



MACPOWER CNC MACHINES LIMITED

Our company was incorporated as Macpower CNC Machines Private Limited under the provision of the companies Act, 1956 vide certificate of incorporation dated December 31, 2003 issued by RoC Gujarat Dadra and Nagar Havelli bearing Corporate Identification Number U30009GJ2003PTC043419. Consequently, it was converted into a public limited company pursuant to shareholders resolution passed at Extra-ordinary General Meeting of our Company held on November 03, 2017 and the name of our Company was changed to Macpower CNC Machines Limited and a fresh certificate of incorporation consequent upon Conversion of Private Company to Public Limited dated November 16, 2017 was issued by Registrar of Companies, Gujarat, Ahmedabad. The Corporate Identification Number of our Company is U30009GJ2003PLC043419. For further details of Incorporation, Change of Name and Registered Office of our company, please refer to chapter titled "General Information" and "Our History and Certain Other Corporate Matters" beginning on page 54 and page 134 of this Red Herring Prospectus.

Registered Office: Plot No.2234, Nr. Krnati Gate, Gidc Metoda, Tal Lodhika, Dist Rajkot 360007, Gujarat, India
Corporate Identification Number: U30009GJ2003PLC043419
Tel. No.: 02827-287930; **Fax No.:** 02827 287933; **E-mail:** info@macpowercnc.com; **Website:** www.macpowercnc.com
Contact Person: Ekta Shukla, Company Secretary and Compliance Officer

PROMOTERS OF OUR COMPANY: RUPESH MEHTA AND NIKESH MEHTA

THE ISSUE

INITIAL PUBLIC OFFER OF UPTO 26,15,000* EQUITY SHARES OF FACE VALUE OF RS. 10/- EACH FULLY PAID FOR CASH AT A PRICE OF RS. [●] PER EQUITY SHARE (THE "ISSUE PRICE") (INCLUDING A SHARE PREMIUM OF RS. [●] PER EQUITY SHARE) AGGREGATING UP TO RS. [●] LAKHS (THE "ISSUE"), OF WHICH UPTO 1,53,000 EQUITY SHARES OF FACE VALUE OF RS. 10/- EACH FOR CASH AT A PRICE OF RS. [●] PER EQUITY SHARE, AGGREGATING RS. [●] LAKHS WILL BE RESERVED FOR SUBSCRIPTION BY THE MARKET MAKER TO THE ISSUE (THE "MARKET MAKER RESERVATION PORTION"). THE ISSUE LESS MARKET MAKER RESERVATION PORTION I.E. ISSUE OF UPTO 24,62,000 EQUITY SHARES OF FACE VALUE OF RS. 10/- EACH FOR CASH AT A PRICE OF RS. [●] PER EQUITY SHARE, AGGREGATING RS. [●] LAKHS IS HERINAFTER REFERRED TO AS THE "NET ISSUE". THE ISSUE AND THE NET ISSUE WILL CONSTITUTE [●] AND [●] RESPECTIVELY OF THE FULLY DILUTED POST ISSUE PAID UP EQUITY SHARE CAPITAL OF OUR COMPANY.**

Our Company has undertaken, in consultation with the BRLM, a private placement of 4,25,000 Equity Shares aggregating 535.50 lakhs with certain investors ("Pre-IPO Placement"). The size of the Issue as disclosed in the Draft Red Herring Prospectus dated February 06, 2018 being 30,40,000 Equity Shares has been reduced accordingly.

THE FACE VALUE OF THE EQUITY SHARES IS RS. 10 EACH. THE PRICE BAND AND THE MINIMUM BID LOT WILL BE DECIDED BY OUR COMPANY IN CONSULTATION WITH THE BOOK RUNNING LEAD MANAGER ("BRLM") AND WILL BE ADVERTISED IN ALL EDITIONS OF THE ENGLISH NATIONAL NEWSPAPER BUSINESS STANDARD, ALL EDITIONS OF THE HINDI NATIONAL NEWSPAPER BUSINESS STANDARD AND ALL EDITIONS OF THE REGIONAL NEWSPAPER WESTERN TIMES, EACH WITH WIDE CIRCULATION, AT LEAST 5 (FIVE) WORKING DAYS PRIOR TO THE BID/ISSUE OPENING DATE WITH THE RELEVANT FINANCIAL RATIOS CALCULATED AT THE FLOOR PRICE AND THE CAP PRICE AND SHALL BE MADE AVAILABLE TO THE SME PLATFORM OF NATIONAL STOCK EXCHANGE OF INDIA LIMITED ("NSE EMERGE"), REFERRED TO AS THE "STOCK EXCHANGE") FOR THE PURPOSE OF UPLOADING ON THEIR WEBSITE

