavior of steel commodity.

<http://steel.nic.in/overview.htm>

Imports

- Iron & steel are freely importable as per the extant policy.
- Last five year's import of total finished steel (alloy + non alloy) is given below:

| Indian steel industry : Imports (in million tonnes) | | | | | |
|---|---------|---------|---------|---------|---------|
| Category | 2009-10 | 2010-11 | 2011-12 | 2012-13 | 2013-14 |
| Total Finished Steel (alloy + non alloy) | 7.38 | 6.66 | 6.86 | 7.93 | 5.45 |
| Source: Joint Plant Committee | | | | | |

<http://steel.nic.in/overview.htm>

Exports

- Iron & steel are freely exportable.
- Last five year's export of total finished steel (alloy + non alloy) is given below:-

| Indian steel industry : Exports (in million tonnes) | | | | | |
|---|---------|---------|---------|---------|---------|
| Category | 2009-10 | 2010-11 | 2011-12 | 2012-13 | 2013-14 |
| Total Finished Steel (alloy + non alloy) | 3.25 | 3.64 | 4.59 | 5.37 | 5.98 |
| Source: Joint Plant Committee | | | | | |

<http://steel.nic.in/overview.htm>

Levies on Iron & Steel

SDF levy

- This was a levy started for funding modernisation, expansion and development of steel sector. The Fund, inter-alia, supports :
 1. Capital expenditure for modernisation, rehabilitation, diversification, renewal & replacement of Integrated Steel Plants.
 2. Research & Development
 3. Rebates to SSI Corporations
 4. Expenditure on ERU of JPC
- The SDF levy was abolished on 21.4.94
- Cabinet decided that corpus could be recycled for loans to Main Producers
- Interest on loans to Main Producers is set aside for promotion of R&D on steel etc.
- An Empowered Committee has been set up to guide the R&D effort in this sector.

EGEAF – Was a levy started for reimbursing the price differential cost of inputs used for engineering exporters. Fund was discontinued on 19.2.96.

<http://steel.nic.in/overview.htm>

Opportunities for growth of Iron and Steel in Private Sector

The New Industrial Policy Regime

The New Industrial policy opened up the Indian iron and steel industry for private investment by (a) removing it from the list of industries reserved for public sector and (b) exempting it from compulsory licensing. Imports of foreign technology as well as foreign direct investment are now freely permitted up to certain limits under an automatic route. Ministry of Steel plays the role of a facilitator, providing broad directions and assistance to new and existing steel plants, in the liberalized scenario.

The Growth Profile

(i) **Steel** : The liberalization of industrial policy and other initiatives taken by the Government have given a definite impetus for entry, participation and growth of the private sector in the steel industry. While the existing units are being modernized/expanded, a large number of new steel plants have also come up in different parts of the country based on modern, cost effective, state-of-the-art technologies. In the last few years, the rapid and stable growth of the demand side has also prompted domestic entrepreneurs to set up fresh greenfield projects in different states of the country.

Crude steel capacity was 102 mt in 2013-14 and India, the 4 th largest producer of crude steel in the world, has to its credit, the capability to produce a variety of grades and that too, of international quality standards. The country is expected to become the 2 nd largest producer of crude steel in the world by 2015-16, provided all requirements for creation of fresh capacity are adequately met.

(ii) **Pig Iron**: India is also an important producer of pig iron. Post-liberalization, with setting up several units in the private sector, not only imports have drastically reduced but also India has turned out to be a net exporter of

pig iron. The private sector accounted for 93% of total production for sale of pig iron in the country in 2013-14. The production for sale of pig iron has increased from 1.6 mt in 1991-92 to 7.95 mt in 2013-14.

(iii) Sponge Iron: India is the world's largest producer of sponge iron with a host of coal based units, located in the mineral-rich states of the country. Over the years, the coal based route has emerged as a key contributor and accounted for 88% of total sponge iron production in the country. Capacity in sponge iron making too has increased over the years and stands at around 45 mt.

<http://steel.nic.in/overview.htm>

Road Ahead

The liberalisation of the industrial policy and other initiatives taken by the government have spurred the growth of the private sector in the steel industry. While the existing units are being modernised or expanded, a large number of new steel plants have also come up in different parts of the country based on cost-effective and state of-the-art technologies. In the last few years, the rapid and stable growth of the demand side has also prompted domestic entrepreneurs to set up fresh greenfield projects in different states of India.

With the increase in global population, there is a greater need for steel to build public-transport infrastructure. Emerging economies will continue to drive demand as these countries require a significant amount of steel for urbanisation and industrialisation purposes. India's steel sector is anticipated to witness investment of about Rs 2 trillion (US\$ 33.26 billion) in the coming years, as per Tata Steel.

<http://www.ibef.org/industry/steel.aspx>

OUR BUSINESS

The following information is qualified in its entirety by, and should be read together with, the more detailed financial and other information included in the Prospectus, including the information contained in the section titled 'Risk Factors', beginning on page 10 of the Prospectus.

This section should be read in conjunction with, and is qualified in its entirety by, the more detailed information about our Company and its financial statements, including the notes thereto, in the sections titled 'Risk Factors' and 'Financial Information' and chapter titled 'Management Discussion and Analysis of Financial Condition and Results of Operations' beginning on page 10, 120 and 142, respectively, of the Prospectus.

Unless the context otherwise requires, in relation to business operations, in this section of the Prospectus, all references to "we", "us", "our" and "our Company" are to Aanchal Ispat Limited and Group Entities as the case may be.

Overview

We are engaged in manufacturing of Mild Steel TMT Re-bars, Structural Re-bars, Round and other Sectional products as per orders. Our products are broadly categorized as the Re-bars in the Steel Industry. The main applications of our products currently being manufactured are used in the Infrastructure and Construction Industry. Our existing manufacturing unit is ISO 9001:2008 certified from BSCIC Quality Management Systems. The products that we manufacture conform to ISI Standard. Necessary license has been obtained from BIS being license No. CM/L 5525566 for IS:1786 and CM/L 5489992 for IS:2062.

Currently we are having two manufacturing facilities, one for TMT Re-bars and other for Structural Re-bars. We are having an installed capacity of 21000 TPA for TMT Re-bars and 24000 TPA for Structural Re-Bars.

We are also engaged in the trading of the products like Mild Steel Billets, Cement & Clinker and TMT & Structural Re-Bars.

Initially, our Company set up a manually operated Rolling Mill to manufacture Mild Steel Re-bars, Viz Ribbed, Round, Flat and square Re-bars of various size ranging from 5.5mm to 20mm dia. In the year 2004, our Company added one more vertical to its manufacturing process to manufacture Structural Re-bars viz: Angle, Channels etc, by setting up an additional unit to manufacture structurals within the same compound.

In the year 2006, our Company converted its manufacturing division into a Semi-Automatic Rolling Mill and added 2 continuous Mill Stands with DC Drive and TMT processing Unit.

In the financial year 2010, our current Promoters took over the management of the Company. In the year 2012 our Company launched its products under the brand name of "RELICON" and also started its new vertical of Trading of Long Products.

Our company envisages expansion and modernizing by upgradation and automation of our TMT manufacturing facilities. We intend to convert our semi-automatic Rolling mill to fully automatic Rolling Mill by inter alia replacing Fiber Mill Stand to Roller Bearing Mill Stands. Automation will also increase our capacity due to increase in speed of our machines and will also improve our quality. Post implementation of this project our capacity will increase as follows:

| Sr. No. | Product | Pre Modernisation | Post Modernisation |
|---------|--------------------|-------------------|--------------------|
| 1 | TMT Re-bars | 21000 MT P.A. | 75000 MT P.A. |
| 2 | Structural Re-Bars | 24000 MT P.A. | 24000 MT P.A. |

Location

Currently, our Company is operating from following locations:

| Type of Facility | Location |
|---|--|
| Registered Office and Manufacturing Units | J.L. No. 5, National Highway No. 6, Mouza Chamrail, Howrah- 711 114, West Bengal |

| Type of Facility | Location |
|------------------|--|
| Corporate Office | Paridhan Garment Park, SDF V, Block E, Module 503, 19 Canal South Road, Kolkata – 700 015, West Bengal |
| Godown | Pelipara, P.S. Kanksa, Distt. Burdwan, West Bengal |
| Branch Office | 7 th Floor, Room No. 5, Fortuna Towers, 23A, N.S. Road, Kolkata – 700 001, West Bengal |

OUR PRODUCTS AND PROCESSES

Products Manufactured by the Company

Mild Steel Angle: Size 35 mm x 35 mm x 5 mm TO Size 75 mm x 75 mm x 10 mm

Mild Steel Channel: Size 75 mm x 40 mm x 5 mm TO Size 100 mm x 50 mm x 10 mm

Mild Steel TMT Bars: Size 8mm, 10mm, 12mm, 16mm, 20mm, 25mm

Mild Steel Round: Size 8mm, 10mm, 12mm, 16mm

Products Traded by the Company

- Mild Steel Billets
- Cement, Clinker and Charcoal
- TMT & Structural Re-Bars

Deformed Structurals

Structural steel is steel construction material, a profile, formed with a specific shape or cross section and certain standards of chemical composition and mechanical properties. Structural Re-bars have high strength and proof stress, and are being produced by High Speed Rolling into precision sections like Angle, Channel etc.

Features of Deformed Bars

- i. Higher fatigue strength
- ii. 100% weld ability

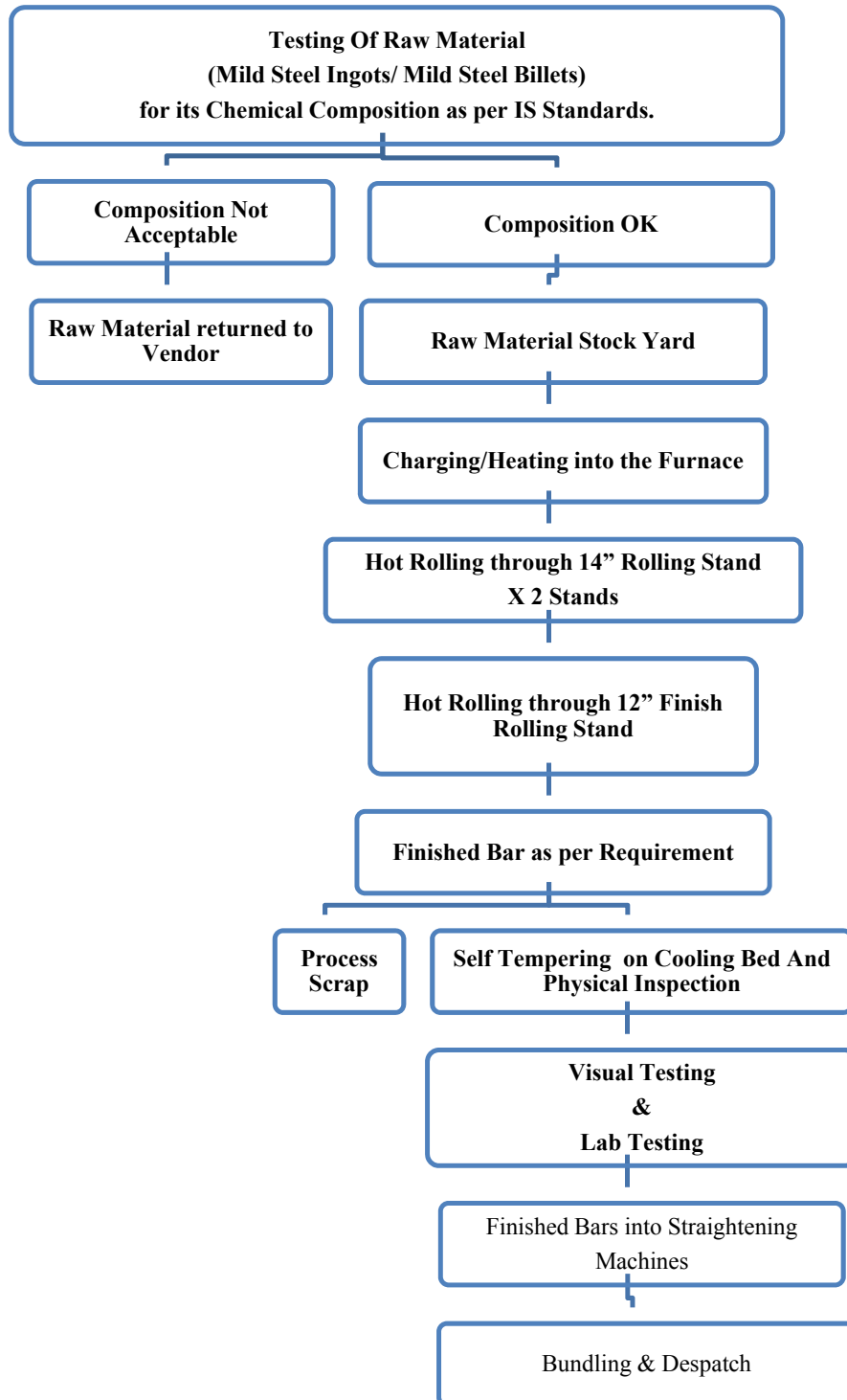
TMT Bars

Relicon TMT bars are thermo-mechanically-treated for high yield strength. The process involves rapid quenching of hot bars through a series of water jets after they come out of the last rolling mill stand. The bars are cooled, allowing the core and surface temperatures to equalize. The bar core cools down slowly to turn into a ferrite-pearlite aggregate. Strength of the bars are carefully controlled by optimizing the water pressure for their pearlite core and tough surface of tempered martensite, thereby providing an optimum combination of high strength, ductility and toughness. This product is used widely in general purpose concrete reinforcement structures, bridges and flyovers, dams, thermal and hydel power plants, industrial structures, high- rise buildings, under group platforms in metro railway and rapid transport system.

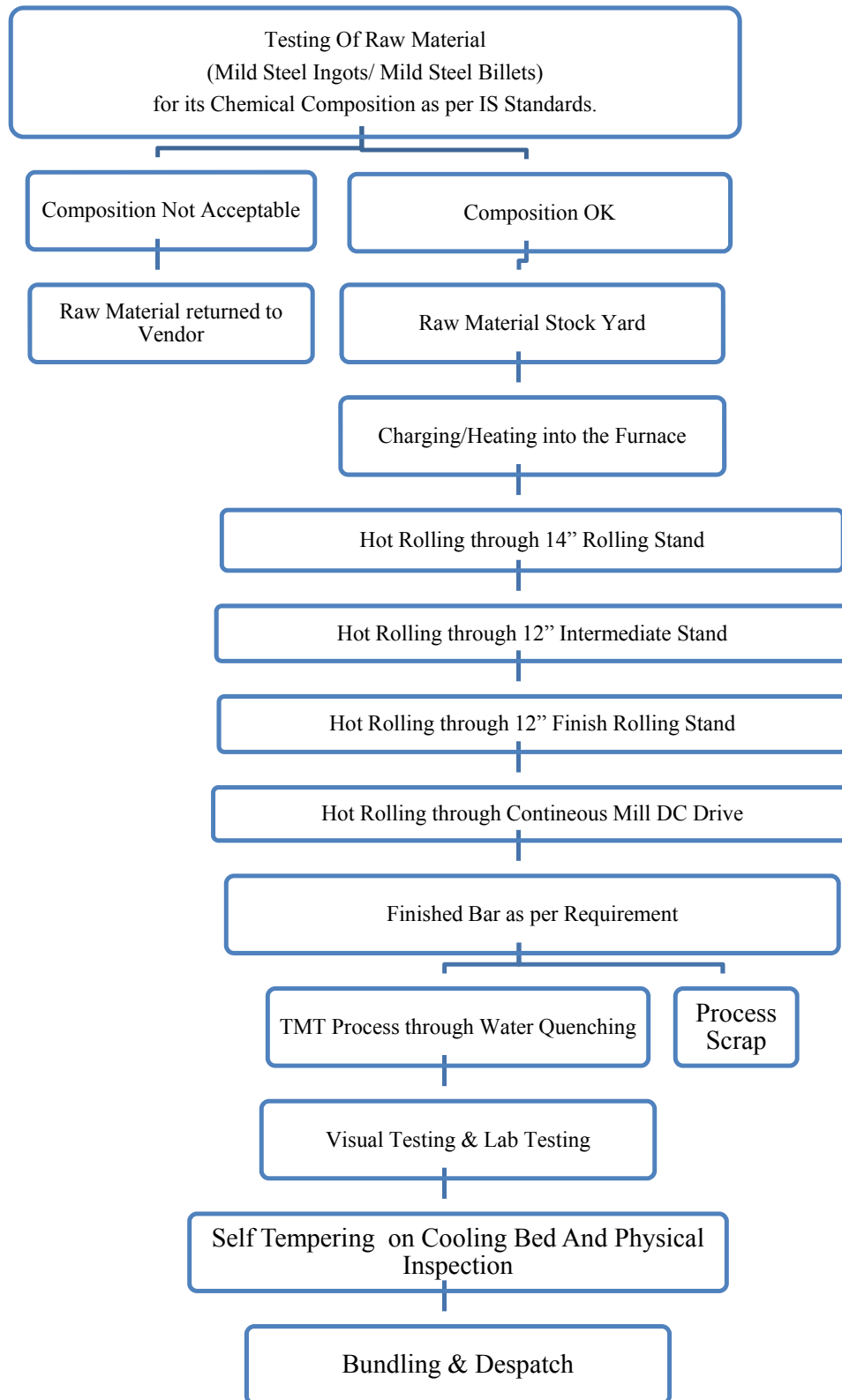
Features of TMT Bars

- i. Enhanced strength combined with high ductility
- ii. Thermal and earthquake resistance
- iii. Good weld ability and no loss of strength at welded joints
- iv. Higher thermal resistance
- v. Easy working at site owing to better ductility and bend ability
- vi. Saving in steel

Manufacturing Process Flow Chart – Structural Rebars



Manufacturing Process Flow Chart – TMT Rebars



Our Competitive Strengths

1. Quality Assurance

All products that we manufacture are inspected by our Quality Control Department and the inspection is also done for both raw materials and finished products to ensure the adherence to desired specifications. Since, our Company is dedicated towards quality of the products, it enables our Company to maintain the brand image. We are consistently endeavoring by supplying quality material of the exact specifications at the right time, thus establishing a long-lasting relationship with the customer.

2. ISO Certification

Our existing manufacturing unit is ISO 9001:2008 certified from BSCIC Quality Management Systems. Our Company is dedicated towards quality of products, processes and inputs; we get repetitive orders from our buyers, as we are capable of meeting their quality standards.

3. ISI Certification

Our Existing manufacturing unit conforms to ISI Standards and had been awarded with BIS Licenses to manufacture TMT and Structural re-bars.

4. Domestic demand augurs well for our Company

The main application of our products currently being manufactured is in the Construction Industry. These products are used extensively in the housing and infrastructure sectors. India is in the midst of a construction boom in housing and infrastructure, which augurs well for our Company.

Our Business Strategy

Our key strategic initiatives are described below:

1. Expansion and modernizing by Automation and Upgradation of Existing TMT Bar Manufacturing Facilities

Our Company is able to utilize manufacturing facilities at an optimum level by balancing production and marketing efforts. We have further envisaged to modernise by upgradation and automation of our existing TMT Bar manufacturing facilities. We intend to convert our semi-automatic Rolling mill to fully automatic Rolling Mill by inter alia replacing Fiber Mill Stand to Roller Bearing Mill Stands and installing additional Continuous Mills Stands. Automation will also increase our capacity and will also improve our quality.

2. Competitive Pricing

To remain aggressive and capitalize a good market share, we believe in offering competitive prices to our customers. This helps us to sustain the cut-throat competition and withhold a strong position in the market.

3. Enhancing Customer Base

Our Company intends to grow business continuously by adding new customers and thereby grow revenues. We aim to do this by effective leveraging of our marketing skills & relationship and further enhancing customer satisfaction.

Plant and Machinery

| Particular | Supplier | Quantity |
|---|-----------------------------|----------|
| Furnace TMT & Structure Mill | | |
| Blower | Wesman Thermal Engg (P) Ltd | 1 |
| Blower | Wesman Thermal Engg (P) Ltd | 3 |
| Air & Oil Pumping Unit | Wesman Thermal Engg (P) Ltd | 2 |
| Oil Tank for Storage of F/Oil | Fabricated | 2 |
| Ejector | Fabricated | 1 |

| Particular | Supplier | Quantity |
|--|-----------------------------|------------------------|
| Oil Burner | Wesman Thermal Engg (P) Ltd | 6 |
| Oil Burner | Wesman Thermal Engg (P) Ltd | 4 |
| Pusher | H.B. Engineering | 1 |
| Pusher | H.B. Engineering | 1 |
| Motor for Pumping Unit with Ancillaries | Kirloskar | 2 |
| Motor for Ejector with ancillaries | Local | 1 |
| Motor for Pusher with ancillaries | Kirloskar | 2 |
| Motor for Blower with ancillaries | Local | 2 |
| Refractories & Insulation | Mortex India | Lumpsum for 2 furnaces |
| Furnace Accessories & Castables | Shyam Iron Foundry | Lumpsum for 2 furnaces |
| Steel Structure & Fabrication | Local Market | 210 MT |
| 14" Mill : TMT Roughing | | |
| Motor | Kirloskar | 1 |
| Gear Coupling | Shyam Iron Foundry | 3 |
| Fly Wheel | Shyam Iron Foundry | 1 |
| Reduction Gear | H B Engineering | 1 |
| Pinion Stand | Shyam Iron Foundry | 1 |
| Rolling Mill Stand Fitted with Assessories | Shyam Iron Foundry & Others | 3 |
| Conveyor & Rollers | Fabricated | 1 |
| Motor for Conveyor | Local | 1 |
| Industrial Fan with Motor | Fabricated | 6 |
| Aligator Shearing | H B Engineering | 1 |
| Repeater | Fabricated | 1 |
| Pinch Roller | H B Engineering | 1 |
| Oil Pumping Unit | Wesman Engg | 1 |
| Motor For Oil Pumping | Local | 1 |
| Motor for Rotary Shearing | Local | 1 |
| Motor for Aligator Shearing | Local | 1 |
| Rolls | Bharat Rolls | 9 |
| 12" Mill : TMT Intermediate | | |
| Motor | Kirloskar | 1 |
| Gear Coupling | Shyam Iron Foundry | 3 |
| Fly Wheel | Shyam Iron Foundry | 1 |
| Reduction Gear | H B Engineering | 1 |
| Pinion Stand | Shyam Iron Foundry | 1 |
| Rolling Mill Stand Fitted with Assessories | Shyam Iron Foundry & Others | 4 |
| Industrial Fan with Motor | Fabricated | 4 |
| Aligator Shearing | H B Engineering | 1 |
| Repeater | Fabricated | 2 |
| Pinch Roller | H B Engineering | 1 |
| Oil Pumping Unit | Wesman Engg | 1 |
| Motor For Oil Pumping | Local | 1 |
| Motor for Aligator Shearing | Local | 1 |
| Rolls | Bharat Rolls | 18 |
| 12" Mill : TMT Finishing | | |
| Motor | Kirloskar | 1 |
| Gear Coupling | Shyam Iron Foundry | 3 |
| Fly Wheel | Shyam Iron Foundry | 1 |
| Reduction Gear | H B Engineering | 1 |
| Pinion Stand | Shyam Iron Foundry | 1 |
| Rolling Mill Stand Fitted with Assessories | Shyam Iron Foundry & Others | 4 |
| Industrial Fan with Motor | Fabricated | 4 |
| Aligator Shearing | H B Engineering | 2 |
| Repeater | Fabricated | 2 |

| Particular | Supplier | Quantity |
|--|-------------------------------|-----------------|
| Pinch Roller | H B Engineering | 1 |
| Oil Pumping Unit | Wesman Engg | 1 |
| Motor For Oil Pumping | Local | 1 |
| Motor for Aligator Shearing | Local | 2 |
| Rolls | Bharat Rolls | 18 |
| Cooling Bed | Fabricated | 100 foot |
| Motor for Rotary Shearing | Local | 1 |
| 14" Mill : Structural Roughing | | |
| Motor | Kirloskar | 1 |
| Gear Coupling | Shyam Iron Foundry | 3 |
| Fly Wheel | Shyam Iron Foundry | 1 |
| Reduction Gear | H B Engineering | 1 |
| Pinion Stand | Shyam Iron Foundry | 1 |
| Rolling Mill Stand Fitted with Assessories | Shyam Iron Foundry & Others | 2 |
| Conveyor & Rollers | Fabricated | 1 |
| Motor for Conveyor | Local | 1 |
| Industrial Fan with Motor | Fabricated | 6 |
| Aligator Shearing | H B Engineering | 1 |
| Repeater | Fabricated | 1 |
| Pinch Roller | H B Engineering | 1 |
| Oil Pumping Unit | Wesman Engg | 1 |
| Motor For Oil Pumping | Local | 1 |
| Motor for Rotary Shearing | Local | 1 |
| Motor for Aligator Shearing | Local | 1 |
| Rolls | Bharat Rolls | 9 |
| 12" Mill : Structural Finishing | | |
| Motor | Kirloskar | 1 |
| Gear Coupling | Shyam Iron Foundry | 3 |
| Reduction Gear | H B Engineering | 1 |
| Pinion Stand | Shyam Iron Foundry | 1 |
| Rolling Mill Stand Fitted with Assessories | Shyam Iron Foundry & Others | 4 |
| Industrial Fan with Motor | Fabricated | 4 |
| Aligator Shearing | H B Engineering | 2 |
| Repeater | Fabricated | 2 |
| Pinch Roller | H B Engineering | 1 |
| Oil Pumping Unit | Wesman Engg | 1 |
| Motor For Oil Pumping | Local | 1 |
| Motor for Aligator Shearing | Local | 2 |
| Rolls | Bharat Rolls | 18 |
| Rotary Shearing | H B Engineering | 1 |
| Cooling Bed | Fabricated | 60 foot |
| Motor for Rotary Shearing | Local | 1 |
| Structural Straightning Machines | | |
| inclusive of Dies and rolls | | 2 |
| Structural Straightning Machines | | |
| inclusive of Dies and rolls | | 1 |
| Water Pump House | | |
| Borewell : Industrial With Civil & Storage | | 3 |
| Electricals | | |
| OCB Switch Gear | ECE Industries & Anand Elect. | 3 |
| Transformer | Volt Amps | 1 |

| Particular | Supplier | Quantity |
|--|--------------------------|------------|
| ACB | L & T | 6 |
| Capacitors | | |
| Welding Machine | Local | 2 |
| Control Panels | | |
| Switch & Starters | | |
| | | |
| 33KV Indoor Type Sub-Station | | |
| Metering Room Fitted with 33KV OCB | Siemens | 1 |
| HT XLP Cables | | lumpsum |
| Consumer Part 33KV OCB | Siemens | 1 |
| 33KV ABC | Siemens | 1 |
| Oil Starters | | 2 |
| Control Panel for 33KV Switching | Siemens | 2 |
| | | |
| Maintenance Work Shop | | |
| Lathe Machine | DB Machine Tools | 16 Foot |
| Lathe Machine | DB Machine Tools | 12 Foot |
| Lathe Machine | DB Machine Tools | 10 Foot |
| Lathe Machine | DB Machine Tools | 8 Foot |
| Shapper Machine | DB Machine Tools | 24" Stroke |
| Drill Machine | DB Machine Tools | |
| Grinder Machine | DB Machine Tools | |
| Air Compressor | Metro | 30CFM |
| | | |
| 12" Mill : DC Finishing | | |
| DC Motor | Kirloskar | 2 |
| 10" Reduction Gear | H B Engineering | 1 |
| 12" Reduction Gear | H B Engineering | 1 |
| Conveyor | Royal Mechanical Co. | 1 |
| 12" Pinion Gear | H B Engineering | 1 |
| Rolling Mill Stand Fitted with Assessories | Royal Mechanical Co. | 2 |
| Pinch Roller | M N Engineering | 2 |
| Aligator Shearing | M N Engineering | 1 |
| Rolls | Malaxmi Rolls | 8 |
| Rotary Shearing | M N Engineering | 1 |
| Air Compressor | Associated Controls | 1 |
| | | |
| TMT PROCESS LINE | | |
| Control Panel for Automation | Fluid Controls & Systems | |
| Pyrometer, HMD & Thermometer | Fluid Controls & Systems | |
| Automation & Software | Fluid Controls & Systems | |
| High Pressure Pump | Kirloskar | 1 |
| Low Pressure Pump | Kirloskar | 1 |
| UTK-40 Universal Testing Machine | Hi Tech (India) | 1 |
| TMT Processing Box | JETMEX | 1 |
| Cooling Tower | Super Tech | 1 |
| Water Treatment Plant | Ion Exchange | 1 |
| | | |
| Air Pollution Control Device | | |
| Bag Filter | B R Enterprises | 2 |
| | | |
| Other Utilities | | |
| Chemical Laboratory & Chemicals | | LS |
| Electronic Weigh Bridge 60 MT | | 1 |
| 14T Escorts Hydra | | 1 |
| EOT Crane | | 2 |
| Office Air Conditioners | | 7 |

| Particular | Supplier | Quantity |
|--|----------------------------|----------|
| Office & PLC Computers | | 7 |
| TMT Mill Steel Rolls | 11 Stands x 3 nos. x 1 Set | 33 |
| TMT Mill Steel Rolls extra Sets | 9 sets | 351 |
| Structural Mill Steel Rolls | 6 Stands x 3 nos. x 1 Set | 18 |
| Structural Mill Steel Rolls extra Sets | 9 sets | 162 |

Collaborations

We have not entered into any technical or other collaboration.

Utilities & Infrastructure Facilities

We require computers and laptops for our data preparation work. Our registered office is equipped with latest computer systems, relevant software's, power supply, internet connectivity, security and other facilities, which are required for our business operations to function smoothly.

Rawmaterials

The major raw materials required for our products include the following:

1. Mild Steel Billets
2. Mild Steel Ingots

The raw materials are easily and abundantly available. It is procured by our Company mainly from Manufacturers within West Bengal and Odisha. Raw material are quality checked before being unloaded at our Company.

Other consumables and stores material which we require is sourced from local markets only.

Power

We have entered into an Agreement for the Supply of Electrical Energy at High Voltage with West Bengal State Electricity Distribution Company Limited dated May 26, 2014 for supply of electrical energy for use in our existing premises. The electrical energy so supplied shall be of three phases, alternating current at a declared pressure of 33 Kilo volts.

Water: We meet our water requirement through two borewells installed within the Company premises.

Fuel

Our furnace is dual fired furnace, which enable us to use both Furnace oil and Coal as our fuel. Based on the economics, the main fuel used for our manufacturing facilities is coal. The same is procured through Importers or sourced from West Bengal and Assam.

Manpower

Our Company is committed towards creating an organization that nurtures talent. We provide our employees an open atmosphere with a continuous learning platform that recognizes meritorious performance. The following is a break-up of our employees as on October 10, 2014:

| Particulars | Skilled | Semi-skilled | Unskilled | Total |
|----------------------------------|---------|--------------|-----------|-------|
| Registered Office / Plant | | | | |
| Permanent | 13 | -- | -- | 13 |
| Contractual | 82 | 81 | 49 | 212 |
| Corporate Office | | | | |
| Permanent | 5 | | | 5 |

| | | | | |
|----------------------|------------|-----------|-----------|------------|
| Branch Office | | | | |
| Permanent | 2 | | | 2 |
| Total | 102 | 81 | 49 | 232 |

Past Production Figures Industry-wise

For details of the industry data please refer to section titles “Our Industry” beginning on page 66 of the Prospectus.

Competition

Our Company is into manufacturing of Structural Re-Bars and TMT Re-Bars. Iron & Steel industry is an unorganized segment although being global industries. We face competition from various domestic and international manufacturers. However, after the proposed expansion through automation and upgradation, we may have edge over other small & medium size manufacturers in the country, especially within West Bengal. As our Company enter newer markets, we are likely to face additional competition from those who may be better capitalized, have longer operating history, have greater brand presence, and better management than us. If we are unable to manage our business it might impede our competitive position and profitability. We intend to continue competing vigorously to capture more market share and adding more management personnel to manage our growth in an optimal way.

Approach to Marketing and Marketing Set-up

Our marketing strategy is based on the products type and the end use segment. We adopt hybrid-marketing module comprising of direct customers approach and existing agents network. We have appointed various agents in domestic market to obtain regular orders.

We sell our products to various Construction & Infrastructure Company and Traders. The marketing team of the division is headed by Mr. Vishwanath Agarwal (Manager-Sales) and is under direct supervision of Managing Director, Mr. Mukesh Goel. Marketing Team of our Company constantly explores the local and national markets for placing its products and to earn brand equity.

Future Prospects

The global scarcity of substitutes, leading to increased pricing coupled with favourable demand outlook makes iron & steel industry prospects bright.

Our company envisages expansion and modernizing by upgradation and automation of our TMT manufacturing facilities. We intend to convert our semi-automatic Rolling mill to fully automatic Rolling Mill by inter alia replacing Fiber Mill Stand to Roller Bearing Mill Stands. Automation will also increase our capacity due to increase in speed of our machines and will also improve our quality. This increase in capacity will give us cost efficiency and sustainable competitive advantage. Post implementation of this project our capacity will increase as follows:

| Sr. No. | Product | Pre Modernisation | Post Modernisation |
|---------|-------------|-------------------|--------------------|
| 1 | TMT Re-bars | 21000 MT P.A. | 75000 MT P.A. |

The liberalisation of the industrial policy and other initiatives taken by the government have spurred the growth of the private sector in the steel industry. While the existing units are being modernised or expanded, a large number of new steel plants have also come up in different parts of the country based on cost-effective and state-of-the-art technologies. In the last few years, the rapid and stable growth of the demand side has also prompted domestic entrepreneurs to set up fresh greenfield projects in different states of India.

With the increase in global population, there is a greater need for steel to build public-transport infrastructure. Emerging economies will continue to drive demand as these countries require a significant amount of steel for urbanisation and industrialisation purposes. India's steel sector is anticipated to witness investment of about Rs 2 trillion (US\$ 33.26 billion) in the coming years, as per Tata Steel.

<http://www.ibef.org/industry/steel.aspx>

Capacity and Capacity Utilization**Past Capacity and Capacity Utilization****Structurals**

| Particulars | March 31, 2014 | March 31, 2013 | March 31, 2012 |
|---------------------------|----------------|----------------|----------------|
| Installed Capacity (MTPA) | 24000.00 | 24000.00 | 24000.00 |
| Total Production (Tonnes) | 17591.76 | 11964.63 | 17546.77 |
| Capacity Utilisation (%) | 73.30 | 49.85 | 73.11 |

TMT Bars

| Particulars | March 31, 2014 | March 31, 2013 | March 31, 2012 |
|---------------------------|----------------|----------------|----------------|
| Installed Capacity (MTPA) | 21000.00 | 21000.00 | 21000.00 |
| Total Production (Tonnes) | 15600.24 | 5718.49 | 8222.64 |
| Capacity Utilisation (%) | 74.29 | 27.23 | 39.16 |

Projected Capacity Utilization for next three years**Structurals**

| Particulars | March 31, 2015 | March 31, 2016 | March 31, 2017 |
|---------------------------|----------------|----------------|----------------|
| Installed Capacity (MTPA) | 24000.00 | 24000.00 | 24000.00 |
| Total Production (Tonnes) | 19200.00 | 19200.00 | 19200.00 |
| Capacity Utilisation (%) | 80.00 | 80.00 | 80.00 |

TMT Bars

| Particulars | March 31, 2015 | March 31, 2016 | March 31, 2017 |
|---------------------------|----------------|----------------|----------------|
| Installed Capacity (MTPA) | 21000.00 | 75000.00 | 75000.00 |
| Total Production (Tonnes) | 16800.00 | 52000.00 | 57000.00 |
| Capacity Utilisation (%) | 80.00 | 69.33 | 76.00 |

Export Possibilities & Export Obligation

Currently, we do not have any outstanding export obligations.

Property

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

| Sr. No. | Details of Deed / Assignment | Description of Property | Area | Consideration as per agreement |
|---------|---|--|---------------------------|--------------------------------|
| 1. | Deed of Indenture dated October 3, 1997 between Sri Biswanath Das, Smt. Latika Das, Sri Basudeb Das, Sri Babulal Das, Sri Gautam Das, Sri Bistupada Das, Sri Sakti Pada Das, Kumari Annapurna das, Kumari Kanan Das and our Company | Land bearing Khatian No. 1250 and 1941 of Mouza Chamrail, J.L. No. 5, Howrah | 9 Cottahs and 12 Chattaks | ₹ 48,750/- |

| | | | | |
|----|---|--|--|--------------|
| 2. | Deed of Indenture dated June 9, 1997 between Sri Ajit Sadhukhan, Smt. Malati Sadhukhan and our Company | Land bearing Khatian No. 1472/1 of Mouza Chamrail, J.L. No. 5, Howrah | 1 Bigha, 7 Cottahs and 12 Chittaks | ₹ 1,38,750/- |
| 3. | Deed of Indenture dated June 9, 1997 between Smt. Parul Sadhukhan, Sri Vijoy Sadhukhan and our Company | Land bearing Khatian No. 1189/1 of Mouza Chamrail, J.L. No. 5, Howrah | 2 Bigha, 0 Cottahs and 9 Chittaks | ₹ 2,02,810/- |
| 4. | Deed of Indenture dated June 9, 1997 between Sri Ajit Sadhukhan, Smt. Mala Sadhukhan and our Company | Land bearing Khatian No. 604 of Mouza Chamrail, J.L. No. 5, Howrah | 1 Bigha, 2 Cottahs and 11 Chittaks | ₹ 1,13,500/- |
| 5. | Deed of Indenture dated July 9, 1997 between Sri Fani Bhushan Das, Sri Rampada Das, Sri Paresh Das and our Company | Land bearing Khatian No. 1025, 1110 and 1686 of Mouza Chamrail, J.L. No. 5, Howrah | 11 Cottahs and 8 Chittaks | ₹ 48,900/- |
| 6. | Deed of Indenture dated March 20, 1998 between Smt. Puspa Das, Sri Sankar Das, Sri Sahadeb Das, Sri Ira Das and our Company | Land bearing Khatian No. 1027, 1754, 1987, 188 and 1196 of Mouza Chamrail, J.L. No. 5, Howrah | 10 Cottahs , 4 Chittaks and 3.8 Sft | ₹ 1,02,813/- |
| 7. | Deed of Indenture dated July 31, 2003 between Sri Ramesh Kumar Bansal, Sri Bhagwan Bansal and our Company | Land bearing Part Khatian No. 1250 and 1941 of Mouza Chamrail, J.L. No. 5, Howrah Land bearing Khatian No. 1221, 978, 1182, 558 and 717 of Mouza Chamrail, J.L. No. 5, Howrah | 1 Bigha, 8 Cottahs and 10 Chittaks 6 Cottahs and 3 Chittaks and 10 sft. | ₹ 3,50,000/- |
| 8. | Deed of Indenture dated July 23, 2004 between Smt. Sumitra Devi Agarwal and our Company | Land bearing Part Khatian No. 1250 and 1941 of Mouza Chamrail, J.L. No. 5, Howrah | 10 Cottahs, 8 Chittaks and 30 sft. | ₹ 5,81,000/- |
| 9. | Deed of Indenture dated October 5, 2007 between Smt. Suman Saraf and our Company | Land bearing Part Khatian No. 1250 and 1941 of Mouza Chamrail, J.L. No. 5, Howrah | 10 Cottahs, 8 Chittaks and 30 sft. | ₹ 1,55,000/- |

Corporate Office

We have one corporate office situated at Paridhan Garment Park, SDF V, Block E, Module 503, 19 Canal South Road, Kolkata – 700 015, West Bengal. The said corporate office is occupied by us w.e.f. October 10, 2014. Aanchal Collection Limited, has given the permission to our Company to use the above premises as corporate office without payment of any rent or deposit.


Branch Office

We have one branch office situated at 7th Floor, Room No. 5, Fortuna Towers, 23A, N.S. Road, Kolkata – 700 001, West Bengal. The said branch office is occupied by us w.e.f. July 18, 2014. Mr. Sitaram Goyal, has given the permission to our Company to use the rent free table space in above premises as marketing and liasioning office.

Godown

Other than the above, we have one godown situated at Pelipara, P.S. Kanksa, Distt. Burdwan, West Bengal. The said godown is occupied by us w.e.f. April 1, 2012 *vide* letter from Jaya Rice Mill Private Limited, granting our company permission to use the land space to store materials without payment of any compensation or deposit.

Intellectual Property

| Sr. No | Description | Date of Application | Application Number | Issuing Authority |
|--------|---|---------------------|--------------------|---|
| 1 |  | July 30, 2014 | 2783616 | Government of India, Trade Marks Registry |

Insurance

Our Company maintains insurance against various risks inherent in our business activities, including property damage caused by fire, earthquake, flood, explosion and similar catastrophic events that may result in physical damage to or destruction of our plant and machinery, equipment or stocks as also burglary insurance. Although we consider our insurance coverage to be of a type and level that is economically prudent, we cannot assure you that we will be able to maintain insurance at rate which we consider commercially reasonable or that such coverage will be adequate to cover any claims that may arise. Overall, we generally maintain insurance covering our assets and operations at levels that we believe to be appropriate for our business.

KEY REGULATIONS AND POLICIES

There are no specific laws in India governing the industry in which we operate. The significant legislations and regulations that generally govern our industry in India are acts such as the Income Tax Act, 1961, Service Tax Rules, 1994, State Shops and Establishment Act, State Tax on Professions, Trades, Callings and Employment Act, 1975 and such other acts as applicable. Taxation statutes such as the Income Tax Act, 1961, Central Sales Tax Act, 1956 and applicable local sales tax statutes, Sales Tax, VAT and labour laws apply to us as they do to any other Indian company. For details of government approvals obtained by us, please refer to the chapter titled “Government and Other Approvals” beginning on page 156 of the Prospectus.

HISTORY AND CERTAIN CORPORATE MATTERS

History of our Company

Our Company was incorporated as ‘Vinita Projects Private Limited’ a private limited company under the Companies Act, 1956 pursuant to Certificate of Incorporation dated January 30, 1996 issued by the Registrar of Companies, West Bengal. The name of our Company was changed to ‘Aanchal Ispat Private Limited’ pursuant to fresh certificate of incorporation consequent upon change of name dated November 29, 2012, issued by the Registrar of Companies, West Bengal. Our Company was converted into a public limited company under the Companies Act and the name of our Company was changed to ‘Aanchal Ispat Limited’ pursuant to certificate of incorporation consequent upon conversion to public limited company dated August 21, 2014, issued by the Registrar of Companies, West Bengal. Our corporate identification number is U27106WB1996PLC076866. Our promoters are Mr. Mukesh Goel, Mr. Manoj Goel and Pratik Suppliers Private Limited.

Our Company was originally promoted by Mr. Swetadri Ray and Mr. Siddheswar Barik. Our current promoters Mr. Mukesh Goel, Mr. Manoj Goel and Pratik Suppliers Private Limited became promoters of our Company in January 2010 when they acquired the Equity Shares of our Company from erstwhile promoters and shareholders and tookover the management and business of our Company.

Initially, our Company set up a manually operated Rolling Mill manufacturing Reinforcement Rounds, Tor, Flat and Ribbed Bars of various sizes ranging from 5.5mm thickness to 25mm Thickness. In the year 2004, our Company added one more vertical to its manufacturing process to manufacture Structural Re-bars viz: Angle, Channels etc, by setting up a separate unit to manufacture structural within the same compound.

In the year 2006, our Company converted its manufacturing division into a Semi-Automatic Rolling Mill and added 2 continuous Mill Stands with DC Drive and TMT processing Unit.

In the financial year 2010, our current Promoters took over the management of our Company. In the year 2012 our Company launched its product under the brand name of ”RELICON” and also started its new vertical of Trading of Long Products on B2B basis.

For further details of our Company’s activities, services and the growth of our Company, please refer to the chapters titled “*Our Business*” and “*Management’s Discussion and Analysis of Financial Conditions and Results of Operations*” beginning on page 71 and 142, respectively, of the Prospectus.

The total number of members of our Company as on the date of filing of the Prospectus is 8. For further details, please refer the chapter titled ‘*Capital Structure*’ beginning on page 40 of the Prospectus.

Changes in our Registered Office:

Our Company’s Registered Office is currently situated at J.L. No. 5, National Highway No. 6, Mouza Chamrail, Howrah– 711 114, West Bengal. Details of changes in the address of the Registered Office of our Company are set forth as under:

| From | To | Date of Change | Reason |
|--|--|----------------|---|
| J.L. No. 5, National Highway No. 6, Chamrail, Howrah– 711 204, West Bengal | J.L. No. 5, National Highway No. 6, Mouza Chamrail, Howrah– 711 114, West Bengal | May 2, 2012 | Form 18 filed due to change in Pin Code |

Main Objects of our Company:

The object clauses of the Memorandum of Association of our Company enable us to undertake the activities for which the funds are being raised in the present Issue. Furthermore, the activities of our Company which we have been carrying out until now are in accordance with the objects of the Memorandum. The main objects of our Company are:

To carry on the business of processors, fabricators, drawers, rollers and re-rollers of ferrous and non-ferrous metals, scraps, steels, alloy steels, special and stainless steels, torsteel, shafting, bars including twisted and bright bars, rod flats, squares from scraps, billets, ingots including wires and wire ropes and all kind of wire products, nails, screws, bolts, nuts, rivets, expanded metal, hinges, plates, sheets, utensils of all metals, strips, hoops, rounds, circles, angles, steel tubes and pipe, pipe fittings, tools, implements, plants, machineries, hexagons, octagons, rails, T Joist channels and light and heavy rolled sections, alloys chilled rolls and all other types of rolls and to manufacture , process, buy, sell, import, export or otherwise, deal in any other products of iron, steel, scraps brass, copper, stainless steel, lead and other ferrous and non-ferrous metals of all sizes, specifications and descriptions.