In case of any revisions in the Price Band, the Bid/Issue Period will be extended by at least three additional Working Days after such revision of the Price Band, subject to the Bid/Issue Period not exceeding 10 Working Days. Any revision in the Price Band and the revised Bid/Issue Period, if applicable, will be widely disseminated by notification to the Stock Exchanges, by issuing a press release, and also by indicating the change on the website of the BRLM and the terminals of the Syndicate Members (defined herein below).

In terms of SEBI Circular No. CIR/CFD/POLICYCELL/11/2015, all potential investors shall participate in the Issue only through an Application Supported by Blocked Amount ("ASBA") process providing details about the bank account which will be blocked by the Self Certified Syndicate Banks ("SCSBs") for the same. For details in this regard, specific attention is invited to the chapter titled "Issue Procedure" beginning on page 218 of this Red Herring Prospectus. A copy of the Red Herring Prospectus has been delivered for registration to the Registrar of Companies as required under Section 32 of the Companies Act, 2013.

In terms of Rule 19(2)(b)(i) of the Securities Contracts (Regulation) Rules, 1957, as amended (the "SCRR") the Issue is being made for at least 25% of the post-Issue paid-up Equity Share capital of our Company. The Issue is being made in accordance with Chapter XB of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended from time to time ("SEBI (ICDR) Regulations"), wherein 49.96% of the Net Issue shall be available for allocation on a proportionate basis to QIBs, provided that our Company, in consultation with the BRLM may allocate upto 60% of the QIB Portion to Anchor Investors on a discretionary basis. One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price. In the event of under-subscription in the Anchor Investor Portion, the remaining Equity Shares shall be added to the QIB Portion. 5% of the QIB Portion (excluding the Anchor Investor Portion) shall be available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the QIB Portion (excluding Anchor Investor Portion) shall be available for allocation on a proportionate basis to all QIB Bidders, including Mutual Funds, subject to valid Bids being received at or above the Issue Price. Further, not less than 15% of the Net Issue will be available for allocation on a proportionate basis to Non-Institutional Investors and not less than 35% of the Net Issue will be available for allocation to Retail Individual Investors, in accordance with the SEBI ICDR Regulations, subject to valid Bids being received at or above the Issue Price. All investors (except Anchor Investors) shall participate in this Issue mandatorily through the Applications Supported by Blocked Amount ("ASBA") process by providing details of their respective bank accounts which will be blocked by SCSBs. For further details please refer the section titled 'issue information' beginning on page 218 of this Red Herring Prospectus.

RISKS IN RELATION TO FIRST ISSUE

This being the first public Issue of our Company, there has been no formal market for the Equity Shares. The face value of the Equity Shares is Rs. 10 each. The Floor Price is [●] times the face value and the Cap Price is [●] times the face value. The Issue Price (determined and justified by our Company in consultation with the BRLM as stated in "Basis for Issue Price" on page 82 should not be taken to be indicative of the market price of the Equity Shares after the Equity Shares are listed. No assurance can be given regarding an active or sustained trading in the Equity Shares or regarding the price at which the Equity Shares will be traded after listing.

GENERAL RISKS

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

COMPANY'S ABSOLUTE RESPONSIBILITY

Our Company, having made all reasonable inquiries, accepts responsibility for and confirms that this Red Herring Prospectus contains all information with regard to our Company and the Issue, which is material in the context of the Issue; that the information contained in this Red Herring Prospectus is true and correct in all material aspects and is not misleading in any material respect; that the opinions and intentions expressed herein are honestly held; and that there are no other facts, the omission of which makes this Red Herring 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 of our Company issued through this Red Herring Prospectus are proposed to be listed on the EMERGE Platform of National Stock Exchange of India Limited ("NSE EMERGE"). In terms of the Chapter XB of the SEBI (ICDR) Regulations, 2009 as amended from time to time. Our Company has received an In-principle approval letter dated February 22, 2018 from NSE EMERGE for using its name in the Issue document for listing of our shares on the EMERGE Platform of National Stock Exchange of India Limited. For the purpose of this Issue, EMERGE Platform of the National Stock Exchange of India Limited shall be the Designated Stock Exchange.