Amendments to the MoA of our Company since Incorporation:

Since incorporation, the following amendments have been made to the MoA of our Company:

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

| Date | Changes |
|-------------------|--|
| FY 1998 | Increased authorised capital from ₹ 5,00,000 consisting of 50,000 Equity shares of ₹ 10 each to ₹ 50,00,000 consisting of 5,00,000 Equity shares of ₹ 10 each. |
| March 11, 1999 | Increased authorised capital from ₹ 50,00,000 consisting of 5,00,000 Equity shares of ₹ 10 each to ₹ 1,00,00,000 consisting of 10,00,000 Equity shares of ₹ 10 each. |
| December 19, 2003 | Increased authorised capital from ₹ 1,00,00,000 consisting of 10,00,000 Equity shares of ₹ 10 each to ₹ 1,50,00,000 consisting of 15,00,000 Equity shares of ₹ 10 each. |
| March 29, 2005 | Increased authorised capital to ₹ 1,50,00,000 consisting of 15,00,000 Equity shares of ₹ 10 each to ₹ 2,50,00,000 consisting of 25,00,000 Equity shares of ₹ 10 each. |
| March 24, 2006 | Increased authorised capital to ₹ 2,50,00,000 consisting of 25,00,000 Equity shares of ₹ 10 each to ₹ 3,00,00,000 consisting of 30,00,000 Equity shares of ₹ 10 each. |
| March 31, 2011 | Increased authorised capital from ₹ 3,00,00,000 consisting of 30,00,000 Equity shares of ₹ 10 each to ₹ 5,00,00,000 consisting of 50,00,000 Equity shares of ₹ 10 each. |
| November 26, 2012 | The Main Objects was replaced by following new object: ‘To carry on the business of processors, fabricators, drawers, rollers and re-rollers of ferrous and non-ferrous metals, scraps, steels, alloy steels, special and stainless steels, torsteel, shafting, bars including twisted and bright bars, rod flats, squares from scraps, billets, ingots including wires and wire ropes and all kind of wire products, nails, screws, bolts, nuts, rivets, expanded metal, hinges, plates, sheets, utensils of all metals, strips, hoops, rounds, circles, angles, steel tubes and pipe, pipe fittings, tools, implements, plants, machineries, hexagons, octagons, rails, T Joist channels and light and heavy rolled sections, alloys chilled rolls and all other types of rolls and to manufacture , process, buy, sell, import, export or otherwise, deal in any other products of iron, steel, scraps brass, copper, stainless steel, lead and other ferrous and non-ferrous metals of all sizes, specifications and descriptions.’ |
| July 30, 2014 | Increased authorised capital from ₹ 5,00,00,000 consisting of 50,00,000 Equity shares of ₹ 10 each to ₹ 22,00,00,000 consisting of 2,20,00,000 Equity shares of ₹ 10 each. |

Key Events and Milestones:

The following table sets forth the key events and milestones in the history of our Company, since incorporation:

| Financial Year | Event |
|----------------|------------------------------|
| 1996 | Incorporation |
| 2010 | Change in Management |
| 2012 | Launched the brand 'Relicon' |

Subsidiaries and Holding Company:

Our Company is not a subsidiary of any company. Further, we do not have any subsidiary company.

Other declarations and disclosures

Our Company is not a listed entity and its securities have not been refused listing at any time by any recognized stock exchange in India or abroad. Further, Our Company has not made any Public Issue or Rights Issue (as defined in the SEBI ICDR Regulations in the past. No action has been taken against Our Company by any Stock Exchange or by SEBI.

Our Company is not a sick company within the meaning of the term as defined in the Sick Industrial Companies (Special Provisions) Act, 1985. Our Company is not under winding up nor has it received a notice for striking off its name from the relevant Registrar of Companies.

Fund raising through equity or debt:

For details in relation to our fund raising activities through equity and debt, please refer to the chapters titled 'Financial Information' and 'Capital Structure' beginning on page 120 and 40, respectively, of the Prospectus.

Revaluation of assets:

Our Company has not revalued its assets since its incorporation.

Changes in the activities of our Company having a material effect

There has been no change in the activities being carried out by our Company during the preceding five years from the date of the Prospectus which may have a material effect on the profits / loss of our Company, including discontinuance of lines of business, loss of agencies or markets and similar factors.

Injunctions or Restraining Orders:

Our Company is not operating under any injunction or restraining order.

Mergers and acquisitions in the history of our Company

There has been no merger or acquisition of businesses or undertakings in the history of our Company.

Defaults or Rescheduling of borrowings with financial institutions/banks:

There have been no Defaults or Rescheduling of borrowings with financial institutions/banks.

Strikes and lock-outs:

Our Company has, not been involved in any labour disputes or disturbances including strikes and lock- outs. As on the date of the Prospectus, our employees are not unionized.

Time and cost overruns in setting up projects:

As on the date of the Prospectus, there have been no time and cost overruns in any of the projects undertaken by our Company.

Shareholders' agreement:

Our Company does not have any subsisting shareholders' agreement as on the date of the Prospectus.

Other Agreements:

Our Company does not have any other agreement as on the date of the Prospectus.

Strategic Partners:

Our Company does not have any strategic partner(s) as on the date of the Prospectus.

Financial Partners:

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

OUR MANAGEMENT

As per the Articles of Association of our Company, we are required to have not less than three (3) Directors and not more than twelve (12) Directors on its Board. As on date of the Prospectus, our Board consist of 4 (four) Directors. Mr. Mukesh Goel is the Managing Director of our Company. Further, in compliance with the requirements of Clause 52 of the SME Equity Listing Agreement, our Board consist of 2 (two) independent Directors.

The Board of Directors of our Company

The following table sets forth certain details regarding the members of our Company's Board as on the date of the Prospectus:

| Sr. No. | Name, Designation, Address, Nationality, Age, Occupation and DIN | Date of Appointment as Director and Term of Office | Other Directorships |
|---------|---|--|---|
| 1. | <p>Mr. Mukesh Goel</p> <p>S/o Mr. Sitaram Goyal</p> <p><i>Designation:</i> Managing Director (Executive and Non-Independent)</p> <p><i>Address:</i> AD-235, Salt Lake City, Sector I, PO-CC Block, Bidhan Nagar, Kolkata – 700 064, West Bengal</p> <p><i>Nationality:</i> Indian</p> <p><i>Age:</i> 36 years</p> <p><i>Occupation:</i> Business</p> <p><i>DIN:</i> 00555061</p> | <p><i>Date of appointment:</i></p> <p>Appointed as Managing Director with effect from August 12, 2014</p> <p><i>Term:</i> For a period of 5 years.</p> | <p><i>Public Limited Companies:</i></p> <ul style="list-style-type: none"> • Aanchal Collection Limited • Aanchal Cement Limited <p><i>Private Limited Companies:</i></p> <ul style="list-style-type: none"> • Aanchal Iron & Steels Private Limited • Haldia Alloys & Ispat Private Limited • Khush Metalliks Private Limited • Maina Securities Private Limited • Jaya Rice Mills Private Limited • Kalayani Rice Mills Private Limited • Pratik Suppliers Private Limited • Penguin Creation Private Limited |
| 2. | <p>Mr. Manoj Goel</p> <p>S/o Mr. Sitaram Goyal</p> <p><i>Designation:</i> Director (Non-Executive and Non-Independent)</p> <p><i>Address:</i> AD-235, Salt Lake City, Sector I, PO-CC Block, Bidhan Nagar, Kolkata – 700 064, West Bengal</p> <p><i>Nationality:</i> Indian</p> <p><i>Age:</i> 34 years</p> <p><i>Occupation:</i> Business</p> | <p><i>Date of appointment:</i></p> <p>Appointed as Director with effect from September 3, 2014</p> <p><i>Term:</i> Liable to retire by rotation.</p> | <p><i>Public Limited Companies:</i></p> <ul style="list-style-type: none"> • Aanchal Collection Limited • Aanchal Cement Limited <p><i>Private Limited Companies:</i></p> <ul style="list-style-type: none"> • Aanchal Iron & Steels Private Limited • Haldia Alloys & Ispat Private Limited • Khush Metalliks Private Limited • Maina Securities Private Limited |

| Sr. No. | Name, Designation, Address, Nationality, Age, Occupation and DIN | Date of Appointment as Director and Term of Office | Other Directorships |
|---------|---|---|--|
| | DIN: 00554986 | | <ul style="list-style-type: none"> Jaya Rice Mills Private Limited Kalayani Rice Mills Private Limited Pratik Suppliers Private Limited Penguin Creation Private Limited |
| 3. | <p>Mr. Sudhir Kumar Budhia</p> <p>S/o Mr. Shankar Lal Budhia</p> <p><i>Designation:</i> Director (Non-executive and Independent)</p> <p><i>Address:</i> Aral, BL-5, 3rd Floor, FT-T, 104 Bidhan Nagar Road, Kolkata – 700067, West Bengal</p> <p><i>Nationality:</i> Indian</p> <p><i>Age:</i> 34 years</p> <p><i>Occupation:</i> Business</p> <p>DIN: 02869779</p> | <p><i>Date of appointment:</i> July 30, 2014</p> <p><i>Term:</i> Liable to retire by rotation</p> | <p><i>Public Limited Companies:</i></p> <ul style="list-style-type: none"> Nil <p><i>Private Limited Companies:</i></p> <ul style="list-style-type: none"> Mangalrashi Consultants Private Limited |
| 4. | <p>Mr. Mukesh Agarwal</p> <p>S/o Mr. Shreekrishan Agarwal</p> <p><i>Designation:</i> Director (Non-executive and Independent)</p> <p><i>Address:</i> 36, Rajnarayan Roy Choudhary Ghat Road, Howrah Municipal Corporation, Shibpur, Howrah - 711102</p> <p><i>Nationality:</i> Indian</p> <p><i>Age:</i> 42 years</p> <p><i>Occupation:</i> Business</p> <p>DIN: 06954595</p> | <p><i>Date of appointment:</i> September 1, 2014</p> <p><i>Term:</i> Liable to retire by rotation</p> | <p><i>Public Limited Companies:</i></p> <ul style="list-style-type: none"> Nil <p><i>Private Limited Companies:</i></p> <ul style="list-style-type: none"> Nil |

Note:

- None of the above mentioned Directors are on the RBI List of willful defaulters as on the date of the Prospectus.
- None of the Promoter, persons forming part of our Promoter Group, our Directors or persons in control of our Company or our Company are debarred by SEBI from accessing the capital market.

- 3) *None of the Promoter, Directors or persons in control of our Company, have been or are 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.*

Brief Profile of the Directors of our Company

Mr. Mukesh Goel, aged 36 years, is the Promoter and Managing Director of our Company. He has completed his Bachelors in Commerce from Calcutta University. He has experience of over 14Years in Iron & Steel, Cement and allied industries. He started his career as iron & steel broker and was involved in trading. He also has experience in cement, women’s garment retailing and wholeselling. He was instrumental in the acquisition of our Company from erstwhile promoters in the year 2009. He takes care of day to day business of our Company. He provides the required strategic guidance to our Company.

Mr. Manoj Goel, aged 34 years, is the Promoter and Director of our Company. He has completed his Bachelors in Commerce from Calcutta University. He has experience of over 10Years in Iron & Steel industry. He started his career in iron & steel trading and was involved in trading. He is also involved in the garment and cement business of the family. He is involved in the marketing of our Company’s Products and takes care of raw material procurement.

Mr. Sudhir Kumar Budhia, aged 34 years, is a non-executive and independent Director of our Company. He has completed his Bachelors in Commerce from University of Kolkata. He is Chartered Accountant from Institute of Chartered Accountants of India. He has experience of more than 10 years in the field of accounts, finance, taxation and banking. Currently he is working as practicing chartered accountant.

Mr. Mukesh Agarwal aged 42 years, is a non-executive and independent Director of our Company. He is an undergraduate. He is having an experience of over 10 years in the field of trading and marketing of Iron and Steel. Currently he is working as broker for iron and steel.

Family relationship between Directors

Mr. Mukesh Goel and Mr. Manoj Goel are brothers.

Borrowing power of the Board

The borrowing powers of our Board are regulated by the provisions of the Articles of Association of our Company.

Pursuant to a special resolution passed at the Annual General Meeting of our shareholders held on September 5, 2014 our Directors were authorised to borrow money(s) on behalf of our Company in excess of the paid up share capital and the free reserves of our Company from time to time, pursuant to the provisions of Section 180(1)(c) of the Companies Act, 2013, subject to an amount not exceeding ₹ 100 .00 crores.

For further details of the provisions of our Articles of Association regarding borrowing powers, please refer to the chapter titled ‘*Main Provisions of the Articles of Association*’ beginning on page 195 of the Prospectus.

Terms and Conditions of Employment of the Directors

i. Managing Director

Mr. Mukesh Goel, Managing Director

Mr. Mukesh Goel is the Managing Director of our Company. He has been designated as the Managing Director of our Company for a term of five years commencing w.e.f. August 12, 2014. The remuneration payable to our Managing Director towards salary (inclusive of perquisites, performance bonus and allowances) in terms of the board resolution dated August 12, 2014 shall not exceed ₹ 3,60,000 per annum.

- ii.*** No remuneration is payable to Mr. Manoj Goel being non-executive Director of our Company.

iii. Independent Directors

Our independent Directors are entitled to sitting fees of Rs. 2000 per meeting for attending meetings of the Board, or of any committee of the Board and Rs. 4,000 per meeting for attending general meetings.

Shareholding of Directors in our Company

As per the Articles of Association of our Company, a Director is not required to hold any shares in our Company to qualify him for the office of the Director of our Company. The following table details the shareholding in our Company of our Directors in their personal capacity, as on the date of the Prospectus:

| Sr. No. | Name of the Directors | No. of Equity Shares held | % of pre-issue paid-up Equity Share capital in our Company |
|----------------|------------------------------|----------------------------------|---|
| 1. | Mr. Mukesh Goel | 1,994,850 | 15.52% |
| 2. | Mr. Manoj Goel | 1,716,900 | 13.36% |

Details of current and past directorship(s) in listed companies whose shares have been / were suspended from being traded on the BSE / NSE and reasons for suspension

None of our Directors is / was a Director in any listed company during the last five years before the date of filing the Prospectus, whose shares have been / were suspended from being traded on the BSE and NSE.

Details of current and past directorship(s) in listed companies which have been/ were delisted from the stock exchange(s) and reasons for delisting

None of our Directors are currently or have been on the board of directors of a public listed company whose shares have been or were delisted from being traded on any stock exchange.

Interest of Directors

All of our Directors may be deemed to be interested to the extent of fees payable to them (if any) for attending meetings of the Board or a committee thereof as well as to the extent of remuneration payable to them for their services as Managing Director of our Company and reimbursement of expenses as well as to the extent of commission and other remuneration, if any, payable to them under our Articles of Association. Some of the Directors may be deemed to be interested to the extent of consideration received/paid or any loans or advances provided to any body corporate including companies and firms, and trusts, in which they are interested as directors, members, partners or trustees.

All our Directors may also be deemed to be interested to the extent of Equity Shares, if any, already held by them or their relatives in our Company, or that may be subscribed for and allotted to our non-promoter Directors, out of the present Issue and also to the extent of any dividend payable to them and other distribution in respect of the said Equity Shares.

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

Our Directors may also be regarded interested to the extent of dividend payable to them and other distribution in respect of the Equity Shares, if any, held by them or by the companies/firms/ventures promoted by them or that may be subscribed by or allotted to them and the companies, firms, in which they are interested as Directors, members, partners and Promoter, pursuant to this Issue.

All our Directors may be deemed to be interested in the contracts, agreements/ arrangements entered into or to be entered into by the Company with either the Director himself, other company in which they hold directorship or any partnership firm in which they are partners, as declared in their respective declarations.

Interest in promotion of our Company

Except for Mr. Mukesh Goel and Mr. Manoj Goel, being promoter of our Promoter Company, none of our Directors have any interest in the promotion of our Company.

Interest in the property of our Company

Our Directors have no interest in any property acquired or proposed to be acquired by our Company in the preceding two years from the date of the Prospectus nor do they have any interest in any transaction regarding the acquisition of land, construction of buildings and supply of machinery, etc. with respect to our Company.

Interest in the business of our Company

Further, save and except as stated otherwise in “*Statement of Transactions with Related Parties*” in the chapter titled “*Financial Information*” beginning on page 120 of the Prospectus, our Directors do not have any other interests in our Company as on the date of the Prospectus. Our Directors are not interested in the appointment of Underwriters, Registrar and Bankers to the Issue or any such intermediaries registered with SEBI.

There is no arrangement or understanding with major shareholders, customers, suppliers or others, pursuant to which any of the directors was selected as a director or member of senior management.

Details of Service Contracts

There is no service contracts entered into with any Directors for provision of benefits or payments of any amount upon termination of employment.

Bonus or Profit Sharing Plan for the Directors

There is no bonus or profit sharing plan for the Directors of our Company.

Contingent and Deferred Compensation payable to Directors

No Director has received or is entitled to any contingent or deferred compensation.

Changes in the Board for the last three years

Save and except as mentioned below, there had been no change in the Directorship during the last three (3) years:

| Name of Director | Date of Appointment | Date of Cessation | Reason for Change |
|-------------------------|----------------------------|--------------------------|--|
| Mr. Mohan Garhwal | May 5, 1997 | February 3, 2012 | Resignation |
| Mr. Manoj Goel | December 23, 2009 | | Due to change in management |
| Mr. Mukesh Goel | December 23, 2009 | | Due to change in management |
| Mr. Sudhir Kumar Budhia | July 30, 2014 | | Appointed to broad base the board |
| Mr. Mukesh Agarwal | September 1, 2014 | | Appointed to broad base the board |
| Mr. Mukesh Goel | August 12, 2014 | | Change in Designation to Managing Director |

Corporate Governance

The provisions of the listing agreements to be entered into with the Stock Exchange with respect to corporate governance and the SEBI ICDR Regulations in respect of corporate governance become applicable to our Company at the time of seeking in-principle approval of the Stock Exchanges. Our Company has complied with the corporate governance code in accordance with Clause 52 of the SME Equity Listing Agreement, particularly those relating to composition of Board of Directors, constitution of committees such as Audit Committee, Remuneration and Stakeholders Relationship Committee. Our Board functions either as a full board or through various committees constituted to oversee specific operational areas. Further, our Company undertakes to take all necessary steps to comply with all the requirements of Clause 52 of the SME Equity Listing Agreement to be entered into with the Stock Exchange.

Composition of Board of Directors

The Board of Directors of our Company has an optimum combination of executive and non-executive Directors as envisaged in Clause 52 of the SME Equity Listing Agreement. Our Board has four Directors out of which two are independent directors in accordance with the requirement of Clause 52 of the SME Equity Listing Agreement.

In terms of Clause 52 of the SME Equity Listing Agreement, our Company has constituted the following Committees of the Board:

1. Audit Committee
2. Remuneration Committee
3. Stakeholders Relationship Committee

1. Audit Committee

The Audit Committee was constituted *vide* Board resolution dated September 6, 2014 pursuant to Section 292A of the Companies Act and clause 52 of the SME Equity Listing Agreement. As on the date of the Prospectus the Audit Committee consists of the following Directors:

| Name of the Director | Designation in the Committee | Nature of Directorship |
|-------------------------|------------------------------|-----------------------------------|
| Mr. Sudhir Kumar Budhia | Chairman | Non-executive and Independent |
| Mr. Mukesh Agarwal | Member | Non-executive and Independent |
| Mr. Manoj Goel | Member | Non-executive and Non Independent |

Our Company Secretary, Ms. Babita Kaur Bagga is the secretary of the Audit Committee.

The terms of reference of our Audit Committee are given below:

1. Overseeing the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
2. Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees.
3. Approval of payment to the statutory auditors for any other services rendered by the statutory auditors.
4. Review and monitor the auditor's independence and performance, and effectiveness of audit process;
5. Examination of the financial statement and the auditors' report thereon;
6. Approval or any subsequent modification of transactions of the company with related parties;
7. Scrutiny of inter-corporate loans and investments;
8. Valuation of undertakings or assets of the company, wherever it is necessary;
9. Evaluation of internal financial controls and risk management systems;
10. Appointment, removal and terms of remuneration of internal auditor.
11. Reviewing, with the management, the annual financial statements before submission to the Board for approval, with particular reference, but not restricted to:
 - a. Matters required to be included in the Director's Responsibility Statement' to be included in our Board's report in terms of Clause (2AA) of Section 217 of the Companies Act;
 - 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 the financial statements;
 - f. Disclosure of any related party transactions;
 - g. Qualifications in the draft audit report.
12. Reviewing, with the management, the quarterly financial statements before submission to the board of directors for their approval, including such review as may be required for compliance with provisions of the listing agreement entered into with the Stock Exchange;
13. Monitoring the statement of uses/ application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
14. Reviewing, with the management, performance of statutory and internal auditors, and adequacy of the internal control systems.

15. 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.
16. Reviewing management letters / letters of internal control weaknesses issued by the statutory auditors;
17. Discussing with internal auditors on any significant findings and follow up thereon.
18. 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.
19. 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.
20. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of nonpayment of declared dividends) and creditors.
21. To review the functioning of the ‘whistle blower/Vigil Mechanism’ mechanism, when the same is adopted by our Company and is existing.
22. Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience & background, etc. of the candidate.
23. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee and to carry out any other function statutorily required to be carried out by the Audit Committee as per applicable laws;
24. The Audit Committee shall mandatorily review the following information:
 - a. Management discussion and analysis of financial information and results of operations;
 - b. Statement of significant related party transactions (as defined by the Audit Committee), submitted by the management;
 - c. Management letters / letters of internal control weaknesses issued by the statutory auditors;
 - d. Internal audit reports relating to internal control weaknesses; and
 - e. The appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the Audit Committee.
25. Terms of reference, power, quorum and other matters in relation to the Audit Committee will be as per of Listing Agreement of the Specific Stock Exchange.”

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

The Audit Committee is required to meet at least four times in a year and not more than four months will elapse between two meetings. The quorum will be either two members or one third of the members of the Audit Committee whichever is greater, but there should be a minimum of two independent members present.

2. Remuneration Committee

The Remuneration Committee was constituted at a meeting of the Board of Directors held on September 6, 2014. As on the date of the Prospectus the Remuneration Committee consists of the following Directors:

| Name of the Director | Designation in the Committee | Nature of Directorship |
|-----------------------------|-------------------------------------|-----------------------------------|
| Mr. Mukesh Agarwal | Chairman | Non-executive and Independent |
| Mr. Sudhir Kumar Budhia | Member | Non-executive and Independent |
| Mr. Manoj Goel | Member | Non-executive and Non Independent |

Our Company Secretary, Ms. Babita Kaur Bagga is the secretary of the Remuneration Committee.

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

1. Ensure that our Company has formal and transparent procedures for the selection and appointment of new directors to the board and succession plans;
2. To formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration for the directors, key managerial personnel and other employees. while formulating the policy to ensure that—

- a. the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the company successfully;
 - b. relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
 - c. remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals:
3. To make recommendations for the appointment and removal of directors;
 4. Ensure that our Company has in place a programme for the effective induction of new directors;
 5. To review, on an ongoing basis, the structure of the board, its committees and their inter relationship;
 6. To recommend to the Board, the remuneration packages of our Company's Managing / Joint Managing / Deputy Managing / Whole time / Executive Directors, including all elements of remuneration package (i.e. salary, benefits, bonuses, perquisites, commission, incentives, stock options, pension, retirement benefits, details of fixed component and performance linked incentives along with the performance criteria, service contracts, notice period, severance fees etc.);
 7. To be authorised at its duly constituted meeting to determine on behalf of the Board of Directors and on behalf of the shareholders with agreed terms of reference, our Company's policy on specific remuneration packages for Company's Managing / Joint Managing / Deputy Managing / Whole-time / Executive Directors, including pension rights and any compensation payment;
 8. To implement, supervise and administer any share or stock option scheme of our Company; and
 9. To attend to any other responsibility as may be entrusted by the Board within the terms of reference.

The Remuneration Committee is required to meet at least four times in a year and not more than four months will elapse between two meetings. The quorum will be either two members or one third of the members of the Remuneration Committee whichever is greater, but there should be a minimum of two independent members present.

3. Stakeholders Relationship Committee

The Stakeholders Relationship Committee has been formed by the Board of Directors at the meeting held on September 6, 2014. As on the date of the Prospectus the Stakeholders Relationship Committee consists of the following Directors:

| Name of the Director | Designation in the Committee | Nature of Directorship |
|-----------------------------|-------------------------------------|-----------------------------------|
| Mr. Mukesh Agarwal | Chairman | Non-executive and Independent |
| Mr. Manoj Goel | Member | Non-executive and Non Independent |
| Mr. Sudhir Kumar Budhia | Member | Non-executive and Independent |

Our Company Secretary, Ms. Babita Kaur Bagga is the secretary of the Stakeholders Relationship Committee.

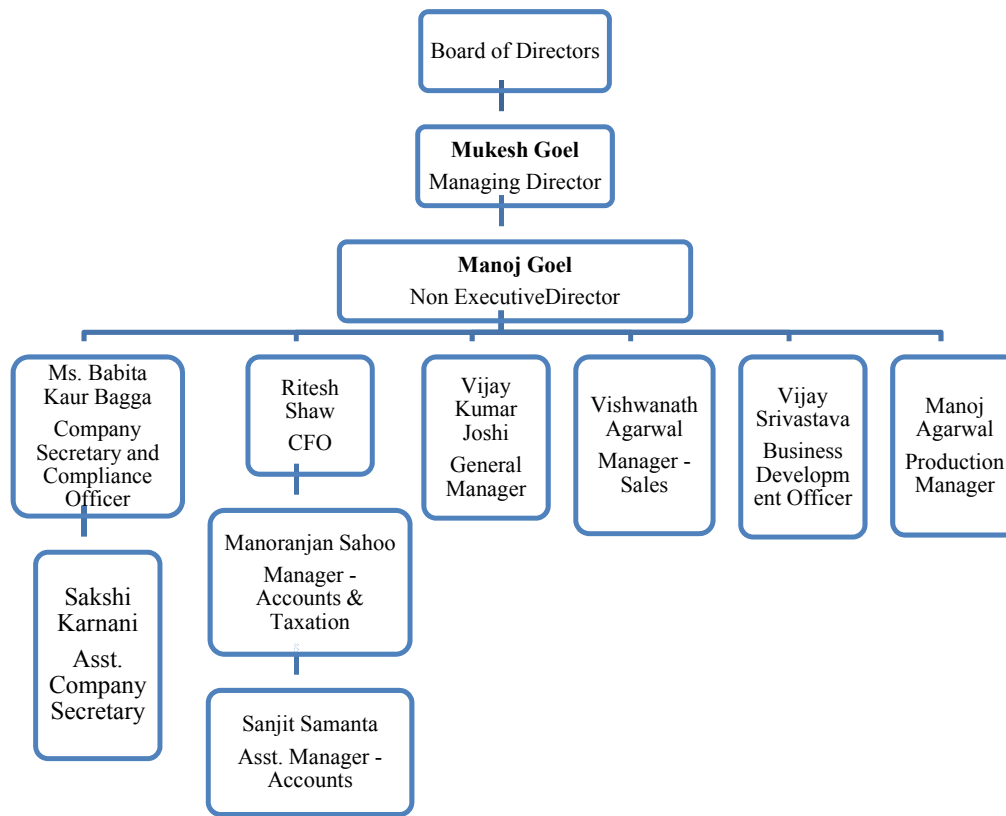
This Committee will address all grievances of Shareholders and Investors in compliance of the provisions of Clause 52 of the SME Equity Listing Agreements with the Stock Exchange and its terms of reference include the following:

1. Efficient transfer of shares; including review of cases for refusal of transfer / transmission of shares and debentures;
2. Redressal of shareholders and investor complaints in relation to transfer of shares, allotment of shares, non-receipts of the refund orders, right entitlement, non-receipt of Annual Reports and other entitlements, non-receipt of declared dividends etc;
3. Monitoring transfers, transmissions, dematerialization, re-materialization, splitting and consolidation of shares and other securities issued by our Company, including review of cases for refusal of transfer/ transmission of shares
4. Issue of duplicate / split / consolidated share certificates;
5. Allotment and listing of shares;
6. Review of cases for refusal of transfer / transmission of shares and debentures;
7. Reference to statutory and regulatory authorities regarding investor grievances;
8. Ensure proper and timely attendance and redressal of investor queries and grievances.
9. To do all such acts, things or deeds as may be necessary or incidental to the exercise of all the above powers.

Policy on Disclosures and Internal Procedure for Prevention of Insider Trading

Our Company undertakes to comply with the provisions of the SEBI (Prohibition of Insider Trading) Regulations, 1992 after listing of our Company's shares on the Stock Exchange. Our Company Secretary, Ms. Babita Kaur Bagga, is responsible for setting forth policies, procedures, monitoring and adhering to the rules for the prevention of price sensitive information and in the implementation of the code of conduct under the overall supervision of the Board.

Management Organisation Chart



Key Managerial Personnel

Our Company is managed by our Board of Directors, assisted by qualified professionals, who are permanent employees of our Company. Below are the details of the Key Managerial Personnel of our Company:

Mr. Ritesh Shaw, aged 37 years, is the CFO of our Company. He is commerce graduate from Burdawan University and by profession he a Chartered Accountant from Institute of Chartered Accountants of India. He joined our Company on September 1, 2014. He has over 10 years of experience in the field of Accounts, Project Management, Corporate Finance, Fund Syndication and Corporate Restructuring. Prior to joining our company he was having his own wire drawing unit and has also worked with organisations such as SK Global Services Private Limited, Adharshilla Capital Venture Fund and Microsec Capital Limited. At present, he is responsible for finance function and banking relationships of our Company. The gross remuneration paid to him in the Fiscal 2014 by our Company was ₹ Nil Lacs.

Mr. Vijay Kumar Joshi, aged 54 years, is the General Manager of our Company. He has completed his B.Com from Calcutta University. He joined our Company on December 30, 2009. He overlooks the entire commercial activity of our Company. He has over 18 years of experience in the field of accounting and taxation. Prior to joining our company he has worked with as a tax consultant. The gross remuneration paid to him in the Fiscal 2014 by our Company was ₹ 2.52 Lacs.

Mr. Vishwanath Agarwal, aged 51 years, is the Manager - Sales of our Company. He is an undergraduate. He joined our Company on January 4, 2010. At present, he is responsible for sales and marketing of our products. He has over 10 years of experience in the field of Iron & Steel trading. Prior to joining our company he has worked as iron and steel broker. The gross remuneration paid to him in the Fiscal 2014 by our Company was ₹ 2.40 Lacs.

Mr. Vijay Srivastava, aged 43 years, is the Business Development Office of our Company. He has completed his Masters in Computer Application from Allahabad Agricultural Institute. He joined our Company on August

4, 2010. At present, he is responsible for business development of our Company. He has over 20 years of experience in the field of general administration, automation and business development. Prior to joining our company he has worked with Jindal Strips Limited, Bhushan Steel Limited. The gross remuneration paid to him in the Fiscal 2014 by our Company was ₹ 2.40 Lacs.

Mr. Manoranjan Sahoo, aged 31 years, is the Manager – Accounts & Taxation of our Company. He has completed his graduation in commerce from Utkal University. He joined our Company on January 4, 2012. At present, he is responsible for accounting and taxation matters of our Company. He has over 7 years of experience in the accounts & taxation. Prior to joining our company he has worked with Maruti Udyog Limited and also worked as accountant with a practicing Chartered Accountant Firm. The gross remuneration paid to him in the Fiscal 2014 by our Company was ₹ 3.60 Lacs.

Mr. Sanjit Samanta, aged 35 years, is the Assistant Manager Accounts of our Company. He has completed his B.Com from Calcutta University. He joined our Company on December 30, 2009. At present, he is responsible for day to day accounting in our Company. He has over 9 years of experience in the field of indirect taxes. Prior to joining our company he has worked with Pawan Surana & Co., Chartered Accountants. The gross remuneration paid to him in the Fiscal 2014 by our Company was ₹ 2.40 Lacs.

Mr. Rakesh Agarwal, aged 36 years, is the Works Manager of our Company. He has completed his B.Com from Calcutta University. He joined our Company on December 30, 2009. He takes care of Stores and consumables, Human Resource, Despatch at Plant level and day to day activity of the plant. He has over 7 years of experience in the field of warehousing, trading and plant management. Prior to joining our company he was having his own business of warehousing and trading. The gross remuneration paid to him in the Fiscal 2014 by our Company was ₹ 3.00 Lacs.

Mr. Manoj Agarwal, aged 34 years, is the Production Manager of our Company. He is an undergraduate. He joined our Company on December 30, 2009. At present, he is the incharge of overall production and planning of our company. He has over 7 years of experience as a supervisor in cement manufacturing company. The gross remuneration paid to him in the Fiscal 2014 by our Company was ₹ 2.40 Lacs.

Ms. Babita Kaur Bagga, aged 24 years, is the Company Secretary and Compliance officer of our Company. She is a qualified Company Secretary from the Institute of Company Secretaries of India. She has also completed her B.Com (Hons.) from The Bhawanipur Gujarati Education Society College Calcutta University. She has approximately 2 years of experience in company secretarial and accounting matters. Prior to joining our Company, she has worked with Wipro Enterprise Limited and Jay Shree Tea & Industries Limited. At present, she is responsible for looking after the secretarial matters of our Company. She joined our Company on September 6, 2014. The gross remuneration paid to her in the Fiscal 2014 by our Company was ₹ Nil Lacs.

Ms. Sakshi Karnani, aged 24 years, is the Assistant Company Secretary of our Company. She is a qualified Company Secretary from the Institute of Company Secretaries of India. She has also completed her B.Com (Hons.) from Calcutta University. She has approximately 1 year of experience in company secretarial and accounting matters. Prior to joining our Company, she has worked with SBS India Private Limited. At present, she assists our Company Secretary in the secretarial matters of our Company. She joined our Company on September 1, 2014. The gross remuneration paid to her in the Fiscal 2014 by our Company was ₹ Nil Lacs.

Notes:

- All of our Key Managerial Personnel mentioned above are on the payrolls of our Company as permanent employees.
- There is no agreement or understanding with major shareholders, customers, suppliers or others pursuant to which any of the above mentioned personnel was selected as a director or member of senior management.
- None of the key managerial personnel are “related” to the Promoters or Directors of our Company within the meaning of Section 2(77) of the Companies Act, 2013.

Details of Service Contracts of our Key Managerial Personnel

Our key managerial personnel have not entered into any other contractual arrangements with our Company.

Bonus and/ or Profit Sharing Plan for the Key Managerial Personnel

Our Company does not have any bonus and / or profit sharing plan for the key managerial personnel.

Contingent and Deferred Compensation payable to Key Managerial Personnel

None of our Key Managerial Personnel has received or is entitled to any contingent or deferred compensation.

Shareholding of the Key Managerial Personnel

None of our Key Managerial Personnel are holding any Equity Shares in our Company as on the date of the Prospectus.

Interest of Key Managerial Personnel

None of our key managerial personnel have any interest in our Company other than to the extent of the remuneration or benefits to which they are entitled to our Company as per their terms of appointment and reimbursement of expenses incurred by them during the ordinary course of business.

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

Following have been the changes in the Key Managerial Personnel during the last three years:

| Sr. No. | Name | Date of Joining | Date of Leaving | Reason |
|---------|-----------------------|-------------------|-----------------|-------------|
| 1. | Ms. Babita Kaur Bagga | September 6, 2014 | | |
| 2. | Ms. Sakshi Karnani | September 1, 2014 | -- | Appointment |
| 3. | Mr. Ritesh Shaw | September 1, 2014 | | |
| 4. | Mr. Manoranjan Sahoo | January 4, 2012 | -- | Appointment |

Scheme of Employee Stock Options or Employee Stock Purchase

Our Company does not have any Employee Stock Option Scheme or other similar scheme giving options in our Equity Shares to our employees.

Employees

As on the October 10, 2014, our Company has 232 employees which includes both permanent and contractual employees. For details of the Employees/ Manpower of our Company, please refer to the paragraph titled ‘Manpower’ under the chapter titled ‘Our Business’ beginning on page 71 of the Prospectus.

Loans to Key Managerial Personnel

There are no loans outstanding against the key managerial personnel as on the date of the Prospectus.

Payment of Benefits to officers of our Company (non-salary related)

Except for the payment of salaries and perquisites and reimbursement of expenses incurred in the ordinary course of business, and the transactions as enumerated in the chapter titled “Financial Information” and the chapter titled “Our Business” beginning on pages 120 and 71 of the Prospectus, we have not paid/ given any benefit to the officers of our Company, since incorporation and nor do we intend to make such payment/ give such benefit to any officer as on the date of the Prospectus.

Retirement Benefits

Except statutory benefits upon termination of their employment in our Company or superannuation, no officer of our Company is entitled to any benefit upon termination of his employment in our Company.

OUR PROMOTERS AND PROMOTER GROUP

OUR PROMOTERS

The Promoters of our Company are:

Individual Promoter:

1. Mr. Mukesh Goel
2. Mr. Manoj Goel

Corporate Promoters:

3. Pratik Suppliers Private Limited

Brief profile of our Promoters is as under:



Mr. Mukesh Goel, aged 36 years, is the Promoter and Managing Director of our Company. He has completed his Bachelors in Commerce from Calcutta University. He has experience of over 14Years in Iron & Steel, Cement and allied industries. He started his career as iron & steel broker and was involved in trading. He also has experience in cement, women’s garment retailing and wholeselling. He was instrumental in the acquisition of our Company from earstwhile promoters in the year 2009. He takes care of day to day business of our Company. He provides the required strategic guidance to our Company.

Passport No: F6932123

Driving License: WB-012003648657

Voters ID: KWK2754372

PAN: ADDPG2668N

Address: AD-235, Salt Lake City, Sector I, PO-CC Block, Bidhan Nagar, Kolkata – 700 064, West Bengal

For further details relating to Mr. Mukesh Goel, please refer to the chapter titled “*Our Management*” beginning on page number 89 of the Prospectus.



Mr. Manoj Goel, aged 34 years, is the Promoter and Director of our Company. He has completed his Bachelors in Commerce from Calcutta University. He has experience of over 10Years in Iron & Steel industry. He started his career in iron & steel trading and was involved in trading. He is also involved in the garment and cement business of the family. He is involved in the marketing of our Company’s Products and takes care of raw material procurement.

Passport No: H6522990

Driving License: WB-012009721950

Voters ID: KWK2754364

PAN: AHMPG7204K

Address: AD-235, Salt Lake City, Sector I, PO-CC Block, Bidhan Nagar, Kolkata – 700 064, West Bengal

For further details relating to Mr. Manoj Goel, please refer to the chapter titled “*Our Management*” beginning on page number 89 of the Prospectus.

Declaration

Our Company hereby confirms that the personal details of our Individual Promoters viz., Permanent Account Number, Passport Number, and Bank Account Number will be submitted to BSE, at the time of filing the Prospectus with them.

Our Corporate Promoters**Pratik Suppliers Private Limited (PSPL)**

PSPL was incorporated as a private limited company under the Companies Act, 1956 pursuant to Certificate of Incorporation dated December 18, 2008 issued by the Registrar of Companies, West Bengal. The corporate identification number is U51909WB2008PTC131338.

The registered office of PSPL is situated at Room No. 403, The Garment Park, 19, Canal South Road, SDF – 5, Kolkata, West Bengal.

PSPL was incorporated with the objects of undertaking trading business, however the company is not undertaking any business activity.

Board of Directors

Currently, the Board of Directors of PSPL consists of:

| Sr. No. | Name | Designation |
|---------|-----------------|-------------|
| 1. | Mr. Manoj Goel | Director |
| 2. | Mr. Mukesh Goel | Director |

Shareholding Pattern

| Sr. No. | Name of Shareholders | Number of Shares | Percentage of shareholding |
|---------|----------------------------------|------------------|----------------------------|
| 1 | Mukesh Goel | 9200 | 1.38% |
| 2 | Manoj Goel | 6000 | 0.90% |
| 3 | Maina Securities Private Limited | 653600 | 97.73% |
| | Total | 668800 | 100.00% |

Promoters of PSPL

The promoters of PSPL are Mr. Mukesh Goel, Mr. Manoj Goel and Maina Securities Private Limited.

Change in Management

PSPL was originally promoted by Mr. Dushmantha Kumar Swain and Mr. Amit Singh. Our current Promoters acquired the Company in March 2011.

Audited Financial Information

(₹ In Lacs)

| Particulars | For the period ended March 31 | | |
|---|-------------------------------|----------|----------|
| | 2014 | 2013 | 2012 |
| Authorised Capital | 67.00 | 67.00 | 67.00 |
| Equity Capital | 66.88 | 66.88 | 66.88 |
| Reserves and Surplus | 1,581.19 | 1,581.14 | 1,581.14 |
| Misc. Expenditure to the extent not written off | 0.00 | 0.00 | 0.00 |
| Total Income | 0.67 | 0.72 | 0.58 |
| Profit / (Loss) after tax | 0.06 | (0.00) | (0.01) |
| Earnings per share (₹) | 0.01 | (0.00) | (0.00) |
| Net Asset Value Per Share (₹) | 246.42 | 246.41 | 246.41 |
| Face Value | 10.00 | 10.00 | 10.00 |

Other disclosures:

The equity shares of PSPL are not listed on any exchange. No action has been taken against the company by any Stock Exchange or SEBI.

PSPL is not sick company within the meaning of Sick Industrial Companies (Special Provisions) Act, 1985 and is not under the Board for Industrial and Financial Reconstruction. Further PSPL is not under winding up, neither does it have a negative networth. There are no defaults in meeting any statutory/bank/institutional dues. No proceedings have been initiated for economic offences against PSPL.

We hereby confirm that the Permanent Account Number, Bank Account Number, Company Registration Number and the addresses of the Registrar of Companies where PSPL is registered will be submitted to BSE at the time of filing the Prospectus with them.

Our Promoters and the members of our Promoter Group have not been debarred from accessing the capital markets under any order or direction passed by SEBI or any other regulatory or governmental authority. None of our Promoters was or is 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 the SEBI.

Further, neither our Promoter, the relatives of our Promoters (as defined under the Companies Act) nor our Group Companies have been declared as a willful defaulter by the RBI or any other government authority and there are no violations of securities laws committed by any of our Promoters in the past and no proceedings for violation of securities laws are pending against any of the Promoters.

INTEREST OF PROMOTER

Interest in promotion of our Company

Our Promoters are interested in the promotion of our Company in their capacity as a shareholder of our Company and influencing significant control over the management and policy decisions of our Company.

Interest in the property of our Company

Our Promoters do not have any interest in any property acquired by or proposed to be acquired by our Company two years prior to filing of the Prospectus.

Interest as member of our Company

Our Promoters and members of the Promoter Group jointly hold 128,49,750 Equity Shares aggregating to 100% of pre-Issue Equity Share Capital in our Company and are therefore interested to the extent of their respective shareholding and the dividend declared, if any, by our Company. Except to the extent of their respective shareholding in our Company and as given in the chapter titled “*Our Management*” beginning on page 89 of the Prospectus, our Promoters and members of the Promoter Group hold no other interest in our Company.

Interest as a creditor of our Company

As on the date of the Prospectus our Company has not availed any secured loan from any of the Promoters of our Company.

Interest as Director of our Company

Except as stated in the “*Related Party Transactions*” beginning on page 104 of the Prospectus, our Promoters / Directors, may be deemed to be interested to the extent of fees, if any, payable to them for attending meetings of our Board or Committees thereof as well as to the extent of remuneration and/or reimbursement of expenses payable to them for services rendered to us in accordance with the provisions of the Companies Act and in terms of our AoA.

Interest in transactions involving acquisition of land

Our Promoters are not currently interested in any transaction with our Company involving acquisition of land, construction of building or supply of any machinery.

Payment or benefit to Promoters of the issuer:

Except as stated in the “*Related Party Transactions*” beginning on page 104 of the Prospectus and remuneration paid to our Managing Director, no amount or benefit has been paid or given within the two years preceding the date of filing Prospectus with the BSE or intended to be paid or given to any Promoters or promoter group and consideration for payment of giving of the benefit.

Other Ventures of our Promoter

Save and except as disclosed in the chapters titled ‘*Our Group Entities*’ beginning on page 109 of the Prospectus, there are no other ventures of our Promoter in which they have business interests/other interests.