BOOK RUNNING LEAD MANAGER

PANTOMATH CAPITAL ADVISORS PRIVATE LIMITED
 406-408, Keshava Premises, Behind Family Court,
 Bandra Kurla Complex, Bandra East, Mumbai – 400 051
Tel: +91-22 6194 6700; **Fax:** +91-22 2659 8690
Website: www.pantomathgroup.com
Email: ipo@pantomathgroup.com
Investor Grievance Id: ipo@pantomathgroup.com
Contact Person: Lokesh Shah
SEBI Registration No: INM000012110



REGISTRAR TO THE ISSUE

LINK INTIME INDIA PRIVATE LIMITED
 C-101, 247 Park, L.B.S. Marg, Vikhroli (West),
 Mumbai- 400 083, India
Tel: 022-49186200; **Fax:** 022-49186195
Email: macpower.ipo@linkintime.co.in
Website: www.linkintime.co.in
Investor Grievance Id: macpower.ipo@linkintime.co.in
Contact Person: Shanti Gopalkrishnan
SEBI Registration Number: INR000004058



BID/ISSUE PROGRAMME

ISSUE OPENES ON MONDAY, MARCH 12, 2018***

ISSUE CLOSES ON WEDNESDAY, MARCH 14, 2018

*Number of Shares may need to be adjusted for Lot size upon determination of issue price

**Subject to Finalisation of basis of allotment

***Our Company may, in consultation with the BRLM, consider participation by Anchor Investors. The Anchor Investor shall bid on the Anchor Investor Bidding Date i.e. one Working Day prior to the Bid / Issue Opening Date.

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

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and application may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

**SECTION I – GENERAL
DEFINITION AND ABBREVIATION**

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

COMPANY RELATED TERMS

| Term | Description |
|---|---|
| “Macpower CNC Machines Limited” or “Macpower”, or “the Company” ,or “our Company” or “we”, “us”, “our”, or “Issuer” or the “Issuer Company” | Unless the context otherwise requires, refers to Macpower CNC Machines Limited, a public limited Company incorporated under the Companies Act, 1956 |
| “AOA” or “Articles” or “Articles of Association” | Articles of Association of Macpower CNC Machines Limited, as amended from time to time. |
| Audit Committee | The committee of the Board of Directors constituted as the Company’s Audit Committee in accordance with Section 177 of the Companies Act, 2013. |
| Board of Directors/ the Board / our Board | The Board of Directors of Macpower CNC Machines Limited, including all duly constituted Committee(s) thereof. |
| Bankers to the Company | Such banks which are disclosed as Bankers to the Company in the chapter titled “ <i>General Information</i> ” on page 54 of this Red Herring Prospectus. |
| Company Secretary and Compliance Officer | The Company Secretary & Compliance Officer of our Company being Ekta Shukla |
| Director(s) | Director(s) of Macpower CNC Machines Limited, unless otherwise specified |
| Equity Shares | Equity Shares of our Company of face value of Rs. 10 each fully paid up. |
| Equity Shareholders | Persons/ Entities holding Equity Shares of our Company |
| Group Companies | Such Companies as are included in the chapter titled ‘ <i>Our Group Companies</i> ’ beginning on page 16 of this Red Herring Prospectus |
| ISIN | International Securities Identification Number. In this case being INE155Z01011 |
| Key Managerial Personnel (KMP) | Key managerial personnel of our Company in terms of Regulation 2 (1) (s) of the SEBI Regulations and as disclosed in the chapter titled “Our Management” beginning on page 141 of this DRHP. |
| “MOA” / “Memorandum / Memorandum of Association” | The Memorandum of Association of our Company, as amended from time to time. |
| Nomination and Remuneration Committee | The Nomination and Remuneration Committee was constituted on December 1, 2017 |
| Person or Persons | Any Individual, Sole Proprietorship, Unincorporated Association, Unincorporated Organization, Body Corporate, Corporation, Company, Partnership Firm, Limited Liability Partnership Firm, Joint Venture, or Trust or any other Entity or Organization validly constituted and/or incorporated in the jurisdiction in which it exists and operates, as the context requires. |
| “Promoter”, “Promoters” or “our Promoters” | Promoter of our Company being Rupesh Mehta and Nikesh Mehta . |

| Term | Description |
|---------------------------------|---|
| Promoter Group | Includes such persons and entities are constituting our promoter group in terms of Regulation 2(1) (zb) of the SEBI (ICDR) Regulations and as enlisted in the chapter titled “Our Promoter and Promoter Group” beginning on page 157 of this Red Herring Prospectus |
| Peer Reviewed Auditor | Independent Auditor having a valid Peer Reviewed Certificate in our case being M/s S C Makhecha & Associates. |
| Registered Office | The Registered office of our Company situated at Plot No.2234, Nr. Krnati Gate, GIDC Metoda, Tal Lodhika Dist Rajkot-360007 Gujarat, India |
| RoC / Registrar of Companies | Registrar of Companies, ROC Bhavan, Opp Rupal Park Society, Behind Ankur Bus Stop, Naranpura, Ahmedabad-380013. |
| Shareholders | Shareholders of our Company |
| “Statutory Auditor” / “Auditor” | The Statutory Auditor of our Company, being S.C Makhecha & Associates Chartered Accountants |
| “you”, “your” or “yours” | Prospective investors in this Issue |

ISSUE RELATED TERMS

| Term | Description |
|-----------------------------------|---|
| Acknowledgement Slip | The slip or document issued by the Designated Intermediary to a Bidder as proof of registration of the Bid. |
| Allotment/ Allot/ Allotted | Issue and allotment of Equity Shares of our Company pursuant to the Issue of the Equity Shares to successful Bidders |
| Allottee(s) | Successful Bidders(s) to whom Equity Shares have been allotted/transferred. |
| Allotment Advice | Note or advice or intimation of Allotment sent to the successful Bidders who have been or are to be Allotted the Equity Shares after the Basis of Allotment has been approved by the Designated Stock Exchange. |
| Anchor Investor | A Qualified Institutional Buyer, applying under the Anchor Investor Portion, who has Bid for an amount of at least Rs. 1000 Lakhs, in accordance with the requirements specified in the SEBI ICDR Regulations |
| Anchor Investor Allocation Notice | Notice or intimation of Allocation of Equity Shares sent to Anchor Investors who have been allocated Equity Shares, and includes any device, intimation or notice sent to Anchor Investors in the event that the Issue Price is higher than the Anchor Investor Allocation Price. |
| Anchor Investor Allocation Price | The price at which Equity Shares will be allocated in terms of the Red Herring Prospectus and Prospectus to the Anchor Investors, which will be decided by our Company, in consultation with the BRLM, on the Anchor Investor Bidding Date. |
| Anchor Investor Application Form | The form used by an Anchor Investor to make a Bid in the Anchor Investor Portion and which will be considered as an application for Allotment in terms of the Red Herring Prospectus and Prospectus |
| Anchor Investor Bidding Date | One Working Day prior to the Bid/Offer Opening Date on which Bids by Anchor Investors shall be submitted, prior to or after which the members of the Syndicate will not accept any Bids from Anchor Investors and allocation to Anchor Investors shall be completed. |
| Anchor Investor Escrow Account(s) | Accounts opened for the Issue to which funds shall be transferred by Anchor Investors. |