Related Party Transactions

The company has entered into following related party transactions for the periods covered under audit. Such parties and transactions are identified as per accounting standard 18 issued by Institute of Chartered Accountants of India.

| Name of the Key Managerial Personnel | Relationship |
|---|------------------------------|
| Mr. Mukesh Goel | Promoter / Managing Director |
| Mr. Manoj Goel | Promoter Director |
| Pratik Suppliers Private Limited | Promoter Company |
| Mr. Sitaram Goyal | Relative of Directors |
| Mrs. Maina Devi Goel | Relative of Directors |
| Mrs. Rashmi Goel | Relative of Directors |
| Mrs. Ranju Goel | Relative of Directors |
| Khush Goel | Relative of Directors |
| Rashi Goel | Relative of Directors |
| Mrs. Monika Goel | Relative of Directors |
| Aanchal Goel | Relative of Directors |
| Isha Goel | Relative of Directors |
| Aanchal Collection Limited | Group Company |
| Aanchal Cement Limited | Group Company |
| Aanchal Iron & Steels Private Limited | Group Company |
| Kalayani Rice Mills Private Limited | Group Company |
| Maina Securities Private Limited | Group Company |
| Haldia Alloys & Ispat Private Limited | Group Company |
| Khush Metalliks Private Limited | Group Company |
| Penguin Creation Private Limited | Group Company |
| Jaya Rice Mills Private Limited | Group Company |
| Mukesh Goel HUF | Group Entity |
| Manoj Goel HUF | Group Entity |

Durga Alloy Private Limited

Common Directors at the time of Transaction

Transactions with Related Parties:

(₹ In lacs)

| Particulars | 30.09.14 | 31.03.14 | 31.03.13 | 31.03.12 | 31.03.11 | 31.03.10 |
|---|----------|----------|----------|----------|----------|----------|
| Loans & Advances Given | | | | | | |
| Mukesh Goel | 26.36 | 0.40 | 46.30 | 16.46 | 14.45 | 90.25 |
| Manoj Goel | 0.00 | 5.85 | 24.09 | 8.66 | 31.70 | 5.00 |
| Rashmi Goel | 0.00 | 0.20 | 5.05 | 0.00 | 3.00 | 0.00 |
| Monika Goel | 0.00 | 0.22 | 4.99 | 0.00 | 0.00 | 0.00 |
| Maina Devi Goel | 0.00 | 0.20 | 5.04 | 0.00 | 0.00 | 0.00 |
| Maina Securities Private Limited | 0.00 | 9.30 | 28.00 | 6.00 | 0.00 | 0.00 |
| Aanchal Cement Limited | 0.00 | 2,487.46 | 2,766.87 | 734.61 | 518.00 | 21.40 |
| Penguin Creation Private Limited | 0.00 | 0.25 | 0.02 | 13.69 | 0.00 | 0.00 |
| Aanchal Collection Limited | 44.67 | 368.88 | 157.50 | 17.00 | 95.05 | 5.82 |
| Aanchal Iron & Steels Private Limited | 0.00 | 376.89 | 198.25 | 168.36 | 0.00 | 0.00 |
| | | | | | | |
| Loans & Advances repayment by related party/ Unsecured Loan Received | | | | | | |
| Mukesh Goel | 33.00 | 29.96 | 17.10 | 25.45 | 5.10 | 90.25 |
| Manoj Goel | 0.00 | 28.91 | 3.60 | 36.45 | 5.10 | 1.25 |
| Rashmi Goel | 0.00 | 5.25 | 0.00 | 3.00 | 0.00 | 0.00 |
| Monika Goel | 0.00 | 5.21 | 0.00 | 0.00 | 0.00 | 0.00 |
| Maina Devi Goel | 0.00 | 5.24 | 0.00 | 0.00 | 0.00 | 0.00 |
| Maina Securities Private Limited | 0.00 | 43.30 | 0.00 | 0.00 | 0.00 | 0.00 |
| Aanchal Cement Limited | 0.00 | 2,481.87 | 2,772.46 | 734.61 | 483.00 | 24.90 |
| Penguin Creation Private Limited | 0.00 | 13.50 | 0.02 | 0.44 | 0.00 | 0.00 |
| Aanchal Collection Limited | 50.00 | 413.27 | 147.90 | 25.00 | 42.75 | 15.33 |
| Aanchal Iron & Steels Private Limited | 70.00 | 406.5 | 267.01 | 0.00 | 0.00 | 0.00 |
| Durga Alloy Private Limited | 0.00 | 225 | 0.00 | 0.00 | 0.00 | 0.00 |
| | | | | | | |
| <u>Outstanding</u> | | | | | | |
| Loans & Advances Given | | | | | | |
| Mukesh Goel | 0.00 | 0.00 | 29.56 | 0.36 | 9.35 | 0.00 |
| Manoj Goel | 0.00 | 0.00 | 23.05 | 2.56 | 30.35 | 3.75 |
| Rashmi Goel | 0.00 | 0.00 | 5.05 | 0.00 | 3.00 | 0.00 |
| Monika Goel | 0.00 | 0.00 | 4.99 | 0.00 | 0.00 | 0.00 |

| | | | | | | |
|---------------------------------------|--------|--------|----------|--------|--------|-------|
| Maina Devi Goel | 0.00 | 0.00 | 5.04 | 0.00 | 0.00 | 0.00 |
| Maina Securities Private Limited | 0.00 | 0.00 | 34.00 | 6.00 | 0.00 | 0.00 |
| Aanchal Cement Limited | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Penguin Creation Private Limited | 0.00 | 0.00 | 13.25 | 13.25 | 0.00 | 0.00 |
| Aanchal Collection Limited | 0.00 | 0.00 | 44.39 | 34.79 | 42.79 | 0.00 |
| Aanchal Iron & Steels Private Limited | 0.00 | 70.00 | 99.60 | 168.36 | 0.00 | 0.00 |
| | | | | | | |
| Unsecured Loans - Taken | | | | | | |
| Mukesh Goel | 6.64 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Aanchal Cement Limited | 0.00 | 0.00 | 5.59 | 0.00 | 0.00 | 35.00 |
| Aanchal Collection Limited | 5.33 | 0.00 | 0.00 | 0.00 | 0.00 | 9.51 |
| Aanchal Iron & Steels Private Limited | 0.00 | 0.00 | 0.00 | 0.00 | 3.43 | 0.00 |
| Durga Alloy Private Limited | 225.00 | 225.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| | | | | | | |
| <u>Purchases</u> | | | | | | |
| Aanchal Iron & Steels Private Limited | 0.00 | 0.00 | 480.62 | 132.64 | 0.00 | 0.00 |
| Aanchal Cement Limited | 0.00 | 164.88 | 1,054.74 | 485.21 | 114.42 | 0.00 |
| | | | | | | |
| <u>Sales</u> | | | | | | |
| Aanchal Iron & Steels Private Limited | 0.00 | 0.00 | 4.11 | 5.76 | 0.00 | 0.00 |
| Aanchal Cement Limited | 0.00 | 0.00 | 175.91 | 0.00 | 0.00 | 0.00 |
| | | | | | | |
| <u>Director Remuneration</u> | | | | | | |
| Mukesh Goel | 1.80 | 3.60 | 3.60 | 3.60 | 3.60 | 0.00 |
| Manoj Goel | 0.00 | 0.00 | 3.60 | 3.60 | 3.60 | 0.00 |

Our Promoter Group:

Our Promoter and Promoter Group in terms of Regulation 2(1)(za) and 2(1)(zb) of the SEBI (ICDR) Regulations is as under:

Promoter:**Individual Promoter:**

Mr. Mukesh Goel
Mr. Manoj Goel

Corporate Promoter:

Pratik Suppliers Private Limited

i. Natural Persons who form part of our Promoter Group:

| Relationship | Mr. Mukesh Goel | Mr. Manoj Goel |
|---------------------|---|---------------------------|
| Father | Mr. Sitaram Goyal | Mr. Sitaram Goyal |
| Mother | Mrs. Maina Devi Goel | Mrs. Maina Devi Goel |
| Spouse | Mrs. Rashmi Goel | Mrs. Monika Goel |
| Brother | Mr. Manoj Goel | Mr. Mukesh Goel |
| Sister | Mrs. Ranju Goel | Mrs. Ranju Goel |
| Son | Khush Goel | -- |
| Daughter | Rashi Goel | Aanchal Goel Isha Goel |
| Spouse's Father | Mr. Jai Prakash Gupta | Mr. Sishpal Agarwal |
| Spouse's Mother | Mrs. Parnati Gupta | Mrs. Bimla Agarwal |
| Spouse's Brother | Mr. Deepak Gupta Mr. Pradip Gupta | Mr. Sunil Agarwal |
| Spouse's Sister | Mrs. Jyoti Agarwal Mrs. Nikita Agarwal | Mrs. Suman Kedia |

ii. Entities forming part of the Promoter Group**i. Companies**

- Aanchal Collection Limited
- Aanchal Cement Limited
- Aanchal Iron & Steels Private Limited
- Kalayani Rice Mills Private Limited
- Maina Securities Private Limited
- Haldia Alloys & Ispat Private Limited
- Khush Metalliks Private Limited
- Penguin Creation Private Limited
- Jaya Rice Mills Private Limited

ii. Hindu Undivided Family:

- Mukesh Goel HUF
- Manoj Goel HUF

iii. Partnership Firms : NIL**iv. Proprietary Concerns: NIL****v. Trusts: Nil**

- vi. **All persons whose shareholding is aggregated for the purpose of disclosing in the Prospectus under the heading "shareholding of the promoter group": Nil**

Relationship of Promoter with our Directors

Mr. Mukesh Goel and Mr. Manoj Goel are brothers. There is no relationship between our Promoters and Directors.

Changes in our Promoter

Our Company was originally promoted by Mr. Swetadri Ray and Mr. Siddheswar Barik. Our current promoters Mr. Mukesh Goel, Mr. Manoj Goel and Pratik Suppliers Private Limited became promoters of our Company in January 2010 when they acquired the Equity Shares of our Company from erstwhile promoters and shareholders and tookover the management and business of our Company.

OUR GROUP ENTITIES

As on the date of the Prospectus, following entities that are promoted by our Promoters:

As on the date of the Prospectus, none of our Group Companies are listed on any stock exchange and they have not made any public or rights issue of securities in the preceding three years. Further, unless otherwise stated none of our Group Companies is a sick company under the meaning of Sick Industrial Companies (Special Provisions) Act, 1985 (“SICA”) and none of them is under winding up. Further no application has been made, in respect of any of the Group Companies, to the Registrar of Companies for striking off their names. Additionally, none of our Group Companies have become defunct in the five years preceding the filing of the Prospectus.

1. GROUP COMPANIES

A. Aanchal Collection Limited (ACL)

Corporate Information

ACL was incorporated on October 4, 2004 as a private limited company under the Companies Act, 1956 and registered with the Registrar of Companies, West Bengal. The Company was converted into a public limited company and the name was changed to Aanchal Collection Limited pursuant to a Fresh Certificate of Incorporation dated March 12, 2008 issued by the Registrar of Companies, West Bengal, Kolkata. The CIN of ACL is U18109WB2004PLC100039. The registered office of ACL is situated at P-29, C I T Road, Scheme – XII, Kankurgachi, Kolkata – 700054. ACL is engaged in the business of manufacturing and trading of women’s ethnic wear.

Capital Structure and Shareholding Pattern

The authorized share capital of ACL is ₹ 500.00 Lacs divided into 50,00,000 equity shares of ₹ 10 each and paid-up share capital of ACL is ₹ 97.64 Lacs divided into 976432 equity shares of ₹ 10 each. The shareholding pattern of ACL is as follows:

| Sr. No. | Name of Shareholders | Number of Shares | Percentage of shareholding |
|---------|--------------------------------------|------------------|----------------------------|
| 1. | Aanchal Iron & Steel Private Limited | 209533 | 21.46% |
| 2. | Maina Securities Private Limited | 206550 | 21.15% |
| 3. | Manoj Goel | 155000 | 15.87% |
| 4. | Manoj Goel HUF | 30000 | 3.07% |
| 5. | Monika Goel | 25000 | 2.56% |
| 6. | Mukesh Goel (HUF) | 35000 | 3.58% |
| 7. | Pratik Suppliers Private Limited | 43333 | 4.44% |
| 8. | Rashmi Goel | 216516 | 22.17% |
| 9. | Sitaram Goyal | 5500 | 0.56% |
| 10. | Sitaram Goyal HUF | 50000 | 5.12% |
| | Total | 976432 | 100.00% |

Board of Directors

Mr. Manoj Goel, Mr. Mukesh Goel & Mr. Sitaram Goyal

Financial Information

(₹ in lacs, except per share data)

| Particulars | For the period ended March 31 | | |
|----------------------|-------------------------------|--------|--------|
| | 2013 | 2012 | 2011 |
| Authorised Capital | 500.00 | 100.00 | 100.00 |
| Equity Capital | 97.64 | 84.88 | 66.39 |
| Reserves and Surplus | 1,125.64 | 958.16 | 631.27 |
| P&L Dr. Balance | 0.00 | 0.00 | 0.00 |

| | | | |
|---|----------|----------|----------|
| Misc. Expenditure to the extent not written off | 0.00 | 0.00 | 0.00 |
| Total Income | 4,003.68 | 3,140.43 | 3,919.00 |
| Profit / (Loss) after tax | 20.74 | 67.98 | 47.55 |
| Earnings per share (₹) | 2.12 | 8.01 | 7.16 |
| Net Asset Value Per Share (₹) | 125.28 | 122.88 | 105.09 |
| Face Value | 10.00 | 10.00 | 10.00 |

B. Aanchal Cement Limited (Aanchal Cement)

Corporate Information

AANCHAL CEMENT was incorporated on August 25, 1995 as Kalika Cement Company Private Limited, a private limited company under the Companies Act, 1956 and registered with the Registrar of Companies, West Bengal. The name of the Company was changed to Kalika Cement Private Limited pursuant to a Fresh Certificate of Incorporation dated July 31, 2008 issued by the Registrar of Companies, West Bengal. The Company was converted into a public limited company and the name was changed to Kalika Cement Limited pursuant to a Fresh Certificate of Incorporation dated September 18, 2008 issued by the Registrar of Companies, West Bengal. The name of the Company was changed to Aanchal Cement Limited pursuant to a Fresh Certificate of Incorporation dated November 29, 2012 issued by the Registrar of Companies, West Bengal. The CIN of AANCHAL CEMENT is U26942WB1995PLC073703. The registered office of AANCHAL CEMENT is situated at 23A, N.S. Road, 7th Floor, Room No. 5, Kolkata – 700001. AANCHAL CEMENT is engaged in the business of manufacturing of cement and trading of clinker.

Capital Structure and Shareholding Pattern

The authorized share capital of AANCHAL CEMENT is ₹ 200.00 Lacs divided into 20,00,000 equity shares of ₹ 10 each and paid-up share capital of AANCHAL CEMENT is ₹ 110.95 Lacs divided into 1109450 equity shares of ₹ 10 each. The shareholding pattern of AANCHAL CEMENT is as follows:

| Sr. No. | Name of Shareholders | Number of Shares | Percentage of shareholding |
|---------|-----------------------------------|------------------|----------------------------|
| 1. | Maina Devi Goel | 70000 | 6.31% |
| 2. | Maina Securities Private Limited | 160000 | 14.42% |
| 3. | Manoj Goel | 70000 | 6.31% |
| 4. | Manoj Goel HUF | 100700 | 9.08% |
| 5. | Monika Goel | 102000 | 9.19% |
| 6. | Mukesh Goel | 62900 | 5.67% |
| 7. | Mukesh Goel (HUF) | 125000 | 11.27% |
| 8. | P.G. Commercial Private Limited | 31250 | 2.82% |
| 9. | Pratik Suppliers Private Limited | 102500 | 9.24% |
| 10. | Rashmi Goel | 70000 | 6.31% |
| 11. | Sidlow Commercial Private Limited | 25000 | 2.25% |
| 12. | Sitaram Goyal | 70000 | 6.31% |
| 13. | Sitaram Goyal HUF | 120100 | 10.83% |
| | Total | 1109450 | 100.00% |

Board of Directors

Mr. Manoj Goel, Mr. Mukesh Goel & Mr. Pradip Gupta

Financial Information*(₹ in lacs, except per share data)*

| Particulars | For the period ended | | |
|---|----------------------|----------|----------|
| | 2013 | 2012 | 2011 |
| Authorised Capital | 200.00 | 100.00 | 100.00 |
| Equity Capital | 110.95 | 95.07 | 95.07 |
| Reserves and Surplus | 724.76 | 565.57 | 532.39 |
| P&L Dr. Balance | 0.00 | 0.00 | 0.00 |
| Misc. Expenditure to the extent not written off | 0.00 | 0.00 | 0.00 |
| Total Income | 15,421.84 | 7,000.16 | 6,163.45 |
| Profit / (Loss) after tax | 48.07 | 33.18 | 16.10 |
| Earnings per share (₹) | 4.33 | 3.49 | 1.69 |
| Net Asset Value Per Share (₹) | 75.32 | 69.49 | 66.00 |
| Face Value | 10.00 | 10.00 | 10.00 |

C. Aanchal Iron & Steels Private Limited (AISPL)**Corporate Information**

AISPL was incorporated on March 14, 2008 as a private limited company under the Companies Act, 1956 and registered with the Registrar of Companies, West Bengal. The CIN of AISPL is U27310WB2008PTC124171. The registered office of AISPL is situated at 23A, N.S. Road, 7th Floor, Kolkata – 700001. AISPL is engaged in the business of trading of iron & steel and related products.

Capital Structure and Shareholding Pattern

The authorized share capital of AISPL is ₹ 50.00 Lacs divided into 5,00,000 equity shares of ₹ 10 each and paid-up share capital of AISPL is ₹ 24.00 Lacs divided into 2,40,000 equity shares of ₹ 10 each. The shareholding pattern of AISPL is as follows:

| Sr. No. | Name of Shareholders | Number of Shares | Percentage of shareholding |
|---------|----------------------|------------------|----------------------------|
| 1. | Maina Devi Goel | 40000 | 16.67% |
| 2. | Manoj Goel | 30000 | 12.50% |
| 3. | Manoj Goel HUF | 30000 | 12.50% |
| 4. | Monika Goel | 10000 | 4.17% |
| 5. | Mukesh Goel | 60000 | 25.00% |
| 6. | Mukesh Goel (HUF) | 15000 | 6.25% |
| 7. | Rashmi Goel | 20000 | 8.33% |
| 8. | Sitaram Goyal | 25000 | 10.42% |
| 9. | Sitaram Goyal HUF | 10000 | 4.17% |
| | Total | 240000 | 100.00% |

Board of Directors

Mr. Manoj Goel and Mr. Mukesh Goel

Financial Information*(₹ in lacs, except per share data)*

| Particulars | For the period ended March 31 | | |
|--------------------|-------------------------------|-------|-------|
| | 2014 | 2013 | 2012 |
| Authorised Capital | 50.00 | 50.00 | 50.00 |

| | | | |
|---|----------|----------|----------|
| Equity Capital | 24.00 | 24.00 | 24.00 |
| Reserves and Surplus | | | |
| P&L Dr. Balance | (130.19) | (137.59) | 225.38 |
| Misc. Expenditure to the extent not written off | - | - | - |
| Total Income | - | - | - |
| Profit / (Loss) after tax | 23.35 | 1,030.84 | 3,618.76 |
| Earnings per share (₹) | 7.40 | (362.97) | 3.45 |
| Net Asset Value Per Share (₹) | 3.08 | (151.24) | 1.44 |
| Face Value | (44.25) | (47.33) | 103.91 |

D. Kalayani Rice Mills Private Limited (KRMPL)

Corporate Information

KRMPL was incorporated on February 13, 2007 as a private limited company under the Companies Act, 1956 and registered with the Registrar of Companies, West Bengal. The CIN of KRMPL is U15312WB2007PTC113375. The registered office of KRMPL is situated at 23A, Netaji Subhash Road, 7th Floor, Room No. 5, Kolkata – 700001. KRMPL was incorporated with the objects of rice processing and trading. The company is not carrying any business activity.

Capital Structure and Shareholding Pattern

The authorized share capital of KRMPL is ₹ 25.00 Lacs divided into 2,50,000 equity shares of ₹ 10 each and paid-up share capital of KRMPL is ₹ 2.40 Lacs divided into 24,000 equity shares of ₹ 10 each. The shareholding pattern of KRMPL is as follows:

| Sr. No. | Name of Shareholders | Number of Shares | Percentage of shareholding |
|---------|------------------------|------------------|----------------------------|
| 1. | Aanchal Cement Limited | 14000 | 58.33% |
| 2. | Manoj Goel | 5000 | 20.83% |
| 3. | Mukesh Goel | 5000 | 20.83% |
| | Total | 24000 | 100.00% |

Board of Directors

Mr. Manoj Goel and Mr. Mukesh Goel

Financial Information

(₹ in lacs, except per share data)

| Particulars | For the period ended March 31 | | |
|---|-------------------------------|-------|-------|
| | 2013 | 2012 | 2011 |
| Authorised Capital | 25.00 | 25.00 | 25.00 |
| Equity Capital | 2.40 | 2.40 | 2.40 |
| Reserves and Surplus | 12.07 | 12.17 | 12.27 |
| Misc. Expenditure to the extent not written off | 0.00 | 0.00 | 0.00 |
| Total Income | 0.00 | 0.00 | 0.00 |
| Profit / (Loss) after tax | -0.10 | -0.11 | -0.08 |
| Earnings per share (₹) | -0.40 | -0.45 | -0.34 |
| Net Asset Value Per Share (₹) | 60.29 | 60.71 | 61.13 |
| Face Value | 10.00 | 10.00 | 10.00 |

E. Maina Securities Private Limited (MSPL)**Corporate Information**

MSPL was incorporated on May 15, 2009 as a private limited company under the Companies Act, 1956 and registered with the Registrar of Companies, West Bengal. The CIN of MSPL is U74900WB2009PTC135111. The registered office of MSPL is situated at 23A, Netaji Subhash Road, 7th Floor, Room No. 5, Kolkata – 700001. MSPL was incorporated with the objects of merchant banking and advisory services.

Capital Structure and Shareholding Pattern

The authorized share capital of MSPL is ₹ 35.00 Lacs divided into 3,50,000 equity shares of ₹ 10 each and paid-up share capital of MSPL is ₹ 21.10 Lacs divided into 2,11,000 equity shares of ₹ 10 each. The shareholding pattern of MSPL is as follows:

| Sr. No. | Name of Shareholders | Number of Shares | Percentage of shareholding |
|---------|----------------------|------------------|----------------------------|
| 1. | Manoj Goel | 51500 | 24.41% |
| 2. | Manoj Goel HUF | 30000 | 14.22% |
| 3. | Monika Goel | 10000 | 4.74% |
| 4. | Mukesh Goel | 57500 | 27.25% |
| 5. | Mukesh Goel HUF | 32000 | 15.17% |
| 6. | Rashmi Goel | 10000 | 4.74% |
| 7. | Sitaram Goyal | 20000 | 9.48% |
| | Total | 211000 | 100.00% |

Board of Directors

Mr. Manoj Goel and Mr. Mukesh Goel

Financial Information

(₹ in lacs, except per share data)

| Particulars | For the period ended March 31 | | |
|---|-------------------------------|--------|--------|
| | 2013 | 2012 | 2011 |
| Authorised Capital | 35.00 | 35.00 | 35.00 |
| Equity Capital | 21.10 | 21.10 | 14.20 |
| Reserves and Surplus | 152.96 | 152.62 | 90.90 |
| Misc. Expenditure to the extent not written off | 0.00 | 0.00 | 0.00 |
| Total Income | 0.99 | 0.00 | 0.00 |
| Profit / (Loss) after tax | 0.34 | (0.38) | (0.38) |
| Earnings per share (₹) | 0.16 | (0.18) | (0.27) |
| Net Asset Value Per Share (₹) | 82.49 | 82.33 | 74.01 |
| Face Value | 10.00 | 10.00 | 10.00 |

F. Haldia Alloys & Ispat Private Limited (HAIPL)**Corporate Information**

HAIPL was incorporated on March 17, 2008 as a private limited company under the Companies Act, 1956 and registered with the Registrar of Companies, West Bengal. The CIN of HAIPL is U27310WB2008PTC124179. The registered office of HAIPL is situated at 23A, Netaji Subhash Road, 7th Floor, Room No. 5, Kolkata – 700001. HAIPL was incorporated with the objects of undertaking iron & steel business, however the company is not undertaking any business activity.

Capital Structure and Shareholding Pattern

The authorized share capital of HAIPL is ₹ 10.00 Lacs divided into 1,00,000 equity shares of ₹ 10 each and paid-up share capital of HAIPL is ₹ 1.00 Lacs divided into 10,000 equity shares of ₹ 10 each. The shareholding pattern of HAIPL is as follows:

| Sr. No. | Name of Shareholders | Number of Shares | Percentage of shareholding |
|---------|----------------------|------------------|----------------------------|
| 1. | Manoj Goel | 5000 | 50.00% |
| 2. | Mukesh Goel | 5000 | 50.00% |
| | Total | 10000 | 100.00% |

Board of Directors

Mr. Manoj Goel and Mr. Mukesh Goel

Financial Information

(₹ in lacs, except per share data)

| Particulars | For the period ended March 31 | | |
|---|-------------------------------|--------|--------|
| | 2014 | 2013 | 2012 |
| Authorised Capital | 10.00 | 10.00 | 1.00 |
| Equity Capital | 1.00 | 1.00 | 1.00 |
| Reserves and Surplus | (0.93) | (1.00) | (0.89) |
| Misc. Expenditure to the extent not written off | - | - | - |
| Total Income | 0.20 | - | - |
| Profit / (Loss) after tax | 0.07 | (0.11) | (0.17) |
| Earnings per share (₹) | 0.70 | (1.09) | (1.70) |
| Net Asset Value Per Share (₹) | 0.70 | (0.01) | 1.10 |
| Face Value | 10.00 | 10.00 | 10.00 |

G. Khush Metalliks Private Limited (KMPL)**Corporate Information**

KMPL was incorporated on March 25, 2008 as a private limited company under the Companies Act, 1956 and registered with the Registrar of Companies, West Bengal. The CIN of KMPL is U27100WB2008PTC124444. The registered office of KMPL is situated at 23A, Netaji Subhash Road, 7th Floor, Room No. 5, Kolkata – 700001. KMPL was incorporated with the objects of undertaking iron & steel business, however the company is not undertaking any business activity.

Capital Structure and Shareholding Pattern

The authorized share capital of KMPL is ₹ 25.00 Lacs divided into 2,50,000 equity shares of ₹ 10 each and paid-up share capital of KMPL is ₹ 1.00 Lacs divided into 10,000 equity shares of ₹ 10 each. The shareholding pattern of KMPL is as follows:

| Sr. No. | Name of Shareholders | Number of Shares | Percentage of shareholding |
|--------------|----------------------|------------------|----------------------------|
| 1. | Manoj Goel | 5000 | 50.00% |
| 2. | Mukesh Goel | 5000 | 50.00% |
| Total | | 10000 | 100.00% |

Board of Directors

Mr. Manoj Goel and Mr. Mukesh Goel

Financial Information

(₹ in lacs, except per share data)

| Particulars | For the period ended March 31 | | |
|---|-------------------------------|--------|--------|
| | 2014 | 2013 | 2012 |
| Authorised Capital | 25.00 | 25.00 | 25.00 |
| Equity Capital | 1.00 | 1.00 | 1.00 |
| Reserves and Surplus | (0.98) | (1.16) | (1.04) |
| Misc. Expenditure to the extent not written off | - | - | - |
| Total Income | 0.36 | - | - |
| Profit / (Loss) after tax | 0.18 | (0.12) | (0.15) |
| Earnings per share (₹) | 1.80 | (1.20) | (1.50) |
| Net Asset Value Per Share (₹) | 0.20 | (1.60) | (0.40) |
| Face Value | 10.00 | 10.00 | 10.00 |

H. Penguin Creation Private Limited (PCPL)

Corporate Information

PCPL was incorporated on April 23, 2007 as a private limited company under the Companies Act, 1956 and registered with the Registrar of Companies, West Bengal. The CIN of PCPL is U51909WB2007PTC115284. The registered office of PCPL is situated at 23A, Netaji Subhash Road, 7th Floor, Room No. 5, Kolkata – 700001. PCPL was incorporated with the objects of undertaking iron & steel business, however the company is not undertaking any business activity.

Capital Structure and Shareholding Pattern

The authorized share capital of PCPL is ₹ 15.00 Lacs divided into 1,50,000 equity shares of ₹ 10 each and paid-up share capital of PCPL is ₹ 14.70 Lacs divided into 1,47,000 equity shares of ₹ 10 each. The shareholding pattern of PCPL is as follows:

| Sr. No. | Name of Shareholders | Number of Shares | Percentage of shareholding |
|--------------|--------------------------------------|------------------|----------------------------|
| 1. | Aanchal Iron & Steel Private Limited | 110,000 | 74.83% |
| 2. | Manoj Goel | 18,500 | 12.59% |
| 3. | Mukesh Goel | 18,500 | 12.59% |
| Total | | 147,000 | 100.00% |

Board of Directors

Mr. Manoj Goel and Mr. Mukesh Goel

Financial Information

(₹ in lacs, except per share data)

| Particulars | For the period ended March 31 | | |
|-------------|-------------------------------|------|------|
| | 2013 | 2012 | 2011 |

| | | | |
|---|--------|--------|--------|
| Authorised Capital | 25.00 | 25.00 | 25.00 |
| Equity Capital | 1.00 | 1.00 | 1.00 |
| Reserves and Surplus | -1.16 | -1.04 | -0.89 |
| Misc. Expenditure to the extent not written off | 0.00 | 0.00 | 0.13 |
| Total Income | 0.00 | 0.00 | 0.00 |
| Profit / (Loss) after tax | (0.12) | (0.15) | (0.22) |
| Earnings per share (₹) | (1.20) | (1.50) | (2.20) |
| Net Asset Value Per Share (₹) | (1.60) | (0.40) | (0.20) |
| Face Value | 10.00 | 10.00 | 10.00 |

I. Jaya Rice Mills Private Limited (JRMPL)

Corporate Information

JRMPL was incorporated on February 13, 2007 as a private limited company under the Companies Act, 1956 and registered with the Registrar of Companies, West Bengal. The CIN of JRMPL is U15312WB2007PTC113374. The registered office of JRMPL is situated at 23A, Netaji Subhash Road, 7th Floor, Room No. 5, Kolkata – 700001. JRMPL was incorporated with the objects of undertaking rice mill and trading business, however the company is not undertaking any business activity.

Capital Structure and Shareholding Pattern

The authorized share capital of JRMPL is ₹ 25.00 Lacs divided into 2,50,000 equity shares of ₹ 10 each and paid-up share capital of JRMPL is ₹ 2.65 Lacs divided into 26,500 equity shares of ₹ 10 each. The shareholding pattern of JRMPL is as follows:

| Sr. No. | Name of Shareholders | Number of Shares | Percentage of shareholding |
|---------|-----------------------|------------------|----------------------------|
| 1. | Manoj Goel | 5000 | 18.87% |
| 2. | Manoj Goel HUF | 5000 | 18.87% |
| 3. | Kalika Cement Limited | 16500 | 62.26% |
| | Total | 26500 | 100.00% |

Board of Directors

Mr. Manoj Goel and Mr. Mukesh Goel

Financial Information

(₹ in lacs, except per share data)

| Particulars | For the period ended March 31 | | |
|---|-------------------------------|--------|--------|
| | 2013 | 2012 | 2011 |
| Authorised Capital | 25.00 | 25.00 | 25.00 |
| Equity Capital | 2.65 | 2.65 | 2.65 |
| Reserves and Surplus | 14.26 | 14.37 | 14.51 |
| Misc. Expenditure to the extent not written off | 0.00 | 0.00 | 0.00 |
| Total Income | 0.00 | 0.00 | 0.00 |
| Profit / (Loss) after tax | (0.12) | (0.14) | (0.08) |
| Earnings per share (₹) | (0.45) | (0.53) | (0.29) |
| Net Asset Value Per Share (₹) | 63.81 | 64.23 | 64.75 |
| Face Value | 10.00 | 10.00 | 10.00 |

2. HUFs

Mukesh Goel HUF

Mr. Mukesh Goel is the karta of Mukesh Goel HUF.

Financial Information

(₹ in Lacs)

| Particulars | For the period ended March 31 | | |
|--------------|-------------------------------|-------|-------|
| | 2014 | 2013 | 2012 |
| Total Income | 3.62 | 3.56 | 3.18 |
| Profit | 3.50 | 3.56 | 3.18 |
| Capital A/c | 24.58 | 24.31 | 20.87 |

Manoj Goel HUF

Mr. Manoj Goel is the karta of Manoj Goel HUF.

Financial Information

(₹ in Lacs)

| Particulars | For the period ended March 31 | | |
|--------------|-------------------------------|-------|-------|
| | 2014 | 2013 | 2012 |
| Total Income | 3.49 | 3.47 | 3.38 |
| Profit | 3.49 | 3.47 | 3.37 |
| Capital A/c | 23.68 | 23.43 | 20.22 |

Companies / Firms from which the Promoters have disassociated themselves in last 3 (three) years

Our Promoter, Mr. Mukesh Goel has disassociated from Durga Alloy & Steel Private Limited and Khush Ispat Private Limited on March 31, 2014 and Our Promoter, Mr. Manoj Goel has disassociated from Durga Alloy & Steel Private Limited and Khush Ispat Private Limited on June 30, 2014 to focus our Company's business. Other than as mentioned above, there are no Companies / Firms from which the Promoters have disassociated themselves in last 3 (three) years.

Negative Net Worth

None of our Group Entities have negative net worth as on the date of the Prospectus.

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

For details of related party transactions entered into by our Company, please refer to "Related Party Transactions" on page 104 of the Prospectus.

Common Pursuits

Our Promoters and Directors are promoters / directors our Group Company namely, Aanchal Iron & Steels Private Limited which is engaged in the business, *inter alia*, of trading of iron and steel and other related products, which is similar to that of our Company.

Other Confirmations

Business interest of Group Entities in our Company

Except as disclosed under "Related Party Transactions", on page 104 of the Prospectus and under the paragraph titled 'Other Agreements' under the chapter titled 'History and Certain Corporate Matters' beginning on page 85 of the Prospectus, none of our Group Entities have business interests in our Company.

Interest in sales and purchases

Except as disclosed under “*Related Party Transactions*” on page 104 of the Prospectus, there have been no sales and purchases between us and our Group Entities, when such sales or purchases exceed in value in the aggregate 10% of the total sales or purchases of our Company.

Interest in promotion of Our Company

None of our Group Entities were interested in the promotion of our Company.

Interest in the property of Our Company

Our Group Entities do not have any interest in any property acquired by or proposed to be acquired by our Company two years prior to filing of the Prospectus.

Interest in the transaction involving acquisition of land

None of our Group Entities were interested in any transaction with our Company involving acquisition of land, construction of building or supply of any machinery.

Further, our Group Entities have confirmed that they have not been detained as willful defaulters by the RBI or any other governmental authority and there are no violations of securities laws committed by them in the past or currently pending against them. None of our Group entities has been (i) prohibited from accessing the capital market under any order or direction passed by SEBI or any other authority or (ii) refused listing of any of the securities issued by such entity by any stock exchange, in India or abroad.

Litigation

For details relating to legal proceedings involving the Promoters and our Group Entities, please refer to the chapter titled ‘*Outstanding Litigations and Material Developments*’ beginning on page 151 of the Prospectus.

Payment or Benefit to our Group Entities

Except as stated in the “*Related Party Transactions*” on page 104 of the Prospectus, there has been no payment of benefits to our Group Entities during the two years prior to the filing of the Prospectus.

DIVIDEND POLICY

Under the Companies Act, our Company can pay dividends upon a recommendation by our Board of Directors and approval by a majority of the shareholders at the Annual General Meeting. The shareholders of our Company have the right to decrease not to increase the amount of dividend recommended by the Board of Directors. The dividends may be paid out of profits of our Company in the year in which the dividend is declared or out of the undistributed profits or reserves of previous fiscal years or out of both. The Articles of Association of our Company also gives the discretion to our Board of Directors to declare and pay interim dividends.

The declaration and payment of dividend will be recommended by our Board of Directors and approved by the shareholders of our Company at their discretion and will depend on a number of factors, including the results of operations, earnings, capital requirements and surplus, general financial conditions, contractual restrictions, applicable Indian legal restrictions and other factors considered relevant by our Board of Directors.

Our Company has no formal dividend policy. The amounts paid as dividends in the past are not necessarily indicative of our Company's dividend policy or dividend amounts, if any, in the future. Investors are cautioned not to rely on past dividends as an indication of the future performance of our Company or for an investment in the Equity Shares. Our Company has not declared any dividends since incorporation.

SECTION V – FINANCIAL INFORMATION

FINANCIAL INFORMATION

RESTATED FINANCIAL STATEMENTS

Auditor’s Report

To,

The Board of Directors,
Aanchal Ispat Limited
Howrah, West Bengal

Dear Sirs,

We have examined the Restated Summary Financial Statements and Other Financial Information of AANCHAL ISPAT LIMITED (the ‘Company’) for each of the five financial years ended March 31, 2010, 2011, 2012, 2013 and 2014 and 6 months period ended as on September 30, 2014 based on the audited financial statements reviewed by us annexed to this report and initialled by us for identification. The said Restated Summary Financial Statements and Other Financial Information have been prepared for the purposes of inclusion in the Prospectus (collectively hereinafter referred to as “Offer Document”) in connection with the proposed Initial Public Offer (“IPO”) of the Company in accordance with the requirements of:

- (i) Section 26 read with applicable provisions within Rule 4 to 6 of Companies (Prospectus and Allotment of Securities) Rules, 2014 of Companies Act, 2013, As amended (hereinafter referred to as the “Act”);
- (ii) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (the ‘SEBI Regulations’) issued by the Securities and Exchange Board of India (“SEBI”); and the related clarifications issued by the Securities and Exchange Board of India as amended to date;
- (iii) The terms of our letter of engagement dated 06th September 2014 with the Company requesting us to carry out assignment in connection with the Offer Document being issued by the Company for its proposed IPO.
- (iv) In terms of Schedule VIII, Clause IX (9) of the SEBI (ICDR) Regulations, 2009 and other provisions relating to accounts of the Aanchal Ispat Limited, we, M/s. Maheshwari & Co., Chartered Accountants, have been subjected to the peer review process of the Institute of Chartered Accountants of India (ICAI) and hold a valid certificate issued by the ‘Peer Review Board’ of the ICAI.
- (v) Audit of the financial statements for the financial years ended 31st March 2014 and 6 months period ended as on September 30, 2014 has been conducted by Company’s Statutory Auditor, M/s R Modi & Co., Chartered Accountants, Kolkata. Audit of the financial statements for the financial years ended 31st March 2013, 2012, 2011 and 2010 has been conducted by Company’s Statutory Auditor, M/s Mukesh Choudhary and Associates, Chartered Accountants, Kolkata. The company has prepared these restated financial statements in compliance and as provided in SEBI (ICDR) Regulations, 2009.

- (vi) The Proposed public issue will be for a fresh issue of equity shares of ₹ 10 each, at the issue price of 20 per Equity Share (referred to as 'the issue').

- (vii) Financial Information of the Company

The Restated Summary financial Statements and Other Financial Information have been prepared by the Company and approved by the Board of Directors of the Company.

A. Restated Summary Financial Statements:

1. We have examined the attached 'Summary financial Statement of Assets and Liabilities, As Restated' (Annexure I) as at March 31, 2010, 2011, 2012, 2013 & 2014 and as at September 30, 2014 has been examined and the attached 'Summary Statement of Profits and Losses, As Restated' (Annexure II) and the attached 'Summary Statement of Cash Flows, As Restated' (Annexure III) for the years ended March 31, 2010, 2011, 2012, 2013 & 2014 and 6 months period ended September 30, 2014 which have been extracted by the management and approved by the board of directors. The audit for all the financial years viz, for the 6 months period ended as on September 30, 2014 and financial years ended March 31, 2014 has been conducted by Company's Statutory Auditor, M/s R Modi & Co., Chartered Accountants and audit of the financial statements for the financial years ended 31st March 2013, 31st March 2012, 31st March 2011 and 31st March 2010 has been conducted by Company's Statutory Auditor, M/s Mukesh Choudhary and Associates, Chartered Accountants. We have relied on these financial statement and we have not carried out any audit tests or review procedures on such financial statements of the company for the period / years ended on these respective dates. Since we did not performed the audit for the above years, the financial information including the notes and other disclosures included for such years is solely based on audit report submitted by the respective chartered accountants for the relevant years. Representations have been taken from the management for the additional information for these years. (Annexure I, II and III are collectively referred to in this report as the "Restated Summary Financial Statements").

2. The Restated Summary Financial Statements are after making adjustments and regroupings as in our opinion were appropriate and more fully described in the 'Statement of Significant Accounting Policies' and 'Notes to the Re-stated Financial Statements' (Annexure IV) and (Annexure V) respectively.

3. In accordance with the requirements of section 26 read with applicable provisions within Rule 4 to 6 of Companies (Prospectus and Allotment of Securities) Rules, 2014 of Companies Act, 2013, As amended (hereinafter referred to as the "Act"), the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations 2009 and terms of our engagement agreed with the company, and based on our examination of the Restated Summary Statements, we confirm that:
 - a. The Restated summary Financial Statement - the restated summary statement of assets and liabilities, the restated summary statement of profit and loss, and the restated summary statement of cash flow ("summary statements") of the company, for the year ended March 31, 2014, 2013, 2012, 2011 & 2010 and 6 months period ended as on September 30, 2014 has been examined by

us, as set out in annexure-I, II and III to this report read with and subject to the adjustment in respect of certain previous year audit qualifications as referred to at point no. 2, Annexure V - Notes to the restated Financial statements and other observations as given herein after, are after making material adjustments and regrouping as in our opinion were appropriate and more fully described in Significant Accounting Policies, Notes to the financial statements (refer annexure- IV & V).

- b. Based on and subject to our comments as above, we are of the opinion that restated financial information have been made after incorporating:
 - i. Adjustments if any, made for the changes in Accounting Policies and Estimates adopted by the Company with retrospective effect to reflect the significant accounting policies being adopted by company as on September 30, 2014 are explained in annexure V to this report.
 - ii. The “Restated Summary Financial Statements” have to be read in conjunction with the Significant Accounting Policies and Notes given in Annexure IV of this report.
 - iii. Amounts if any, relating to adjustments for previous years have been identified and adjusted in the statements in the year to which they relate;
 - iv. There are no extra-ordinary items that need to be disclosed separately in the Restated Summary financial Statements;
 - v. There are no qualifications in auditor’s reports for incorrect accounting policies that require Adjustment in the Restated Summary Statements except for the adjustment in respect of certain previous year audit qualifications as referred to at point no. 2, Annexure V - Notes to the restated financial statements.

Summary of significant accounting policies adopted by the Company and material adjustments carried out in the preparation of the Restated Summary Statements & the significant notes to thereto be enclosed as Annexure IV and Annexure V to this report.

B. Other Financial Information:

4. At the request of the company, we have also examined the following financial information (“Other Financial Information”) proposed to be included in the offer document prepared by the management and approved by the board of directors of the company and annexed to this report:

| | |
|---------------|---|
| Annexure VI | : Statement of Other Income, As Restated |
| Annexure VII | : Statement of Accounting & Other Ratios, As Restated |
| Annexure VIII | : Statement of Capitalization, As Restated |
| Annexure IX | : Statement of Tax Shelter, As Restated |
| Annexure X | : Statement of Long Term Borrowings, As Restated |
| Annexure XI | : Statement of Short Term Borrowings, As Restated |

- Annexure XII : Statement of Principle Terms of Secured Loans and Assets Charged as Security.
Annexure XIII : Statement of Trade Receivables, As Restated
Annexure XIV : Statement of Loans and Advances, As Restated
Annexure XV : Statement of Related Parties & Transactions.
Annexure XVI : Statement of Dividends.
Annexure XVII : Statement of Investments.

5. In our opinion, the Restated Summary Financial Statements and the other Financial Information set forth in Annexure I to XVII read with the significant accounting policies and notes to the restated financial statements have been prepared in accordance with section 26 read with applicable provisions within Rule 4 to 6 of Companies (Prospectus and Allotment of Securities) Rules, 2014 of Companies Act, 2013 and the SEBI Regulations and the Guidance Note on the reports in Company Prospectus (Revised) issued by the Institute of Chartered Accountants of India (ICAI).

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

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

As per our Report Attached
For Maheshwari & Co.
Chartered Accountants
Firm Registration Number – 105834W

(K.K. Maloo)
Partner
Membership Number - 075872
Place: Mumbai
Date: November 13, 2014

Annexure - I

Statement of Assets and Liabilities (As Restated)

(₹ in Lacs)

| Particulars | 30.09.14 | 31.03.14 | 31.03.13 | 31.03.12 | 31.03.11 | 31.03.10 |
|---|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| Equity & Liabilities | | | | | | |
| Shareholders Fund | | | | | | |
| ➤ Equity Share Capital | 1,284.98 | 428.33 | 428.33 | 412.33 | 284.73 | 284.73 |
| Total (A) | 1,284.98 | 428.33 | 428.33 | 412.33 | 284.73 | 284.73 |
| Reserves and surplus | | | | | | |
| ➤ General Reserve | 36.00 | 36.00 | 36.00 | 36.00 | 36.00 | 36.00 |
| ➤ Share premium | 658.28 | 1,514.93 | 1,514.93 | 1,450.93 | 302.53 | 302.53 |
| ➤ Profit and Loss Account | 354.09 | 315.32 | 239.85 | 181.37 | 133.37 | 128.91 |
| ➤ Less: Revaluation Reserve | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Total (B) | 1,048.37 | 1,866.25 | 1,790.78 | 1,668.30 | 471.90 | 467.44 |
| Total (C=A+B) | 2,333.35 | 2,294.58 | 2,219.11 | 2,080.63 | 756.63 | 752.17 |
| | | | | | | |
| Non Current Liabilities | | | | | | |
| ➤ Long Term Borrowings | 314.46 | 316.01 | 307.58 | 107.75 | 294.80 | 447.84 |
| ➤ Long term provisions | 3.57 | 3.57 | 2.28 | 0.00 | 0.00 | 0.00 |
| ➤ Deferred Tax Liability | 83.75 | 84.73 | 84.84 | 82.87 | 79.08 | 70.33 |
| Total Non Current Liabilities (D) | 401.78 | 404.31 | 394.70 | 190.62 | 373.88 | 518.17 |
| | | | | | | |
| Current Liabilities | | | | | | |
| ➤ Short Term Borrowings | 2,530.80 | 2,509.86 | 2,292.96 | 1,972.71 | 1,480.40 | 677.53 |
| ➤ Trade Payables | 2,152.94 | 1,518.44 | 1,759.16 | 1,424.28 | 3,877.53 | 1,392.71 |
| ➤ Other Current Liabilities | 3.56 | 103.56 | 406.01 | 604.30 | 951.52 | 540.70 |
| ➤ Short Term Provisions | 300.49 | 248.97 | 189.42 | 216.55 | 24.97 | 18.38 |
| Total Current Liabilities (E) | 4,987.78 | 4,380.82 | 4,647.55 | 4,217.84 | 6,334.43 | 2,629.32 |
| | | | | | | |
| Total Equity & Liability (F=C+D+E) | 7,722.91 | 7,079.71 | 7,261.36 | 6,489.09 | 7,464.94 | 3,899.66 |
| | | | | | | |
| Non-Current Assets | | | | | | |
| ➤ Fixed Assets | | | | | | |
| ➤ Tangible Assets | 569.04 | 587.80 | 627.51 | 651.55 | 675.95 | 677.47 |
| ➤ Capital Work -in-Progress | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Total Fixed Assets | 569.04 | 587.80 | 627.51 | 651.55 | 675.95 | 677.47 |
| ➤ Non Current Investments | 0.00 | 0.00 | 7.10 | 24.10 | 0.94 | 0.00 |
| ➤ Long Term Loans and Advances | 77.06 | 77.06 | 278.86 | 203.92 | 202.69 | 0.00 |
| ➤ Other Non Current Assets | 158.00 | 86.00 | 42.00 | 121.69 | 25.21 | 0.00 |
| Total Non Current Assets (G) | 804.10 | 750.86 | 955.47 | 1,001.26 | 904.79 | 677.47 |
| | | | | | | |

| | | | | | | |
|--------------------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| Current assets | | | | | | |
| ➤ Current Investments | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| ➤ Inventories | 3,199.74 | 2,596.90 | 1,950.35 | 2,978.95 | 3,209.99 | 1,440.77 |
| ➤ Trade Receivables | 3,573.53 | 3,500.59 | 3,791.68 | 2,054.10 | 3,097.72 | 1,413.25 |
| ➤ Cash and Cash Equivalents balances | 76.36 | 67.37 | 299.34 | 13.66 | 12.54 | 100.45 |
| ➤ Short Term Loans and advances | 69.18 | 163.98 | 264.52 | 441.12 | 239.90 | 267.72 |
| ➤ Other Current Assets | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Total Current Assets (H) | 6,918.81 | 6,328.85 | 6,305.89 | 5,487.83 | 6,560.15 | 3,222.19 |
| Total Assets (I=G+H) | 7,722.91 | 7,079.71 | 7,261.36 | 6,489.09 | 7,464.94 | 3,899.66 |

Note: The above statement should be read with the Significant Accounting Policies and Notes on Financial Statements appearing in Annexure IV & V respectively.

Annexure - II

Summary Statement of Profit and Loss, As Restated

(₹ in Lacs)

| Particulars | 30.09.14 | 31.03.14 | 31.03.13 | 31.03.12 | 31.03.11 | 31.03.10 |
|--|-----------------|------------------|------------------|------------------|------------------|-----------------|
| Income | | | | | | |
| Sales of Products Manufactured by the Company | 7,553.91 | 11,828.15 | 6,961.57 | 8,264.53 | 6,718.26 | 5,372.67 |
| Sales of Products Traded by the Company | 2,668.16 | 8,510.70 | 8,177.78 | 7,877.71 | 7,055.07 | 0.00 |
| Other Operating Income | 0.00 | 0.00 | 11.98 | 0.00 | 0.00 | 0.00 |
| Export Sales | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Less: Excise Duty | (830.96) | (1,301.14) | (760.26) | (773.87) | (728.94) | (264.91) |
| Net Sales | 9,391.11 | 19,037.72 | 14,391.07 | 15,368.37 | 13,044.39 | 5,107.76 |
| Other Income | 4.03 | 17.78 | 21.71 | 5.23 | 1.66 | 15.04 |
| Changes in inventories of finished goods, work-in-progress and Stock- in-trade | 301.86 | 102.23 | (306.62) | 574.47 | 283.05 | (1,067.60) |
| Total Revenue | 9,697.00 | 19,157.73 | 14,106.16 | 15,948.07 | 13,329.10 | 4,055.20 |
| Expenditure | | | | | | |
| Cost of Materials consumed | 6,612.54 | 9,293.59 | 5,371.82 | 7,852.14 | 6,864.13 | 3,024.04 |
| Purchase of Traded Goods | 2,284.56 | 8,356.19 | 7,468.88 | 6,703.10 | 5,524.38 | 442.63 |
| Manufacturing / Selling / Administrative Expenses | 505.22 | 914.05 | 778.79 | 956.39 | 661.74 | 337.11 |
| Employee Benefit Expenses | 26.97 | 45.13 | 29.53 | 30.57 | 20.76 | 14.34 |
| | | | | | | |
| Total (B) | 9,429.29 | 18,608.96 | 13,649.02 | 15,542.20 | 13,071.01 | 3,818.12 |
| Profit Before Interest, Depreciation and Tax | 267.71 | 548.77 | 457.14 | 405.87 | 258.09 | 237.08 |
| Depreciation | 23.27 | 45.50 | 44.88 | 43.07 | 32.12 | 32.24 |
| Profit Before Interest and Tax | 244.44 | 503.27 | 412.26 | 362.80 | 225.97 | 204.84 |
| Financial Charges | 191.97 | 386.03 | 325.33 | 290.45 | 206.18 | 153.31 |
| Profit before Taxation | 52.47 | 117.24 | 86.93 | 72.35 | 19.79 | 51.53 |
| Provision for Taxation | 18.32 | 41.88 | 26.49 | 20.56 | 6.59 | 8.37 |
| Provision for Deferred Tax | (0.98) | (0.11) | 1.96 | 3.79 | 8.74 | 11.10 |
| Total | 17.34 | 41.77 | 28.45 | 24.35 | 15.33 | 19.47 |
| Profit After Tax but Before Extra ordinary Items | 35.13 | 75.47 | 58.48 | 48.00 | 4.46 | 32.06 |
| Prior Period Items | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Net Profit after adjustments | 35.13 | 75.47 | 58.48 | 48.00 | 4.46 | 32.06 |
| Net Profit Transferred to Balance Sheet | 35.13 | 75.47 | 58.48 | 48.00 | 4.46 | 32.06 |

Note: The above statement should be read with the Significant Accounting Policies and Notes on Financial Statements appearing in Annexure IV & V respectively.

Annexure - III

Summary Statement of Cash Flow, As Restated

(₹ in Lacs)

| Sr. No. | PARTICULARS | 30.09.14 | 31.03.14 | 31.03.13 | 31.03.12 | 31.03.11 | 31.03.10 |
|----------|---|---------------|----------------|---------------|-------------------|-----------------|----------------|
| A | CASH FLOW FROM OPERATING ACTIVITIES | | | | | | |
| | Profit Before Tax | 52.47 | 117.24 | 86.93 | 72.35 | 19.79 | 51.53 |
| | <i>Adjusted for :</i> | | | | | | |
| V. | Depreciation | 23.27 | 45.50 | 44.88 | 43.07 | 32.12 | 32.24 |
| VI. | Interest Expenses | 191.97 | 386.03 | 325.33 | 290.45 | 206.18 | 153.31 |
| VII. | Other Adjustments | 3.64 | 0.00 | 1.35 | 2.83 | 0.00 | 0.00 |
| VIII. | Interest Income | (4.04) | (17.78) | (21.71) | (5.23) | (1.66) | (15.04) |
| | | | | | | | |
| | Operating profit before working capital changes | 267.31 | 530.99 | 436.78 | 403.47 | 256.43 | 222.04 |
| | <i>Adjusted for :</i> | | | | | | |
| X. | Decrease /(Increase) in Inventories | (602.84) | (646.55) | 1,028.60 | 231.04 | (1,769.22) | 1,366.64 |
| XI. | Decrease / (Increase) in trade receivable | (72.94) | 291.09 | (1,737.58) | 1,043.62 | (1,684.47) | 1,035.28 |
| XII. | (Increase) / Decrease in short term loans & advances | 94.80 | 100.54 | 176.60 | (201.22) | 27.82 | 328.46 |
| XIII. | (Increase) / Decrease in Other Non Current Assets | (72.00) | (44.00) | 79.69 | (96.48) | (25.21) | 0.00 |
| XIV. | (Increase) / Decrease in Long term loans and advances | 0.00 | 201.80 | (74.94) | (1.23) | (202.69) | 0.00 |
| XV. | Increase / (Decrease) in Trade Payables | 634.50 | (240.72) | 334.88 | (2,453.25) | 2,484.82 | (2,104.84) |
| XVI. | Increase / (Decrease) in short term provisions | 51.52 | 59.55 | (27.13) | 191.58 | 6.59 | (8.98) |
| XVII. | Increase / (Decrease) in other current liabilities | (100.00) | (302.45) | (198.29) | (347.22) | 410.82 | (905.50) |
| XVIII. | Increase / (Decrease) in Long Term Provisions | 0.00 | 1.29 | 2.28 | 0.00 | 0.00 | 0.00 |
| | | | | | | | |
| | Cash generated from operations | 200.36 | (48.48) | 20.89 | (1,229.69) | (495.10) | (66.90) |
| | Income Tax Paid (Net of refunds) | 18.32 | 41.88 | 27.83 | 23.39 | 6.59 | 8.37 |
| | NET CASH GENERATED FROM OPERATION | 182.04 | (90.36) | (6.94) | (1,253.08) | (501.69) | (75.27) |
| | | | | | | | |

| | | | | | | | |
|----------|---|-----------------|-----------------|---------------|-----------------|----------------|---------------|
| B | CASH FLOW FROM INVESTING ACTIVITES | | | | | | |
| VI. | Purchase (sale) of Fixed Assets | (4.51) | (5.79) | (20.84) | (18.68) | (30.60) | (6.73) |
| VII. | (Purchase) / Sale of non-current investment | 0.00 | 7.10 | 17.00 | (23.16) | (0.94) | 0.00 |
| VIII. | (Increase) in Misc. Expenses | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| IX. | Interest received | 4.04 | 17.78 | 21.71 | 5.23 | 1.66 | 15.04 |
| X. | Dividend Income | | | - | - | - | - |
| | Net Cash (used) in investing activities | (0.47) | 19.09 | 17.87 | (36.61) | (29.88) | 8.31 |
| | | | | | | | |
| C | CASH FLOW FROM FINANCING ACTIVITES | | | | | | |
| V. | Interest Paid | (191.97) | (386.03) | (325.33) | (290.45) | (206.18) | (153.31) |
| VI. | Proceeds from share issued / application | 0.00 | 0.00 | 80.00 | 1,276.00 | 0.00 | 87.26 |
| VII. | (Repayments) / proceeds of long term borrowings | (1.55) | 8.43 | 199.83 | (187.05) | (153.04) | (427.77) |
| VIII. | (Repayments) / proceeds of short term borrowings | 20.94 | 216.90 | 320.25 | 492.31 | 802.87 | 593.82 |
| | | | | | | | |
| D | Net Cash Generated / (used) in Financing Activities | (172.58) | (160.70) | 274.75 | 1,290.82 | 443.65 | 100.00 |
| | | | | | | | |
| E | Net Increase / (Decrease) in Cash and Cash Equivalents | 8.99 | (231.97) | 285.68 | 1.13 | (87.91) | 33.04 |
| F | Cash and Cash Equivalents at the beginning of the Year | 67.37 | 299.34 | 13.66 | 12.54 | 100.45 | 67.41 |
| G | Cash and Cash Equivalents at the end of the Year | 76.36 | 67.37 | 299.34 | 13.67 | 12.54 | 100.45 |

Notes:

- The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in Accounting Standard -3 'Cash Flow Statement'. Previous year's figures have been regrouped / rearranged / recasted wherever necessary to make them comparable with those of current year.
- The above statement should be read with the Significant Accounting Policies and Notes on Financial Statements appearing in Annexure IV & V respectively.

SIGNIFICANT ACCOUNTING POLICIES

i) Basis of preparation of financial statements

These financial statements have been prepared in accordance with the generally accepted accounting principles in India under the historical cost convention on accrual basis. These financial statements have been prepared to comply in accordance with the accounting standards referred to in sub-section (3C) of section 211 of the companies act, 1956 (“the Act”) which shall continue to apply in respect of section 133 of the Companies Act 2013 in terms of General Circular 15/2013 dated September 13, 2013 issued by the Ministry of Corporate Affairs.

ii) Use of Estimates

The presentation of financial statements in conformity with the generally accepted accounting principles require estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of the financial statements and the reported amount of revenue and expenses during the reported period. Differences between the actual result and estimates are recognized in the period in which the results are known/materialize.

iii) Cash Flow

Cash flow statement has been prepared in accordance with the “indirect method” as explained in the Accounting Standard 3 issued by the Institute of Chartered Accountants of India.

iv) Fixed Assets

Fixed Assets are stated at cost of acquisition less accumulated depreciation thereon. Fixed Assets are accounted at cost of acquisition inclusive of inward freight, duties taxes and other incidental expenses related to acquisition and installation of Fixed Assets incurred to bring the assets to their working condition for their intended use.

v) Depreciation

All tangible assets are stated at cost. Cost includes related taxes, duties freight etc. and interest on borrowed funds attributable to acquisition / construction of qualifying fixed assets and is net of Cenvat and VAT credits.

Depreciation on Tangible assets is provided on straight line method at the rates specified in Schedule II to the Companies Act, 2013 after considering the useful life of the assets as per the provisions contained in the Schedule II of the Companies Act 2013. Assets costing individually upto Rs.5, 000/- are fully depreciated in the year of purchase.

vi) Income Recognition

Revenue from the installation services is recognized on transfer of the title as per the Contact Terms with the Customer. Revenue from fixed-price, fixed-time frame contracts, where there is no uncertainty as to the measurement or collectability of consideration that will be derived on completion of the contract, is recognized as per the percentage of completion method. Interest on deposits, Rent and Maintenance is accounted for on the time proportion basis.

vii) Foreign Currency Translation

Foreign currency transactions are recorded in the books at exchange rates prevailing on the date of the transaction. Exchange differences arising on foreign exchange transactions settled during the period are recognized as income or expense in the profit and loss account of the same period.

Foreign currency assets and liabilities are translated at the period end rates and the resultant exchange differences, are recognized in the profit and loss account.

viii) Borrowing Cost

Borrowing Costs that are directly attributable to the acquisition or production of qualifying assets are capitalized as the cost of the respective assets. Other Borrowing Costs are charged to the Profit and Loss Account in the period in which they are incurred.

ix) Employees benefits

All employee benefit obligations payable wholly within twelve months of the rendering the services are classified as Short Term Employee Benefits. Such Benefits are estimated and provided for in the period in which the employee renders the related service.

x) Inventories

Inventories are measured at lower of the cost and net realizable value. Cost of inventories comprises all costs of purchase (net of input credit) and other costs incurred in bringing the inventories to their present location and condition. Costs of consumable and materials are determined by using the First-In First-Out Method (FIFO).

xi) Investments

Investments are carried at cost. Decline in the value of long term investments is recognised only if considered other than temporary. Current investments are carried at the lower of cost and quoted/ fair value.

xii) Accounting for taxes on Income

i) Income tax comprises the current tax and net change in deferred tax assets, which are made in accordance with the provisions as per the Income Tax Act, 1961.

ii) Deferred Tax resulting from timing differences between accounting income and taxable income for the period is accounted for using the tax rates and laws that have been enacted or substantially enacted as at the balance sheet date. The deferred tax asset is recognized and carried forward only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax asset can be realized.

xiii) Leased Assets

Assets acquired on leases where a significant portion of the risks and rewards of the ownership are retained by the lessor, are classified as Operating Leases. The rental and all other expenses of leased assets are treated as revenue expenditure.

xiv) Provisions and Contingent Liabilities

The Company recognizes a provision when there is a present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is a possible obligation or a present obligation that the likelihood of outflow of resources is remote, no provision or disclosure is made.

xv) Impairment of Assets

The Company assesses at each balance sheet date whether there is any indication that an assets may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. If such recoverable amount of the asset or recoverable amount of the cash generating unit to which the assets belongs is less than the carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as impairment loss and is recognized in the profit and loss account. If at the balance date there is an indication that if a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the assets is reflected at the recoverable amount.

xvi) Cash and cash equivalents

The Company considers all highly liquid financial instruments, which are readily convertible into cash and have original maturities of three months or less from the date of purchase, to be cash equivalents.

xvii) Miscellaneous Expenditure

The Company considers all highly liquid financial instruments, which are readily convertible into cash and have original maturities of three months or less from the date of purchase, to be cash equivalents.

Annexure - V**NOTES TO RESTATED ACCOUNTS**

1. The Profit and Loss Accounts of certain years includes amount paid / provided for or refunded, in respect of short/excess income tax arising out of assessments, appeals etc. and account of short/excess provision of tax for earlier years. *The impact on accounts of such short/excess income tax has been adjusted in respective years.*
2. The Company was accounting gratuity on cash basis. However in order to comply with Accounting Standard (AS) 15 (Revised 2005) on Employee Benefits as notified by the Companies Accounts Standard, Rule 2006, the method of accounting of Gratuity has been changed from cash basis to accrual basis of accounting and accordingly provision of ₹ 2.28 Lacs and ₹ 1.36 Lacs in the accounting years 2013 and 2014 respectively, on the basis of actuarial valuation in these restated financial statements.
3. The current maturities of the Secured Long Term Borrowings have been reclassified as Short Term Borrowings and Long Term Borrowings, to that extent Audited Balance Sheet figures has been restated.

4. Material Adjustments**In Profit and Loss Account**

| Particulars | 30.09.14 | 31.03.14 | 31.03.13 | 31.03.12 | 31.03.11 | 31.03.10 |
|---|--------------|--------------|--------------|--------------|-------------|--------------|
| Profit After Tax as per Books of Accounts | 35.13 | 76.83 | 59.41 | 45.17 | 4.46 | 32.06 |
| Short Provision in prior year Taxes adjusted in earlier years | 0.00 | 0.00 | 1.35 | 2.83 | 0.00 | 0.00 |
| Gratuity Provision | 0.00 | (1.36) | (2.28) | 0.00 | 0.00 | 0.00 |
| Restated Profit After Tax | 35.13 | 75.47 | 58.48 | 48.00 | 4.46 | 32.06 |

In Balance Sheet

| Particulars | 30.09.14 | 31.03.14 | 31.03.13 | 31.03.12 | 31.03.11 | 31.03.10 |
|--------------------------------|----------|----------|----------|----------|----------|----------|
| Reserves and Surplus | | | | | | |
| Profit and Loss Account | 0.00 | (3.64) | (2.28) | (1.35) | (4.18) | (4.18) |
| Non Current Liabilities | | | | | | |
| Long Term Borrowings | 0.00 | (2.51) | (7.81) | (2.05) | (1.83) | (91.30) |
| Long Term Provisions | 0.00 | 3.57 | 2.28 | 0.00 | 0.00 | 0.00 |
| Short Term Provisions | | | | | | |
| Short Term Provisions | 0.00 | 3.90 | 0.00 | 1.35 | 4.18 | 4.18 |
| Current Liabilities | | | | | | |
| Short Term Borrowings | 0.00 | 2.52 | 7.81 | 2.05 | 1.82 | 91.30 |

5. Non-adjustment Items:

No Audit qualifications for the respective periods which require any corrective adjustment in these Restated Financial Statements of the Company have been pointed out during the last five years.

6. Material Regroupings:

Appropriate adjustments have been made in the restated summary statements of Assets and Liabilities Profits 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 requirements of the SEBI Regulations.

7. The Company does not possess information as to which of its supplier are Micro small and Medium Enterprise registered under The Micro small and Medium Enterprise Development Act 2006. Consequently the liability, if any, of interest which would be payable under The Micro small and Medium Enterprise Development Act 2006, cannot be ascertained. However, the Company has not received any claims in respect of such interest and as such, no provision has been made on the books of accounts.
8. Other figures of the previous years have been regrouped / reclassified and / or rearranged wherever necessary.
9. The balance of Sundry Creditors, Sundry Debtors, Loans Advances, are subject to confirmation and reconciliation.
10. The contingent liabilities as at September 30, 2014 were as follows:

| Contingent Liabilities | As at September 30, 2014 (Amount in Lacs) |
|--|--|
| Excise demand disputed in appeal (Matter pertains to FY 2007-2008) | 209.74 |
| EPF Damages for delayed contribution in appeal (Matter pertains to period from 04/2003 to 02/2013) | 2.59 |
| IT demand disputed in appeal (Matters pertain to AY 2009-10 & 2011-12) | 117.61 |
| Total | 329.94 |

Annexure - VI

Statement of Other Income

(₹ in Lacs)

| Particulars | As at | | | | | |
|-------------------|-------------|--------------|--------------|-------------|-------------|--------------|
| | 30.09.14 | 31.03.13 | 31.03.13 | 31.03.12 | 31.03.11 | 31.03.10 |
| Interest Received | 4.03 | 17.78 | 21.71 | 5.23 | 1.66 | 15.04 |
| Total | 4.03 | 17.78 | 21.71 | 5.23 | 1.66 | 15.04 |

Annexure - VII

Statement of Accounting and Other Ratios

(₹ in Lacs)

| Particulars | 30.09.14 | 31.03.14 | 31.03.13 | 31.03.12 | 31.03.11 | 31.03.10 |
|--|------------|-----------|-----------|-----------|-----------|-----------|
| Net Profit as restated (₹ in Lacs) | 35.13 | 75.47 | 58.48 | 48.00 | 4.46 | 32.06 |
| Net Worth (₹ in Lacs) | 2,333.35 | 2,294.58 | 2,219.11 | 2,080.63 | 756.63 | 752.17 |
| Return on Net worth (%) | 1.51% | 3.29% | 2.64% | 2.31% | 0.59% | 4.26% |
| Equity Share at the end of year (in Nos.) | 12,849,750 | 4,283,250 | 4,283,250 | 4,123,250 | 2,847,250 | 2,847,250 |
| (Face Value ₹ 10) | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 |
| Weighted No. of Equity Shares | 12,849,750 | 4,283,250 | 4,125,003 | 3,152,417 | 2,847,250 | 2,760,239 |
| Weighted No. of Equity Shares considering bonus of 2:1 in all previous years | 12,849,750 | 12849750 | 12375009 | 9457251 | 8541750 | 8280717 |
| Basic & Diluted Earnings per Equity Share | 0.27 | 1.76 | 1.42 | 1.52 | 0.16 | 1.16 |
| Basic & Diluted Earnings per Equity Share considering bonus of 2:1 in all previous years | 0.27 | 0.59 | 0.47 | 0.51 | 0.05 | 0.39 |
| Net Asset Value/Book Value per Equity share (Based on no of share at the end of year) | 18.16 | 53.57 | 51.81 | 50.46 | 26.57 | 26.42 |

Note:-

Earnings per share (₹) = Profit available to equity shareholders / Weighted No. of shares outstanding at the end of the year

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

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

The Company does not have any revaluation reserves or extra-ordinary items.

Annexure - VIII

Statement of Capitalization:

(₹ In Lacs)

| Particulars | Pre Issue | Post Issue* |
|-------------------------------------|------------------|-----------------|
| | As at 30.09.2014 | |
| Debt : | | |
| | | |
| Short Term Borrowing | 2,530.80 | 2,530.80 |
| Long Term Borrowing | 314.46 | 314.46 |
| Total Debt | 2,845.26 | 2,845.26 |
| | | |
| Shareholders Funds | | |
| Equity Share Capital | 1,284.98 | 2,085.38 |
| Reserves and Surplus | 1,048.37 | 1,848.77 |
| Less: Revaluation Reserves | 0.00 | 0.00 |
| Less: Misc. Expenditure | 0.00 | 0.00 |
| Total Shareholders' Funds | 2,333.35 | 3,934.15 |
| | | |
| Long Term Debt/ Shareholders' Funds | 0.13 | 0.08 |
| | | |
| Total Debt / Shareholders Fund | 1.22 | 0.72 |

* Based on assumption that issue will be fully subscribed.

Annexure - IX

STATEMENT OF TAX SHELTERS

(₹ In Lacs)

| Particulars | As At | | | | | |
|---|--------------|---------------|---------------|----------------|----------------|----------------|
| | 30.09.14 | 31.03.14 | 31.03.13 | 31.03.12 | 31.03.11 | 31.03.10 |
| Profit Before Tax as per books of accounts | 52.47 | 117.24 | 86.93 | 72.35 | 19.79 | 51.53 |
| -- Normal Tax rate | 30.90% | 32.45% | 30.90% | 30.90% | 30.90% | 30.90% |
| -- Minimum Alternative Tax rate | 20.01% | 20.01% | 19.06% | 19.06% | 18.54% | 15.45% |
| -- Short Term Capital Gain U/S 111(A) | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Notional Tax at normal rates | 16.34 | 38.04 | 26.86 | 22.36 | 6.12 | 15.92 |
| Tax at Special Rate | 0 | 0 | 0 | 0 | 0 | 0 |
| Total Tax (A) | 16.34 | 38.04 | 26.86 | 22.36 | 6.12 | 15.92 |
| Permanent differences | | | | | | |
| Other adjustments | | | | | | |
| Disallowances | 3.64 | | | | | |
| Total (B) | 3.64 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Timing Differences | | | | | | |
| Depreciation as per Books | 23.27 | 45.50 | 44.88 | 43.07 | 32.12 | 32.24 |
| Depreciation as per Income Tax | 20.09 | 45.16 | 51.24 | 55.35 | 60.41 | 64.90 |
| Difference between tax depreciation and book depreciation | 3.18 | 0.34 | (6.36) | (12.28) | (28.29) | (32.66) |
| Other adjustments | - | - | - | - | - | - |
| Foreign income included in the statement | - | - | - | - | - | - |
| Total (C) | 3.18 | 0.34 | (6.36) | (12.28) | (28.29) | (32.66) |
| Net Adjustments (B+C) | 6.82 | 0.34 | (6.36) | (12.28) | (28.29) | (32.66) |
| Tax expense/(savings) thereon (D) | 2.11 | 0.11 | (1.97) | (3.79) | (8.74) | (10.09) |
| Total Taxation (E = A+D) | 18.32 | 38.15 | 24.90 | 18.56 | (2.63) | 5.83 |
| Brought forward losses set off (Depreciation) | - | - | - | - | - | - |
| Tax effect on the above (F) | - | - | - | - | - | - |
| Net tax for the year/period (E+F) | 18.32 | 38.15 | 24.90 | 18.56 | (2.63) | 5.83 |
| MAT Credit Utilised | | | 3.65 | | | |
| Tax Payable for the year | 18.32 | 38.15 | 21.25 | 18.56 | (2.63) | 5.83 |
| Tax payable as per MAT | 10.50 | 23.46 | 16.57 | 13.79 | 3.67 | 7.96 |
| Tax expense recognized | 18.32 | 41.88 | 26.49 | 20.56 | 6.59 | 8.37 |

*Tax payable as per computation made for provision for tax.

Annexure - X

Statement of Long Term Borrowings, As Restated

(₹ In Lacs)

| Particulars | 30.09.14 | 31.03.14 | 31.03.13 | 31.03.12 | 31.03.11 | 31.03.10 |
|-------------------------|---------------|---------------|---------------|---------------|--------------|---------------|
| Secured Loans | | | | | | |
| Term Loans | | | | | | |
| Standard Chartered Bank | 89.46 | 91.01 | 93.04 | 95.05 | 97.10 | 98.93 |
| Vehicle Loan | 0.00 | 0.00 | 0.48 | 0.00 | 0.00 | 1.65 |
| | | | | | | |
| Unsecured Loans | 225.00 | 225.00 | 214.06 | 12.70 | 197.70 | 347.26 |
| Total | 314.46 | 316.01 | 307.58 | 107.75 | 294.8 | 447.84 |

The details of unsecured loans are as under:

(₹ In Lacs)

| Particulars | 30.09.14 | 31.03.14 | 31.03.13 | 31.03.12 | 31.03.11 | 31.03.10 |
|---------------------------------------|----------|----------|----------|----------|----------|----------|
| From Related Parties | | | | | | |
| Aanchal Cement Limited | 0.00 | 0.00 | 5.59 | 0.00 | 0.00 | 35.00 |
| Aanchal Iron & Steels Private Limited | 0.00 | 0.00 | 0.00 | 0.00 | 3.43 | 0.00 |
| Durga Alloy Private Limited | 225.00 | 225.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| | | | | | | |
| From Other Body Corporates | 0.00 | 0.00 | 208.47 | 12.70 | 194.27 | 312.26 |

Annexure - XI

Statement of Short Term Borrowings, As Restated

(₹ In Lacs)

| Particulars | 30.09.14 | 31.03.14 | 31.03.13 | 31.03.12 | 31.03.11 | 31.03.10 |
|-----------------------------|----------------|----------------|----------------|----------------|---------------|---------------|
| Secured | | | | | | |
| Cash Credit | 2516.27 | 2507.35 | 2285.15 | 1966.96 | 1458.8 | 586.23 |
| Vehicle Loan | 0.00 | 0.48 | 5.80 | 0.00 | 1.65 | 8.73 |
| Standard Chartered Bank | 2.56 | 2.03 | 2.01 | 2.05 | 1.83 | 82.57 |
| Unsecured | | | | | | |
| Business Loan - HDFC Bank | 0.00 | 0.00 | 0.00 | 0.20 | 2.58 | 0.00 |
| Business Loan - HDFC Bank | 0.00 | 0.00 | 0.00 | 3.50 | 15.54 | 0.00 |
| Unsecured - Related Parties | 11.97 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Total | 2530.80 | 2509.86 | 2292.96 | 1972.71 | 1480.4 | 677.53 |

| Particulars | 30.09.14 | 31.03.14 | 31.03.13 | 31.03.12 | 31.03.11 | 31.03.10 |
|-----------------------------|----------|----------|----------|----------|----------|----------|
| From Related Parties | | | | | | |
| Aanchal Collection Limited | 5.33 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Mr. Mukesh Goel | 6.64 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |

Annexure - XII

Statement of Principal Terms of Secured Loans and Assets Charged as Security

| Sr. No. | Name of the Lender | Facility/Sanctioned Amount | Amount Outstanding (as on September 30, 2014) ₹ Lacs | Interest Rate | Repayment Schedule | Security |
|---------|------------------------------|--|---|---------------|-----------------------------------|---|
| 1 | The Karur Vysya Bank Limited | Cash Credit of Rs. 2700.00 Lacs LC / BG Limit Rs. 500.00 Lacs | 2516.27 | 13.25 % | Repayable on Demand | Secured by Present and future stock of raw materials, wip, finished goods, consumables, stores and spares, book debts, money receivables, right and other movable assets excluding bills purchased/discounted by bank and bills against which advance has been paid which advance has been paid which belong to the Company and second charge and mortgage on immovable properties of company |
| 2 | Standard Chartered Bank | LAP Rs. 106.00 Lacs | 92.02 | 15.25 % | Monthly Installment of Rs. 147354 | Secured by Property |
| | | Total | 2608.29 | | | |

Annexure - XIII

Statement of Trade Receivables, As Restated

(₹ in Lacs)

| Particulars | As At | | | | | |
|---|----------------|----------------|----------------|-----------------|-----------------|-----------------|
| | 30.09.14 | 31.03.14 | 31.03.13 | 31.03.12 | 31.03.11 | 31.03.10 |
| Debts due for the period exceeding 6 months | 575.79 | 246.11 | 534.63 | 1,799.04 | 0.00 | 0.00 |
| Other Debts | 2997.73 | 3254.48 | 3257.05 | 255.06 | 3,097.72 | 1413.25 |
| Total | 3573.53 | 3500.59 | 3791.68 | 2,054.10 | 3,097.72 | 1,413.25 |

Note: There are no related party under debtors.

Annexure - XIV

Statement of Loans & Advances (Assets), As Restated

(₹ in Lacs)

| Particulars | As at | | | | | |
|---|--------------|---------------|---------------|---------------|---------------|---------------|
| | 30.09.14 | 31.03.14 | 31.03.13 | 31.03.12 | 31.03.11 | 31.03.10 |
| Long Term | | | | | | |
| Deposits | 31.33 | 31.33 | 39.25 | 39.25 | 62.75 | 0.00 |
| Other Advances | 45.73 | 45.73 | 239.61 | 164.67 | 139.94 | 0.00 |
| Total | 77.06 | 77.06 | 278.86 | 203.92 | 202.69 | 0.00 |
| | | | | | | |
| Short Term | | | | | | |
| Advance to Suppliers | 0.00 | 10.69 | 122.15 | 371.74 | 220.54 | 73.01 |
| Advance Tax including TDS | 28.20 | 28.02 | 27.39 | 1.35 | 19.36 | 0.00 |
| Deposits | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 62.78 |
| Excise / Cenvat | 30.98 | 45.27 | 44.84 | 66.55 | 0.00 | 0.00 |
| Other Advances | 10.00 | 80.00 | 69.89 | 0.00 | 0.00 | 131.93 |
| Loan Given | 0.00 | 0.00 | 0.25 | 1.48 | 0.00 | 0.00 |
| Total | 69.18 | 163.98 | 264.52 | 441.12 | 239.90 | 267.72 |
| | | | | | | |
| The Loans & Advances include the following related parties | | | | | | |
| Mukesh Goel | 0.00 | 0.00 | 29.56 | 0.36 | 9.35 | 0.00 |
| Manoj Goel | 0.00 | 0.00 | 23.05 | 2.56 | 30.35 | 3.75 |
| Rashmi Goel | 0.00 | 0.00 | 5.05 | 0.00 | 3.00 | 0.00 |
| Monika Goel | 0.00 | 0.00 | 4.99 | 0.00 | 0.00 | 0.00 |
| Maina Devi Goel | 0.00 | 0.00 | 5.04 | 0.00 | 0.00 | 0.00 |
| Maina Securities Private Limited | 0.00 | 0.00 | 34.00 | 6.00 | 0.00 | 0.00 |
| Penguin Creation Private Limited | 0.00 | 0.00 | 13.25 | 13.25 | 0.00 | 0.00 |
| Aanchal Collection Limited | 0.00 | 0.00 | 44.39 | 34.79 | 42.79 | 0.00 |
| Aanchal Iron & Steels Private Limited | 0.00 | 70.00 | 99.60 | 168.36 | 0.00 | 0.00 |
| Total | 0.00 | 70.00 | 258.93 | 225.32 | 85.49 | 3.75 |

Annexure - XV

Related party disclosure in accordance with AS - 18

The company has entered into following related party transactions for the periods covered under audit. Such parties and transactions are identified as per accounting standard 18 issued by Institute of Chartered Accountants of India.

| Name of the Key Managerial Personnel | Relationship |
|---------------------------------------|---|
| Mr. Mukesh Goel | Promoter / Managing Director |
| Mr. Manoj Goel | Promoter Director |
| Pratik Suppliers Private Limited | Promoter Company |
| Mr. Sitaram Goyal | Relative of Directors |
| Mrs. Maina Devi Goel | Relative of Directors |
| Mrs. Rashmi Goel | Relative of Directors |
| Mrs. Ranju Goel | Relative of Directors |
| Khush Goel | Relative of Directors |
| Rashi Goel | Relative of Directors |
| Mrs. Monika Goel | Relative of Directors |
| Aanchal Goel | Relative of Directors |
| Isha Goel | Relative of Directors |
| Aanchal Collection Limited | Group Company |
| Aanchal Cement Limited | Group Company |
| Aanchal Iron & Steels Private Limited | Group Company |
| Kalayani Rice Mills Private Limited | Group Company |
| Maina Securities Private Limited | Group Company |
| Haldia Alloys & Ispat Private Limited | Group Company |
| Khush Metalliks Private Limited | Group Company |
| Penguin Creation Private Limited | Group Company |
| Jaya Rice Mills Private Limited | Group Company |
| Mukesh Goel HUF | Group Entity |
| Manoj Goel HUF | Group Entity |
| Durga Alloy Private Limited | Common Directors at the time of Transaction |

Transactions with Related Parties:

| Particulars | (₹ In lacs) | | | | | |
|-----------------------------------|-------------|----------|----------|----------|----------|----------|
| | 30.09.14 | 31.03.14 | 31.03.13 | 31.03.12 | 31.03.11 | 31.03.10 |
| Loans & Advances Given | | | | | | |
| Mukesh Goel | 26.36 | 0.40 | 46.30 | 16.46 | 14.45 | 90.25 |
| Manoj Goel | 0.00 | 5.85 | 24.09 | 8.66 | 31.70 | 5.00 |
| Rashmi Goel | 0.00 | 0.20 | 5.05 | 0.00 | 3.00 | 0.00 |
| Monika Goel | 0.00 | 0.22 | 4.99 | 0.00 | 0.00 | 0.00 |
| Maina Devi Goel | 0.00 | 0.20 | 5.04 | 0.00 | 0.00 | 0.00 |
| Maina Securities Private Limited | 0.00 | 9.30 | 28.00 | 6.00 | 0.00 | 0.00 |
| Aanchal Cement Limited | 0.00 | 2,487.46 | 2,766.87 | 734.61 | 518.00 | 21.40 |

| | | | | | | |
|---|--------|----------|----------|--------|--------|-------|
| Penguin Creation Private Limited | 0.00 | 0.25 | 0.02 | 13.69 | 0.00 | 0.00 |
| Aanchal Collection Limited | 44.67 | 368.88 | 157.50 | 17.00 | 95.05 | 5.82 |
| Aanchal Iron & Steels Private Limited | 0.00 | 376.89 | 198.25 | 168.36 | 0.00 | 0.00 |
| | | | | | | |
| Loans & Advances repayment by related party/ Unsecured Loan Received | | | | | | |
| Mukesh Goel | 33.00 | 29.96 | 17.10 | 25.45 | 5.10 | 90.25 |
| Manoj Goel | 0.00 | 28.91 | 3.60 | 36.45 | 5.10 | 1.25 |
| Rashmi Goel | 0.00 | 5.25 | 0.00 | 3.00 | 0.00 | 0.00 |
| Monika Goel | 0.00 | 5.21 | 0.00 | 0.00 | 0.00 | 0.00 |
| Maina Devi Goel | 0.00 | 5.24 | 0.00 | 0.00 | 0.00 | 0.00 |
| Maina Securities Private Limited | 0.00 | 43.30 | 0.00 | 0.00 | 0.00 | 0.00 |
| Aanchal Cement Limited | 0.00 | 2,481.87 | 2,772.46 | 734.61 | 483.00 | 24.90 |
| Penguin Creation Private Limited | 0.00 | 13.50 | 0.02 | 0.44 | 0.00 | 0.00 |
| Aanchal Collection Limited | 50.00 | 413.27 | 147.90 | 25.00 | 42.75 | 15.33 |
| Aanchal Iron & Steels Private Limited | 70.00 | 406.5 | 267.01 | 0.00 | 0.00 | 0.00 |
| Durga Alloy Private Limited | 0.00 | 225 | 0.00 | 0.00 | 0.00 | 0.00 |
| | | | | | | |
| <u>Outstanding</u> | | | | | | |
| Loans & Advances Given | | | | | | |
| Mukesh Goel | 0.00 | 0.00 | 29.56 | 0.36 | 9.35 | 0.00 |
| Manoj Goel | 0.00 | 0.00 | 23.05 | 2.56 | 30.35 | 3.75 |
| Rashmi Goel | 0.00 | 0.00 | 5.05 | 0.00 | 3.00 | 0.00 |
| Monika Goel | 0.00 | 0.00 | 4.99 | 0.00 | 0.00 | 0.00 |
| Maina Devi Goel | 0.00 | 0.00 | 5.04 | 0.00 | 0.00 | 0.00 |
| Maina Securities Private Limited | 0.00 | 0.00 | 34.00 | 6.00 | 0.00 | 0.00 |
| Aanchal Cement Limited | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Penguin Creation Private Limited | 0.00 | 0.00 | 13.25 | 13.25 | 0.00 | 0.00 |
| Aanchal Collection Limited | 0.00 | 0.00 | 44.39 | 34.79 | 42.79 | 0.00 |
| Aanchal Iron & Steels Private Limited | 0.00 | 70.00 | 99.60 | 168.36 | 0.00 | 0.00 |
| | | | | | | |
| Unsecured Loans - Taken | | | | | | |
| Mukesh Goel | 6.64 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Aanchal Cement Limited | 0.00 | 0.00 | 5.59 | 0.00 | 0.00 | 35.00 |
| Aanchal Collection Limited | 5.33 | 0.00 | 0.00 | 0.00 | 0.00 | 9.51 |
| Aanchal Iron & Steels Private Limited | 0.00 | 0.00 | 0.00 | 0.00 | 3.43 | 0.00 |
| Durga Alloy Private Limited | 225.00 | 225.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| | | | | | | |

| <u>Purchases</u> | | | | | | |
|---------------------------------------|------|--------|----------|--------|--------|------|
| Aanchal Iron & Steels Private Limited | 0.00 | 0.00 | 480.62 | 132.64 | 0.00 | 0.00 |
| Aanchal Cement Limited | 0.00 | 164.88 | 1,054.74 | 485.21 | 114.42 | 0.00 |
| | | | | | | |
| <u>Sales</u> | | | | | | |
| Aanchal Iron & Steels Private Limited | 0.00 | 0.00 | 4.11 | 5.76 | 0.00 | 0.00 |
| Aanchal Cement Limited | 0.00 | 0.00 | 175.91 | 0.00 | 0.00 | 0.00 |
| | | | | | | |
| <u>Director Remuneration</u> | | | | | | |
| Mukesh Goel | 1.80 | 3.60 | 3.60 | 3.60 | 3.60 | 0.00 |
| Manoj Goel | 0.00 | 0.00 | 3.60 | 3.60 | 3.60 | 0.00 |

Annexure - XVI**Statement of Dividend Paid**

No Dividend Paid Till Date

Annexure - XVII**Statement of Investments**

(₹ In lacs)

| Particulars | As At | | | | | |
|--------------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| | 30.09.14 | 31.03.14 | 31.03.13 | 31.03.12 | 31.03.11 | 31.03.10 |
| Investment in Gold | 0.00 | 0.00 | 7.10 | 7.10 | 0.00 | 0.00 |
| Equity Shares | 0.00 | 0.00 | 0.00 | 17.00 | 0.94 | 0.00 |
| Total | 0.00 | 0.00 | 7.10 | 24.10 | 0.94 | 0.00 |

Annexure - XVIII**Audit Qualification**

There were no qualifications in the Auditors' Report for period covered under audit.

Annexure - XIX**Changes in the Significant Accounting Policies**

There have been no changes in the accounting policies of the company for the period covered under audit.

MANAGEMENT’S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITIONS AND RESULTS OF OPERATIONS

You should read the following discussion of our financial condition and results of operations together with our restated financial statements included in the Prospectus. You should also read the section entitled “Risk Factors” beginning on page 10, which discusses a number of factors, risks and contingencies that could affect our financial condition and results of operations. The following discussion relates to our Company and, is based on our restated financial statements, which have been prepared in accordance with Indian GAAP, the Companies Act and the SEBI Regulations. Portions of the following discussion are also based on internally prepared statistical information and on other sources.

Business Overview

We are engaged in manufacturing of Mild Steel TMT Re-bars, Structural Re-bars, Round and other Sectional products as per orders. Our products are broadly categorized as the Re-bars in the Steel Industry. The main applications of our products currently being manufactured are used in the Infrastructure and Construction Industry. Our existing manufacturing unit is an ISO 9001:2008 certified from BSCIC Quality Management Systems. The products that we manufacture conform to ISI Standard. Necessary license has been obtained from BIS being license No. CM/L 5525566 for IS:1786 and CM/L 5489992 for IS:2062.

Currently we are having two manufacturing facilities, one for TMT Re-bars and other for Structural Re-bars. We are having an installed capacity of 21000 TPA for TMT Re-bars and 24000 TPA for Structural Re-Bars.

We are also engaged in the trading of the products like Mild Steel Billets, Cement & Clinker and TMT & Structural Re-Bars.

Initially, our Company set up a manually operated Rolling Mill to manufacture Mild Steel Re-bars, Viz Ribbed, Round, Flat and square Re-bars of various size ranging from 5.5mm to 20mm dia. In the year 2004, our Company added one more vertical to its manufacturing process to manufacture Structural Re-bars viz: Angle, Channels etc, by setting up an additional unit to manufacture structurals within the same compound.

In the year 2006, our Company converted its manufacturing division into a Semi-Automatic Rolling Mill and added 2 continuous Mill Stands with DC Drive and TMT processing Unit.

In the financial year 2010, our current Promoters took over the management of the Company. In the year 2012 our Company launched its products under the brand name of ”RELICON” and also started its new vertical of Trading of Long Products.

Our company envisages expansion and modernizing by upgradation and automation of our TMT manufacturing facilities. We intend to convert our semi-automatic Rolling mill to fully automatic Rolling Mill by inter alia replacing Fiber Mill Stand to Roller Bearing Mill Stands. Automation will also increase our capacity due to increase in speed of our machines and will also improve our quality. Post implementation of this project our capacity will increase as follows:

| Sr. No. | Product | Pre Modernisation | Post Modernisation |
|---------|--------------------|-------------------|--------------------|
| 1 | TMT Re-bars | 21000 MT P.A. | 75000 MT P.A. |
| 2 | Structural Re-Bars | 24000 MT P.A. | 24000 MT P.A. |

Significant developments subsequent to the last financial year:

After the date of last financial year i.e. March 31, 2014, the Directors of our Company confirm that, there have not been any significant material developments.

Key factors affecting the results of operation:

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

General economic and business conditions: The demand for our products is dependent on general economic conditions in the country. Our manufacturing operations would be affected by any adverse change in the

Government Policies, Rules & Regulations. Moreover we are in the commodity market which suffers from vagaries of trade cycle.

Demand: The demand for our products is mainly from construction and infrastructure development industry and capital goods manufacturing industries. The prospects of higher investment in infrastructure projects by Government and development of core sector industries will have an impact on our ability to generate sales.

Competition: Selling prices of our products may be affected if competition intensifies. Further, as a result of increased capacity of production, through the proposed upgradation and expansion of TMT manufacturing facilities, adoption of aggressive pricing strategies by our competitors in order to gain market share or new competitors entering the markets, may adversely affect our operations and financial results.

Capacity: Our Company envisages expansion and modernizing by upgradation and automation of our TMT manufacturing facilities. Our ability to fulfill larger orders will depend upon our ability to complete our plans as scheduled. We believe that the scale of our production, and lower per unit operating costs due to economies of scale, will give us an edge over our competitors.

Raw Materials Prices: Raw materials constitute a major portion of our total expenses. Our key raw material consists of Mild Steel Billets and Mild Steel Ingots, which is abundantly available in the area of our operation. The price of the same is also dependent upon the market conditions and the demand-supply scenario in the economy. With the use of effective raw material procurement policy, we should be able to mitigate price fluctuations.

Regulatory developments: Our Company is regulated by the Companies Act and some of its activities are subject to supervision and regulation by statutory and regulatory authorities. It is therefore subject to changes in Indian law, as well as to changes in regulation and government policies and accounting principles.

Discussion on Results of Operation:

The following discussion on results of operations should be read in conjunction with the audited financial results of our Company for the financial years ended March 31, 2014, 2013, 2012 & 2011 and Six Months Ended September 30, 2014.

OUR SIGNIFICANT ACCOUNTING POLICIES

For Significant accounting policies please refer *Significant Accounting Policies*, “Annexure IV” beginning under Chapter titled “Auditors’ Report and Financial Information of our Company” beginning on page 120 of the Prospectus.

RESULTS OF OUR OPERATION

For the Six Months Ended September 30, 2014

| Particulars | (₹ Lacs) | |
|---|-------------------------------|-----------------------|
| | For the period ended 30.09.14 | % to Operating Income |
| Income | | |
| - Products Manufactured | 7,553.91 | |
| - Products Traded | 2,668.16 | |
| Gross Sales Total | 10,222.07 | |
| Less Excise Duty | 830.96 | |
| Net Sales | 9,391.11 | |
| Other Income | 4.03 | |
| Increase/(Decrease) in Inventory | 301.86 | |
| Total Income | 9,697.00 | |
| Cost of Materials consumed | 6,612.54 | 68.19% |
| Purchase of Traded Goods | 2,284.56 | 23.56% |
| Manufacturing / Selling / Administrative Expenses | 505.22 | 5.21% |
| Employee Benefit Expenses | 26.97 | 0.28% |

| | | |
|--------------------------------------|-----------------|---------------|
| Total Expenditure | 9,429.29 | 97.24% |
| PBIDT | 267.71 | 2.76% |
| Interest and Other Financial Charges | 191.97 | 1.98% |
| Depreciation & Amortisation | 23.27 | 0.24% |
| PBT | 52.47 | 0.54% |
| Tax Expenses | 17.34 | 0.18% |
| Profit After Tax as Restated | 35.13 | 0.36% |

Income: We recorded gross sales of ₹ 10222.07 Lacs which includes ₹ 7553.91 Lacs from Products manufactured by our company and ₹ 2668.16 Lacs from products traded by our Company. Net Sales for the period ended September 30, 2014 is ₹ 9391.11 Lacs. We had other income of ₹ 4.03 Lacs. Increase in inventory constituted ₹ 130.27 Lacs. Total Income for the period ended September 30, 2014 is ₹ 9697.00 Lacs.

Operating Expenses: The total operating expenditure aggregated to ₹ 9429.29 Lacs which was 97.24% of the gross sales. Raw Material Consumed stood at ₹ 6612.54 Lacs which was 70.13% of the total operating expenses and 68.19% of the total income. Purchase of traded goods stood at ₹ 2284.56 Lacs which was 24.23% of the total operating expenses and 23.56% of the total income. Manufacturing, Selling and Administrative expenses stood at ₹ 505.22 Lacs which was 5.36% of the total operating expenses and 5.21% of the total income. Employee Benefit Expenses stood at ₹ 26.97 Lacs which was 0.29% of the total operating expenses and 0.28% of the total income.

Interest and Financial Charges: Our financial charges for the 6 months period ended September 30, 2014 stood at ₹ 191.97 Lacs, which is 1.98% of our total income.

Depreciation: We incurred Depreciation cost of ₹ 23.27 Lacs, which is 0.24% of our gross sales.

Tax Expenses: Tax Expenses for the 6 months period ended September 30, 2014 is ₹ 17.34 Lacs.

Profits

Our PBIDT stood at ₹ 267.71 Lacs for the 6 months period ended September 30, 2014 with the PBIDT margin of 2.76%. We recorded PBT of ₹ 52.47 Lacs and PBT margin stood at 0.54%. We recorded Net Profit of ₹ 35.13 Lacs. Our Net Profit Margin stood at 0.36%.