| Term | Description |
|---|--|
| | A Qualified Institutional Buyer, applying under the Anchor Investor Portion, who has Bid for an amount of at least Rs. 1000 Lakhs, in accordance with the requirements specified in the SEBI ICDR Regulations |
| Anchor Investor Allocation Price | The final price at which Allotment will be made to Anchor Investors in terms of the Red Herring Prospectus and Prospectus, which shall be higher than or equal to the Offer Price |
| Anchor Investor Pay-in Date | With respect to Anchor Investors, it shall be the Anchor Investor Bidding Date, and, in the event the Anchor Investor Allocation Price is lower than the Issue Price, not later than two Working Days after the Bid/Issue Closing Date. |
| Anchor Investor Portion | Upto 60% of the QIB Portion, which may be allocated by our Company, in consultation with the BRLM to Anchor Investors on a discretionary basis, out of which one-third shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price. |
| ASBA / Application Supported by Blocked Amount | An application, whether physical or electronic, used by Bidders, to make a Bid authorising an SCSB to block the Bid Amount in the ASBA Account |
| ASBA Account | An account maintained with an SCSB and specified in the Bid cum Application Form submitted by Bidders for blocking the Bid Amount mentioned in the Bid cum Application Form |
| ASBA form | An application form, whether physical or electronic, used by Bidders which will be considered as the application for Allotment in terms of this Red Herring Prospectus. |
| ASBA Application Location(s) / Specified Cities | Locations at which ASBA Applications can be uploaded by the SCSBs, namely Mumbai, New Delhi, Chennai, Kolkata, and Ahmedabad. |
| ASBA Bidders | Any Bidder except Anchor Investor |
| Banker(s) to the Issue | The banks which are clearing members and registered with SEBI as Banker to an Issue with whom the Public Issue Account will be opened and in this case being ICICI Bank Limited |
| Basis of Allotment | The basis on which Equity Shares will be Allotted to the successful Bidders under the Issue and which is described under chapter titled “ <i>Issue Procedure</i> ” beginning on page 222 of this Red Herring Prospectus. |
| Bid | An indication to make an issue during the Bid/Issue Period by a Bidder (other than Anchor Investor) or on Anchor Investor pursuant to submission of the Bid cum Application Form, to subscribe to or purchase the Equity Shares at a price within the Price Band, including all revisions and modifications thereto as permitted under the SEBI ICDR Regulations in accordance with the Red Herring Prospectus and Bid cum Application Form. |
| Bidder(s) | Any prospective investor who makes a Bid pursuant to the terms of the Red Herring Prospectus and the Bid cum Application Form and unless otherwise stated or implied, includes an ASBA Bidder and Anchor Investor. |
| Bidding | The process of making a Bid. |
| Bid Amount | The highest value of optional Bids indicated in the Bid cum Application Form and in the case of Retail Individual Bidders Bidding at Cut Off Price, the Cap |

| Term | Description |
|---|---|
| | Price multiplied by the number of Equity Shares Bid for by such Retail Individual Bidder and mentioned in the Bid cum Application Form and payable by the Retail Individual Bidder or blocked in the ASBA Account upon submission of the Bid in the Issue |
| Bid cum Application form | The form used by a Bidder, to make a Bid and which will be considered as the application for Allotment in terms of the Red Herring Prospectus |
| Bid Cum Application Collecting Intermediaries | <ol style="list-style-type: none"> 1. a SCSB with whom the bank account to be blocked, is maintained 2. a syndicate member (or sub-syndicate member) If any 3. a stock broker registered with a recognized stock exchange (and whose name is mentioned on the website of the stock exchange as eligible for this activity)(‘broker’) if any 4. a depository participant (‘DP’) (whose name is mentioned on the website of the stock exchange as eligible for this activity) 5. a registrar to an issue and share transfer agent (‘RTA’) (whose name is mentioned on the website of the stock exchange as eligible for this activity) |
| Bid Lot | [●] Equity shares and in multiples of [●] Equity Shares thereafter |
| Bid/ Issue Closing Date | Except in relation to Anchor Investor the date after which the Syndicate, the Designated Branches and the Registered Brokers will not accept any Bids, which shall be notified in all edition of the English national newspaper Business Standard, all edition of the Hindi national newspaper Business Standard, and regional newspaper western times, each with wide circulation and in case of any revision, the extended Bid/Issue Closing Date shall also be notified on the website and terminals of the Syndicate and SCSBs, as required under the SEBI ICDR Regulations |
| Bid/ Issue Opening Date | Except in relation to Anchor Investor the date on which the Syndicate, the Designated Branches and the Registered Brokers shall start accepting Bids, which shall be notified in all edition of the English national newspaper Business Standard, all edition of the Hindi national newspaper Business Standard, and regional newspaper Western Times, each with wide circulation, and in case of any revision, the extended Bid/Issue Opening Date also to be notified on the website and terminals of the Syndicate and SCSBs, as required under the SEBI ICDR Regulations. |
| Bid/ Issue Period | The period between the Bid/ Issue Opening Date and the Bid/Issue Closing Date, inclusive of both days, during which Bidders other than Anchor Investor can submit their Bids, including any revisions thereof. Provided however that the Bidding/Issue Period shall be kept open for a minimum of three Working Days for all categories of Bidders, other than Anchor Investors. |
| Bidding/collecting Centre | Centres at which the Designated Intermediaries shall accept the ASBA Forms, i.e, Designated SCSB Branch for SCSBs, Specified Locations for Syndicate, Broker Centres for Registered Brokers, Designated RTA Locations for RTAs and Designated CDP Locations for CDPs |
| Book Building Process | Book building process, as provided in Schedule XI of the SEBI ICDR Regulations, in terms of which the Issue is being made |
| Book Running Lead Managers or BRLM | The book running lead manager to the Issue namely Pantomath capital Advisors Private Limited |

| Term | Description |
|--|--|
| Broker Centres | Broker centres notified by the Stock Exchanges, where the Bidders can submit the Bid cum application forms to a Registered Broker. The details of such broker centres, along with the names and contact details of the Registered Brokers, are available on the website of NSE India Limited. |
| Cap Price | The higher end of the Price Band, above which the Issue Price will not be finalised and above which no Bids will be accepted |
| CAN or Confirmation of Allocation Note | The note or advice or intimation sent to each successful Bidder indicating the Equity Shares which will be Allotted/ transferred, after approval of Basis of Allotment by the Designated Stock Exchange. . In the case of Anchor Investors, CAN shall mean the note or advice or intimation of Allotment of Equity Shares sent to the Anchor Investors to whom Equity Shares have been Allotted. |
| Client ID | Client Identification Number maintained with one of the Depositories in relation to demat account. |
| Cut-off Price | Issue Price, which shall be any price within the Price Band finalised by our Company in consultation with the BRLM. Only Retail Individual Bidders are entitled to Bid at the Cut-off Price. QIBs and Non Institutional Bidders are not entitled to Bid at the Cut-off Price. |
| Collecting Depository Participant or CDP | A depository participant as defined under the Depositories Act, 1996, registered with SEBI and who is eligible to procure Applications at the Designated CDP Locations in terms of circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI |
| Controlling Branch/Designated Branch | Such branch of the SCSBs which coordinate Applications under this Issue by the ASBA Applicants with the Registrar to the Issue and the Stock Exchanges and a list of which is available at http://www.sebi.gov.in or at such other website as may be prescribed by SEBI from time to time |
| Demographic Details | The demographic details of the Bidders/Applicants such as their address, PAN, occupation and bank account details |
| Depositories | Depositories registered with SEBI under the Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996, as amended from time to time, being NSDL and CDSL |
| Depository Participant | A Depository Participant as defined under the Depositories Act, 1996 |
| Designated Date | The date on which funds blocked by SCSB are transferred from the ASBA account to the Public Issue Account after filing of Draft Red Herring Prospectus with RoC. |
| Designated Intermediary(ies) | Syndicate, Sub-Syndicate Members/agents, SCSBs, Registered Brokers, CDPs and RTAs, who are authorized to collect ASBA Forms from the Bidders, in relation to the Issue |
| Designated RTA Locations | Such centres of the RTAs where Bidder can submit the Bid cum Application Forms. The details of such Designated RTA Locations, along with the names and contact details of the RTAs are available on the respective websites of the Stock Exchange (www.nseindia.com) and updated from time to time |
| Designated Stock Exchange | National Stock Exchange of India Limited |
| Designated CDP Locations | Such centres of the CDPs where Bidders can submit the Bid Cum Application Forms. The details of such Designated CDP Locations, along with names and |