RESULTS OF OUR OPERATION

Financial Years ended March 31, 2014, 2013, 2012 and 2011

| | (₹ Lacs) | | | |
|---|------------------|------------------|------------------|------------------|
| Particulars | 31-Mar-04 | 31-Mar-13 | 31-Mar-12 | 31-Mar-11 |
| Income | | | | |
| Sales of Products Manufactured by the Company | 11,828.15 | 6,961.57 | 8,264.53 | 6,718.26 |
| Increase/Decrease (%) | 69.91% | -15.77% | 37.99% | |
| Sales of Products Traded by the Company | 8,510.70 | 8,189.76 | 7,877.71 | 7,055.07 |
| Gross Sales Total | 20,338.85 | 15,151.33 | 16,142.24 | 13,773.33 |
| Increase/Decrease (%) | 34.24% | -6.14% | 23.75% | |
| Less Excise Duty | 1,301.14 | 760.26 | 773.87 | 728.94 |
| Net Sales | 19,037.72 | 14,391.07 | 15,368.37 | 13,044.39 |
| Increase/Decrease (%) | 32.29% | -6.36% | 17.82% | |
| Other Income | 17.78 | 21.71 | 5.23 | 1.66 |
| Increase/(Decrease) in Inventory | 102.23 | (306.62) | 574.47 | 283.05 |
| Total Income | 19,157.73 | 14,106.16 | 15,948.07 | 13,329.10 |
| Increase/Decrease (%) | 35.81% | -11.55% | 19.65% | |
| Expenditure | | | | |
| Cost of Materials consumed | 9,293.59 | 5,371.82 | 7,852.14 | 6,864.13 |
| Increase/Decrease (%) | 73.01% | -31.59% | 14.39% | |

| | | | | |
|--|------------------|------------------|------------------|------------------|
| % to Total Income | 48.51% | 38.08% | 49.24% | 51.50% |
| Purchase of Traded Goods | 8,356.19 | 7,468.88 | 6,703.10 | 5,524.38 |
| Increase/Decrease (%) | 11.88% | 11.42% | 21.34% | |
| % to Total Income | 43.62% | 52.95% | 42.03% | 41.45% |
| Manufacturing / Selling / Administrative Expenses | 914.05 | 778.79 | 956.39 | 661.74 |
| Increase/Decrease (%) | 17.37% | -18.57% | 44.53% | |
| % to Total Income | 4.77% | 5.52% | 6.00% | 4.96% |
| Employee Benefit Expenses | 45.13 | 29.53 | 30.57 | 20.76 |
| Increase/Decrease (%) | 52.83% | -3.40% | 47.25% | |
| % to Total Income | 0.24% | 0.21% | 0.19% | 0.16% |
| Total Expenditure | 18,608.96 | 13,649.02 | 15,542.20 | 13,071.01 |
| Increase/Decrease (%) | 36.34% | -12.18% | 18.91% | |
| % to Total Income | 97.14% | 96.76% | 97.46% | 98.06% |
| PBIDT | 548.77 | 457.14 | 405.87 | 258.09 |
| Increase/Decrease (%) | 20.04% | 12.63% | 57.26% | |
| % to Total Income | 2.86% | 3.24% | 2.54% | 1.94% |
| Depreciation | 45.50 | 44.88 | 43.07 | 32.12 |
| Increase/Decrease (%) | 1.38% | 4.20% | 34.09% | |
| % to Total Income | 0.24% | 0.32% | 0.27% | 0.24% |
| Profit Before Interest and Tax | 503.27 | 412.26 | 362.80 | 225.97 |
| Increase/Decrease (%) | 22.08% | 13.63% | 60.55% | |
| % to Total Income | 2.63% | 2.92% | 2.27% | 1.70% |
| Interest & Financial Charges | 386.03 | 325.33 | 290.45 | 206.18 |
| Increase/Decrease (%) | 18.66% | 12.01% | 40.87% | |
| % to Total Income | 2.02% | 2.31% | 1.82% | 1.55% |
| Profit before Taxation | 117.24 | 86.93 | 72.35 | 19.79 |
| Increase/Decrease (%) | 34.86% | 20.15% | 265.59% | |
| % to Total Income | 0.61% | 0.62% | 0.45% | 0.15% |
| Tax Effect | 41.77 | 28.45 | 24.35 | 15.33 |
| Increase/Decrease (%) | 46.82% | 16.84% | 58.84% | |
| % to Total Income | 0.22% | 0.20% | 0.15% | 0.12% |
| Profit After Tax | 75.47 | 58.48 | 48.00 | 4.46 |
| Increase/Decrease (%) | 29.05% | 21.83% | 976.23% | |
| % to Total Income | 0.39% | 0.41% | 0.30% | 0.03% |

Comparison of FY 2014 with FY 2013:

Gross Sales

The Gross Sales for the FY 2014 is ₹ 20338.85 Lacs as compared to ₹ 15151.33 Lacs during the FY 2013 showing increase of 34.24%. The increase in turnover was mainly due to increase in volume of sales. Our turnover included ₹ 11828.15 Lacs from Products manufactured by our company and ₹ 8510.70 Lacs from products traded by our Company during FY 2014 as compared to ₹ 6961.57 Lacs and ₹ 8189.76 Lacs respectively during FY 2013.

Net Sales for the FY 2014 is ₹ 19037.72 Lacs as compared to ₹ 14391.07 Lacs during the FY 2013 showing increase of 32.29%. Excise duty for the FY 2014 is ₹ 1301.14 Lacs as compared to ₹ 760.26 Lacs during the FY 2013.

Total Income

The Total Income for the FY 2014 is ₹ 19157.73 Lacs as compared to ₹ 14106.16 Lacs during the FY 2013 showing increase of 35.81%.

Expenditure:**Rawmaterial Consumed**

Rawmaterial Consumed increased to ₹ 9293.59 Lacs for FY 2014 from ₹ 5371.82 Lacs for FY 2013 showing an increase of 73.01%. This increase was mainly due to increase in consumption of material due to increase in volume of manufacturing sales. The Rawmaterial Consumed was 48.51% of total income during FY 2014 as against that of 38.08% during FY 2013.

Purchase of Traded Goods

Purchase of Traded Goods increased to ₹ 8356.19 Lacs for FY 2014 from ₹ 7468.88 Lacs for FY 2013 showing an increase of 11.88%. This increase was mainly due to increase in volume of products traded by our Company. The Purchase of Traded Goods was 43.62% of total income during FY 2014 as against that of 52.95% during FY 2013.

Manufacturing, Selling and Administrative Expenses

Manufacturing, Selling and Administrative Expenses increased to ₹ 914.05 Lacs for FY 2014 from ₹ 778.79 Lacs for FY 2013 showing an increase of 17.37%. The increase was due to increase in manufacturing expenses due to increase of quantity of products manufactured. The increase in Manufacturing, Selling and Administrative Expenses was due to increase in volume of business undertaken by our Company. Manufacturing, Selling and Administrative Expenses was 4.77% of Total income during FY 2014 as against that of 5.52% during FY 2013.

Employee Benefit Expenses

Employee Benefit Expenses increased from ₹ 29.53 Lacs for the year ended March 31, 2013 to ₹ 45.13 Lacs for FY 2014 showing a increase of 52.83%. This mainly consists of expenditure mainly of administrative employees. This increase was mainly due to increase in salaries and bonus. Employee Benefit Expenses stood at 0.21% and 0.24% of Total income for FY 2013 and FY 2014 respectively.

Profit before Depreciation, Interest and Tax (PBDIT)

PBDIT increased from ₹ 457.14 Lacs for FY 2013 to ₹ 548.77 Lacs for FY 2014, mainly on account of increase in volume of sales. During FY 2014, our Company recorded PBDIT of 2.86% of the Total income as against 3.24% during FY 2013. Decrease in margin was mainly due to increase in cost of materials consumed and employee benefit expenses.

Depreciation

Depreciation on fixed assets was 0.24% of Total income during FY 2014 as compared to 0.32% during FY 2013. The total depreciation during FY 2013 was ₹ 44.88 Lacs and during FY 2014 it was ₹ 45.50 Lacs. This

marginal increase was due to increase in fixed assets of our Company. Gross block for FY 2013 was ₹ 944.76 Lacs which increased to ₹ 950.56 Lacs during FY 2014.

Interest and Financial Charges

Interest and Financial Charges increased from ₹ 325.33 Lacs for FY 2013 to ₹ 386.03 Lacs for the FY 2014. Interest cost mainly includes interest on secured loans and bank charges. Our outstanding secured loans as on March 31, 2014 were ₹ 2600.87 Lacs as compared to ₹ 2386.48 Lacs as on March 31, 2013.

Profit after Tax and restatement adjustment (PAT)

PAT increased from ₹ 58.48 Lacs for the FY 2013 to ₹ 75.47 Lacs in FY 2014. This increase was mainly due to increase in revenues and the other reasons as details above. During FY 2014, our Company recorded PAT margin of 0.39% as against 0.41% for FY 2013.

Comparison of FY 2013 with FY 2012:

Gross Sales

The Gross Sales for the FY 2013 is ₹ 15151.33 Lacs as compared to ₹ 16142.24 Lacs during the FY 2012 showing decrease of 6.14%. The decrease in turnover was mainly due to decrease in volume of sales of TMT Bars. Our turnover included ₹ 6961.57 Lacs from Products manufactured by our company and ₹ 8189.76 Lacs from products traded by our Company during FY 2013 as compared to ₹ 8264.53 Lacs and ₹ 7877.71 Lacs respectively during FY 2012.

Net Sales for the FY 2013 is ₹ 14391.07 Lacs as compared to ₹ 15368.37 Lacs during the FY 2012 showing decrease of 6.36%. Excise duty for the FY 2013 is ₹ 760.26 Lacs as compared to ₹ 773.87 Lacs during the FY 2012.

Total Income

The Total Income for the FY 2013 is ₹ 14106.16 Lacs as compared to ₹ 15948.07 Lacs during the FY 2012 showing decrease of 11.55%.

Expenditure:

Rawmaterial Consumed

Rawmaterial Consumed decreased to ₹ 5371.82 Lacs for FY 2013 from ₹ 7852.14 Lacs for FY 2012 showing a decrease of 31.59%. This decrease was mainly due to decrease in consumption of material due to decrease in production of TMT Bars. The Rawmaterial Consumed was 38.08% of total income during FY 2013 as against that of 49.24% during FY 2012.

Purchase of Traded Goods

Purchase of Traded Goods increased to ₹ 7468.88 Lacs for FY 2013 from ₹ 6703.10 Lacs for FY 2012 showing an increase of 11.42%. This increase was mainly due to increase in volume of products traded by our Company. The Purchase of Traded Goods was 52.95% of total income during FY 2013 as against that of 42.03% during FY 2012.

Manufacturing, Selling and Administrative Expenses

Manufacturing, Selling and Administrative Expenses decreased to ₹ 778.79 Lacs for FY 2013 from ₹ 956.39 Lacs for FY 2012 showing decrease of 18.57%. The decrease was due to decrease in production of TMT Bars. Manufacturing, Selling and Administrative Expenses was 5.52% of Total income during FY 2013 as against that of 6.00% during FY 2012.

Employee Benefit Expenses

Employee Benefit Expenses decreased from ₹ 30.57 Lacs for the year ended March 31, 2012 to ₹ 29.53 Lacs for FY 2013 showing decrease of 3.40%. This mainly consists of expenditure mainly of administrative employees. Employee Benefit Expenses stood at 0.19% and 0.21% of Total income for FY 2012 and FY 2013 respectively.

Profit before Depreciation, Interest and Tax (PBDIT)

PBDIT increased from ₹ 405.87 Lacs for FY 2012 to ₹ 457.14 Lacs for FY 2013, mainly on account of decrease in cost of materials consumed and employee benefit expenses. During FY 2013, our Company recorded PBDIT of 3.24% of the Total income as against 2.54% during FY 2012.

Depreciation

Depreciation on fixed assets was 0.32% of Total income during FY 2013 as compared to 0.27% during FY 2012. The total depreciation during FY 2012 was ₹ 43.07 Lacs and during FY 2013 it was ₹ 44.88 Lacs. This increase was due to increase in fixed assets of our Company. Gross block for FY 2012 was ₹ 923.92 Lacs which increased to ₹ 944.76 Lacs during FY 2013.

Interest and Financial Charges

Interest and Financial Charges increased from ₹ 290.45 Lacs for FY 2012 to ₹ 325.33 Lacs for the FY 2013. Interest cost mainly includes interest on secured loans and bank charges. Our outstanding secured loans as on March 31, 2013 were ₹ 2386.46 Lacs as compared to ₹ 2064.06 Lacs as on March 31, 2012.

Profit after Tax and restatement adjustment (PAT)

PAT increased from ₹ 48.00 Lacs for the FY 2012 to ₹ 58.48 Lacs in FY 2013. This increase was mainly due to decrease in expenses and the other reasons as details above. During FY 2013, our Company recorded PAT margin of 0.41% as against 0.30% for FY 2012.

Comparison of FY 2012 with FY 2011:

Gross Sales

The Gross Sales for the FY 2012 is ₹ 16142.24 Lacs as compared to ₹ 13044.39 Lacs during the FY 2011 showing increase of 23.75%. The increase in turnover was mainly due to increase in volume of sales. Our turnover included ₹ 8264.53 Lacs from Products manufactured by our company and ₹ 7877.71 Lacs from products traded by our Company during FY 2012 as compared to ₹ 5989.32 Lacs and ₹ 7055.07 Lacs respectively during FY 2011. Net Sales for the FY 2012 is ₹ 15368.37 Lacs as compared to ₹ 13044.39 Lacs during the FY 2011 showing increase of 17.82%.

Total Income

The Total Income for the FY 2012 is ₹ 15948.07 Lacs as compared to ₹ 13329.10 Lacs during the FY 2011 showing increase of 19.65%.

Expenditure:

Rawmaterial Consumed

Rawmaterial Consumed increased to ₹ 7852.14 Lacs for FY 2012 from ₹ 6864.13 Lacs for FY 2011 showing a increase of 14.39%. This increase was mainly due to decrease in volume of sales. The Rawmaterial Consumed was 49.24% of total income during FY 2012 as against that of 51.50% during FY 2011.

Purchase of Traded Goods

Purchase of Traded Goods increased to ₹ 6703.10 Lacs for FY 2012 from ₹ 5524.38 Lacs for FY 2011 showing an increase of 21.34%. This increase was mainly due to increase in volume of products traded by our Company. The Purchase of Traded Goods was 42.03% of total income during FY 2012 as against that of 41.45% during FY 2011.

Manufacturing, Selling and Administrative Expenses

Manufacturing, Selling and Administrative Expenses increased to ₹ 956.39 Lacs for FY 2012 from ₹ 661.74 Lacs for FY 2011 showing increase of 44.53%. The increase was due to increase in volume of sales. Manufacturing, Selling and Administrative Expenses was 6.00% of Total income during FY 2012 as against that of 4.96% during FY 2011.

Employee Benefit Expenses

Employee Benefit Expenses increased from ₹ 20.76 Lacs for the year ended March 31, 2011 to ₹ 30.57 Lacs for FY 2012 showing increase of 47.25%. Employee Benefit Expenses stood at 0.16% and 0.19% of Total income for FY 2011 and FY 2012 respectively.

Profit before Depreciation, Interest and Tax (PBDIT)

PBDIT increased from ₹ 258.09 Lacs for FY 2011 to ₹ 405.87 Lacs for FY 2012, mainly on account of increase in revenues from manufacturing turnover. During FY 2012, our Company recorded PBDIT of 2.54% of the Total income as against 1.94% during FY 2011.

Depreciation

Depreciation on fixed assets was 0.27% of Total income during FY 2012 as compared to 0.24% during FY 2011. The total depreciation during FY 2011 was ₹ 32.12 Lacs and during FY 2012 it was ₹ 43.07 Lacs. This increase was due to increase in fixed assets of our Company. Gross block for FY 2011 was ₹ 905.25 Lacs which increased to ₹ 923.92 Lacs during FY 2012.

Interest and Financial Charges

Interest and Financial Charges increased from ₹ 206.18 Lacs for FY 2011 to ₹ 290.45 Lacs for the FY 2012. Interest cost mainly includes interest on secured loans, unsecured loans and bank charges. Our outstanding secured loans as on March 31, 2012 were ₹ 2064.06 Lacs as compared to ₹ 1559.38 Lacs as on March 31, 2011.

Profit after Tax and restatement adjustment (PAT)

PAT increased from ₹ 4.46 Lacs for the FY 2011 to ₹ 48.00 Lacs in FY 2012. This increase was mainly on account of increase in revenues from manufacturing turnover, increase in margin of trading turnover and other reasons as detailed above. During FY 2012, our Company recorded PAT margin of 0.30% as against 0.03% for FY 2011.

Related Party Transactions: *For further information please refer “Related Party Transactions” beginning on page 104 of the Prospectus.*

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

Interest Rate Risk: Our Company is not exposed to interest rate risks to the extent of our borrowings. Any future borrowings may increase our risk.

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

FACTORS THAT MAY AFFECT THE RESULTS OF THE OPERATIONS:

1. Unusual or infrequent events or transactions

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

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

Our business has been subject, and we expect it to continue to be subject, to significant economic changes arising from the trends identified above in ‘*Factors Affecting our Results of Operations*’ and the uncertainties described in the section entitled ‘*Risk Factors*’ beginning on page 10 of the Prospectus. To our knowledge, except as we have described in the Prospectus, there are no known factors which we expect to bring about significant economic changes.

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

Apart from the risks as disclosed under Section titled “Risk Factors” beginning on page 10 in the Prospectus, in our opinion there are no other known trends or uncertainties that have had or are expected to have a material adverse impact on revenue or income from continuing operations.

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

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

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

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

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

For details on the total turnover of the industry *please refer to Chapter titled “Industry Overview” beginning on page 66 of the Prospectus.*

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

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

8. The extent to which business is seasonal.

Our Company’s business is not seasonal in nature.

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

Customers’ contribution:

| Particulars | Financial Year ended March 31, 2014 |
|-------------|-------------------------------------|
| Top 5 (%) | 42.27 |
| Top 10 (%) | 48.29 |

Suppliers Contribution:

| Particulars | Financial Year ended March 31, 2014 |
|-------------|-------------------------------------|
| Top 5 (%) | 85.36 |
| Top 10 (%) | 90.43 |

10. Competitive conditions.

Competitive conditions are as described under the *Chapters titled “Industry Overview” and “Business Overview” beginning on pages 66 and 71, respectively of the Prospectus.*

SECTION VI – LEGAL AND OTHER INFORMATION

OUTSTANDING LITIGATIONS AND MATERIAL DEVELOPMENTS

I. Litigations involving our Company

a) Appeal before Customs Excise Service Tax Appellate Tribunal, East zonal Bench, Kolkata

Commissioner of Central Excise, Haldia Commissionerate passed an order bearing no. 08/commr./CE/Haldia/Adjn/2012 dated March 27, 2012 confirming the demand of duty of Rs. 1,04,86,754/- including education cess and imposed penalty of equal amount of duty of Rs. 1,04,86,754/- on our Company for duty evasion for period 2007-08 on the physical shortage of stock as per physical verification conducted by Central Excise Anti Evasion unit, Haldia Commissionerate and their subsequent order. Our Company has deposited an amount of Rs. 60,00,000/- till date towards above demand.

Our Company has filed an appeal dated July 13, 2012 before Customs Excise Service Tax Appellate Tribunal, East zonal Bench, Kolkata to set aside the above order.

Our Company has also filed Stay Petition against above Bench to grant an unconditional stay against operation of above order till the Appeal is finally decided. The date of hearing is awaited.

b) Demand Notice by Office of the Superintendent of Central Excise for late filing of ER 1 Return for the month of October 2013, November 2013, January 2014, February 2014, April 2014 and May 2014

The Office of the Superintendent of Central Excise for late filing of ER 1 Return for the month of October 2013, November 2013, January 2014, February 2014, April 2014 and May 2014 to Show Cause cum Demand Notice dated July 17, 2014 why penalty should not be imposed in terms of Rule 27 of the Central Excise Rules, 2002 and Rule 15A of the Cenvet Credit Rules for the violation of aforesaid rules. Our Company has replied to the aforesaid notice vide the letter dated September 8, 2014. Adjudication before the Range Superintendent is in process.

c) Demand Notice u/s. 156 of the Income Tax Act, 1961 relating to the AY 2011-12

Our Company has received a notice u/s. 156 of the Income Tax Act, 1961 for AY 2011-12 dated March 28, 2014 issued by Income Tax officer, Ward 1 (4) /Kolkata demanding a sum of Rs. 1,06,18,810/- towards tax on the disallowance of certain expenditure, unpaid statutory liabilities etc. as per Assessment order passed u/s. 143(3) and penalty proceedings to be initiated u/s. 271 (1) (C) of the Income Tax Act, 1961.

Our Company has filed an appeal dated April 29, 2014 before the Commissioner of Income Tax (Appeals) – I / Kolkata to set aside the above Assessment order.

Our Company has also requested the Income Tax officer, Ward 1 (4) / Kolkata vide letter dated April 29, 2014 requesting to keep the demand and penal proceedings in abeyance till disposal of the Appeal.

The date of hearing is awaited.

d) Order u/s. 263 of the Income Tax Act, 1961 relating to the AY 2009-10

Commissioner of Income Tax, Kolkata – I, Kolkata has passed an order u/s. 263 of the Income Tax Act, 1961 for AY 2009-10 dated March 31, 2014 setting aside an Assessment order passed u/s. 143(1) and referring back to Assessing Officer to pass revised order considering the disallowance of excess allowance of Rs. 11,42,544/- towards raw material consumption.

Our Company has filed an appeal dated 26.05.2014 before the Commissioner of Income Tax (Appeals) – I / Kolkata to set aside the above Assessment order.

The date of hearing is awaited.

e) Order u/s. 14B of the Employees Provident Fund & Miscellaneous Provisions Act, 1952 relating to the period April 2003 to February 2013

Assistant Provident Fund Commissioner, sub regional office, Howrah has passed an order u/s. 14B of the Employees Provident Fund & Miscellaneous Provisions Act, 1952 relating to the period April 2003 to February 2013 dated June 09, 2014 assessing the damages for alleged delayed contribution and interest totaling to Rs. 2,59,486/-.

Our Company has filed an appeal dated July 07, 2014 before the Employee's Provident Fund Appellate Tribunal, Ministry of Labour and Employment Government of India, Delhi to stay the operation of above order till the final disposal of Appeal. Employee's Provident Fund Appellate Tribunal vide its order dated September 2, 2014 has stayed the operation of order.

The next date of hearing is January 15, 2015.

f) Prosecution under section 220(3) and 162(1) of the Companies Act, 1956

Registrar of Companies has initiated the prosecution proceedings against our Company section 220(3) and 162(1) of the Companies Act, 1956 for late filing of annual returns, balance sheet and late holding of AGM for FY 2007-2008. The compounding proceedings are under process.

II. Litigations involving our Directors / Promoter:

Our Promoters and Directors are involved in litigations as promoter and director of our Group Companies in the litigation of Aanchal Cement Limited with Gimpex Limited.

III. Litigations involving our Group Entities

AANCHAL CEMENT LIMITED (formerly known as Kalika Cement Limited) (Aanchal Cement)

a) Order of Assessment by Ld. Sr. J C C T Commercial Taxes for FY 2010-11

Ld. Sr. J C C T Commercial Taxes, Asansol Circle has passed an order of assessment arisen out of Audit, passed on April 26, 2013 for FY 2010-11 enhancing GT for wrong calculation in valuation of clinker, disallowance of ITC and CST sales etc. Accordingly the relevant portion of ITC of Rs. 454.50 Laacs was disallowed. Aanchal Cement had preferred an appeal against above order and Additional Commissioner, Commercial Taxes, Durgapur had partially allowed the appeal vide order dated January 27, 2014.

Aanchal Cement has filed an appeal dated 21.03.2014 before the Honourable President and his Companion Members, The West Bengal Commercial Taxes Appellate and Revisional Board against above order. The date of hearing is awaited.

b) Demand Notice by DGCEI for FY 2010-11

Directorate General of Central Excise Intelligence has issued Show Cause cum Demand Notice dated April 09, 2013 for evading excise duty by way of willful suppression of their production and clandestine removal of finished excisable goods without proper accounting and payment of excise duty determining a duty evasion of Rs. 60,38,544/- against which Aanchal Cement has voluntarily deposited Rs. 20,00,000/-.

c) In the matter of Joint venture between AANCHAL CEMENT and Gimpex Limited

Aanchal Cement Limited, Kolkata (formerly known as Kalika Cement Limited) had entered into a Joint Venture Arrangement (JV Agreement) with Gimpex Limited, Chennai (Gimpex) vide email confirmation dated 17.07.2012 & 18.07.2012 where Gimpex has accepted that it was a JV Deal of 50:50. According to the JV arrangement Gimpex was to import cement clinker and Aanchal Cement were to sell the material imported by Gimpex in the domestic market. As per JV arrangement Gimpex imported two shipments and Aanchal Cement sole the same to various cement manufacturers in West

Bengal and Orissa. The sales proceeds were given to Gimpex against import from time to time. At the time of finalization of the accounts under the JV Agreement, disputes arose regarding the accounts and the basis of transaction. The cases are filed by Gimpex and Aanchal Cement against each other in the courts at Chennai and Kolkata. The amount involved in the litigation is Rs. 7 Crore.

| Sr. No. | Case No. | Petitioner | Court Name | Case Status |
|---------|--|------------|-----------------------------------|--|
| 1 | TS 1615 of 2012 | ACL | City Civil Court, Kol | Next date of hearing is January 19, 2015. |
| 2 | A1365 of 2013 | Gimpex | H.C. at Madras | Pending, Not appearing in List |
| 3 | 518 of 2014 | ACL | Ld CMM Court, Kolkata | Pending, summon Issued u/s 41(A) |
| 4 | 99,100,101, 3326,3327, 3328,3329 of 2013 | Gimpex | VII MM Court George Town, Chennai | Proceeding Stayed by H/Court, Pending in MM Court. Next Date 24.11.2014 |
| 5 | OA42 of 2013 & Application 312,313 & 313 of 2013 in OA42 | Gimpex | H.C. at Madras | Pending, Not appearing in cause List for hearing. |
| 6 | OA252 of 2013 in CS234 of 2013 | ACL | H.C. at Madras | Injunction granted on 09.04.2013, matter Pending, next date of hearing is awaited |
| 7 | Cr.Op 9250 of 2013 | Gimpex | III MM Court George Town, Chennai | Stayed by High Court on 09.04.2013. Next Date not allotted. Argument Over. Judgement was reserved on 18.09.2014. Date of hearing is awaited. |

AANCHAL IRON & STEELS PRIVATE LIMITED (AISPL)

a) Order of Assessment by Ld. Sr. J C S T / CH Circle for FY 2010-11

Ld. Sr. J C S T / CH Circle has passed an order of assessment on 27.05.2014 for FY 2010-11 enhancing VAT liability by an amount of Rs. 1,90,02,827.77.

AISPL has filed an appeal dated 17.07.2014 before the Honourable President and his Companion Members, The West Bengal Commercial Taxes Appellate and Revisional Board against above order.

The date of hearing is awaited.

AANCHAL COLLECTION LIMITED (ACL)

a) Order of Assessment by ESIC

The Inspector of OP Corporation visited the offices of ACL and inspected the documents relevant to ESI Contribution for FY 2008-09 and later on ACL received C-18 notice wherein ACL was made liable to pay for ESI contribution of Rs.33,95,475/- for difference of salaries, legal and professional charges, general expenses, repairs and maintenance and finishing expenses. Later on OP Corporation vide order dated August 13, 2012 revised ESI contribution payable by ACL at Rs. 17,71,110/-.

Aggrieved by the above order, ACL filed Appeal before the Employees' Insurance Court, West Bengal, Kolkata. The court in an interim order dated November 22, 2012 restrained OP corporation and their officers, agents from taking any action as per order dated August 13, 2012 subject to ACL depositing Rs. 4,00,000/-. We made the payment of Rs. 4,00,000 on December 14, 2012. The matter is stayed.

The date of hearing is awaited.

b) Order u/s. 14B of the Employees Provident Fund & Miscellaneous Provisions Act, 1952 relating to the period August 2010 to February 2013

Assistant Provident Fund Commissioner, sub regional office, Howrah has passed an order u/s. 14B of the Employees Provident Fund & Miscellaneous Provisions Act, 1952 relating to the period August

2010 to February 2013 dated April 24, 2014 assessing the damages for alleged delayed contribution and interest totaling to Rs. 1,95,575/-.

Our Company has filed an appeal dated July 07, 2014 before the Employee's Provident Fund Appellate Tribunal, Ministry of Labour and Employment Government of India, Delhi to stay the operation of above order till the final disposal of Appeal. Employee's Provident Fund Appellate Tribunal vide its order dated September 2, 2014 has stayed the operation of order subject to deposit of Rs. 50,000 within four weeks.

The next date of hearing is January 15, 2014.

c) Demand Notice by The Commissioner of Central Excise for the period April 2011 to October 2012

The Commissioner of Central Excise, Anti Evasion Unit, Kolkata – I, Kolkata has issued Show Cause cum Demand Notice dated February 04, 2013 for evading excise duty by misusing and contravening the exemption notifications, wrongly availing and utilizing CENVAT credit, not maintain proper stock / CENVAT account, delayed submission and non-submission of Central Excise returns etc. determining a duty evasion of Rs. 32,27,826/- against which ACL has deposited Rs. 19,53,862/-.

Our Company has filed an appeal on October 10, 2013 before the Commissioner (Appeals) of Central Excise, Kolkata to set aside the above Assessment order.

Our Company has also requested the Commissioner (Appeals) of Central Excise, Kolkata by a Stay Petition filed on October 10, 2013 to keep the demand and penal proceedings in abeyance till the Appeal is finally heard and decided.

The date of hearing is awaited.

d) Notice u/s. 434 of the Companies Act 1956 in the matter of S. K. Autotech (P) Ltd. (SKAPL)

ACL is in receipt of notice u/s. 434 of the Companies Act 1956 from C. K. Deora & Company, Solicitors & Advocate on behalf of their client S. K. Autotech (P) Ltd. in relation to dispute for the payment of rent and service charges amounting to Rs. 44,63,544/- for the commercial premises taken on leave & License by ACL from above party. SKAPL has filed CP no. 775 of 2013 in the High Court at Calcutta. The matter is listed in the cause list and is running monthly list. But the matter is not reaching for hearing.

e) Notice u/s. 434 of the Companies Act 1956 in the matter of Jitendra Creations Pvt. Ltd. (JCPL)

ACL is in receipt of notice u/s. 434 of the Companies Act 1956 from Varun Kedia, Advocate on behalf of their client Jitendra Creations Pvt. Ltd. in relation to dispute for the amount payable for purchase of fabrics from them and interest thereon amounting to Rs. 8,57,031/-. JCPL has filed CP no. 274 of 2014 in the High Court at Calcutta. The matter is listed in the cause list and is running monthly list. But the matter is not reaching for hearing.

f) Regular Civil Suit No. 180 of 2014 in the matter of KSL & Industries Ltd. (KSL)

KSL & Industries Ltd. has filed Regular Civil Suit no. 180 of 2014 in the Small Causes Court at Nagpur for the recovery of arrears of License fee and other charges amounting to Rs. 48,94,813/- payable by ACL for occupying their property on Leave & License basis at Empress City Mall, Nagpur.

The next date of hearing is November 20, 2014.

g) Suit No. 34 of 2013 & 47 of 2013 in the matter of Ganpati Fashions (Prop. Preety Chhaperia)

ACL has filed Suit no. 34 of 2013 before the Ld. District Judge at Alipur against Ganpati Creations represented by Proprietress Preety Chhaperia. Ld. District Judge, on April 16, 2013 passed an order

restraining the Preety Chhaperia and its agents and assigns from dealing with, transferring possession of goods or creating any third party right over goods belonging to ACL.

Ganpati Creations represented by Proprietress Preety Chhaperia has also filed suit no. 47 of 2013 against ACL praying for injunction allowing them to sale the stocks lying in their custody.

Both the above suits have been transferred to the Court of the Ld. 7th Additional District Judge at Alipur. ACL has also filed an Application in suit no. 34 of 2013 for the appointment of receiver over the goods lying in the custody of Ganpati Creations.

The next date of hearing in both the matters is November 13, 2014.

h) Complaint in the matter of Pankaj Bhatewara and Unnati Pankaj Bhatewara

ACL has filed a complaint no. C/27298/13 before the Chief Metropolitan Magistrate Court at Kolkata dated 30.08.2013 to prosecute Mr. Pankaj Bhatewara and Mrs. Unnati Pankaj Bhatewara u/s. 409 and 120 (B) of Indian Penal Code and for holding Rs. 21,41,736/-, illegally and dishonestly with the intent to misappropriate the aforesaid amount and causing wrongful losses to ACL.

The next date of hearing is December 28, 2014.

i) Complaint in the matter of Gitanjali Life Style Limited

ACL has filed case number CP/494/2014 before the Bombay High Court at Mumbai on July 17, 2014 for recovery of Rs. 1,65,12,726/- relating to payment against cash memos for sale of merchandise at Guwahati Outlet of Gitanjali Life Style Limited. Gitanjali has filed a fresh application at Bombay High Court under Section 11 for Arbitration of the dispute. We are in the process to oppose the application. Gitanjali's Application is under process and no date for first hearing is assigned as on date.

IV. Other litigations involving any other entities which may have a material adverse effect on our Company

There is no outstanding litigation, suits, criminal or civil prosecutions, statutory or legal proceedings including those for economic offences, tax liabilities, prosecution under any enactment in respect of Schedule XIII of the Companies Act, show cause notices or legal notices pending against any company whose outcome could affect the operation or finances of our Company or have a material adverse effect on the position of our Company.

V. Potential Litigations

There are no potential litigations against our Company, our Promoter, our Directors, our Subsidiary or our Group Entities that we are currently aware of or in connection with which, we have received notice.

VI. Details of the past penalties imposed on our Company / Directors : Nil

VII. Amounts owed to small scale undertakings or any other creditors

There are no outstanding dues above ₹ 1,00,000 to small scale undertaking(s) or any other creditors by our Company, for more than 30 days, except in the ordinary course of business.

VIII. Material developments occurring after last balance sheet date, that is, September 30, 2014

Except as disclosed in the section titled "*Management's Discussion and Analysis of Financial Condition and Results of Operations of our Company*" beginning on page 142 of the Prospectus, in the opinion of our Board, there have not arisen, since the date of the last financial statements disclosed in the Prospectus, any circumstances that materially or adversely affect or are likely to affect our profitability or its ability to pay its material liabilities within the next 12 months.

GOVERNMENT AND OTHER APPROVALS

In view of the licenses / permissions / approvals / no-objections / certifications / registrations, (collectively “Authorisations”) listed below, our Company can undertake this Issue and our current business activities and to the best of our knowledge, no further approvals from any governmental or regulatory authority or any other entity are required to undertake this Issue or continue our business activities. Unless otherwise stated, these approvals are all valid as of the date of the Prospectus.

It must be distinctly understood that, in granting these approvals, the GoI, the RBI or any other authority does not take any responsibility for our financial soundness or for the correctness of any of the statements made or opinions expressed in this behalf. For further details in connection with the regulatory and legal framework within which we operate, please refer to the chapter titled “Key Regulations and Policies” beginning on page 84 of the Prospectus.

A. Corporate / General Authorisations

| Sr. No. | Authorisation granted | Issuing Authority | Registration No./Reference No./License No. | Applicable Act/ Regulation | Date of Issue | Valid upto |
|---------|--|-------------------------------------|--|----------------------------|-------------------|-----------------------|
| 1. | Certificate of Incorporation in the name of ‘Vinita Projects Private Limited’ | Registrar of Companies, West Bengal | 21-76866 of 1996 | Companies Act, 1956 | January 30, 1996 | Valid until cancelled |
| 2. | Fresh certificate of incorporation consequent upon change of name to ‘Aanchal Ispat Private Limited’ | Registrar of Companies, West Bengal | U27106WB1996P TC076866 | Companies Act, 1956 | November 29, 2012 | Valid until cancelled |
| 3. | Fresh certificate of incorporation consequent upon change of name on conversion to public limited to ‘Aanchal Ispat Limited’ | Registrar of Companies, West Bengal | U27106WB1996P LC076866 | Companies Act, 1956 | August 21, 2014 | Valid until cancelled |
| 4. | Trade Registration Certificate Certificate | Chamrail Gram Panchayat | CGP/146 | -- | June 6, 2013 | For FY 2014-15 |

B. Issue Related Authorisations

- Our Board of Directors has, pursuant to a resolution passed at its meeting held on August 12, 2014, authorised the Issue subject to the approval by the shareholders of our Company under Section 62(1)(c) of the Companies Act, 2013 such other authorities as may be necessary.

2. The shareholders of our Company have authorised the Issue, pursuant to a special resolution under Section 62(1)(c) of the Companies Act, 2013, passed at their AGM held on September 5, 2014.
3. Our Company has obtained approval dated October 14, 2014 from the BSE.

C. Business Related Authorisations

| Sr. No. | Authorization granted | Issuing Authority | Registration No./Reference No./License No. | Validity |
|----------------|---|--|--|--------------------------|
| 1. | Certificate of Permanent Registration as a Small Scale Unit | Directorate of Cottage & Small Scale Industries, Govt. of West Bengal | 210916375 | Valid until cancellation |
| 2. | IS 1786:2008 for TMT Bars | Bureau of Indian Standards | Licence No. CM/L 5525566 | February 20, 2015 |
| 3. | IS 2062:2011 for Structural Products | Bureau of Indian Standards | Licence No. CM/L 5489992 | June 1, 2016 |
| 4. | Employes' Provident Fund Organisation | Employees Provident Funds and Miscellaneous Provision Act, 1952 | WB/HLO/0036953000 | Valid until cancellation |
| 5. | ESIC Registration Certificate | Employee State Insurance Act, 1948 | 41000179920000503 | Valid until cancellation |
| 6. | Consent to Operate | Water (Prevention and Control of Pollution) Act, 1974 and the Air (Prevention and Control of Pollution) Act, 1981 | Consent Letter No. CO83924 Memo No. CO12/5-PCB/HOW/803-2000 | October 31, 2015 |
| 7. | Approval from Gram Panchayat for setting up the Unit | Prodhan, Chamrail Gram Panchayat, Chamrail, Howrah | Approval of Plan of Entire Unit | Valid until cancellation |
| 8. | Certificate of Importer-Exporter Code | Foreign Trade Development Officer, Kolkata (Office of the Zonal Director General of Foreign Trade, Ministry of Commerce and Industry, Government of India) | IEC No. 0204010225 | Valid until cancellation |
| 9. | License under West Bengal Fire Services Act, 1950 for storage of furnace oil, HSD and Lubrication Oil | Collector of Fire License and Joint Secretary | 26252 of 2014-15 | May 31, 2015 |

D. Tax Related Authorisations

| Sr. No. | Authorization granted | Issuing Authority | Registration No./Reference No./License No. | Validity |
|----------------|---|--|---|--------------------------|
| 1. | Permanent Account Number | Income Tax Department, GoI | AAACV8542M | Valid until cancellation |
| 2. | Tax Deduction Account Number | Income Tax Department, GoI | CALA16218G | Valid until cancellation |
| 3. | Tax Payer's Identification Number | Commercial Tax Department, West Bengal Value Added Tax Rules, 2005 | 19701943056 | Valid until cancellation |
| 4. | Professional Tax Registration as employer | Professional Tax Officer, Howrah, under West Bengal State Tax on | RWH – 0033189 | Valid until cancellation |

| Sr. No. | Authorization granted | Issuing Authority | Registration No./Reference No./License No. | Validity |
|---------|---|--|--|--------------------------|
| | | Professions, Trades, Callings and Employments Act, 1979 | | |
| 5. | Central Excise Registration Certificate as a manufacturer | Deputy Commissioner, Central Excise & Service Tax, Howrah West Div -II | AAACV8542MXM001 | Valid until cancellation |
| 6. | Central Excise Registration Certificate as a dealer | Deputy Commissioner, Central Excise & Service Tax, Howrah West Div -II | AAACV8542MED003 | Valid until cancellation |

E. Approvals applied for but not yet received/Renewals made in the usual course of business:

| | | | |
|---------------------------|--------------------------|-------------------|--|
| License to Work a factory | Directorate of Factories | License No. 17493 | Application for renewal Made on January 20, 2014 |
|---------------------------|--------------------------|-------------------|--|

F. Material licenses / approvals for which our Company is yet to apply / Statutory Approvals/Licenses required for the proposed expansion: NIL

OTHER REGULATORY AND STATUTORY DISCLOSURES

Authority for the Issue

The Issue has been authorised by a resolution of the Board of Directors passed at their meeting held on August 12, 2014, subject to the approval of shareholders of our Company through a special resolution to be passed pursuant to Section 62(1)(c) of the Companies Act, 2013.

The shareholders of our Company have authorised the Issue by a special resolution passed pursuant to Section 62(1)(c) of the Companies Act, 2013 at the AGM of our Company held on September 5, 2014.

We have also obtained all necessary contractual approvals required for this Issue. For further details, refer to the chapter titled “*Government and Other Approvals*” beginning on page 156 of the Prospectus.

We have received approval from BSE *vide* their letter dated October 14, 2014 to use the name of BSE in the Prospectus for listing of our Equity Shares on SME Platform of BSE. BSE is the Designated Stock Exchange.

Prohibition by SEBI

Our Company, Directors, Promoter, members of the Promoter Group and Group Entities, have not been prohibited from accessing or operating in the capital markets or restrained from buying, selling or dealing in securities under any order or direction passed by SEBI or any other regulatory or governmental authority.

The companies, with which Promoter, Directors or persons in control of our Company were or are associated as Promoter, directors or persons in control of any other company have not been prohibited from accessing or operating in capital markets under any order or direction passed by SEBI or any other regulatory or governmental authority. None of our Directors are associated with any entities which are engaged in securities market related business and are registered with SEBI for the same.

Prohibition by RBI or Governmental authority

Our Company, our Promoters or his relatives (as defined under the Companies Act) and our Group Entities have confirmed that they have not been detained as willful defaulters by the RBI or any other government authority and there are no violations of securities laws committed by them in the past or are pending against them.

Our Directors have not been declared as wilful defaulter by RBI or any other government authority and there have been no violation of securities laws committed by them in the past or no such proceedings are pending against our Company or them.

ELIGIBILITY FOR THIS ISSUE

Our Company is an “Unlisted Issuer” in terms of the SEBI (ICDR) Regulations; and this Issue is an “Initial Public Offer” in terms of the SEBI (ICDR) Regulations.

Our Company is eligible for the Issue in accordance with Regulation 106(M)(2) and other provisions of Chapter XB of the SEBI (ICDR) Regulations, as we are an Issuer whose post-issue face value capital exceed ten Crore Rupees and upto twenty five crore ruprees and we may hence 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).

We confirm that:

- a) In accordance with Regulation 106(P) of the SEBI (ICDR) Regulations, this Issue has been hundred percent underwritten and that the Lead Manager to the Issue has underwritten 15% of the Total Issue Size. For further details pertaining to said underwriting please refer to “General Information – Underwriting” on page 36 of the Prospectus.
- b) In accordance with Regulation 106(R) of the SEBI (ICDR) Regulations, we shall ensure that the total number of proposed allottees in the Issue is greater than or equal to fifty, otherwise, the entire application money will be refunded forthwith. If there is a delay beyond eight days after our Company becomes liable

to pay the amount, our Company and every officer in default will, on and from the expiry of this period, be jointly and severally liable to repay the money, with interest or other penalty as prescribed under the SEBI Regulations, the Companies Act 2013 and applicable law

- c) In accordance with Regulation 106(O) the SEBI (ICDR) Regulations, we have not filed any Draft Offer Document with SEBI nor has SEBI issued 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.
- d) In accordance with Regulation 106(V) of the SEBI (ICDR) Regulations, we have entered into an agreement with the Lead Manager and Market Maker to ensure compulsory Market Making for a minimum period of three years from the date of listing of equity shares offered in this Issue. *For further details of the arrangement of market making please refer to the section titled “General Information – Details of the Market Making Arrangements for this Issue” on page 37 of the Prospectus.*

We further confirm that we shall be complying with all the other requirements as laid down for such an Issue under Chapter X-B of SEBI (ICDR) Regulations, as amended from time to time and subsequent circulars and guidelines issued by SEBI and the Stock Exchange.

As per Regulation 106(M)(3) of SEBI (ICDR) Regulations, 2009, the provisions of Regulations 6(1), 6(2), 6(3), Regulation 7, Regulation 8, Regulation 9, Regulation 10, Regulation 25, Regulation 26, Regulation 27 and Sub-regulation (1) of Regulation 49 of SEBI (ICDR) Regulations, 2009 shall not apply to us in this Issue.

BSE ELIGIBILITY NORMS:

1. *Net Tangible assets of at least ₹ 1 crore as per the latest audited financial results*

Our Company has Net Tangible Assets of ₹ 1 crore as per the latest financial results. Our Net Tangible Assets for the period ended March 31, 2014 are disclosed as under:

| (₹ lacs) | |
|--|-----------------|
| Particulars | 31-Mar-14 |
| Fixed Assets (Net) | 587.80 |
| Intangible Assets | 0.00 |
| Current Assets, Loans & Advances | 6,328.85 |
| Investments | 0.00 |
| Less: Current Liabilities & provisions | 4,380.82 |
| Net Tangible Assets | 2,535.83 |

2. *Net worth (excluding revaluation reserves) of at least ₹ 1 crore as per the latest audited financial results*

Our Company satisfies the above criteria. Our Net Worth as per the restated financial statements is as under:

| (₹ lacs) | |
|------------------|----------------|
| Particulars | 31-Mar-14 |
| Net Worth | 2294.58 |

3. *Track record of distributable profits in terms of sec. 205 of Companies Act, 1956 for at least two years out of immediately preceding three financial years and each financial year has to be a period of at least 12 months. Extraordinary income will not be considered for the purpose of calculating distributable profits. Otherwise, the Net Worth shall be at least ₹ 3 Crores.*

Our Company does has a track record of distributable profits in terms of sec. 205 of Companies Act, 1956 for at least two years out of immediately preceding three financial years.

(₹ lacs)

| Particulars | 31-Mar-14 | 31-Mar-13 | 31-Mar-12 |
|------------------|-----------|-----------|-----------|
| Profit After Tax | 75.47 | 58.48 | 48.00 |

4. Other Requirements

The post-issue paid up capital of the company shall be at least ₹ 1 crore.

Our Company currently has a paid up capital in excess of ₹ 1 crore, and the Post Issue Capital shall be ₹ 20.85 crores.

The company shall mandatorily facilitate trading in demat securities and enter into an agreement with both the depositories.

Our Company is in the process of entering into tripartite agreements with CDSL and NSDL along with our Registrar for facilitating trading in dematerialized mode. Also the Equity Shares allotted through this Issue will be in dematerialized mode.

Companies shall mandatorily have a website.

Our Company has a live and operational website: www.aanchalispac.com

5. Certificate from the applicant company / promoting companies stating the following:

- a. *The Company has not been referred to the Board for Industrial and Financial Reconstruction (BIFR).*

Our Company has not been referred to the Board for Industrial and Financial Reconstruction (BIFR).

- b. *There is no winding up petition against the company that has been accepted by a court or a liquidator has not been appointed.*

There is no winding up petition against our company that has been accepted by a court or a liquidator has not been appointed.

- c. *There has been no change in the promoter/s of the Company in the preceding one year from date of filing application to BSE for listing on SME segment.*

There has been no change in the promoters of our Company in the preceding one year from date of filing application to BSE for listing on SME segment.

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, INVENTURE MERCHANT BANKER SERVICES 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, 2009, AS FOR THE TIME BEING IN FORCE. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING AN INVESTMENT IN THE PROPOSED ISSUE.

IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE COMPANY IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT

INFORMATION IN THE PROSPECTUS, THE LEAD MANAGER, INVENTURE MERCHANT BANKER SERVICES PRIVATE LIMITED, ARE EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE COMPANY DISCHARGES ITS RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE LEAD MANAGER, INVENTURE MERCHANT BANKER SERVICES PRIVATE LIMITED, HAVE FURNISHED TO SEBI A DUE DILIGENCE CERTIFICATE DATED NOVEMBER 13, 2014 WHICH READS AS FOLLOWS:

WE, THE LEAD MANAGER TO THE ABOVE MENTIONED FORTHCOMING ISSUE, STATE AND CONFIRM AS FOLLOWS:

1. WE HAVE EXAMINED VARIOUS DOCUMENTS INCLUDING THOSE RELATING TO LITIGATION LIKE COMMERCIAL DISPUTES, PATENT DISPUTES, DISPUTES WITH COLLABORATORS, ETC. AND OTHER MATERIAL IN CONNECTION WITH THE FINALISATION OF THE OFFER DOCUMENT PERTAINING TO THE SAID ISSUE.
2. ON THE BASIS OF SUCH EXAMINATION AND THE DISCUSSIONS WITH THE COMPANY, ITS DIRECTORS AND OTHER OFFICERS, OTHER AGENCIES, 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 COMPANY, WE CONFIRM THAT:
 - a) THE OFFER DOCUMENT FILED WITH SEBI IS IN CONFORMITY WITH THE DOCUMENTS, MATERIALS AND PAPERS RELEVANT TO THE ISSUE;
 - b) ALL THE LEGAL REQUIREMENTS RELATING TO THE ISSUE AS ALSO THE REGULATIONS, GUIDELINES, INSTRUCTIONS, ETC. FRAMED / ISSUED BY SEBI, THE CENTRAL GOVERNMENT, AND ANY OTHER COMPETENT AUTHORITY IN THIS BEHALF HAVE BEEN DULY COMPLIED WITH; AND
 - c) THE DISCLOSURES MADE IN THE OFFER DOCUMENT ARE TRUE, FAIR AND ADEQUATE TO ENABLE THE INVESTORS TO MAKE A WELL INFORMED DECISION AS TO THE INVESTMENT IN THE PROPOSED ISSUE AND SUCH DISCLOSURES ARE IN ACCORDANCE WITH THE REQUIREMENTS OF THE COMPANIES ACT, 1956, APPLICABLE PROVISIONS OF THE COMPANIES ACT, 2013, THE SECURITIES EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 AND OTHER APPLICABLE LEGAL REQUIREMENTS.
3. WE CONFIRM THAT BESIDES OURSELVES, ALL THE INTERMEDIARIES NAMED IN THE OFFER DOCUMENT ARE REGISTERED WITH SEBI AND THAT TILL DATE SUCH REGISTRATION IS VALID.
4. WE HAVE SATISFIED OURSELVES ABOUT THE CAPABILITY OF THE UNDERWRITERS TO FULFIL THEIR UNDERWRITING COMMITMENTS.
5. WE CERTIFY THAT WRITTEN CONSENT FROM PROMOTERS HAS BEEN OBTAINED FOR INCLUSION OF THEIR EQUITY SHARES AS PART OF THE PROMOTER' CONTRIBUTION SUBJECT TO LOCK-IN AND THE EQUITY SHARES PROPOSED TO FORM PART OF PROMOTER'S CONTRIBUTION SUBJECT TO LOCK-IN, SHALL NOT BE DISPOSED / SOLD / TRANSFERRED BY THE PROMOTERS DURING THE PERIOD STARTING FROM THE DATE OF FILING THE PROSPECTUS WITH SEBI TILL THE DATE OF COMMENCEMENT OF LOCK-IN PERIOD AS STATED IN THE OFFER DOCUMENT.
6. WE CERTIFY THAT REGULATION 33 OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, WHICH RELATES TO EQUITY SHARES INELIGIBLE FOR COMPUTATION OF PROMOTER CONTRIBUTION, HAS BEEN DULY COMPLIED WITH AND APPROPRIATE DISCLOSURES AS TO COMPLIANCE WITH THE SAID REGULATION HAVE BEEN MADE IN THE OFFER DOCUMENT.
7. WE UNDERTAKE THAT SUB-REGULATION (4) OF REGULATION 32 AND CLAUSE (C) AND

(D) OF SUB-REGULATION (2) OF REGULATION 8 OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 SHALL BE COMPLIED WITH. WE CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT PROMOTERS' 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 SEBI. WE FURTHER CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT PROMOTERS' CONTRIBUTION SHALL BE KEPT IN AN ESCROW ACCOUNT WITH A SCHEDULED COMMERCIAL BANK AND SHALL BE RELEASED TO THE COMPANY ALONG WITH THE PROCEEDS OF THE PUBLIC ISSUE. – NOT APPLICABLE

- 8. WE CERTIFY THAT THE PROPOSED ACTIVITIES OF THE COMPANY 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 OF THE COMPANY AND THAT THE ACTIVITIES WHICH HAVE BEEN CARRIED OUT UNTIL NOW ARE VALID IN TERMS OF THE OBJECT CLAUSE OF ITS MEMORANDUM OF ASSOCIATION.**
- 9. WE CONFIRM THAT NECESSARY ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT THE MONEYS RECEIVED PURSUANT TO THE ISSUE ARE KEPT IN A SEPARATE BANK ACCOUNT 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 ALL THE STOCK EXCHANGES MENTIONED IN THE OFFER DOCUMENT. WE FURTHER CONFIRM THAT THE AGREEMENT ENTERED INTO BETWEEN THE BANKERS TO THE ISSUE AND THE COMPANY SPECIFICALLY CONTAINS THIS CONDITION. – NOTED FOR COMPLIANCE**
- 10. WE CERTIFY THAT A DISCLOSURE HAS BEEN MADE IN THE OFFER DOCUMENT THAT THE INVESTORS SHALL BE GIVEN AN OPTION TO GET THE SHARES IN DEMAT OR PHYSICAL MODE - NOT APPLICABLE, THE ALLOTMENT WILL BE MADE ONLY IN DEMAT FORM.**
- 11. WE CERTIFY THAT ALL THE APPLICABLE DISCLOSURES MANDATED IN THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 HAVE BEEN MADE IN ADDITION TO DISCLOSURES WHICH, IN OUR VIEW, ARE FAIR AND ADEQUATE TO ENABLE THE INVESTOR TO MAKE A WELL INFORMED DECISION.**
- 12. WE CERTIFY THAT THE FOLLOWING DISCLOSURES HAVE BEEN MADE IN THE OFFER DOCUMENT:**
 - (A) AN UNDERTAKING FROM THE COMPANY THAT AT ANY GIVEN TIME, THERE SHALL BE ONLY ONE DENOMINATION FOR THE EQUITY SHARES OF THE COMPANY; AND**
 - (B) AN UNDERTAKING FROM THE COMPANY THAT IT SHALL COMPLY WITH SUCH DISCLOSURE AND ACCOUNTING NORMS SPECIFIED BY SEBI FROM TIME TO TIME.**
- 13. WE UNDERTAKE TO COMPLY WITH THE REGULATIONS PERTAINING TO ADVERTISEMENT IN TERMS OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 WHILE MAKING THE ISSUE.**
- 14. WE ENCLOSE A NOTE EXPLAINING HOW THE PROCESS OF DUE DILIGENCE HAS BEEN EXERCISED BY US IN VIEW OF THE NATURE OF CURRENT BUSINESS BACKGROUND OF THE COMPANY, SITUATION AT WHICH THE PROPOSED BUSINESS STANDS, THE RISK FACTORS, PROMOTER' EXPERIENCE, ETC.**
- 15. WE ENCLOSE A CHECKLIST CONFIRMING REGULATION-WISE COMPLIANCE WITH THE APPLICABLE PROVISIONS OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009,**

CONTAINING DETAILS SUCH AS THE REGULATION NUMBER, ITS TEXT, THE STATUS OF COMPLIANCE, PAGE NUMBER OF THE OFFER DOCUMENT WHERE THE REGULATION HAS BEEN COMPLIED WITH AND OUR COMMENTS, IF ANY.

16. WE ENCLOSE STATEMENT ON 'PRICE INFORMATION OF PAST ISSUES HANDLED BY INVENTURE MERCHANT BANKER SERVICES PRIVATE LIMITED, AS PER FORMAT SPECIFIED BY THE BOARD THROUGH CIRCULAR BEARING REFERENCE CIR/MIRSD/1/2012 DATED JANUARY 10, 2012.
17. WE CERTIFY THAT PROFITS FROM RELATED PARTY TRANSACTIONS HAVE ARISEN FROM LEGITIMATE BUSINESS TRANSACTIONS.

ADDITIONAL CONFIRMATIONS/ CERTIFICATION TO BE GIVEN BY LEAD MANAGER IN DUE DILIGENCE CERTIFICATE TO BE GIVEN ALONG WITH OFFER DOCUMENT REGARDING SME EXCHANGE

1. WE CONFIRM THAT NONE OF THE INTERMEDIARIES NAMED IN THE OFFER DOCUMENT HAVE BEEN DEBARRED FROM FUNCTIONING BY ANY REGULATORY AUTHORITY.
2. WE CONFIRM THAT ALL THE MATERIAL DISCLOSURES IN RESPECT OF THE ISSUER HAVE BEEN MADE IN PROSPECTUS AND CERTIFY THAT ANY MATERIAL DEVELOPMENT IN THE ISSUER OR RELATING TO THE ISSUE UP TO THE COMMENCEMENT OF LISTING AND TRADING OF THE SPECIFIED SECURITIES OFFERED THROUGH THIS ISSUE SHALL BE INFORMED THROUGH PUBLIC NOTICES/ADVERTISEMENTS IN ALL THOSE NEWSPAPERS IN WHICH PRE-ISSUE ADVERTISEMENT AND ADVERTISEMENT FOR OPENING OR CLOSURE OF THE ISSUE HAVE BEEN GIVEN.
3. WE CONFIRM THAT THE ABRIDGED PROSPECTUS CONTAINS ALL THE DISCLOSURES AS SPECIFIED IN THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009.
4. WE CONFIRM THAT AGREEMENTS HAVE BEEN ENTERED INTO WITH THE DEPOSITORIES FOR DEMATERIALISATION OF THE SPECIFIED SECURITIES OF THE ISSUER.
5. WE CERTIFY THAT AS PER THE REQUIREMENTS OF FIRST PROVISIO TO SUBREGULATION (4) OF REGULATION 32 OF SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, THE CASH FLOW STATEMENT HAS BEEN PREPARED AND DISCLOSED IN THE PROSPECTUS. – *NOT APPLICABLE*
6. WE CONFIRM THAT UNDERWRITING AND MARKET MAKING ARRANGEMENTS AS PER REQUIREMENTS OF REGULATION 110[106P] AND 111[106V] OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, HAVE BEEN MADE.

THE FILING OF THE PROSPECTUS DOES NOT, HOWEVER, ABSOLVE OUR COMPANY FROM ANY LIABILITIES UNDER SECTION 63 OR SECTION 68 OF THE COMPANIES ACT (SECTION 34 OR SECTION 36 OF THE COMPANIES ACT, 2013) OR FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY AND/OR OTHER CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE PROPOSED ISSUE. SEBI FURTHER RESERVES THE RIGHT TO TAKE UP AT ANY POINT OF TIME, WITH THE LEAD MANAGER, ANY IRREGULARITIES OR LAPSES IN THE PROSPECTUS.

All legal requirements pertaining to this Issue will be complied with at the time of filing of the Prospectus with the Registrar of Companies, West Bengal situated at Kolkata.

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 the 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.aanchalisp.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 September 6, 2014, the Underwriting Agreement dated September 6, 2014 entered into among the Underwriters and our Company and the Market Making Agreement dated September 6, 2014 entered into among the Lead Manager and our Company.

Our Company and the Lead Manager shall make all information available to the public and investors at large and no selective or additional information would be available for a section of the investors in any manner whatsoever including at road show presentations, in research or sales reports or at collection centers, *etc.*

The Lead Manager and its associates and affiliates may engage in transactions with and perform services for, our Company and associates of our Company in the ordinary course of business & have engaged, and may in future engage in the provision of financial services for which they have received, and may in future receive, compensation.

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/MIRSD/1/2012 dated January 10, 2012 issued by the SEBI, please refer to 'Annexure A' to the Prospectus and the website of the Lead Manager at www.inventuregrowth.com

Disclaimer in Respect of Jurisdiction

This Issue is being made in India to persons resident in India (including Indian nationals resident in India who are not minors, HUFs, companies, corporate bodies and societies registered under the applicable laws in India and authorised to invest in shares, Indian Mutual Funds registered with SEBI, Indian financial institutions, commercial banks, regional rural banks, co-operative banks (subject to RBI permission), or trusts under applicable trust law and who are authorised under their constitution to hold and invest in shares, public financial institutions as specified in Section 2 (72) of the Companies Act, 2013, scheduled commercial banks, mutual fund registered with SEBI, FII and sub-account (other than a sub-account which is a foreign corporate or foreign individual) registered with SEBI, Alternative Investment Fund, multilateral and bilateral development financial institution, venture capital fund registered with SEBI, foreign venture capital investor registered with SEBI, state industrial development corporation, insurance company registered with Insurance Regulatory and Development Authority, provident fund with minimum corpus of ₹ 2,500 Lacs, pension fund with minimum corpus of ₹ 2,500 Lacs, National Investment Fund set up by resolution no. F. No. 2/3/2005-DDII dated November 23, 2005 of the Government of India published in the Gazette of India, insurance funds set up and managed by army, navy or air force of the Union of India and Insurance funds set up and managed by the Department of Posts, India, provided that they are eligible under all applicable laws and regulations to hold Equity Shares of the Company 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 the 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 Kolkata 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 the Draft 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 the Prospectus may not be distributed, in any jurisdiction, except in accordance with the legal requirements applicable in such jurisdiction. Neither the delivery of the 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 Limited

BSE Limited (“BSE”) has given *vide* its letter dated October 14, 2014, permission to this Company to use its name in this offer document as one of the stock exchanges on which this Company’s securities are proposed to be listed on SME platform. BSE has scrutinized this offer for its limited internal purpose of deciding on the matter of granting the aforesaid permission to this 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 or will continue to be listed on BSE; or
- iii. take any responsibility for the financial or other soundness of this Company, its Promoter, its management or any scheme or project of this Company;

and it should not for any reason be deemed or construed that this offer document has been cleared or approved by BSE. Every person who desires to apply for or otherwise acquires any securities in this Company may do so pursuant to independent inquiry, investigations and analysis and shall not have any claim against BSE whatsoever by reason of 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.

Filing

The Draft Prospectus shall not be filed with SEBI, nor will SEBI issue any observation on the Offer Document in term of Regulation 106(M)(3) of SEBI (ICDR) Regulations. However, a copy of the Prospectus shall be filed with SEBI at the Corporate Finance Department at Eastern Regional Office situated at: L&T Chambers, 3rd Floor, 16 Camac Street, Kolkata - 700 017. A copy of the Prospectus, along with the documents required to be filed under Section 26 of the Companies Act, 2013 will be delivered for registration with the RoC situated at Nizam Palace, 2nd MSO Building, 2nd Floor, 234/4 A.J.C.B. Road, Kolkata-700 020, West Bengal, India.

Listing

The Equity Shares issued through the Prospectus are proposed to be listed on the SME platform of BSE Limited. In-principle approval for listing of the Equity Shares of our Company from BSE has been received *vide* its letter dated October 14, 2014. BSE will be the Designated Stock Exchange with which the basis of allotment will be finalized.

If the permissions to deal in and for an official quotation of the Equity Shares is not granted by BSE, our

Company will forthwith repay, without interest, all moneys received from the applicants in pursuance of the Prospectus. If there is a delay beyond eight days after our Company becomes liable to pay the amount, our Company and every officer in default will, on and from the expiry of this period, be jointly and severally liable to repay the money, with interest or other penalty as prescribed under the SEBI Regulations, the Companies Act 2013 and applicable law.

Our Company shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at the SME platform of BSE mentioned above are taken within 12 Working Days of the Issue Closing Date.

Impersonation

Attention of the Applicants is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act, 2013 which is reproduced below:

“Any person who –

- (a) makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities, or*
- (b) makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or*
- (c) otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name, shall be liable for action under section 447.”*

The liability prescribed under Section 447 of the Companies Act, 2013, includes imprisonment for a term of not less than six months extending up to ten years (provided that where the fraud involves public interest, such term shall not be less than three years) and fine of an amount not less than the amount involved in the fraud, extending up to three times of such amount.

Consents

We have obtained consents in writing of our Directors, Company Secretary and Compliance Officer, the Lead Manager, the legal counsel to the Issue, the Bankers to our Company, the Registrar to the Issue. We will obtain consents in writing of the Market Maker(s), Refund Bank(s) and the Banker(s) to the Issue / Escrow Collection Bank(s) to act in their respective capacities. These consents will be filed along with a copy of the Prospectus with the RoC as required under Sections 60 and 60B of the Companies Act.

In accordance with the Companies Act and the SEBI Regulations Maheshwari & Co., Chartered Accountants our Peer Review Independent Auditors and R. Modi & Co., Chartered Accountants our statutory auditors have agreed to provide their respective written consents for inclusion of their name, report on financial statements and report relating to the possible general and special tax benefits, as applicable, accruing to our Company and its shareholders, in the Prospectus in the form and context in which they appear in the Prospectus.

Further, such consent and report will not be withdrawn up to the time of delivery of the Prospectus for registration with the RoC.

Expert Opinion

Except for (a) Peer review Auditors’ reports on the restated financial statements; and (b) Statement of Tax Benefits by the statutory auditors (a copy of the said report and statement of tax benefits has been included in the Prospectus), we have not obtained any other expert opinions.

Issue Related Expenses

The expenses of the Issue include, among others, underwriting and Issue management fees, Market Making fees, selling commission, printing and distribution expenses, legal fees, statutory advertisement expenses and listing fees. The estimated issue expenses are as under:

(₹ in lacs)

| Sr. No. | Particulars | Amount (₹ in Lacs) |
|--------------|--|-----------------------|
| 1. | Payment to Merchant Banker including fees and reimbursements of Market Making Fees, selling commissions, brokerages, payment to other intermediaries such as Legal Advisors, Advisors, Registrars, Bankers etc and other out of pocket expenses. | 38.51 |
| 2. | Printing & Stationery, Postage Expenses and Marketing & Advertisement Expenses | 6.00 |
| 3. | Regulatory fees and other expenses | 5.00 |
| Total | | 49.51 |

Details of Fees Payable

Fees Payable to the Lead Manager

The total fees payable to the Lead Manager will be as per the Memorandum of Understanding dated September 6, 2014 executed between our Company and the Lead Manager, 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 to the Issue dated September 9, 2014, a copy of which is available for inspection at our Registered Office.

The Registrar to the Issue will be reimbursed for all out-of-pocket expenses including cost of stationery, postage, stamp duty and communication expenses. Adequate funds will be provided by the Company to the Registrar to the Issue to enable them to send refund orders or allotment advice by registered post/ speed post/ under certificate of posting.

Fees Payable to Others

The total fees payable to the Legal Advisor, Auditor and Advertiser, *etc.* will be as per the terms of their respective engagement letters.

Underwriting Commission, Brokerage and Selling Commission on Previous Issues

We have not made any previous public issues. Therefore, no sum has been paid or is payable as commission or brokerage for subscribing to or procuring for, or agreeing to procure subscription for any of the Equity Shares of the Company since its inception.

Previous Rights and Public Issues during the Last Five Years

We have not made any previous rights and/or public issues during the last five years, and are an “Unlisted Issuer” in terms of the SEBI ICDR Regulations and this Issue is an “Initial Public Offering” in terms of the SEBI ICDR Regulations.

Previous Issues of Shares otherwise than for Cash

Our Company has not issued any Equity Shares for consideration otherwise than for cash.

Commission and Brokerage on Previous Issues

Since this is the initial public offer of the Equity Shares by our Company, no sum has been paid or has been payable as commission or brokerage for subscribing to or procuring or agreeing to procure subscription for any of our Equity Shares since our inception.

Particulars in regard to our Company and other listed companies under the same management within the meaning of Section 370 (1B) of the Companies Act which made any capital issue during the last three years:

None of our Group Entities, have made any capital issue during the last three years.

Performance vis-à-vis objects

Our Company is an “Unlisted Issuer” in terms of the SEBI ICDR Regulations, and this Issue is an “Initial Public Offering” in terms of the SEBI ICDR Regulations. Therefore, data regarding promise versus performance is not applicable to us.

None of the Group Entities has made public issue of equity shares during the period of ten years immediately preceding the date of filing draft offer document with the BSE.

Outstanding debentures, bonds, redeemable preference shares and other instruments issued by our Company

As on the date of the Prospectus, our Company has no outstanding debentures, bonds or redeemable preference shares.

Option to Subscribe

- a. Investors will get the allotment of specified securities in dematerialization form only.
- b. The equity shares, on allotment, shall be traded on stock exchange in demat segment only.

Stock Market Data for our Equity Shares

Our Company is an “Unlisted Issuer” in terms of the SEBI ICDR Regulations, and this Issue is an “Initial Public Offering” in terms of the SEBI ICDR Regulations. Thus there is no stock market data available for the Equity Shares of our Company.

Mechanism for Redressal of Investor Grievances

The Memorandum of Understanding between the Registrar and us will provide for retention of records with the Registrar for a period of at least one year from the last date of dispatch of the letters of allotment, demat credit and refund orders 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 and the Designated Branch or the collection centre of the SCSB where the Bid-cum-Application Form was submitted by the ASBA Bidders.

Disposal of Investor Grievances by our Company

Our Company or the Registrar to the Issue or the SCSB in case of ASBA Applicants shall redress routine investor grievances. We estimate that the average time required by us or the Registrar to this Issue for the redressal of routine investor grievances will be 12 Working Days from the date of receipt of the complaint. In case of non-routine complaints and complaints where external agencies are involved, we will seek to redress these complaints as expeditiously as possible.

We have constituted the Stakeholders Relationship Committee of the Board. For further details, please refer to the chapter titled “*Our Management*” beginning on page 89 of the Prospectus.

Our Company has appointed Ms. Babita Kaur Bagga as the Company Secretary and Compliance Officer and he may be contacted at the following address. :

Aanchal Ispat Limited

J.L. No. 5, National Highway No. 6,

Mouza Chamrail,
Howrah– 711 114,
West Bengal
Tel: +91 3212 246 121
Fax: +91 3212 246 069
Email: ipo@aanchalispac.com
Website: www.aanchalispac.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 or refund orders, etc.

Note: Pursuant to the press release no. PR. No. 85/2011 dated June 8, 2011, SEBI has launched a centralized web based complaints redress system “SCORES”. This would enable investors to lodge and follow up their complaints and track the status of redressal of such complaints from anywhere. For more details, investors are requested to visit the website www.scores.gov.in.

Changes in Auditors during the last three financial years

M/s Mukesh Choudhary And Associates, Chartered Accountants were the auditors of our Company during FY 2011-12 and FY 2012-13. Our Company has appointed R Modi & Co., Chartered Accountants for FY 2013-14.

Capitalisation of Reserves or Profits

Save and except as stated in the chapter titled “*Capital Structure*” beginning on page 40 of the Prospectus, our Company has not capitalized its reserves or profits at any time since inception.

Revaluation of assets

Our Company has not revalued its assets since incorporation.

SECTION VII - ISSUE RELATED INFORMATION

TERMS OF THE ISSUE

The Equity Shares being offered are subject to the provisions of the Companies Act, SEBI (ICDR) Regulations, 2009 our Memorandum and Articles of Association, the terms of the Prospectus, Prospectus, Application Form, the Revision Form, the Confirmation of Allocation Note and other terms and conditions as may be incorporated in the allotment advices and other documents/certificates that may be executed in respect of the Issue. The Equity Shares shall also be subject to laws as applicable, guidelines, notifications and regulations relating to the issue of capital and listing and trading of securities issued from time to time by SEBI, the Government of India, the Stock Exchange, the RBI, RoC and/or other authorities, as in force on the date of the Issue and to the extent applicable.

Ranking of Equity Shares

The Equity Shares being issued in the Issue shall be subject to the provisions of the Companies Act and the Memorandum and Articles of Association and shall rank *pari-passu* with the existing Equity Shares of our Company including rights in respect of dividend. The Allottees in receipt of Allotment of Equity Shares under this Issue will be entitled to dividends and other corporate benefits, if any, declared by our Company after the date of Allotment. For further details, please refer to the section titled “*Main Provisions of Articles of Association*” beginning on page 195 of the Prospectus.

Mode of Payment of Dividend

The declaration and payment of dividend will be as per the provisions of Companies Act and recommended by the Board of Directors and the Shareholders at their discretion and will depend on a number of factors, including but not limited to earnings, capital requirements and overall financial condition of our Company. We shall pay dividend, if declared, to our Shareholders as per the provisions of the Companies Act and our Articles of Association.

Face Value and Issue Price per Share

The face value of the Equity Shares is ₹ 10 each and the Issue Price is ₹ 20 per Equity Share.

The Issue Price is determined by our Company in consultation with the Lead Manager and is justified under the section titled “*Basis for Issue Price*” beginning on page 56 of the Prospectus. At any given point of time there shall be only one denomination for the Equity Shares.

Compliance with SEBI ICDR Regulations

Our Company shall comply with all requirements of the SEBI ICDR Regulations. Our Company shall comply with all disclosure and accounting norms as specified by SEBI from time to time.

Rights of the Equity Shareholders

Subject to applicable laws, rules, regulations and guidelines and the Articles of Association, the Equity shareholders shall have the following rights:

- Right to receive dividend, if declared;
- Right to attend general meetings and exercise voting rights, unless prohibited by law;
- Right to vote on a poll either in person or by proxy;
- Right to receive offer for rights shares and be allotted bonus shares, if announced;
- Right to receive surplus on liquidation subject to any statutory and preferential claim being satisfied;
- Right of free transferability subject to applicable law, including any RBI rules and regulations; and
- Such other rights, as may be available to a shareholder of a listed public limited company under the Companies Act, the terms of the listing agreements with the Stock Exchange(s) and the Memorandum and Articles of Association of our Company.

For a detailed description of the main provisions of the Articles of Association relating to voting rights, dividend, forfeiture and lien and/or consolidation/splitting, please refer to the section titled “*Main Provisions of Articles of Association*” beginning on page 195 of the Prospectus.

Minimum Application Value, Market Lot and Trading Lot

In terms of Section 29 of the Companies Act, 2013, the Equity Shares shall be Allotted only in dematerialised form. As per the existing SEBI ICDR Regulations, the trading of the Equity Shares shall only be in dematerialised form for all investors.

The trading of the Equity Shares will happen in the minimum contract size of 6,000 Equity Shares and the same may be modified by BSE from time to time by giving prior notice to investors at large. Allocation and allotment of Equity Shares through this Offer will be done in multiples of 6,000 Equity Share subject to a minimum allotment of 6,000 Equity Shares to the successful applicants in terms of the SEBI circular No. CIR/MRD/DSA/06/2012 dated February 21, 2012.

Allocation and allotment of Equity Shares through this Offer will be done in multiples of 6,000 Equity Share subject to a minimum allotment of 6,000 Equity Shares to the successful applicants.

Minimum Number of Allottees

The minimum number of allottees in this Issue shall be 50 shareholders. In case the minimum number of prospective allottees is less than 50, no allotment will be made pursuant to this Issue and the monies collected shall be refunded within 15 days of closure of issue.

Jurisdiction

Exclusive jurisdiction for the purpose of this Issue is with the competent courts/authorities in Kolkata.

Joint Holders

Where two or more persons are registered as the holders of any Equity Shares, they shall be deemed to hold the same as joint – tenants with benefits of survivorship.

Nomination Facility to Investor

In accordance with Section 72 of the Companies Act, 2013 the sole or first Applicant, along with other joint Applicants, may nominate any one person in whom, in the event of the death of sole Applicant or in case of joint Applicants, death of all the Applicants, as the case may be, the Equity Shares Allotted, if any, shall vest. A person, being a nominee, entitled to the Equity Shares by reason of the death of the original holder(s), shall in accordance with Section 72 of the Companies Act, 2013 be entitled to the same advantages to which he or she would be entitled if he or she were the registered holder of the Equity Share(s). Where the nominee is a minor, the holder(s) may make a nomination to appoint, in the prescribed manner, any person to become entitled to Equity Share(s) in the event of his or her death during the minority. A nomination shall stand rescinded upon a sale of Equity Share(s) by the person nominating. A buyer will be entitled to make a fresh nomination in the manner prescribed. Fresh nomination can be made only on the prescribed form available on request at our Registered Office or to the registrar and transfer agents of our Company.

In accordance with Section 72 of the Companies Act, 2013 any person who becomes a nominee by virtue of the provisions of Section 72 of the Companies Act, 2013 shall upon the production of such evidence as may be required by the Board, elect either:

- a) to register himself or herself as the holder of the Equity Shares; or
- b) to make such transfer of the Equity Shares, as the deceased holder could have made.

Further, the Board may at any time give notice requiring any nominee to choose either to be registered himself or herself or to transfer the Equity Shares, and if the notice is not complied with within a period of ninety days, the Board may thereafter withhold payment of all dividends, bonuses or other moneys payable in respect of the Equity Shares, until the requirements of the notice have been complied with.

Since the Allotment of Equity Shares in the Issue will be made only in dematerialized mode there is no need to make a separate nomination with our Company. Nominations registered with respective depository participant of the applicant would prevail. If the investor wants to change the nomination, they are requested to inform their respective depository participant.

Minimum Subscription

This Issue is not restricted to any minimum subscription level. This Issue is 100% underwritten.

If our Company does not receive the 100% subscription of the offer through the Offer Document including devolvement of Underwriters, if any, within sixty (60) days from the date of closure of the issue, our Company shall forthwith refund the entire subscription amount received. If there is a delay beyond eight days after our Company becomes liable to pay the amount, our Company and every officer in default will, on and from the expiry of this period, be jointly and severally liable to repay the money, with interest or other penalty as prescribed under the SEBI Regulations, the Companies Act 2013 and applicable law.

The minimum number of allottees in this Issue shall be 50 shareholders. In case the minimum number of prospective allottees is less than 50, no allotment will be made pursuant to this Issue and the monies collected shall be refunded within 15 days of closure of issue.

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.

Arrangements for Disposal of Odd Lots

The trading of the equity shares will happen in the minimum contract size of 6,000 shares in terms of the SEBI circular No. CIR/MRD/DSA/06/2012 dated February 21, 2012. However, the market maker shall buy the entire shareholding of a shareholder in one lot, where value of such shareholding is less than the minimum contract size allowed for trading on the SME Platform of BSE.

Application by Eligible NRIs, FIIs registered with SEBI, VCFs registered with SEBI and QFIs

It is to be understood that there is no reservation for Eligible NRIs or 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.

As per the extant policy of the Government of India, OCBs cannot participate in this Issue.

The current provisions of the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000, provides a general permission for the NRIs, FIIs 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.

Restrictions, if any on Transfer and Transmission of Equity Shares

Except for lock-in of the pre-Issue Equity Shares and Promoter' minimum contribution in the Issue as detailed in the chapter "*Capital Structure*" beginning on page 40 of the 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 shares and on their consolidation / splitting except as provided in the Articles of Association. For details please refer to the section titled "*Main Provisions of the Articles of Association*" beginning on page 195 of the Prospectus.

Option to receive Equity Shares in Dematerialized Form

Investors will get the allotment of specified securities in dematerialization form only. The equity shares, on allotment, shall be traded on stock exchange in demat segment only.

Migration to Main Board

Our Company may migrate to the main board of BSE from the SME Platform on a later date subject to the following:

- a) If the Paid up Capital of the company is likely to increase above ₹ 25 crores by virtue of any further issue of capital by way of rights, preferential issue, bonus issue etc. (which has been approved by a special resolution through postal ballot wherein the votes cast by the shareholders other than the Promoters in favour of the proposal amount to at least two times the number of votes cast by shareholders other than promoter shareholders against the proposal and for which the company has obtained in-principal approval from the main board), we shall have to apply to BSE for listing our shares on its Main Board subject to the fulfillment of the eligibility criteria for listing of specified securities laid down by the Main Board.

OR

- b) If the Paid up Capital of the company is more than ₹ 10 crores but below ₹ 25 crores, we may still apply for migration to the main board if the same has been approved by a special resolution through postal ballot wherein the votes cast by the shareholders other than the promoters in favour of the proposal amount to at least two times the number of votes cast by shareholders other than promoter shareholders against the proposal.

Market Making

The shares offered through this issue are proposed to be listed on the SME Platform of BSE, wherein the Lead Manager to this Issue shall ensure compulsory Market Making through the registered Market Makers of the SME Platform for a minimum period of three years from the date of listing of shares offered through the Prospectus. For further details of the agreement entered into between the Company, the Lead Manager and the Market Maker please see “*General Information – Details of the Market Making Arrangements for this Issue*” beginning on page 37 of the Prospectus.

New Financial Instruments

The Issuer Company is not issuing any new financial instruments through this Issue.

Issue Program:

Issue Period:

Issue Opens on: **MONDAY, NOVEMBER 24, 2014**

Issue Closes on: **WEDNESDAY, NOVEMBER 26, 2014**

Applications and revisions to the same will be accepted only between 10.00 a.m. and 5.00 p.m. (Indian Standard Time) during the Issue Period at the Application Centres mentioned in the Application Form, or in the case of ASBA Applicants, at the Designated Bank Branches. Applications will be accepted only on Working Days, i.e., Monday to Friday (excluding any public holiday).

The above information is given for the benefit of the Applicants. The Applicants are advised to make their own enquiries about the limits applicable to them. Our Company and the Lead Manager do not accept any responsibility for the completeness and accuracy of the information stated hereinabove. Our Company and the Lead Manager are not liable to inform the investors of any amendments or modifications or changes in applicable laws or regulations, which may occur after the date of the Prospectus. Applicants are advised to make their independent investigations and ensure that the number of Equity Shares Applied for do not exceed the applicable limits under laws or regulations.

ISSUE STRUCTURE

This Issue is being made in terms of Regulation 106(M)(2) of Chapter XB of SEBI (ICDR) Regulations, 2009, as amended from time to time, whereby, an issuer, whose post issue face value capital is more than ten crore rupees and upto twenty five crore rupees, may also issue specified securities to the public and propose to list the same on the Small and Medium Enterprise Exchange ("SME Exchange", in this case being the SME Platform of BSE). For further details regarding the salient features and terms of such an issue please refer chapter titled "Terms of the Issue" and "Issue Procedure" on page 171 and 177 of the Prospectus.

| Particulars | Net Issue to Public [^] | Market Maker reservation portion |
|---|--|---|
| Number of Equity Shares* | 75,96,000 Equity Shares | 4,08,000 Equity Shares |
| Percentage of Issue Size available for allocation | 94.90% of the Issue Size | 5.10% of the Issue Size |
| | 36.43% of the Post Issue Paid up Capital | 1.96% of the Post Issue Paid up Capital |
| Basis of Allotment/Allocation if respective category is oversubscribed | Proportionate subject to minimum allotment of 6,000 Equity Shares and Further allotment in multiples of 6,000 Equity Shares each. For further details please refer to the section titled " <i>Issue Procedure–Basis of Allotment</i> " on page 182 of the Prospectus. | Firm Allotment |
| Mode of Application | For QIB and NII Applicants the application must be made compulsorily through ASBA mode. Retail Individual Applicants may apply through the ASBA or the Physical Form. | Through ASBA mode |
| Minimum Application Size | <u>For QIB and NII:</u> Such number of Equity Shares in multiples of 6,000 Equity Shares such that the Application Value exceeds ₹ 2,00,000 <u>For Retail Individuals:</u> 6,000 Equity Shares | 4,08,000 Equity Shares |
| Maximum Application | <u>For QIB and NII:</u> Such number of Equity Shares in multiples of 6,000 Equity Shares such that the Application Size does not exceed 31,36,000 Equity Shares <u>For Retail Individuals:</u> 6,000 Equity Shares so that the Application Value does not exceed ₹ 2,00,000 | 1,68,000 Equity Shares |
| Mode of Allotment | Dematerialized Form | Dematerialized Form |
| Trading Lot | 6,000 Equity Shares | 6,000 Equity Shares, However the Market Makers may accept odd lots if any in the market as required under the SEBI (ICDR Regulations). |
| Terms of payment | Entire Application Amount shall be payable at the time of submission of Application Form. In case of ASBA Applicants, the SCSBs shall be authorized to block such funds in the bank account of the Applicant that are specified in the ASBA Application Form. | |

[^]50 % of the shares offered in the Net Issue to Public portion are reserved for applications whose value is below

₹2,00,000 and the balance 50 % of the shares are reserved for applications whose value is above ₹2,00,000.

Withdrawal of the Issue

In accordance with the SEBI ICDR Regulations, our Company, in consultation with Lead Manager, reserves the right not to proceed with this Issue at any time after the Issue Opening Date, but before our Board meeting for Allotment, without assigning reasons thereof. If our Company withdraws the Issue after the Issue Closing Date, we will give reason thereof within two days by way of a public notice which shall be published in the same newspapers where the pre-Issue advertisements were published.

Further, the Stock Exchange shall be informed promptly in this regard and the Lead Manager, through the Registrar to the Issue, shall notify the SCSBs to unblock the Bank Accounts of the ASBA Applicants within one Working Day from the date of receipt of such notification. In case our Company withdraws the Issue after the Issue Closing Date and subsequently decides to undertake a public offering of Equity Shares, our Company will file a fresh offer document with the stock exchange where the Equity Shares may be proposed to be listed.

Notwithstanding the foregoing, the Issue is also subject to obtaining the final listing and trading approvals of the Stock Exchange, which the Company shall apply for after Allotment. In terms of the SEBI Regulations, Non retail applicants shall not be allowed to withdraw their Application after the Issue Closing Date.

Issue Programme

| | |
|-------------------------|-------------------------------------|
| ISSUE OPENS ON: | MONDAY, NOVEMBER 24, 2014 |
| ISSUE CLOSES ON: | WEDNESDAY, NOVEMBER 26, 2014 |

Applications and any revisions to the same will be accepted only between 10.00 a.m. and 5.00 p.m. (Indian Standard Time) during the Issue Period at the Application Centers mentioned in the Application Form, or in the case of ASBA Applicants, at the Designated Bank Branches except that on the Issue Closing Date applications will be accepted only between 10.00 a.m. and 3.00 p.m. (Indian Standard Time). Applications will be accepted only on Working Days, i.e., Monday to Friday (excluding any public holiday).

ISSUE PROCEDURE

All Applicants should review the General Information Document for Investing in Public Issues prepared and issued in accordance with the circular (CIR/CFD/DIL/12/2013) dated October 23, 2013 notified by SEBI (“**General Information Document**”) which highlights the key rules, processes and procedures applicable to public issues in general in accordance with the provisions of the Companies Act, the Securities Contracts (Regulation) Act, 1956, the Securities Contracts (Regulation) Rules, 1957 and the SEBI ICDR Regulations. The General Information Document has been updated to include reference to certain notified provisions of the Companies Act, 2013, to the extent applicable to a public issue. The General Information Document is also available on the websites of the Stock Exchange and the Lead Manager. Please refer to the relevant portions of the General Information Document which are applicable to this Issue.

Our Company, and the Lead Manager do not accept any responsibility for the completeness and accuracy of the information stated in this section and 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 and the Prospectus.

Fixed Price Issue Procedure

The Issue is being made under Regulation 106(M)(2) of Chapter XB of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 via Fixed Price Process.

Applicants are required to submit their Applications to the Selected Branches / Offices of the Escrow Bankers to the Issue who shall duly submit to them the Registrar of the Issue. In case of QIB Applicants, the Company in consultation with the Lead Manager may reject Applications at the time of acceptance of Application Form provided that the reasons for such rejection shall be provided to such Applicant in writing.

In case of Non Institutional Applicants and Retail Individual Applicants, our Company would have a right to reject the Applications only on technical grounds.

Investors should note that the Equity Shares will be allotted to all successful Applicants only in dematerialized form. 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 Exchange.

Application Form

Applicants shall only use the specified Application Form for the purpose of making an Application in terms of the Prospectus. Upon completing and submitting the Application Form to the Bankers, the Applicant is deemed to have authorized our Company to make the necessary changes in the Prospectus and the Application Form as would be required for filing the Prospectus with the RoC and as would be required by RoC after such filing, without prior or subsequent notice of such changes to the Applicant.

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. Upon completing and submitting the Application Form for ASBA Applicants to the SCSB, the ASBA Applicant is deemed to have authorized our Company to make the necessary changes in the Prospectus and the ASBA as would be required for filing the Prospectus with the RoC and as would be required by RoC after such filing, without prior or subsequent notice of such changes to the ASBA Applicant.

The prescribed color of the Application Form for various categories is as follows:

| Category | Color |
|--|-------|
| Indian Public / NRI’s applying on a non-repatriation basis (ASBA and Non-ASBA) | White |
| Non-Residents including eligible NRI’s, FIIs, FVCIs, etc. applying on a repatriation basis (ASBA and Non-ASBA) | Blue |

In accordance with the SEBI (ICDR) Regulations, 2009 in public issues w.e.f. May 1, 2010 all the investors can apply through ASBA process and w.e.f May 02, 2011, the Non-Institutional applicants and the QIB Applicants have to compulsorily apply through the ASBA Process.

Who can apply?

1. single or joint names (not more than three);
2. Applications belonging to an account for the benefit of a minor (under guardianship);
3. Hindu Undivided Families or HUFs, in the individual name of the Karta. The Applicant should specify that the Application is being made in the name of the HUF in the Application Form as follows: "Name of sole or first Applicant: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the Karta". Applications by HUFs may be considered at par with Applications from individuals;
4. Companies, corporate bodies and societies registered under applicable law in India and authorised to invest in equity shares;
5. QIBs;
6. NRIs on a repatriation basis or on a non-repatriation basis subject to applicable law;
7. Indian Financial Institutions, regional rural banks, co-operative banks (subject to RBI regulations and the SEBI ICDR Regulations, 2009 and other laws, as applicable);
8. Qualified Foreign Investors subject to applicable law;
9. FIIs and sub-accounts registered with SEBI, other than a sub-account which is a foreign corporate or foreign individual, applying under the QIBs category;
10. Sub-accounts of FIIs registered with SEBI, which are foreign corporates or foreign individuals only under the Non Institutional Investors (NIIs) category;
11. Trusts/societies registered under the Societies Registration Act, 1860, or under any other law relating to trusts/societies and who are authorised under their respective constitutions to hold and invest in equity shares;
12. Limited liability partnerships registered under the Limited Liability Partnership Act, 2008; and
13. Any other person eligible to apply in the Issue, under the laws, rules, regulations, guidelines and policies applicable to them and under Indian laws.

As per the existing regulations, OCBs are not allowed to participate in an Issue.

Applications not to be made by:

- a. Minors
- b. Partnership firms or their nominations
- c. Foreign Nationals (except NRIs)
- d. Overseas Corporate Bodies

Participation by Associates of LM

Except for the Underwriting Obligations, the Lead Manager shall not be allowed to subscribe to this Issue in any manner. However, associates and affiliates of the LM may subscribe to or purchase Equity Shares in the Issue, where the allocation is on a proportionate basis.

Availability of Prospectus and Application Forms

The Memorandum Form 2A containing the salient features of the Prospectus together with the Application Forms and copies of the Prospectus may be obtained from the Registered Office of our Company, Lead Manager to the Issue, Registrar to the Issue and the collection Centres of the Bankers to the Issue, as mentioned in the Application Form. The application forms may also be downloaded from the website of BSE Limited i.e. www.bseindia.com.

Option to Subscribe in the Issue

- a. Investors will get the allotment of specified securities in dematerialization form only.
- b. The equity shares, on allotment, shall be traded on stock exchange in demat segment only.
- c. A single application from 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.

Application by Indian Public including eligible NRIs applying on Non Repatriation

Application must be made only in the names of individuals, Limited Companies or Statutory Corporations/institutions and NOT in the names of Minors, Foreign Nationals, Non Residents (except for those applying on non repatriation), trusts, (unless the Trust is registered under the Societies Registration Act, 1860 or any other applicable Trust laws and is authorized under its constitution to hold shares and debentures in a Company), Hindu Undivided Families, partnership firms or their nominees. In case of HUF's application shall be made by the Karta of the HUF. An applicant in the Net Public Category cannot make an application for that number of securities exceeding the number of securities offered to the public.

Application by Mutual Funds

As per the current regulations, the following restrictions are applicable for investments by mutual funds:

No mutual fund scheme shall invest more than 10% of its net asset value in the Equity Shares or equity related instruments of any Company provided that the limit of 10% shall not be applicable for investments in index funds or sector or industry specific funds. No mutual fund under all its schemes should own more than 10% of any Company's paid up share capital carrying voting rights.

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/FII's on Repatriation Basis

Application Forms have been made available for Eligible NRIs at our registered Office.

Eligible NRI applicants may please note that only such applications as are accompanied by payment in free foreign exchange shall be considered for Allotment. The Eligible NRIs who intend to make payment through Non Resident Ordinary (NRO) accounts shall use the form meant for Resident Indians.

Under the Foreign Exchange Management Act, 1999 (FEMA) general permission is granted to the companies vide notification no. FEMA/20/2000 RB dated 03/05/2000 to issue securities to NRI's subject to the terms and conditions stipulated therein. The Companies are required to file the declaration in the prescribed form to the concerned Regional Office of RBI within 30 days from the date of issue of shares for allotment to NRI's on repatriation basis.

Allotment of Equity Shares to Non Resident Indians shall be subject to the prevailing Reserve Bank of India Guidelines. Sale proceeds of such investments in Equity Shares will be allowed to be repatriated along with the income thereon subject to permission of the RBI and subject to the Indian Tax Laws and regulations and any other applicable laws.

The Company does not require approvals from FIPB or RBI for the Transfer of Equity Shares in the issue to eligible NRI's, FII's, Foreign Venture Capital Investors registered with SEBI and multilateral and bilateral development financial institutions.

As per the current regulations, the following restrictions are applicable for investments by FIIs:

The issue of Equity Shares to a single FII should not exceed 10% of our post Issue issued capital. In respect of an FII investing in our equity shares on behalf of its sub accounts, the investment on behalf of each sub account shall not exceed 10% of our total issued capital or 5% of our total issued capital in case such sub account is a foreign corporate or an individual.

In accordance with the foreign investment limits, the aggregate FII holding in our Company cannot exceed 24% of our total issued capital. With the approval of the board and the shareholders by way of a special resolution, the aggregate FII holding can go up to 100%. However, as on this date, no such resolution has been recommended to the shareholders of the Company for adoption.

Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of regulation 15A(1) of the Securities Exchange Board of India (Foreign Institutional Investors) Regulations 1995, as amended, an FII may issue, deal or hold, off shore derivative instruments such as participatory notes, equity linked notes or any other similar instruments against underlying securities listed or proposed to be listed in any stock exchange in India only in favour of those entities which are regulated by any relevant regulatory authorities in the countries of their incorporation or establishment subject to compliance of "Know Your Client" requirements. An FII shall also ensure that no further downstream issue or transfer of any instrument referred to hereinabove is made to any person other than a regulated entity.

In case of FII's in NRI/FII Portion, number of Equity Shares applied shall not exceed issue size.

Applications by SEBI registered Venture Capital Funds and Foreign Venture Capital Investors

As per the current regulations, the following restrictions are applicable for SEBI Registered 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.

Accordingly, whilst 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 Investors can invest only up to 33.33% of the investible funds by way of subscription to an initial public offer.

The above information is given for the benefit of the Applicants. The Company and the LM are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of the Prospectus. Applicants are advised to make their independent investigations and ensure that the number of Equity Shares applied for do not exceed the applicable limits under laws or regulations.

MAXIMUM AND MINIMUM APPLICATION SIZE

(a) For Retail Individual Applicants

The Application must be for a 6,000 Equity Shares so as to ensure that the Application Price payable by the Applicant does not exceed ₹ 2,00,000. In case of revision of Applications, the Retail Individual Applicants have to ensure that the Application Price does not exceed ₹ 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 ₹ 200,000 and in multiples of 6,000 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, Non Institutional Applicants and QIB Applicants cannot withdraw its Application after the Issue Closing Date and is required to pay 100% QIB Margin upon submission of Application.

In case of revision in Applications, the Non Institutional Applicants, who are individuals, have to ensure that the Application Amount is greater than ₹ 2,00,000 for being considered for allocation in the Non Institutional Portion.

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 the Prospectus.

Applications under Power of Attorney

In case of Applications made pursuant to a power of attorney or by limited companies, corporate bodies, registered societies, 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, the Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason thereof.

In case of Applications made pursuant to a power of attorney by FIIs, 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 their SEBI registration certificate must be lodged along with the Application Form. Failing this, the Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason thereof.

In case of Applications made pursuant to a power of attorney by Mutual Funds, a certified copy of the power of attorney or the relevant resolution or authority, as the case may be, along with the certified copy of their SEBI registration certificate must be lodged along with the Application Form. Failing this, the Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason thereof.

In case of Applications made by insurance companies registered with the Insurance Regulatory and Development Authority, a certified copy of certificate of registration issued by Insurance Regulatory and Development Authority must be lodged along with the Application Form. Failing this, the Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason thereof.

In case of Applications made by provident funds with minimum corpus of ₹ 25 crore (subject to applicable law) and pension funds with minimum corpus of ₹ 25 crore, a certified copy of certificate from a chartered accountant certifying the corpus of the provident fund/ pension fund must be lodged along with the Application Form. Failing this, the Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason thereof.

The Company in its absolute discretion, reserve 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 the Company and the LM may deem fit.

Information for the Applicants:

- a) Our Company will file the Prospectus with the RoC at least 3 (three) days before the Issue Opening Date.
- b) The LM will circulate copies of the Prospectus along with the Application Form to potential investors.
- c) 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 corporate office of the LM.
- d) Applicants who are interested in subscribing for the Equity Shares should approach the LM or their authorized agent(s) to register their Applications.
- e) Applications made in the Name of Minors and/or their nominees shall not be accepted.

- f) Applicants are requested to mention the application form number on the reverse of the instrument to avoid misuse of instrument submitted along with the application for shares. Applicants are advised in their own interest, to indicate the name of the bank and the savings or current a/c no in the application form. In case of refund, the refund order will indicate these details after the name of the payee. The refund order will be sent directly to the payee's address.

Instructions for Completing the Application Form

The Applications should be submitted on the prescribed Application Form and in BLOCK LETTERS in ENGLISH only in accordance with the instructions contained herein and in the Application Form. Applications not so made are liable to be rejected. ASBA Application Forms should bear the stamp of the SCSB's. ASBA Application Forms, which do not bear the stamp of the SCSB, will be rejected.

Applicants residing at places where the designated branches of the Banker to the Issue are not located may submit/mail their applications at their sole risk along with Demand Draft payable at Mumbai.

Applicant's Depository Account and Bank Details

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 LM or the Registrar 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.

BASIS OF ALLOTMENT

Allotment will be made in consultation with SME Platform of 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 6,000 equity shares the allotment will be made as follows:
 - a) Each successful applicant shall be allotted 6,000 equity shares; and
 - b) The successful applicants out of the total applicants for that category shall be determined by the drawal 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 6,000 equity shares, the applicant would be allotted Shares by rounding off to the lower nearest multiple of 6,000 equity shares subject to a minimum allotment of 6,000 equity shares.
5. If the Shares allotted on a proportionate basis to any category is more than the Shares allotted to the applicants in that category, the balance available Shares for allocation shall be first adjusted against any category, where the allotted Shares are not sufficient for proportionate allotment to the successful applicants in that category, the balance Shares, if any, remaining after such adjustment will be added to the category comprising of applicants applying for the minimum number of Shares. If as a result of the process of rounding off to the lower nearest multiple of 6,000 equity shares, results in the actual allotment being higher than the shares offered, the final allotment may be higher at the sole discretion of the Board of Directors, upto 110% of the size of the offer specified under the Capital Structure mentioned in the Prospectus.
6. The above proportionate allotment of shares in an Issue that is oversubscribed shall be subject to the reservation for small individual applicants as described below
 - a) A minimum of 50% of the net offer of shares to the Public shall initially be made available for allotment to retail individual investors as the case may be.
 - b) The balance net offer of shares to the public shall be made available for allotment to a) individual applicants other than retails individual investors and b) other investors, including Corporate Bodies/ Institutions irrespective of number of shares applied for.
 - c) The unsubscribed portion of the net offer to any one of the categories specified in (a) or (b) shall/may be made available for allocation to applicants in the other category, if so required.

However, if the retail individual investor category is entitled to more than fifty per cent. on proportionate basis, the retail individual investors shall be allocated that higher percentage.

'Retail Individual Investor' means an investor who applies for shares of value of not more than ₹ 2,00,000/ . Investors may note that in case of over subscription allotment shall be on proportionate basis and will be finalized in consultation with SME Platform of BSE.

The Executive Director / Managing Director of the SME Platform of BSE, Designated Stock Exchange in addition to Lead Merchant Banker 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, 2009.

REFUNDS:

In case of Applicants receiving refunds through electronic transfer of funds, delivery of refund orders/ allocation advice/ CANs may get delayed if the same once sent to the address obtained from the depositories are returned undelivered. In such an event, the address and other details given by the Applicant in the Application Form would be used only to ensure dispatch of refund orders. Please note that any such delay shall be at the Applicants sole risk and neither the Company, the Registrar, Escrow Collection Bank(s) nor the LM shall be liable to compensate the Applicant for any losses caused to the Applicant due to any such delay or liable to pay any interest for such delay.

In case no corresponding record is available with the Depositories, which 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 identity, then such Applications are liable to be rejected.

The Company in its absolute discretion, reserves the right to permit the holder of the power of attorney to request the Registrar that for the purpose of printing particulars on the refund order and mailing of the refund order/ CANs/ allocation advice/ refunds through electronic transfer of funds, the Demographic Details given on the Application Form should be used (and not those obtained from the Depository of the Applicant). In such cases, the Registrar shall use Demographic Details as given in the Application Form instead of those obtained from the depositories.

Refunds, dividends and other distributions, if any, will be payable in Indian Rupees only and net of bank charges and/ or commission. In case of Applicants who remit money through Indian Rupee drafts purchased abroad, such payments in Indian Rupees will be converted into US Dollars or any other freely convertible currency as may be permitted by the RBI at the rate of exchange prevailing at the time of remittance and will be dispatched by registered post or if the Applicants so desire, will be credited to their NRE accounts, details of which should be furnished in the space provided for this purpose in the Application Form. The Company will not be responsible for loss, if any, incurred by the Applicant on account of conversion of foreign currency.

As per the RBI regulations, OCBs are not permitted to participate in the Issue.

There is no reservation for Non Residents, NRIs, FIIs and foreign venture capital funds and all Non Residents, NRI, FII and Foreign Venture Capital Funds applicants will be treated on the same basis with other categories for the purpose of allocation.

TERMS OF PAYMENT / PAYMENT INSTRUCTIONS

The entire issue price of ₹ 20 per share is payable on application. In case of allotment of lesser number of Equity shares than the number applied, The Company shall refund the excess amount paid on Application to the Applicants.

Payments should be made by cheque, or demand draft drawn on any Bank (including a Co operative Bank), which is situated at, and is a member of or sub member of the bankers' clearing house located at the centre where the Application Form is submitted. Outstation cheques/ bank drafts drawn on banks not participating in the clearing process will not be accepted and applications accompanied by such cheques or bank drafts are liable to be rejected.

Cash/ Stockinvest/ Money Orders/ Postal orders will not be accepted.

A separate Cheque or Bank Draft should accompany each application form. Applicants should write the Share Application Number on the back of the Cheque /Draft. Outstation Cheques will not be accepted and applications accompanied by such cheques drawn on outstation banks are liable for rejection. Money Orders / Postal Notes will not be accepted.

Each Applicant shall draw a cheque or demand draft for the amount payable on the Application and/ or on allocation/ Allotment as per the following terms:

1. The payment instruments for payment into the Escrow Account should be drawn in favour of:
 - Indian Public including eligible NRIs applying on non repatriation basis: "Aanchal Ispat-Public Issue - R".
 - In case of Non Resident Retail Applicants applying on repatriation basis: "Aanchal Ispat-Public Issue – NR"
2. In case of Application by NRIs applying on repatriation basis, the payments must be made through Indian Rupee drafts purchased abroad or cheques or bank drafts, for the amount payable on application remitted through normal banking channels or out of funds held in Non Resident External (NRE) Accounts or Foreign Currency Non Resident (FCNR) Accounts, maintained with banks authorized to deal in foreign exchange in India, along with documentary evidence in support of the remittance. Payment will not be accepted out of Non Resident Ordinary (NRO) Account of Non Resident Applicant applying on a repatriation basis. Payment by drafts should be accompanied by bank certificate confirming that the draft has been issued by debiting to NRE Account or FCNR Account.
3. Where an Applicant has been allocated a lesser number of Equity Shares than the Applicant has applied for, the excess amount, if any, paid on Application, after adjustment towards the balance amount payable by the Pay In Date on the Equity Shares allocated will be refunded to the Applicant from the Refund Account.
4. On the Designated Date and no later than 15 days from the Issue Closing Date, the Escrow Collection Bank shall also refund all amounts payable to unsuccessful Applicants and also the excess amount paid on Application, if any, after adjusting for allocation / Allotment to the Applicants.

Payment by Stock invest

In terms of the Reserve Bank of India Circular No. DBOD No. FSC BC 42/ 24.47.00/ 2003 04 dated November 5, 2003; the option to use the stock invest instrument in lieu of cheques or bank drafts for payment of Application money has been withdrawn. Hence, payment through stock invest would not be accepted in this Issue.

GENERAL INSTRUCTIONS

Do's:

- Check if you are eligible to apply;
- Read all the instructions carefully and complete the applicable Application Form;
- Ensure that the details about Depository Participant and Beneficiary Account are correct as Allotment of Equity Shares will be in the dematerialized form only;
- Each of the Applicants should mention their Permanent Account Number (PAN) allotted under the Income Tax Act, 1961;
- Ensure that the Demographic Details (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.

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 Selected Branches / Offices of the Banker to the Issue.
- Do not fill up the Application Form such that the Equity Shares applied for exceeds the Issue Size and/ or investment limit or maximum number of Equity Shares that can be held under the applicable laws or regulations or maximum amount permissible under the applicable regulations;
- Do not submit the GIR number instead of the PAN as the Application is liable to be rejected on this ground.

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:

All applications are electronically strung on first name, address (1st line) and applicant's status. Further, these applications are electronically matched for common first name and address and if matched, these are checked manually for age, signature and father/ husband's name to determine if they are multiple applications

- i. 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.
- ii. 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.

No separate applications for demat and physical is to be made. If such applications are made, the applications for physical shares will be treated as multiple applications and rejected accordingly.

In case of a mutual fund, a separate Application can be made in respect of each scheme of the mutual fund registered with SEBI and such Applications in respect of more than one scheme of the mutual fund will not be treated as multiple Applications provided that the Applications clearly indicate the scheme concerned for which the Application has been made.

In cases where there are more than 20 valid applications having a common address, such shares will be kept in abeyance, post allotment and released on confirmation of “know your client” norms by the depositories. The Company reserves the right to reject, in our absolute discretion, all or any multiple Applications in any or all categories.

Permanent Account Number or PAN

Pursuant to the circular MRD/DoP/Circ 05/2007 dated April 27, 2007, SEBI has mandated Permanent Account Number (“PAN”) to be the sole identification number for all participants transacting in the securities market, irrespective of the amount of the transaction w.e.f. July 2, 2007. Each of the Applicants should mention his/her PAN allotted under the IT Act. **Applications without this information will be considered incomplete and are liable to be rejected.** It is to be specifically noted that Applicants should not submit the GIR number instead of the PAN, as the Application is liable to be rejected on this ground.

RIGHT TO REJECT APPLICATIONS

In case of QIB Applicants, the Company in consultation with the LM may reject Applications provided that the reasons for rejecting the same shall be provided to such Applicant in writing. In case of Non Institutional Applicants, Retail Individual Applicants who applied, the Company has a right to reject Applications based on technical grounds.

Grounds for Rejections

Applicants are advised to note that Applications are liable to be rejected inter alia on the following technical grounds:

- Amount paid does not tally with the amount payable for the value of Equity Shares applied for;
- In case of partnership firms, Equity Shares may be registered in the names of the individual partners and no firm as such shall be entitled to apply;
- Application by persons not competent to contract under the Indian Contract Act, 1872 including minors, insane persons;
- PAN not mentioned in the Application Form;
- GIR number furnished instead of PAN;
- Applications for lower number of Equity Shares than specified for that category of investors;
- Applications at a price other than the Fixed Price of The Issue;
- Applications for number of Equity Shares which are not in multiples of 6,000;
- Category not ticked;
- Multiple Applications as defined in the 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;
- 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 where clear funds are not available in the Escrow Account as per the final certificate from the Escrow Collection Bank(s);
- Applications by OCBs;
- Applications not duly signed by the sole;
- 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 ₹ 2,00,000, received after 5.00 pm on the Issue Closing Date;

Impersonation

Attention of the Applicants is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act, 2013 which is reproduced below:

“Any person who –

- (d) makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities, or*
- (e) 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*
- (f) otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name, shall be liable for action under section 447.”*

The liability prescribed under Section 447 of the Companies Act, 2013, includes imprisonment for a term of not less than six months extending up to ten years (provided that where the fraud involves public interest, such term shall not be less than three years) and fine of an amount not less than the amount involved in the fraud, extending up to three times of such amount.

Signing of Underwriting Agreement

Vide an Underwriting agreement dated September 6, 2014 this issue is 100% Underwritten.

Filing of the Prospectus with the RoC

The Company will file a copy of the Prospectus with the RoC in terms of Section 26 of the Companies Act, 2013.

Pre-Issue Advertisement

Subject to Section 30 of the Companies Act, 2013, the Company shall, after registering the Prospectus with the RoC, publish a pre-Issue advertisement, in the form prescribed by the SEBI Regulations, in one widely circulated English language national daily newspaper, one widely circulated Hindi language national daily newspaper with wide circulation and one Bengali newspaper.

Designated Date and Allotment of Equity Shares

The Company will issue and dispatch letters of allotment/ securities certificates and/ or letters of regret along with refund order or credit the allotted securities to the respective beneficiary accounts, if any within a period of 12 days of the Issue Closing Date.

In case the Company issues Letters of allotment, the corresponding Security Certificates will be kept ready within three months from the date of allotment thereof or such extended time as may be approved by the Company Law Board under Section 56 of the Companies Act, 2013 or other applicable provisions, if any. Allottees are requested to preserve such Letters of Allotment, which would be exchanged later for the Security Certificates.

After the funds are transferred from the Escrow Account to the Public Issue Account on the Designated Date, the Company would ensure the credit to the successful Applicants depository account. Allotment of the Equity Shares to the allottees shall be within two working days of the date of Allotment

Investors are advised to instruct their Depository Participant to accept the Equity Shares that may be allocated/ Allotted to them pursuant to this Issue.

Applicants to whom refunds are made through electronic transfer of funds will be sent a letter intimating them about the mode of credit of refund within 15 days of closure of Issue.

The Company will provide adequate funds required for dispatch of refund orders or allotment advice to the Registrar to the Issue.

Refunds will be made by cheques, pay orders or demand drafts drawn on a bank appointed by us, as Refund Banker and payable at par at places where applications are received. Bank charges, if any, for encashing such cheques, pay orders or demand drafts at other centres will be payable by the Applicants.

PAYMENT OF REFUND

Applicants must note that on the basis of name of the Applicants, Depository Participant's name, DP ID, Beneficiary Account number provided by them in the Application Form, the Registrar will obtain, from the Depositories, the Applicants' bank account details, including the nine digit Magnetic Ink Character Recognition ("MICR") code as appearing on a cheque leaf. 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 of refund order or refunds through electronic transfer of funds, as applicable, and any such delay shall be at the Applicants' sole risk and neither the Company, the Registrar, Escrow Collection Bank(s), Bankers to the Issue nor the LM shall be liable to compensate the Applicants for any losses caused to the Applicant due to any such delay or liable to pay any interest for such delay.

Mode of making refunds

The payment of refund, if any, would be done through various modes as given hereunder:

- 1) **ECS (Electronic Clearing System)** – Payment of refund would be done through ECS for applicants having an account at any of the centres where such facility has been made available. This mode of payment of refunds would be subject to availability of complete bank account details including the MICR code as appearing on a cheque leaf, from the Depositories. The payment of refunds is mandatory for applicants having a bank account at any of such centres, except where the applicant, being eligible, opts to receive refund through NEFT, direct credit or RTGS.
- 2) **Direct Credit** – Applicants having bank accounts with the Refund Banker(s), as mentioned in the Application Form, shall be eligible to receive refunds through direct credit. Charges, if any, levied by the Refund Bank(s) for the same would be borne by the Company.
- 3) **RTGS (Real Time Gross Settlement)** – Applicants having a bank account at any of the centres where such facility has been made available and whose refund amount exceeds ₹ 10.00 Lacs, have the option to receive refund through RTGS. Such eligible applicants who indicate their preference to receive refund through RTGS are required to provide the IFSC code in the application Form. In the event the same is not

provided, refund shall be made through ECS. Charges, if any, levied by the Refund Bank(s) for the same would be borne by the Company. Charges, if any, levied by the applicant's bank receiving the credit would be borne by the applicant

- 4) **NEFT (National Electronic Fund Transfer)** – Payment of refund shall be undertaken through NEFT wherever the applicants' bank has been assigned the Indian Financial System Code (IFSC), which can be linked to a Magnetic Ink Character Recognition (MICR), if any, available to that particular bank branch. IFSC Code will be obtained from the website of RBI as on a date immediately prior to the date of payment of refund, duly mapped with MICR numbers. Wherever the applicants have registered their nine digit MICR number and their bank account number while opening and operating the demat account, the same will be duly mapped with the IFSC Code of that particular bank branch and the payment of refund will be made to the applicants through this method. The process flow in respect of refunds by way of NEFT is at an evolving stage and hence use of NEFT is subject to operational feasibility, cost and process efficiency.
- 5) For all other applicants, including those who have not updated their bank particulars with the MICR code, the refund orders will be through Speed Post/ Registered Post. Such refunds will be made by cheques, pay orders or demand drafts drawn on the Escrow Collection Banks and payable at par at places where Applications are received. Bank charges, if any, for cashing such cheques, pay orders or demand drafts at other centres will be payable by the Applicants.

DISPOSAL OF APPLICATIONS AND APPLICATION MONEYS AND INTEREST IN CASE OF DELAY

The Company shall ensure the dispatch of Allotment advice, refund orders (except for Applicants who receive refunds through electronic transfer of funds) and give benefit to the beneficiary account with Depository Participants and submit the documents pertaining to the Allotment to the Stock Exchange within two working days of date of Allotment of Equity Shares.

In case of applicants who receive refunds through ECS, direct credit or RTGS, the refund instructions will be given to the clearing system within 15 days from the Issue Closing Date. A suitable communication shall be sent to the Applicants receiving refunds through this mode within 15 days of Issue Closing Date, giving details of the bank where refunds shall be credited along with amount and expected date of electronic credit of refund.

The Company shall use best efforts to ensure that all steps for completion of the necessary formalities for listing and commencement of trading at SME Platform of BSE where the Equity Shares are proposed to be listed are taken within seven working days of Allotment.

In accordance with the Companies Act, the requirements of the Stock Exchange and the SEBI Regulations, the Company further undertakes that:

- 1) Allotment of Equity Shares shall be made within 12 (twelve) days of the Issue Closing Date;
- 2) Dispatch of refund orders or in a case where the refund or portion thereof is made in electronic manner, the refund instructions are given to the clearing system within 15 (fifteen) days of the Issue Closing Date would be ensured; and
- 3) If there is a delay beyond eight days after our Company becomes liable to pay the amount, our Company and every officer in default will, on and from the expiry of this period, be jointly and severally liable to repay the money, with interest or other penalty as prescribed under the SEBI Regulations, the Companies Act 2013 and applicable law.

UNDERTAKINGS 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;

- 2) That all steps will be taken for the completion of the necessary formalities for listing and commencement of trading at the Stock Exchange where the Equity Shares are proposed to be listed within seven working days of finalization of the basis of Allotment;
- 3) That funds required for making refunds to unsuccessful applicants as per the mode(s) disclosed shall be made available to the Registrar to the Issue by the Issuer;
- 4) That where refunds are made through electronic transfer of funds, a suitable communication shall be sent to the applicant within 15 days of the Issue Closing Date, as the case may be, giving details of the bank where refunds shall be credited along with amount and expected date of electronic credit of refund;
- 5) That the certificates of the securities/ refund orders to the non resident Indians shall be dispatched within specified time;
- 6) That no further issue of Equity Shares shall be made till the Equity Shares offered through the Prospectus are listed or until the Application monies are refunded on account of non listing, under subscription etc.; and
- 7) That adequate arrangements shall be made to collect all Applications Supported by Blocked Amount and to consider them similar to non-ASBA applications while finalizing the basis of allotment

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 sub-section (3) of section 40 of the Companies Act, 2013;
- 2) details of all monies utilised out of the issue referred to in subitem(1) shall be disclosed and continue to be disclosed till the time any part of the issue proceeds remains unutilised under an appropriate separate head in the balance-sheet of the issuer indicating the purpose for which such monies had been utilised; and
- 3) details of all unutilised monies out of the issue of specified securities referred to in sub-item (1) shall be disclosed under an appropriate separate head in the balance sheet of the issuer indicating the form in which such unutilised monies have been invested; and
- 4) Our Company shall comply with the requirements of Clause 52 of the SME Listing Agreement in relation to the disclosure and monitoring of the utilisation of the proceeds of the Issue.

Our Company shall not have recourse to the Issue Proceeds until the approval for listing and trading of the Equity Shares from the Stock Exchange where listing is sought has been received.

WITHDRAWAL OF THE ISSUE

Our Company, in consultation with the LM reserves the right not to proceed with the Issue at anytime, including after the Issue Closing Date but before the Board meeting for Allotment, without assigning any reason. Notwithstanding the foregoing, the Issue is also subject to obtaining the final listing and trading approvals of the Stock Exchange, which the Company shall apply for after Allotment. In terms of the SEBI Regulations, other than retail applicants shall not be allowed to withdraw their Application after the Issue Closing Date.

EQUITY SHARES IN DEMATERIALISED FORM WITH NSDL OR CDSL

To enable all shareholders of the Company to have their shareholding in electronic form, the Company had signed the following tripartite agreements with the Depositories and the Registrar and Share Transfer Agent:

- (a) Agreement dated September 26, 2014 between NSDL, the Company and the Registrar to the Issue;
- (b) Agreement dated September 5, 2014 between CDSL, the Company and the Registrar to the Issue;

The Company's shares bear an ISIN No. INE322R01014.

- 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 exchange having electronic connectivity with NSDL and CDSL. The Stock Exchange where our Equity Shares are proposed to be listed have electronic connectivity with CDSL and NSDL.
- The trading of the Equity Shares of the Company would be in dematerialized form only for all investors.

COMMUNICATIONS

All future communications in connection with Applications made in this Issue should be addressed to the Registrar to the Issue quoting the full name of the sole or First Applicant, Application Form number, Applicants Depository Account Details, number of Equity Shares applied for, date of Application form, name and address of the Banker to the Issue where the Application was submitted and cheque or draft number and issuing bank thereof and a copy of the acknowledgement slip.

Investors can contact the Compliance Officer or the Registrar to the Issue in case of any pre Issue or post Issue related problems such as non receipt of letters of allotment, credit of allotted shares in the respective beneficiary accounts, refund orders etc.

ISSUE PROCEDURE FOR ASBA (APPLICATION SUPPORTED BY BLOCKED ACCOUNT) APPLICANTS

This section is for the information of investors proposing to subscribe to the Issue through the ASBA process. Our Company and the LM are not liable for any amendments, modifications, or changes in applicable laws or regulations, which may occur after the date of the Prospectus. ASBA Applicants are advised to make their independent investigations and to ensure that the ASBA Application Form is correctly filled up, as described in this section.

The lists of banks that have been notified by SEBI to act as SCSB (Self Certified Syndicate Banks) for the ASBA Process are provided on <http://www.sebi.gov.in>. For details on designated branches of SCSB collecting the Application Form, please refer the above mentioned SEBI link.

ASBA Process

A Resident Retail Individual Investor shall submit his Application through an Application Form, either in physical or electronic mode, to the SCSB with whom the bank account of the ASBA Applicant or bank account utilized by the ASBA Applicant (“**ASBA Account**”) is maintained. The SCSB shall block an amount equal to the Application Amount in the bank account specified in the ASBA

Application Form, physical or electronic, on the basis of an authorization to this effect given by the account holder at the time of submitting the Application.

The Application Amount shall remain blocked in the aforesaid ASBA Account until finalization of the Basis of Allotment in the Issue and consequent transfer of the Application Amount against the allocated shares to the 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 LM.

ASBA Applicants are required to submit their Applications, either in physical or electronic mode. In case of application in physical mode, the ASBA Applicant shall submit the ASBA Application Form at the Designated Branch of the SCSB. In case of application in electronic form, the ASBA Applicant shall submit the Application Form either through the internet banking facility available with the SCSB, or such other electronically enabled mechanism for applying and blocking funds in the ASBA account held with SCSB, and accordingly registering such Applications.

Who can apply?

In accordance with the SEBI (ICDR) Regulations, 2009 in public issues w.e.f. May 1, 2010 all the investors can apply through ASBA process and w.e.f. May 02, 2011, the Non-Institutional applicants and the QIB Applicants have to compulsorily apply through the ASBA Process.

Mode of Payment

Upon submission of an Application Form with the SCSB, whether in physical or electronic mode, each ASBA Applicant shall be deemed to have agreed to block the entire Application Amount and authorized the Designated Branch of the SCSB to block the Application Amount, in the bank account maintained with the SCSB.

Application Amount paid in cash, by money order or by postal order or by stockinvest, 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 ASBA Public Issue Account 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.

Interest in Case of Delay in Despatch of Allotment Letters or Refund Orders/instruction to Self Certified Syndicate Banks by the Registrar in Case of Public Issues

The issuer agrees that as far as possible allotment of securities offered to the public shall be made within fifteen days of the closure of public issue. If there is a delay beyond eight days after our Company becomes liable to pay the amount, our Company and every officer in default will, on and from the expiry of this period, be jointly and severally liable to repay the money, with interest or other penalty as prescribed under the SEBI Regulations, the Companies Act 2013 and applicable law. 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.

RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES

Foreign investment in Indian securities is regulated primarily by the FEMA and the policy prescribed by the Department of Industrial Policy and Promotion, Government of India through Consolidated FDI Policy Circular of 2014 with effect from April 17, 2014 (“**FDI Policy**”). While the FDI Policy prescribes the limits and the conditions subject to which foreign investment can be made in different sectors of the Indian economy, FEMA regulates the precise manner in which such investment may be made. Under the FDI Policy, unless specifically restricted, foreign investment is freely permitted in all sectors of Indian economy up to any extent and without any prior approvals, but the foreign investor is required to follow certain prescribed procedures for making such investment. The Government bodies responsible for granting foreign investment approvals are FIPB and the RBI.

In terms of the Consolidated FDI policy (effective from April 17, 2014), issued by the Department of Industrial Policy and Promotion, 100% foreign direct investment in the Company is permitted.

Subscription by foreign investors (NRIs/FIIs)

FIIs are permitted to subscribe to shares of an Indian company in a public offer 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 FDI Policy and transfer does not attract the provisions of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 (ii) the non-resident shareholding is within the sectoral limits under the FDI Policy; and (iii) the pricing is in accordance with the guidelines prescribed by SEBI/ RBI.

As per the existing policy of the Government of India, OCBs cannot participate in this Issue.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Applications may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

The above information is given for the benefit of the Applicants. Our Company and the Lead Manager are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of the Prospectus. Applicants are advised to make their independent investigations and ensure that the number of Equity Shares applied for do not exceed the applicable limits under laws or regulations.

SECTION VIII – MAIN PROVISIONS OF THE ARTICLES OF ASSOCIATION

Pursuant to Schedule II of the Companies Act and the SEBI ICDR Regulations, the main provisions of the Articles of Association relating to voting rights, dividend, lien, forfeiture, restrictions on transfer and transmission of Equity Shares or debentures and/or on their consolidation/splitting are detailed below. Please note that the each provision herein below is numbered as per the corresponding article number in the Articles of Association. Certain defined terms used in the Articles of Association are set forth below. All other defined terms used in this section have the meaning given to them in the Articles of Association.

The Authorised capital of our Company is ₹ 22,00,00,000 divided into ₹ 2,20,00,000 Equity Shares of ₹ 10 each.

| ARTICLES OF ASSOCIATION | | |
|--|----------|--|
| Share capital and variation of rights | | |
| Shares under control of Board | 3 | Subject to the provisions of the Act and these Articles, the shares in the capital of the Company shall be under the control of the Board who may issue, allot or otherwise dispose of the same or any of them to such persons, in such proportion and on such terms and conditions and either at a premium or at par and at such time as they may from time to time think fit. |
| Directors may allot shares otherwise than for cash | 4 | Subject to the provisions of the Act and these Articles, the Board may issue and allot shares in the capital of the Company on payment or part payment for any property or assets of any kind whatsoever sold or transferred, goods or machinery supplied or for services rendered to the Company in the conduct of its business and any shares which may be so allotted may be issued as fully paid-up or partly paid-up otherwise than for cash, and if so issued, shall be deemed to be fully paid-up or partly paid-up shares, as the case may be. |
| Kinds of ShareCapital | 5 | The Company may issue the following kinds of shares in accordance with these other applicable laws: (a) Equity share capital: (i) with voting rights; and / or (ii) with differential rights as to dividend, voting or otherwise in accordance with the Rules; and (b) Preference share capital |
| Issue of certificate Consolidation/Sub-Division of Share Certificates Certificate to bear seal | 6 | (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 one month from the date of receipt by the Company of the application for the registration of transfer or transmission or within such other period as the conditions of issue shall provide - (a) one certificate for all his shares without payment of any charges; or (b) several certificates, each for one or more of his shares, upon payment of such charges as may be fixed by the Board for each certificate after the first. (2) Every certificate shall be under the seal and shall specify the shares to which it relates and the amount paid-up thereon. (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. |
| Option to receive share certificate or whole shares with depository | 7 | A person subscribing to shares offered by the company shall have the option either to receive certificates for such shares or hold the shares in a dematerialised state with a depository. Where a person of to hold any share with the depository, the company shall intimate such depository the details of the allotment of the share to enable the depository to enter in its records the name of such person as the beneficial owner of that share. |
| Issue of new certificate in place of one defaced, lost or destroyed | 8 | If any share certificate be worn out, defaced, mutilated or torn or if there be no further space on the back for endorsement of transfer, then upon production and surrender thereof to the Company, a new certificate may be issued in lieu thereof, and if any certificate is lost or destroyed may then upon proof thereof to the satisfaction of the Company and on execution of such indemnity as the Board deems |

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| | | adequate, a new certificate in lieu thereof shall be given. Every certificate under this Article shall be issued on payment of fees for each certificate as may be fixed by the Board. |
| Provisions as to issue of certificates to apply mutatis mutandis to debentures, etc. | 9 | The provisions of the foregoing Articles relating to issue of certificates shall mutatis mutandis apply to issue of certificates for any other securities including debentures (except where the Act otherwise requires) of the Company. |
| Power to pay commission in connection with securities issued | 10 | (1) The Company may exercise the powers of paying commissions conferred by the Act, to any person in connection with the subscription to its securities, 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 Act and the Rules. |
| Rate of commission in accordance with Rules | | (2) The rate or amount of the commission shall not exceed the rate or amount prescribed in the Rules. |
| Mode of payment of commission | | (3) The commission may be satisfied by the payment of cash or the allotment of fully or partly paid shares or partly in the one way and partly in the other. |
| Variation of members' rights | 11 | (1) 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 the Act, and whether or not the Company is being wound up, be varied with the consent in writing, of such number of the holders of the issued shares of that class, or with the sanction of a resolution passed at a separate meeting of the holders of the shares of that class, as prescribed by the Act. |
| Provisions as to general meetings to apply mutandis to each meeting | | (2) To every such separate meeting, the provisions of these Articles relating mutandis apply. |
| Issue of further shares not to affect rights of existing members | 12 | The rights conferred upon the holders of the shares of any class issued with preferred or other rights shall not, unless otherwise expressly provided by the terms of issue of the shares of that class, be deemed to be varied by the creation or issue of further shares ranking paripassu therewith. |
| Power to issue redeemable preference shares | 13 | Subject to the provisions of Act the Board shall have the power to issue or re-issue preference shares of one or more classes which are liable to be redeemed, or converted to equity shares, on such terms and conditions and in such manner as determined by the Board in accordance with the Act. |
| Further issue of share capital | 14 | (1) The Board or the Company, as the case may be, may, in accordance to - (a) persons who, at the date of offer, are holders of equity shares of the Company; such offer shall be deemed to include a right exercisable by the person concerned to renounce the shares offered to him or any of them in favour of any other person; or (b) employees under any scheme of employees' stock option; or (c) any persons, whether or not those persons include the persons referred to in clause (a) or (b) above. |
| Mode of further issue of shares | | (2) A further issue of shares may be made in any manner whatsoever as the Board may determine including by way of preferential offer or private placement, subject to and in accordance with the Act and the Rules. |
| Lien | | |
| Company's lien on shares | 15 | (1) The Company shall have a first and paramount lien - (a) on every share (not being a fully paid share), for all monies |

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| Lien to extend to dividends, etc | | (whether presently payable or not) called, or payable at a fixed time, in respect of that share; and (b) on all shares (not being fully paid shares) standing registered in the name of a member, for all monies presently payable by him or his estate to the Company: Provided that the Board may at any time declare any share to be wholly or in part exempt from the provisions of this clause. (2) The Company's lien, if any, on a share shall extend to all dividends or interest, as the case may be, payable and bonuses declared from time to time in respect of such shares for any money owing to the Company. (3) Unless otherwise agreed by the Board, the registration of a transfer of shares shall operate as a waiver of the Company's lien (4) Fully paid Shares shall be free from all lien and that in case of partly paid Shares, the issuer lien shall be restricted to monies called or payable at a fixed time in respect of such shares. |
| Waiver of lien in case of registration | | |
| Free from all lien | | |
| As to enforcing lien by sale | 16 | The Company may sell, in such manner as the Board thinks fit, any shares on which the Company has a lien: Provided that no sale shall be made— (a) unless a sum in respect of which the lien exists is presently payable; or (b) until the expiration of fourteen days after a notice in writing stating and demanding payment of such part of the amount in respect of which the lien exists as is presently payable, has been given to the registered holder for the time being of the share or to the person entitled thereto by reason of his death or insolvency or otherwise. |
| Validity of sale | 17 | (1) To give effect to any such sale, the Board may authorise some person to transfer the shares sold to the purchaser thereof. |
| Purchaser to be registered holder | | (2) The purchaser shall be registered as the holder of the shares comprised in any such transfer. |
| Validity of Company's receipt | | (3) The receipt of the Company for the consideration (if any) given for the share on the sale thereof shall (subject, if necessary, to execution of an instrument of transfer or a transfer by relevant system, as the case may be) constitute a good title to the share and the purchaser shall be registered as the holder of the share. |
| Purchaser not affected | | (4) The purchaser shall not be bound to see to the application of the purchase money, nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings with reference to the sale. |
| Application of proceeds of sale | 18 | (1) The proceeds of the sale shall be received by the Company and applied in payment of such part of the amount in respect of which the lien exists as is presently payable. |
| Payment of residual money | | (2) The residue, if any, shall, subject to a like lien for sums not presently payable as existed upon the shares before the sale, be paid to the person entitled to the shares at the date of the sale. |
| Outsider's lien not to affect Company's lien | 19 | In exercising its lien, the Company shall be entitled to treat the registered holder of any share as the absolute owner thereof and accordingly shall not (except as ordered by a court of competent jurisdiction or unless required by any statute) be bound to recognise any equitable or other claim to, or interest in, such share on the part of any other person, whether a creditor of the registered holder or |

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| | | otherwise. The Company’s lien shall prevail notwithstanding that it has received notice of any such claim. |
| Provisions as to lien to apply mutatis mutandis to debentures, etc. | 20 | The provisions of these Articles relating to lien shall mutatis mutandis apply to any other securities including debentures of the Company. |
| Calls on shares | | |
| Board may make calls | 21 | (1) The Board may, from time to time, make calls upon the members in respect of any monies unpaid on their shares (whether on account of the nominal value of the shares or by way of premium) and not by the conditions of allotment thereof made payable at fixed times. |
| Right to call | | (2) Right to call on shares shall not be given to any persons except with the sanction of issuer in genral meeting. |
| Notice of call | | (3) Each member shall, subject to receiving at least fourteen days’ notice specifying the time or times and place of payment, pay to the Company, at the time or times and place so specified, the amount called on his shares. |
| Board may extend timefor payment | | (4) The Board may, from time to time, at its discretion, extend the time fixed for the payment of any call in respect of one or more members circumstances. |
| Revocation or postponement of call | | (5) A call may be revoked or postponed at the discretion of the Board. |
| Call to take effect fromdate of resolution | 22 | A call shall be deemed to have been made at the time when the resolution of the Board authorising the call was passed and may be required to be paid by instalments. |
| Liability of joint holdersof shares | 23 | The joint holders of a share shall be jointly and severally liable to pay all calls in respect thereof. |
| When interest on callor instalment payable | 24 | (1) If a sum called in respect of a share is not paid before or on the day appointed for payment thereof (the “due date”), the person from whom the sum is due shall pay interest thereon from the due date to the time of actual payment at such rate as may be fixed by the Board. |
| Board may waive interest | | (2) The Board shall be at liberty to waive payment of any such interest wholly or in part. |
| Sums deemed to be calls | 25 | (1) Any sum which by the terms of issue of a share becomes payable on allotment or at any fixed date, whether on account of the nominal value of the share or by way of premium, shall, for the purposes of these Articles, be deemed to be a call duly made and payable on the date on which by the terms of issue such sum becomes payable. |
| Effect of non-payment of sums | | (2) In case of non-payment of such sum, all the relevant provisions of these Articles 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. |
| Payment in anticipation of calls may carry interest | 26 | The Board - (a) may, if it thinks fit, receive from any member willing to advance the same, all or any part of the monies uncalled and unpaid upon any shares held by him; and (b) upon all or any of the monies so advanced, may (until the same would, but for such advance, become presently payable) pay interest at such rate as may be fixed by the Board. Nothing contained in this clause shall confer on the member (a) any right to participate in profits or dividends or (b) any voting rights in respect of the moneys so paid by him until the same would, but for such payment, become presently payable by him. |
| Instalments onshares to be dulypaid | 27 | If by the conditions of allotment of any shares, the whole or part of the amount of issue price thereof shall be payable by instalments, then |

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| | | every such instalment shall, when due, be paid to the Company by the person who, for the time being and from time to time, is or shall be the registered holder of the share or the legal representative of a deceased registered holder. |
| Calls on shares of same class to be on uniform basis | 28 | All calls shall be made on a uniform basis on all shares falling under the same class. Explanation: Shares of the same nominal value on which different amounts have been paid-up shall not be deemed to fall under the same class. |
| Partial payment not to preclude forfeiture | 29 | Neither a judgment nor a decree in favour of the Company for calls or other moneys due in respect of any shares nor any part payment or satisfaction thereof nor the receipt by the Company of a portion of any money which shall from time to time be due from any member in respect of any shares either by way of principal or interest nor any indulgence granted by the Company in respect of payment of any such money shall preclude the forfeiture of such shares as herein provided. |
| Provisions as to calls to apply mutatis mutandis to debentures, etc. | 30 | The provisions of these Articles relating to calls shall mutatis mutandis apply to any other securities including debentures of the Company. |
| Transfer of shares | | |
| Instrument of transfer to be executed by transferor and transferee | 31 | (1) The instrument of transfer of any share in the Company shall be duly executed by or on behalf of both the transferor and transferee. (2) The transferor shall be deemed to remain a holder of the share until the name of the transferee is entered in the register of members in respect thereof. (3) A common form of transfer shall be used for transfer of any Shares. |
| Board may refuse to register transfer | 32 | The Board may, subject to the right of appeal conferred by the Act decline to register - (a) the transfer of a share, not being a fully paid share, to a person of whom they do not approve; or (b) any transfer of shares on which the Company has a lien. |
| Board may decline to recognise instrument of transfer | 33 | In case of shares held in physical form, the Board may decline to recognise any instrument of transfer unless - (a) the instrument of transfer is duly executed and is in the form as prescribed in the Rules made under the Act; (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. |
| Transfer of shares when suspended | 34 | On giving of previous notice of at least seven days or such lesser period in accordance with Act 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. |
| Provisions as to transfer of shares to apply mutatis mutandis to debentures, etc. | 35 | The provisions of these Articles relating to transfer of shares shall mutatis mutandis apply to any other securities including debentures of the Company. |
| Transmission of shares | | |
| Title to shares on death of a | 36 | (1) On the death of a member, the survivor or survivors where the |

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| member | | 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. |
| Estate of deceased member liable | | (2) Nothing in clause (1) 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. |
| Transmission Clause | 37 | (1) Any person becoming entitled to a share in consequence of the death or insolvency of a member may, upon such evidence being produced as may from time to time properly be required by the Board and subject as hereinafter provided, elect, either - (a) to be registered himself as holder of the share; or (b) to make such transfer of the share as the deceased or insolvent member could have made. |
| Board's right unaffected | | (2) 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. |
| Indemnity to the Company | | (3) The Company shall be fully indemnified by such person from all liability, if any, by actions taken by the Board to give effect to such registration or transfer. |
| Right to election of holder of share | 38 | (1) 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. |
| Manner of testifying election | | (2) If the person aforesaid shall elect to transfer the share, he shall testify his election by executing a transfer of the share. |
| Limitations applicable to notice | | (3) 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. |
| Claimant to be entitled to same advantage | 39 | A person becoming entitled to a share by reason of the death or insolvency of the holder shall be entitled to the same dividends and other advantages to which he would be entitled if he were the registered holder of the share, except that he shall not, before being registered as a member in respect of the share, be entitled in respect of it to exercise any right conferred by membership in relation to meetings of the Company: Provided that the Board may, at any time, give notice requiring any such person to elect either to be registered himself or to transfer the share, and if the notice is not complied with within ninety days, the Board may thereafter withhold payment of all dividends, bonuses or other monies payable in respect of the share, until the requirements of the notice have been complied with. |
| Provisions as to transmission to apply mutatis mutandis to debentures, etc. | 40 | The provisions of these Articles relating to transmission by operation of law shall mutatis mutandis apply to any other securities including debentures of the Company. |
| Forfeiture of shares | | |
| If call or instalment not paid notice must be given | 41 | If a member fails to pay any call, or instalment of a call or any money due in respect of any share, 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 or a judgement or decree in respect thereof remains unsatisfied in whole or in part, serve a notice on him requiring payment of so much of the call or instalment or |

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| | | other money as is unpaid, together with any interest which may have accrued and all expenses that may have been incurred by the Company by reason of non-payment. |
| Form of notice | 42 | The notice aforesaid shall: (a) name a further day (not being earlier than the expiry of fourteen days from the date of service of the notice) on or before which the payment required by the notice is to be made; and (b) state that, in the event of non-payment on or before the day so named, the shares in respect of which the call was made shall be liable to be forfeited. |
| In default of payment of shares to be forfeited | 43 | 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. |
| Receipt of part amount or grant of indulgence not to affect forfeiture | 44 | Neither the receipt by the Company for a portion of any money which may from time to time be due from any member in respect of his shares, nor any indulgence that may be granted by the Company in respect of payment of any such money, shall preclude the Company from thereafter proceeding to enforce a forfeiture in respect of such shares as herein provided. Such forfeiture shall include all dividends declared or any other moneys payable in respect of the forfeited shares and not actually paid before the forfeiture. |
| Entry of forfeiture in register of members | 45 | When any share shall have been so forfeited, notice of the forfeiture shall be given to the defaulting member and an entry of the forfeiture with the date thereof, shall forthwith be made in the register of members but no forfeiture shall be invalidated by any omission or neglect or any failure to give such notice or make such entry as aforesaid. |
| Effect of forfeiture | 46 | The forfeiture of a share shall involve extinction at the time of forfeiture, of all interest in and all claims and demands against the Company, in respect of the share and all other rights incidental to the share. |
| Forfeited shares may be sold, etc. | 47 | (1) A forfeited share shall be deemed to be the property of the Company and may be sold or re-allotted or otherwise disposed of either to the person who was before such forfeiture the holder thereof or entitled thereto or to any other person on such terms and in such manner as the Board thinks fit. |
| Cancellation of forfeiture | | (2) At any time before a sale, re-allotment or disposal as aforesaid, the Board may cancel the forfeiture on such terms as it thinks fit. |
| Members still liable to pay money owing at the time of forfeiture | 48 | (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, and shall pay, to the Company all monies which, at the date of forfeiture, were presently payable by him to the Company in respect of the shares. |
| Member still liable to pay money owing at time of forfeiture and interest | | (2) All such monies payable shall be paid together with interest thereon at such rate as the Board may determine, from the time of forfeiture until payment or realisation. The Board may, if it thinks fit, but without being under any obligation to do so, enforce the payment of the whole or any portion of the monies due, without any allowance for the value of the shares at the time of forfeiture or waive payment in whole or in part. |
| Cesser of liability | | (3) The liability of such person shall cease if and when the Company shall have received payment in full of all such monies in respect of the shares. |

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| Certificate of forfeiture | 49 | (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; |
| Title of purchaser and transferee of forfeited shares | | (2) The Company may receive the consideration, if any, given for the share on any sale, re-allotment or disposal thereof and may execute a transfer of the share in favour of the person to whom the share is sold or disposed of; |
| Transferee to be registered as holder | | (3) The transferee shall thereupon be registered as the holder of the share; and |
| Transferee not affected | | (4) The transferee shall not be bound to see to the application of the purchase money, if any, nor shall his title to the share be affected by any irregularity or invalidity in the proceedings in reference to the forfeiture, sale, re-allotment or disposal of the share. |
| Validity of sales | 50 | Upon any sale after forfeiture or for enforcing a lien in exercise of the powers hereinabove given, the Board may, if necessary, appoint some person to execute an instrument for transfer of the shares sold and cause the purchaser's name to be entered in the register of members in respect of the shares sold and after his name has been entered in the register of members in respect of such shares the validity of the sale shall not be impeached by any person. |
| Cancellation of share certificate in respect of forfeited shares | 51 | Upon any sale, re-allotment or other disposal under the provisions of the preceding Articles, the certificate(s), if any, originally issued in respect of the relative shares shall (unless the same shall on demand by the Company has been previously surrendered to it by the defaulting member) stand cancelled and become null and void and be of no effect, and the Board shall be entitled to issue a duplicate certificate(s) in respect of the said shares to the person(s) entitled thereto. |
| Surrender of sharecertificates | 52 | The Board may, subject to the provisions of the Act, accept a surrender of any share from or by any member desirous of surrendering them on such terms as they think fit. |
| Sums deemed to be calls | 53 | The provisions of these Articles 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. |
| Provisions as to forfeiture of shares to apply mutatis mutandis to debentures, etc. | 54 | The provisions of these Articles relating to forfeiture of shares shall mutatis mutandis apply to any other securities including debentures of the Company. |
| Alteration of capital | | |
| Power to alter sharecapital | 55 | Subject to the provisions of section 61 the Act , the Company may, by ordinary resolution (a) increase the share capital by such sum, to be divided into shares of such amount as it thinks expedient; (b) consolidate and divide all or any of its share capital into shares of larger amount than its existing shares; Provided that any consolidation and division which results in changes in the voting percentage of members shall require applicable approvals under the Act; (c) convert all or any of its fully paid-up shares into stock, and reconvert that stock into fully paid-up shares of any denomination; |