| Term | Description |
|--------------------------------------|---|
| | contact details of the Collecting Depository Participants eligible to accept Bid cum Application Forms are available on the website of the Stock Exchange (www.nseindia.com) and updated from time to time |
| Draft Red Herring Prospectus or DRHP | This Draft Red Herring Prospectus dated February 06, 2018 issued in accordance with the SEBI ICDR Regulations, which does not contain complete particulars of the price at which the Equity Shares will be Allotted and the size of the Issue |
| First/sole Bidder | Bidder whose name shall be mentioned in the Bid cum Application Form or the Revision Form and in case of joint Bids, whose name shall also appear as the first holder of the beneficiary account held in joint names |
| Floor Price | The lower end of the Price Band, subject to any revision thereto, at or above which the Issue Price will be finalised and below which no Bids will be accepted |
| FII/ Foreign Institutional Investors | Foreign Institutional Investor (as defined under SEBI (Foreign Institutional Investors) Regulations, 1995, as amended) registered with SEBI under applicable laws in India. |
| General Information Document/GID | The General Information Document for investing in public issues prepared and issued in accordance with the circular (CIR/CFD/DIL/12/2013) dated October 23, 2013, notified by SEBI and included in "Issue Procedure" on page 222 of this Red Herring Prospectus |
| Listing Agreement` | The Equity Listing Agreement to be signed between our Company and the National Stock Exchange of India Limited. |
| Market Making Agreement | Market Making Agreement dated February 02,2018 between our Company, Book Running Lead Manager and Market Maker. |
| Market Maker | Market Maker appointed by our Company from time to time, in this case being Pantomath Stock Brokers Private Limited who has agreed to receive or deliver the specified securities in the market making process for a period of three years from the date of listing of our Equity Shares or for any other period as may be notified by SEBI from time to time |
| Market Maker Reservation Portion | The Reserved Portion of Upto 1,53,000 Equity Shares of face value of Rs. 10 each fully paid for cash at a price of Rs [●] per Equity Share aggregating Rs. [●] for the Market Maker in this Issue. |
| Mutual Fund(s) | A mutual fund registered with SEBI under the SEBI (Mutual Funds) Regulations, 1996, as amended from time to time |
| Mutual Fund Portion | 5 % of the QIB Portion (excluding the Anchor Investor Portion) i.e. [●] Equity Shares available for allocation to Mutual Funds, out of the QIB Portion |
| NIF | National Investment Fund set up by resolution F. No. 2/3/2005-DD-II dated November 23, 2005 of Government of India published in the Gazette of India |
| NSE Emerge of NSE/ SME Exchange | The SME platform of NSE, approved by SEBI as an SME Exchange for listing of equity shares offered under Chapter XB of the SEBI ICDR Regulations |
| NSE Ltd. | National Stock Exchange of India Limited |
| Net Issue | The Issue (excluding the Market Maker Reservation Portion) of Upto 24,62,000 Equity Shares of face value of Rs. 10 each fully paid for cash at a price of Rs [●] per Equity Share aggregating Rs. [●] by our Company |
| Net Proceeds | Proceeds of the Fresh Issue less our Company's share of the Issue expenses. For further information about use of the Issue Proceeds and the Issue expenses, |