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| | | (d) sub-divide its existing shares or any of them into shares of smaller amount than is fixed by the memorandum; (e) cancel any shares which, at the date of the passing of the resolution, have not been taken or agreed to be taken by any person. |
| Shares may be converted into stock | 56 | Where shares are converted into stock: (a) the holders of stock may transfer the same or any part thereof in the same manner as, and subject to the same Articles under which, the shares from which the stock arose might before the conversion have been transferred, or as near thereto as circumstances admit: Provided that the Board may, from time to time, fix the minimum amount of stock transferable, so, however, that such minimum shall not exceed the nominal amount of the shares from which the stock arose; |
| Right of stockholders | | (b) the holders of stock shall, according to the amount of stock held by them, have the same rights, privileges and advantages as regards dividends, voting at meetings of the Company, and other matters, as if they held the shares from which the stock arose; but no such privilege or advantage (except participation in the dividends and profits of the Company and in the assets on winding up) shall be conferred by an amount of stock which would not, if existing in shares, have conferred that privilege or advantage; (c) such of these Articles of the Company as are applicable to paid-up shares shall apply to stock and the words “share” and “shareholder”/“member” shall include “stock” and “stock-holder” respectively. |
| Reduction of capital | 57 | The Company may, by special resolution as prescribed by the Act, reduce in any manner and in accordance with the provisions of the Act and the Rules, — (a) its share capital; and/or (b) any capital redemption reserve account; and/or (c) any securities premium account; and/or (d) any other reserve in the nature of share capital. |
| Joint Holders | | |
| Joint-holders | 58 | Where two or more persons are registered as joint holders (not more than three) of any share, they shall be deemed (so far as the Company is concerned) to hold the same as joint tenants with benefits of survivorship, subject to the following and other provisions contained in these Articles: |
| Liability of Joint-holders | | (a) The joint-holders of any share shall be liable severally as well as jointly for and in respect of all calls or instalments and other payments which ought to be made in respect of such share |
| Death of one or more joint-holders | | (b) On the death of any one or more of such joint-holders, the survivor or survivors shall be the only person or persons recognized by the Company as having any title to the share but the Directors may require such evidence of death as they may deem fit, and nothing herein contained shall be taken to release the estate of a deceased joint-holder from any liability on shares held by him jointly with any other person |
| Receipt of one sufficient | | (c) Any one of such joint holders may give effectual receipts of any dividends, interests or other moneys payable in respect of such share. (d) Only the person whose name stands first in the register of members as one of the joint-holders of any share shall be |

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| <p>Delivery of certificate and giving of notice to first named holder</p> <p>Vote of joint-holders</p> <p>Executors or administrators as joint holders</p> <p>Provisions as to joint holders as to shares to apply mutatis mutandis to debentures, etc</p> <p>Registration & Transfer</p> | | <p>entitled to the delivery of certificate, if any, relating to such share or to receive notice (which term shall be deemed to include all relevant documents) and any notice served on or sent to such person shall be deemed service on all the joint-holders</p> <p>(e) (i) Any one of two or more joint-holders may vote at any meeting either personally or by attorney or by proxy in respect of such shares as if he were solely entitled thereto and if more than one of such joint-holders be present at any meeting personally or by proxy or by attorney then that one of such persons so present whose name stands first or higher (as the case may be) on the register in respect of such shares shall alone be entitled to vote in respect thereof but the other or others of the joint-holders shall be entitled to vote in preference to a joint-holder present by attorney or by proxy although the name of such joint-holder present by any attorney or proxy stands first or higher (as the case may be) in the register in respect of such shares.</p> <p>(ii) Several executors or administrators of a deceased member in whose (deceased member) sole name any share stands, shall for the purpose of this clause be deemed joint-holders</p> <p>(f) The provisions of these Articles relating to joint holders of shares shall mutatis mutandis apply to any other securities including debentures of the Company registered in joint names</p> <p>(g) The 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 issuer on any account whatsoever.</p> |
| Capitalisation of profits | | |
| <p>Capitalisation</p> | <p>59</p> | <p>(1) The Company by ordinary resolution in general meeting may, upon the recommendation of the Board, resolve —</p> <p>(a) that it is desirable to capitalise any part of the amount for the time being standing to the credit of any of the Company's reserve accounts, or to the credit of the profit and loss account, or otherwise available for distribution; and</p> <p>(b) that such sum be accordingly set free for distribution in the manner specified in clause</p> <p>(2) below amongst the members who would have been entitled thereto, if distributed by way of dividend and in the same proportions.</p> |
| <p>Sum how applied</p> | | <p>(2) The sum aforesaid shall not be paid in cash but shall be applied, subject to the provision contained in clause (3) below, either in or</p> |

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| | | <p>towards :</p> <p>(A) paying up any amounts for the time being unpaid on any shares held by such members respectively;</p> <p>(B) paying up in full, unissued shares or other securities of the Company to be allotted and distributed, credited as fully paid-up, to and amongst such members in the proportions aforesaid;</p> <p>(C) partly in the way specified in sub-clause (A) and partly in that specified in sub-clause (B).</p> <p>(3) A securities premium account and a capital redemption reserve account or any other permissible reserve account may, for the purposes of this Article, be applied in the paying up of unissued shares to be issued to members of the Company as fully paid bonus shares;</p> <p>(4) The Board shall give effect to the resolution passed by the Company in pursuance of this Article.</p> |
| Powers of the Board for Capitalisation | 60 | <p>(1) Whenever such a resolution as aforesaid shall have been passed, the Board shall -</p> <p>(a) make all appropriations and applications of the amounts resolved to be capitalized thereby, and all allotments and issues of fully paid shares or other securities, if any; and</p> <p>(b) generally do all acts and things required to give effect thereto.</p> |
| Board's power to issue fractional certificate/ coupon etc. | | <p>(2) The Board shall have power—</p> <p>(a) to make such provisions, by the issue of fractional certificates/ coupons or by payment in cash or otherwise as it thinks fit, for the case of shares or other securities becoming distributable in fractions; and</p> <p>(b) to authorise any person to enter, on behalf of all the members entitled thereto, into an agreement with the Company providing for the allotment to them respectively, credited as fully paid-up, of any further shares or other securities to which they may be entitled upon such capitalisation, or as the case may require, for the payment by the Company on their behalf, by the application thereto of their respective proportions of profits resolved to be capitalised, of the amount or any part of the amounts remaining unpaid on their existing shares.</p> |
| Agreement binding on members | | <p>(3) Any agreement made under such authority shall be effective and binding on such members.</p> |
| Buy-back of shares | | |
| Buy-back of shares | 61 | <p>Notwithstanding anything contained in these Articles but subject to the provision of section 68 to 70 and any other law for the time being in force, the Company may purchase its own shares or other specified securities.</p> |
| General Meetings | | |
| Extraordinary general meeting | 62 | <p>All general meetings other than annual general meeting shall be called extraordinary general meeting.</p> |
| Powers of Board to call extraordinary general meeting | 63 | <p>The Board may, whenever it thinks fit, call an extraordinary general meeting.</p> |
| Proceedings at general meetings | | |
| Presence of Quorum | 64 | <p>(1) No business shall be transacted at any general meeting unless a quorum of members is present at the time when the meeting proceeds to business.</p> |
| Business confined to election of Chairperson | | <p>(2) No business shall be discussed or transacted at any general meeting except election of Chairperson whilst the chair is vacant.</p> |

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| whilst chair vacant | | |
| Quorum for general meeting | | (3) The quorum for a general meeting shall be as provided in the Act. |
| Chairperson of the meetings | 65 | The Chairperson of the Company shall preside as Chairperson at every general meeting of the Company. |
| Directors to elect a Chairperson | 66 | If there is no such Chairperson, or if he is not present within fifteen minutes after the time appointed for holding the meeting, or is unwilling to act as chairperson of the meeting, the directors present shall elect one of their members to be Chairperson of the meeting. |
| Members to elect a Chairperson | 67 | If at any meeting no director is willing to act as Chairperson or if no director is present within fifteen minutes after the time appointed for holding the meeting, the members present shall, by poll or electronically, choose one of their members to be Chairperson of the meeting. |
| Casting vote of Chairperson at general meeting | 68 | On any business at any general meeting, in case of an equality of votes, whether on a show of hands or electronically or on a poll, the Chairperson shall have a second or casting vote. |
| Minutes of proceedings of meetings and resolutions passed by postal ballot | 69 | (1) The Company shall cause minutes of the proceedings of every general meeting of any class of members or creditors and every resolution passed by postal ballot to be prepared and signed in such manner as may be prescribed by the Rules and kept by making within thirty days of the conclusion of every such meeting concerned or passing of resolution by postal ballot entries thereof in books kept for that purpose with their pages consecutively numbered. |
| Certain matters not to be included in Minutes | | (2) There shall not be included in the minutes any matter which, in the opinion of the Chairperson of the meeting - (a) is, or could reasonably be regarded, as defamatory of any person; or (b) is irrelevant or immaterial to the proceedings; or (c) is detrimental to the interests of the Company. |
| Discretion of Chairperson in relation to Minutes | | (3) The Chairperson shall exercise an absolute discretion in regard to the inclusion or non-inclusion of any matter in the minutes on the grounds specified in the aforesaid clause. |
| Minutes to be evidence | | (4) The minutes of the meeting kept in accordance with the provisions of the Act shall be evidence of the proceedings recorded therein. |
| Inspection of minute books of general meeting | 70 | (1) The books containing the minutes of the proceedings of any general meeting of the Company or a resolution passed by postal ballot shall: (a) be kept at the registered office of the Company; and (b) be open to inspection of any member without charge, during 11.00 a.m. to 1.00 p.m. on all working days other than Saturdays. |
| Members may obtain copy of minutes | | (2) Any member shall be entitled to be furnished, within the time prescribed by the Act, after he has made a request in writing in that behalf to the Company and on payment of such fees as may be fixed by the Board, with a copy of any minutes referred to in clause (1) above, Provided that a member who has made a request for provision of a soft copy of the minutes of any previous general meeting held during the period immediately preceding three financial years, shall be entitled to be furnished with the same free of cost. |
| Powers to arrange security at meetings | 71 | The Board, and also any person(s) authorised by it, may take any action before the commencement of any general meeting, or any meeting of a class of members in the Company, which they may think fit to ensure the security of the meeting, the safety of people attending the meeting, and the future orderly conduct of the meeting. Any |

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| | | decision made in good faith under this Article shall be final, and rights to attend and participate in the meeting concerned shall be subject to such decision. |
| Adjournment of meeting | | |
| Chairperson may adjourn the meeting | 72 | (1) The Chairperson may, suomotu, adjourn the meeting from time to time and from place to place. |
| Business at adjourned meeting | | (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. |
| Notice of adjourned meeting | | (3) When a meeting is adjourned for thirty days or more, notice of the adjourned meeting shall be given as in the case of an original meeting. |
| Notice of adjourned meeting not required | | (4) Save as aforesaid, and save as provided in the Act, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting. |
| Voting rights | | |
| Entitlement to vote on show of hands and on poll | 73 | Subject to any rights or restrictions for the time being attached to any class or classes of shares – (a) on a show of hands, every member present in person shall have one vote; and (b) on a poll, the voting rights of members shall be in proportion to his share in the paid-up equity share capital of the company. |
| Voting through electronic means | 74 | A member may exercise his vote at a meeting by electronic means in accordance with section 108 and shall vote only once. |
| Vote of joint-holders | 75 | (1) 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. (2) For this purpose, seniority shall be determined by the order in which the names stand in the register of members. |
| How members non compos mentis and minor may vote | 76 | 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. If any member be a minor, the vote in respect of his share or shares shall be by his guardian or any one of his guardians. |
| Votes in respect of shares of deceased or insolvent members, etc. | 77 | Subject to the provisions of the Act and other provisions of these Articles, any person entitled under the Transmission Clause to any shares may vote at any general meeting in respect thereof as if he was the registered holder of such shares, provided that at least 48 (forty eight) hours before the time of holding the meeting or adjourned meeting, as the case may be, at which he proposes to vote, he shall duly satisfy the Board of his right to such shares unless the Board shall have previously admitted his right to vote at such meeting in respect thereof. |
| Business may proceed pending poll | 78 | Any business other than that upon which a poll has been demanded may be proceeded with, pending the taking of the poll. |
| Restriction on voting rights | 79 | No member shall be entitled to vote at any general meeting unless all calls or other sums presently payable by him in respect of shares in the Company have been paid or in regard to which the Company has exercised any right of lien. |
| Restriction on exercise of voting rights in other cases to be void | 80 | A member is not prohibited from exercising his voting on the ground that he has not held his share or other interest in the Company for any specified period preceding the date on which the vote is taken, or on any other ground not being a ground set out in the preceding Article. |

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| Equal rights of members | 81 | Any member whose name is entered in the register of members of the Company shall enjoy the same rights and be subject to the same liabilities as all other members of the same class. |
| Proxy | | |
| Member may vote inperson or otherwise | 82 | (1) Any member entitled to attend and vote at a general meeting may do so either personally or through his constituted attorney or through another person as a proxy on his behalf, for that meeting. |
| Proxies when to bedeposited | | (2) 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, and in default the instrument of proxy shall not be treated as valid. |
| Form of proxy | 83 | An instrument appointing a proxy shall be in the rule made under section 105. |
| Proxy to be valid notwithstanding death of the principal | 84 | A vote given in accordance with the terms of an instrument of proxy shall be valid, notwithstanding the previous death or insanity of the principal or the revocation of the proxy or of the authority under which the proxy was executed, or the transfer of the shares in respect of which the proxy is given: Provided that no intimation in writing of such death, insanity, revocation or transfer shall have been received by the Company at its office before the commencement of the meeting or adjourned meeting at which the proxy is used. |
| Board of Directors | | |
| Board of Directors | 85 | Unless otherwise determined by the Company in general meeting, the number of directors shall not be less than 3 (three) and shall not be more than 15 (fifteen). |
| Director notliable to retireby rotation | 86 | (1) Sri MukeshGoel shall be a Director Not liable to retire by rotation. The Board shall have the power to determine the Directors whose period of Office is or is not liable to determination by retirement of Director by rotation. |
| Same individual maybe chairperson andManaging Director /Chief Executive Officer | | (2) The same individual may, at the same time, be appointed as the chairperson of the company as well as the Managing Director or Chief Executive Office of the Company. |
| Remuneration of directors | 87 | (1) The remuneration of the directors shall, in so far as it consists of a monthly payment, be deemed to accrue from day-to-day. |
| Remuneration to requiremembers' consent | | (2) The remuneration payable to the directors, including any managing or whole-time director or manager, if any, shall be determined in accordance with and subject to the provisions of the Act by an ordinary resolution passed by the Company in general meeting. |
| Travelling and otherexpenses | | (3) In addition to the remuneration payable to them in pursuance of the Act, the directors may be paid all travelling, hotel and other expenses properly incurred by them— (a) in attending and returning from meetings of the Board of Directors or any committee thereof or general meetings of the Company; or (b) in connection with the business of the Company. |
| Execution of negotiable instruments | 88 | 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 |

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| | | the Board shall from time to time by resolution determine. |
| Appointment of additional directors | 89 | (1) Subject to the provisions of section 161, 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. |
| Duration of office of additional director | | (2) 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. |
| Appointment of alternate director | 90 | (1) The Board may appoint an alternate director to act for a director (hereinafter in this Article called “the Original Director”) during his absence for a period of not less than three months from India. No person shall be appointed as an alternate director for an independent director unless he is qualified to be appointed as an independent director under the provisions of the Act. |
| Duration of office of alternate director | | (2) An alternate director shall not hold office for a period longer than that permissible to the Original Director in whose place he has been appointed and shall vacate the office if and when the Original Director returns to India. |
| Re-appointment provisions applicable to Original Director | | (3) If the term of office of the Original Director is determined before he returns to India the automatic reappointment of retiring directors in default of another appointment shall apply to the Original Director and not to the alternate director. |
| Appointment of director to fill a casual vacancy | 91 | (1) If the office of any director appointed by the Company in general meeting is vacated before his term of office expires in the normal course, the resulting casual vacancy may, be filled by the Board of Directors at a meeting of the Board. |
| Duration of office of Director appointed to fill casual vacancy | | (2) The director so appointed shall hold office only upto the date upto which the director in whose place he is appointed would have held office if it had not been vacated. |
| Powers of Board | | |
| General powers of the Company vested in Board | 92 | The management of the business of the Company shall be vested in the Board and the Board may exercise all such powers, and do all such acts and things, as the Company is by the memorandum of association or otherwise authorized to exercise and do, and, not hereby or by the statute or otherwise directed or required to be exercised or done by the Company in general meeting but subject nevertheless to the provisions of the Act and other laws and of the memorandum of association and these Articles and to any regulations, not being inconsistent with the memorandum of association and these Articles or the Act, from time to time made by the Company in general meeting provided that no such regulation shall invalidate any prior act of the Board which would have been valid if such regulation had not been made. |
| Proceedings of the Board | | |
| When meeting to be convened | 93 | (1) The Board of Directors may meet for the conduct of business, adjourn and otherwise regulate its meetings, as it thinks fit |
| Who may summon Board meeting | | (2) The Chairperson or any one Director with the previous consent of the Chairperson may, or the company secretary on the direction of the Chairperson shall, at any time, summon a meeting of the Board. |
| Quorum for Board | | (3) The quorum for a Board meeting shall be as provided in the Act. (4) The participation of directors in a meeting of the Board may be either in person or through video conferencing or audio visual means or |

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| meetings Participation at Board meetings | | teleconferencing, as may be prescribed by the Rules or permitted under law |
| Questions at Board meeting how decided Casting vote of Chairperson at Board meeting | 94 | (1) Save as otherwise expressly provided in the Act, questions arising at any meeting of the Board shall be decided by a majority of votes (2) In case of an equality of votes, the Chairperson of the Board, if any, shall have a second or casting vote |
| Directors not to act when number falls below minimum | 95 | The continuing directors may act notwithstanding any vacancy in the Board; but, if and so long as their number is reduced below the quorum fixed by the Act for a meeting of the Board, the continuing directors or director may act for the purpose of increasing the number of directors to that fixed for the quorum, or of summoning a general meeting of the Company, but for no other purpose |
| Who to preside at meetings of the Board Directors to elect a Chairperson | 96 | (1) The Chairperson of the Company shall be the Chairperson at meetings of the Board. In his absence, the Board may elect a Chairperson of its meetings and determine the period for which he is to hold office. (2) If no such Chairperson is elected, or if at any meeting the Chairperson is not present within fifteen minutes after the time appointed for holding the meeting, the directors present may choose one of their number to be Chairperson of the meeting |
| Delegation of powers Committee to conform to Board regulations Participation at Committee meetings | 97 | (1) The Board may, subject to the provisions of the Act, delegate any of its powers to Committees consisting of such member or members of its body as it thinks fit (2) Any Committee so formed shall, in the exercise of the powers so delegated, conform to any regulations that may be imposed on it by the Board. (3) The participation of directors in a meeting of the Committee may be either in person or through video conferencing or audio visual means or teleconferencing, as may be prescribed by the Rules or permitted under law. |
| Chairperson of Committee Who to preside at Meeting of committee | 98 | (1) A Committee may elect a Chairperson of its meetings unless the Board, while constituting a Committee, has appointed a Chairperson of such Committee. (2) If no such Chairperson is elected, or if at any meeting the Chairperson is not present within fifteen minutes after the time appointed for holding the meeting, the members present may choose one of their members to be Chairperson of the meeting. |
| Committee to meet Questions at Committee meeting how decided Casting vote of Chairperson at Committee meeting | 99 | A Committee may meet and adjourn as it thinks fit. (2) Questions arising at any meeting of a Committee shall be determined by a majority of votes of the members present. (3) In case of an equality of votes, the Chairperson of the Committee shall have a second or casting vote |
| Acts of Board or Committee valid | 100 | All acts done in any meeting of the Board or of a Committee thereof or by any person acting as a director, shall, notwithstanding that it may be |

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| notwithstanding defect of appointment | | afterwards discovered that there was some defect in the appointment of any one or more of such directors or of any person acting as aforesaid, or that they or any of them were disqualified or that his or their appointment had terminated, be as valid as if every such director or such person had been duly appointed and was qualified to be a director |
| Passing of resolution by circulation | 101 | Save as otherwise expressly provided in the Act, a resolution in writing, signed, whether manually or by secure electronic mode, by a majority of the members of the Board or of a Committee thereof, for the time being entitled to receive notice of a meeting of the Board or Committee, shall be valid and effective as if it had been passed at a meeting of the Board or Committee, duly convened and held |
| Certain powers to be exercised by the Board only at meeting | | |
| Certain power of board only at meeting | 102 | <p>(a) Without derogating from the powers vested in the Board of Directors under these Articles, the Board shall exercise the powers prescribed under Section 179 read with rule 8 of Companies (Meeting of Board & its Powers) Rules, 2014 only by means of resolutions passed at meetings of the Board.</p> <p>Provided that the Board may by resolution passed at the meeting, delegate to any Committee of Directors, the Managing Director, the Manager or any other principal officer of the Company or in the case of a branch office of the Company, a principal officer of the branch office, the powers specified in sub-clause (d) to (f) of sub-section (3) of Section 179 of the Act on such condition as the Board may prescribe.</p> <p>(b) Every resolution delegating the power referred to in sub-clause (d) of sub-section (3) of section 179 shall specify the total amount outstanding at any one time up to which moneys may be borrowed by the delegate.</p> <p>(c) Every resolution delegating the power referred to in sub-clause (e) of sub-section (3) of section 179 shall specify the total amount up to which the funds of the Company may be invested and the nature of the investments which may be made by the delegate.</p> <p>(d) Every resolution delegating the power referred to in sub-clause (f) of sub-section (3) of section 179 shall specify the total amount up to which loans may be made by the delegates, the purpose for which the loans may be and the maximum amount up to which loans may be made for each such purpose in individual cases.</p> <p>(e) Nothing in this Article shall be deemed to affect the right of the Company in general meeting to impose restrictions and conditions on the exercise by the Board of any other powers referred above.</p> |
| Restriction on powers of the Board | | |
| Restriction on power of the Board | 103 | <p>(a) The Board of Directors of the Company shall not except with the consent of the shareholders to be obtained by way of special resolution:</p> <p>(i) sell, lease or otherwise dispose of the whole, or substantially the whole, of the undertaking of the Company, or where the Company owns more than one undertaking, of the whole or substantially the whole of any such undertakings.;</p> <p>(ii) invest, otherwise than in trust securities, the amount of compensation received by the Company as a result of any merger or amalgamation;</p> <p>(iii) borrow money, where the money to be borrowed, together with the moneys already borrowed by the Company will exceed the aggregate of the paid-up capital of the Company and its free reserves apart from temporary loans obtained from the company's bankers in the ordinary course of business.</p> <p>(iv) remit, or give time for the repayment of any debt, due by a Director;</p> <p>(b) Nothing contained in sub-clause (a) above shall affect:</p> |

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| | | <p>(i) the title of a buyer or other person who buys or takes a lease any property, investment or undertaking as is referred to in that clause in good faith, or</p> <p>(ii) the sale or lease of any property of the Company where the ordinary business of the Company consists of, or comprises such selling or leasing.</p> <p>(c) Any resolution passed by the Company permitting any transaction such as is referred to in sub-clause (a) (i) above, may stipulate such conditions to the permission as may be specified in such resolution, including conditions regarding the use, disposal or investment of the sale proceeds which may result from the transaction. Provided that this clause shall not be deemed to authorise the Company to effect any reduction in its capital except in accordance with the provisions contained in the Act.</p> <p>(d) No debt incurred by the Company in excess of the limit imposed by sub-clause (iii) of clause (a) above, shall be valid or effectual, unless the lender proves that he advanced the loan in good faith and without knowledge that the limit imposed by that clause had been exceeded</p> |
| Chief Executive Officer, Manager, Company Secretary and Chief Financial Officer | | |
| <p>Chief Executive Officer, etc.</p> <p>Director may be chief executive officer, etc</p> | <p>104</p> | <p>(a) Subject to the provisions of the Act,— A chief executive officer, manager, company secretary and chief financial officer may be appointed by the Board for such term, at such remuneration and upon such conditions as it may think fit; and any chief executive officer, manager, company secretary and chief financial officer so appointed may be removed by means of a resolution of the Board; the Board may appoint one or more chief executive officers for its multiple businesses</p> <p>(b) A director may be appointed as chief executive officer, manager, company secretary or chief financial officer. A provision of the Act or these regulations requiring or authorising a thing to be done by or to a director and chief executive officer, manager, company secretary or chief financial officer shall not be satisfied by its being done by or to the same person acting both as director and as, or in place of, chief executive officer, manager, company secretary or chief financial officer</p> |
| Registers | | |
| <p>Statutory registers</p> | <p>105</p> | <p>The Company shall keep and maintain at its registered office all statutory registers namely, register of charges, register of members, register of debenture holders, register of any other security holders, the register and index of beneficial owners and annual return, register of loans, guarantees, security and acquisitions, register of investments not held in its own name and register of contracts and arrangements for such duration as the Board may, unless otherwise prescribed, decide, and in such manner and containing such particulars as prescribed by the Act and the Rules. The registers and copies of annual return shall be open for inspection during 11.00 a.m. to 1.00 p.m. on all working days, other than Saturdays, at the registered office of the Company by the persons entitled thereto on payment, where required, of such exceeding the limits prescribed by the Rules.</p> |
| <p>Foreign register</p> | <p>106</p> | <p>(a) The Company may exercise the powers conferred on it by the Act with regard to the keeping of a foreign register; and the Board may (subject to the provisions of the Act) make and vary such regulations as</p> |

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| | | it may think fit respecting the keeping of any such register (b) The foreign register shall be open for inspection and may be closed, and extracts may be taken therefrom and copies thereof may be required, in the same manner, mutatis mutandis, as is applicable to the register of members |
| The Seal | | |
| The seal, its custody and use Affixation of seal | 107 | (1) The Board shall provide for the safe custody of the seal. (2) 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 director or the manager, if any, or of the secretary or such other person as the Board may appoint for the purpose; and such director or manager or the secretary or other person aforesaid shall sign every instrument to which the seal of the Company is so affixed in their presence. |
| Dividends and Reserve | | |
| Company in general meeting may declare dividends | 108 | The Company in general meeting may declare dividends, but no dividend shall exceed the amount recommended by the Board but the Company in general meeting may declare a lesser dividend. |
| Interim dividends | 109 | Subject to the provisions of the section 123, the Board may from time to time pay to the members such interim dividends of such amount on such class of shares and at such times as it may think fit |
| Dividends only to be paid out of profits Carry forward of profits | 110 | (1) 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 applied for any purpose to which the profits of the Company may be properly applied, including provision for meeting contingencies or for equalising 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 (2) The Board may also carry forward any profits which it may consider necessary not to divide, without setting them aside as a reserve |
| Division of profits Payments in advance Capital paid up in advance to carry interest not the right to earn dividend Dividends to be apportioned | 111 | (1) Subject to the rights of persons, if any, entitled to shares with special rights as to dividends, all dividends shall be declared and paid according to the amounts paid or credited as paid on the shares in respect whereof the dividend is paid, but if and so long as nothing is paid upon any of the shares in the Company, dividends may be declared and paid according to the amounts of the shares. (2) No amount paid or credited as paid on a share in advance of calls shall be treated for the purposes of this Article as paid on the share. (3) Where the capital is paid in advance upon the footing that the same shall carry interest such capital shall not whilst carrying interest confer a right to Dividend or to participate in profit. (4) 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 |
| No member to receive dividend | 112 | (1) 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 |

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| whilst indebted to the Company and Company's right to reimbursement therefrom Effect of transfer of shares Retention of dividends | | account of calls or otherwise in relation to the shares of the Company. (2) A transfer of shall shall not pass the right to any dividend declared therein before the registration of transfer. (3) The Board may retain dividends payable upon shares in respect of which any person is, under the Transmission Clause hereinbefore contained, entitled to become a member, until such person shall become a member in respect of such shares. |
| Dividend how remitted Notice of dividend Instrument of payment Discharge to Company | 113 | (1) Any dividend, interest or other monies payable in cash in respect of shares may be paid by electronic mode or 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. (2) Notice of declaration of any dividend whether interim or otherwise shall be given to the registered holder of shares in the manner herein provide. (3) Every such cheque or warrant shall be made payable to the order of the person to whom it is sent. (4) Payment in any way whatsoever shall be made at the risk of the person entitled to the money paid or to be paid. The Company will not be responsible for a payment which is lost or delayed. The Company will be deemed to having made a payment and received a good discharge for it if a payment using any of the foregoing permissible means is made |
| Receipt of one holder sufficient | 114 | 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 |
| No interest on dividends | 115 | No dividend shall bear interest against the Company |
| Waiver of dividends | 116 | The waiver in whole or in part of any dividend on any share by any document (whether or not under seal) shall be effective only if such document is signed by the member (or the person entitled to the share in consequence of the death or bankruptcy of the holder) and delivered to the Company and if or to the extent that the same is accepted as such or acted upon by the Board. |
| Reserve | 117 | The Directors may before recommending or declaring any dividend set aside out of the profit of the company such sums as they think proper as reserve or reserves, which shall, at the discretion of the directors, be applicable for meeting contingencies or for any other purposes to which the profits of the company may be properly applied and pending such application, may at the like discretion either be employed in the business of the company or be invested in such investment (other than shares of the company) as the directors may from time to time think fit. |
| Dividend to be paid within the time required by law. | 118 | The Company shall pay the dividend or send the warrant in respect thereof to the shareholders entitled to the payment of dividend, within such time as may be required by law from the date of the declaration unless : - Where the dividend could not be paid by reason of the operation on any law; or Where a shareholder has given directions regarding the payment of the dividend and those directions cannot be complied with; or Where there is dispute regarding the right to receive the dividend; or |

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| | | Where the dividend has been lawfully adjusted by the Company against any sum due to it from shareholder; or Where for any other reason, the failure to pay the dividend or to post the warrant within the period aforesaid was not due to any default on the part of the Company. |
| Unpaid or unclaimed dividend | 119 | Where the company has declared a dividend but which has not been paid or claimed within 30 days from the date of declaration, to any share holder entitled to the payment of dividend within 7 days from the date of expiry of the said period of 30 days transfer the total amount of dividend which remain unpaid or unclaimed within the said period of 30 days, to a special account to be opened by the company in that behalf in any schedule bank and to be called AanchalIspat Limited (Year) unpaid dividend account. (a) Any money transferred to the unpaid dividend account of a company which remain unpaid or unclaimed for a period of 7 years from the date of such transfer, shall be transferred by the company to the fund known as “Investor Education and Protection Fund” established under the Act. (b) There shall be no forfeiture of unclaimed dividend before the claim becomes barred by Law. |
| forfeiture of unclaimed dividend | | |
| Set-Off of calls against Dividend | 120 | Any general meeting declaring a dividend may on the recommendation of the Directors make a call on the members on such amount as the meeting fixes but so that the call be made payable at the same time as the dividend and the dividend may, if so arranged between the company and the members be set-off against the cause. |
| Divided in Cash | 121 | No dividend shall be payable except in cash, provided that nothing in this Article shall deemed to prohibit the capitalization of the profits or reserves of the company for the purpose of issuing fully paid up Bonus Shares or paying up any amount for the time being unpaid on any shares held by members of the company. |
| Capitalization | 122 | The Company in general meeting may, upon the recommendation of the Board, resolve; That is derivable to capitalize any part of the amount for the time being standing to the credit of the company’s reserve account or to the credit of Profit & Loss account or otherwise available for distribution. That such sum be accordingly be set free for distribution in the manner specified in clause 2 amongst the members who would have been entitled there to, if distributed by way of dividend and in the same proportion. The sum aforesaid shall not be paid in cash but shall be applied, subject to the provision contained in the clause. Either in or towards; Paying up any amount for the time being unpaid on any shares held by such members respectively, or Paying up in full un-issued shares of the company to be allocated and distributed, credited as fully paid up, to and amongst members in the proportion aforesaid, or Partly in the ways specified in sub clause (a) or partly specified in sub clause (b) A security premium account and capital redemption account may, for the purpose of this article, only be applied in the paying up of unissued shares to be issued to members of the company as fully paid up Bonus |

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| | | Shares. |
| Board to give effect | 123 | The Board shall give effect to the resolution passed by the company in pursuance of above article. |
| Fractional Certificate | 124 | <p>Whenever such a resolution as aforesaid shall have been passed, the Board shall;make all appropriations and applications of the undivided profits resolved to be capitalized thereby and all allotments and issued of fully paid shares and Generally do all acts and things required to give effect thereto.</p> <p>The Board shall have power: to make such provision by the issue of fractional cash certificate or by payment in cash or otherwise as it thinks fit, in the case of Shares becoming distributable in fractions, also.</p> <p>To authorize 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 paidup of any further Shares to which they may be entitled upon such capitalization or (as the case may require) for the payment Company on their behalf by the application thereof of the respective proportions of the profits resolved to be capitalized of the amounts remaining unpaid on their existing Shares.</p> <p>Any agreement under such authority shall be effective and binding on such Members.</p> <p>That for the purpose of giving effect to any resolution, under the preceding paragraph of the Article, the Directors may give such directions as may be necessary and settle any question or difficulties that may arise in regard to any issue including distribution of new Shares and fractional certificates as they think fit.</p> |
| Accounts | | |
| Inspection by Directors | 125 | (1) The books of account and books and papers of the Company, or any of them, shall be open to the inspection of directors in accordance with the applicable provisions of the Act and the Rules. |
| Restriction on inspection by members | | (2) No member (not being a director) shall have any right of inspecting any books of account or books and papers or document of the Company except as conferred by law or authorised by the Board. |
| Audit | | |
| Audit of the Company | 126 | <p>The First Auditors of the Company shall be appointed by the Board of Directors within one month from the date of registration of the company and the Auditors so appointed shall hold office until the conclusion of the First Annual General Meeting.</p> <p>The Company at the annual general meeting each year shall appoint an Auditor or Auditors to hold office from the conclusion of that meeting until the conclusion of sixth annual general meeting but the appointment of statutory auditors shall be ratified at every annual general meeting of the shareholders.</p> <p>The Company shall within fifteen days of the appointment, give intimation thereof to every auditor so appointed and to Registrar of Companies within whose jurisdiction the registered office of the Company is situated.</p> <p>The Directors may fill any casual vacancy in the office of Auditor, but while any such vacancy continues the serving or continuing Auditor or Auditors (if any) may act, but where such vacancy is caused by the resignation of an auditor, the vacancy shall only be filled by the Company in general meeting.</p> <p>(i) The remuneration of the Auditors shall be fixed by the Company in</p> |

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| | | general meeting in such manner as the Company may in general meeting determine except that the remuneration of any Auditors appointed to fill any casual vacancy may be fixed by the Directors. |
| Winding Up | | |
| Winding up of Company | 127 | <p>Subject to the applicable provisions of chapter XX the Act and the Rules made thereunder</p> <p>(a) If the Company shall be wound up, the liquidator may, with the sanction of a special resolution of the Company and any other sanction required by the Act, divide amongst the members, in specie or kind, the whole or any part of the assets of the Company, whether they shall consist of property of the same kind or not.</p> <p>(b) For the purpose aforesaid, the liquidator may set such value as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the members or different classes of members.</p> <p>(c) The liquidator may, with the like sanction, vest the whole or any part of such assets in trustees upon such trusts for the benefit of the contributories if he considers necessary, but so that no member shall be compelled to accept any shares or other securities whereon there is any liability</p> |
| Indemnity & Insurance | | |
| Directors and officers right to Indemnity | 128 | <p>(a) Subject to the provisions of the Act, every director, managing director, whole-time director, manager, company secretary and other officer of the Company shall be indemnified by the Company out of the funds of the Company, to pay all costs, losses and expenses (including travelling expense) which such director, manager, company secretary and officer may incur or become liable for by reason of any contract entered into or act or deed done by him in his capacity as such director, manager, company secretary or officer or in any way in the discharge of his duties in such capacity including expenses.</p> <p>(b) Subject as aforesaid, every director, managing director, manager, company secretary or other officer of the Company shall be indemnified against any liability incurred by him in defending any proceedings, whether civil or criminal in which judgement is given in his favour or in which he is acquitted or discharged or in connection with any application under applicable provisions of the Act in which relief is given to him by the Court.</p> <p>(c) The Company may take and maintain any insurance as the Board may think fit on behalf of its present and/or former directors and key managerial personnel for indemnifying all or any of them against any liability for any acts in relation to the Company for which they may be liable but have acted honestly and reasonably.</p> |
| Insurance | | |
| General Power | | |
| General Power | 129 | Wherever in the Act, it has been provided that the Company shall have any right, privilege or authority or that the Company could carry out any transaction only if the Company is so authorized by its articles, then and in that case this Article authorizes and empowers the Company to have such rights, privileges or authorities and to carry such transactions as have been permitted by the Act, without there being any specific Article in that behalf herein provided. |

SECTION IX – OTHER INFORMATION

MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The following contracts (not being contracts entered into in the ordinary course of business carried on by our Company or contracts entered into more than two (2) years before the date of filing of the Prospectus) which are or may be deemed material have been entered or are to be entered into by our Company. These contracts, copies of which will be attached to the copy of the Prospectus will be delivered to the RoC for registration and also the documents for inspection referred to hereunder, may be inspected at the Registered Office of our Company located at J.L. No. 5, National Highway No. 6, Mouza Chamrail, Howrah– 711 114, West Bengal, 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. Memorandum of understanding dated September 6, 2014 between our Company and the Lead Manager.
2. Memorandum of Understanding dated September 9, 2014, between our Company and the Registrar to the Issue.
3. Underwriting Agreement dated September 6, 2014 between our Company, the Lead Manager, Market Maker and Underwriter.
4. Market Making Agreement dated September 6, 2014 between our Company, Lead Manager and Market Maker.
5. Tripartite agreement among the NSDL, our Company and Registrar to the Issue dated September 26, 2014.
6. Tripartite agreement among the CDSL, our Company and Registrar to the Issue dated September 5, 2014.
7. Escrow Agreement dated October 31, 2014 between our Company, the Lead Manager, Escrow Collection Bank and the Registrar to the Issue.

Material Documents

1. Certified true copy of the Memorandum and Articles of Association of our Company including certificates of incorporation.
2. Resolution of the Board dated August 12, 2014 authorizing the Issue.
3. Special Resolution of the shareholders passed at the Annual General Meeting dated September 5, 2014 authorizing the Issue.
4. Statement of Tax Benefits dated September 5, 2014, issued by our Statutory Auditors, R Modi & Co., Chartered Accountants.
5. Report of the Independent Peer Review Auditors, Maheshwari & Co., Chartered Accountants dated November 13, 2014, on the Restated Financial Statements for the financial years ended March 31, 2010, 2011, 2012, 2013, 2014 and 6 months ended September 30, 2014 of our Company.
6. Copy of Certificate from the Statutory Auditor, R Modi & Co., Chartered Accountants dated November 5, 2014, regarding the source and deployment of funds as on October 31, 2014.
7. Copy of Audited Financials for the financial years ended March 31, 2010, 2011, 2012, 2013 & 2014 and for the 6 months ended September 30, 2014 of our Company.
8. Consents of Directors, Company Secretary and Compliance Officer, Statutory Auditors, Peer Review Auditors, Legal Advisor to the Issue, Bankers to our Company, the Lead Manager, Registrar to the Issue, Underwriter, Market Maker, Bankers to the Issue/Escrow Collection Banks, Refund Banker to the Issue, to act in their respective capacities.

9. Initial listing applications dated September 25, 2014 filed with the BSE.
10. Copy of approval from BSE *vide* letter dated October 14, 2014 to use the name of BSE in this offer document for listing of Equity Shares on SME Platform of BSE.
11. Due Diligence Certificate dated September 24, 2014 from the Lead Manager to BSE.
12. Due Diligence Certificate dated November 13, 2014 from the Lead Manager to SEBI.
13. Resolution of the board passed at the meeting dated August 12, 2014 for fixing the term of appointment of our Managing Director, Mr. Mukesh Goel.

Any of the contracts or documents mentioned in the Prospectus may be amended or modified at any time if so required in the interest of our Company or if required by the other parties, without reference to the shareholders subject to compliance of the provisions contained in the Companies Act and other relevant statutes.

DECLARATION

We, the undersigned, hereby certify that, all the relevant provisions of the Companies Act, 1956/ Companies Act, 2013 (to the extent notified), and the guidelines issued by the Government of India or the guidelines and regulations issued by the Securities and Exchange Board of India, established under Section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in the Prospectus is contrary to the provisions of the Companies Act, 1956 / Companies Act, 2013 (to the extent notified), the Securities and Exchange Board of India Act, 1992 or rules made there under or regulations or guidelines issued, as the case may be. We further certify that all the disclosures and statements made in the Prospectus are true, fair, accurate and correct.

Signed by all the Directors of Aanchal Ispat Limited

| Name and designation | Signature |
|----------------------|-----------|
|----------------------|-----------|

Mr. Mukesh Goel
Managing Director

Mr. Manoj Goel
Director

Mr. Sudhir Kumar Budhia
Independent Director

Mr. Mukesh Agarwal
Independent Director

Signed by the –Chief Financial Officer

Mr. Ritesh Shaw

Place: **Kolkata**

Date: November 13, 2014

ANNEXURE – A

TABLE 1: FORMAT FOR DISCLOSURE OF PRICE INFORMATION OF PAST ISSUES HANDLED BY INVENTURE MERCHANT BANKER SERVICES PRIVATE LIMITED

| <i>Sr No</i> | <i>Issue Name</i> | <i>Issue Size ₹ (Cr.)</i> | <i>Issue price (₹)</i> | <i>Listing date</i> | <i>Opening price on listing date</i> | <i>Closing price on listing date</i> | <i>% Change in Price on listing date (Closing) vs. Issue Price</i> | <i>Benchmark index on listing date (Closing)</i> | <i>Closing price as on 10th calendar day from listing day</i> | <i>Benchmark index as on 10th calendar days from listing day (Closing)</i> | <i>Closing price as on 20th calendar day from listing day</i> | <i>Benchmark index as on 20th calendar days from listing day (Closing)</i> | <i>Closing price as on 30th calendar day from listing day</i> | <i>Benchmark index as on 30th calendar days from listing day (Closing)</i> |
|--------------|-------------------------------------|-----------------------------------|----------------------------|---------------------|--------------------------------------|--------------------------------------|--|--|--|---|--|---|--|---|
| 1 | Bronze Infra-Tech Limited | 8.56 | 15 | November 7, 2012 | 16.70 | 16.30 | 8.67 | 18902.41 | 15.65 | 18339.00 | 16.80 | 18842.08 | 16.05 | 19424.10 |
| 2 | GCM Securities Limited | 12.18 | 20 | April 5, 2013 | 65.00 | 68.25 | 241.25 | 18450.23 | 82.85 | 18744.93 | 82.85 | 19406.85 | 119.25 | 19673.64 |
| 3 | GCM Commodity & Derivatives Limited | 7.02 | 20 | August 14, 2013 | 20.25 | 20.30 | 1.50 | 19367.59 | 19.10 | 18519.44 | 12.55 | 18234.66 | 14.60 | 19997.45 |
| 4 | Silverpoint Infratech Limited | 12.00 | 15 | August 28, 2013 | 13.00 | 13.60 | -9.33 | 17996.15 | 13.50 | 19270.06 | 12.95 | 19997.45 | 9.50 | 19727.27 |
| 5 | VKJ Infradevelopers Limited | 12.75 | 25 | August 30, 2013 | 23.80 | 23.80 | -4.80 | 18619.72 | 21.20 | 19997.09 | 18.09 | 20646.64 | 28.85 | 19379.77 |
| 6 | Newever Trade Wings Limited | 6.32 | 10 | October 17, 2013 | | 12.80 | 28 | 20415.51 | 15.35 | 21164.52 | 21.83 | 20894.94 | 26.03 | 20229.05 |
| 7 | Unishire Urban Infra Limited | 6.43 | 10 | February 28, 2014 | 12.05 | 11.45 | 14.50 | 21120.12 | 11.35 | 21934.83 | 12.10 | 21740.09 | 11 | 22386.37 |
| 8 | Anisha Impex Limited | 6.50 | 10 | March 18, 2014 | 13.70 | 14.35 | 43.50 | 21832.61 | 16.95 | 22214.37 | 14.30 | 22343.45 | 11.60 | 22628.84 |
| 9 | GCM Capital Advisors Ltd. | 9.00 | 20 | May 21, 2014 | 33.55 | 35.20 | 76.00 | 24298.02 | 38.75 | 24556.09 | 38.75 | 25583.69 | 46.50 | 25246.25 |
| 10 | Carewell Industries Ltd. | 4.96 | 15 | August 12, 2014 | 14.40 | 13.65 | -9.00 | 25880.77 | 12.35 | 26383.16 | 7.65 | 27067.02 | 6.70 | 26965.91 |

Source: All share price data is from "www.bseindia.com".

Note:

1. The BSE Sensex is considered as the Benchmark Index.
2. Price on BSE is considered for all of the above calculations
3. In case 10th/20th/30th day is not a trading day, closing price on BSE of the next trading day has been considered

TABLE 2: SUMMARY STATEMENT OF DISCLOSURE

| <i>Financial Year</i> | <i>Total no. of IPOs</i> | <i>Total Funds Raised (Rs. Cr.)</i> | <i>Nos. of IPOs trading at discount on listing date</i> | | | <i>Nos. of IPOs trading at premium on listing date</i> | | | <i>Nos. of IPOs trading at discount as on 30th calendar day from listing day</i> | | | <i>Nos. of IPOs trading at premium as on 30th calendar day from listing day</i> | | |
|-----------------------|--------------------------|-------------------------------------|---|-----------------------|----------------------|--|-----------------------|----------------------|---|-----------------------|----------------------|--|-----------------------|----------------------|
| | | | <i>Over 50%</i> | <i>Between 25-50%</i> | <i>Less than 25%</i> | <i>Over 50%</i> | <i>Between 25-50%</i> | <i>Less than 25%</i> | <i>Over 50%</i> | <i>Between 25-50%</i> | <i>Less than 25%</i> | <i>Over 50%</i> | <i>Between 25-50%</i> | <i>Less than 25%</i> |
| 2012-13 | 2 | 20.74 | -- | -- | -- | 1 | -- | 1 | -- | -- | -- | 1 | -- | 1 |
| 2013-14 | 6 | 51.01 | -- | -- | 2 | -- | 2 | 2 | -- | 2 | -- | 1 | -- | 3 |
| 2014-15 | 2 | 13.96 | -- | -- | 1 | 1 | -- | -- | 1 | -- | -- | 1 | -- | -- |