| Term | Description |
|---|--|
| | see “Objects of the Issue” on page 78 |
| Net QIB Portion | The QIB Portion less the number of Equity Shares Allotted to the Anchor Investors. |
| Non Institutional Bidders | All Bidders, including Category III FPIs that are not QIBs or Retail Individual Investors, who have apply for Equity Shares for an amount of more than Rs. 2,00,000 but not including NRIs other than Eligible NRIs |
| Non-Resident | A person resident outside India, as defined under FEMA and includes FIIs and FPIs |
| Issue/ Issue Size/ Initial Public Offer/ Initial Public Offering/ s | The Initial Public Issue of Upto 26,15,000 Equity Shares of face value of Rs.10 each for cash at a price of Rs. [●] each, aggregating up to Rs.[●] comprising the Fresh Issue. |
| Issue Agreement | The agreement dated February 02, 2017 between our Company and the BRLM, pursuant to which certain arrangements are agreed to in relation to the Issue |
| Issue Price | The final price at which Equity Shares will be Allotted in terms of the Red Herring Prospectus The Issue Price will be decided by our Company in consultation with the BRLM on the Pricing Date in accordance with the Book-Building Process and the Red Herring Prospectus. Unless otherwise stated or the context otherwise implies, the term Issue Price refers to the Issue Price applicable to investors other than Anchor Investors |
| Issue Proceeds | The proceeds of the Issue that is available to our Company. For further information about use of Issue Proceeds, see “Objects of the Issue” on page 78 of this Red Herring Prospectus |
| OCB/ Overseas Corporate Body | A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% by NRIs, including overseas trusts in which not less than 60% of beneficial interest is irrevocably held by NRIs directly or indirectly as defined under the Foreign Exchange Management (Deposit) Regulations, 2000, as amended from time to time. OCBs are not allowed to invest in this Issue |
| Other Investors | Investors other than Retail Individual Investors. These include individual bidders/applicants other than retail individual investors and other investors including corporate bodies or institutions irrespective of the number of specified securities applied for. |
| Pay-in Period | The period commencing on the Bid/Issue Opening Date and extending until the closure of the Anchor Investor Pay-in Date. |
| Person/ Persons | Any individual, sole proprietorship, unincorporated association, unincorporated organization, body corporate, corporation, company, partnership, limited liability company, joint venture, or trust or any other entity or organization validly constituted and/or incorporated in the jurisdiction in which it exists and operates, as the context requires |
| Pre-IPO Placement | A private placement of 4,25,000 Equity Shares by the company for cash consideration aggregating Rs. 535.50 lakhs, at its discretion, prior to filing of the Red Herring Prospectus with ROC. |

| Term | Description |
|---|---|
| Price Band | Price band of a minimum price of Rs.[●] per Equity Share (Floor Price) and the maximum price of Rs.[●] per Equity Share (Cap Price) including revisions thereof. The Price Band and the minimum Bid Lot size for the Issue will be decided by our Company in consultation with the BRLM and will be advertised at least five Working Days prior to the Bid/ Issue Opening Date, in all edition of the English national newspaper Business Standard, all edition of the Hindi national newspaper Business Standard and regional newspaper Western Times, each with wide circulation |
| Pricing date | The date on which our Company in consultation with the BRLM, will finalise the Issue Price |
| Prospectus | The Prospectus to be filed with the RoC on or after the Pricing Date in accordance with Section 32 of the Companies Act, 2013, and the SEBI ICDR Regulations containing, inter alia, the Issue Price, the size of the Issue and certain other information |
| Public Issue Account | Account opened with the Banker to the Issue i.e. ICICI Bank Limited under Section 40 of the Companies Act, 2013 to receive monies from the SCSBs from the bank accounts of the bidders and from the Escrow Accounts, in case of Anchor Investor(s) on the Designated Date. |
| Public Issue Account Agreement/ Banker to the Issue Agreement | Agreement entered on February 02, 2018 amongst our Company, Book Running Lead Manager, the Registrar to the Issue and Public Issue Bank/Banker to the Issue for collection of the Bid Amount on the terms and conditions thereof. |
| Qualified Institutional Buyers or QIBs | Qualified Institutional Buyers as defined under Regulation 2(1)(zd) of the SEBI (ICDR) Regulations, 2009. |
| QIB Portion | The portion of the Issue being 49.96% of the Net Issue, consisting of [●] Equity Shares, available for Allocation to QIBs (including Anchor Investors), subject to valid Bids being received at or above the Issue Price |
| Red Herring Prospectus or RHP | The Red Herring Prospectus to be issued in accordance with Section 32 of the Companies Act, 2013, and the provisions of the SEBI ICDR Regulations, which will not have complete particulars of the price at which the Equity Shares will be offered and the size of the Issue, including any addenda or corrigenda thereto. The Red Herring Prospectus will be registered with the RoC at least three days before the Bid/ Issue Opening Date and will become the Prospectus upon filing with the RoC on or after the Pricing Date |
| Refund Account(s) | The account opened with the Refund Bank(s), from which refunds, if any, of the whole or part of the Bid Amount (excluding refund to Bidders) shall be made. |
| Refund Bank(s) / Refund Banker(s) | Bank which is / are clearing member(s) and registered with the SEBI as Bankers to the Issue at which the Refund Account will be opened, in this case being ICICI Bank Limited. |
| Refund through electronic transfer of funds | Refunds through NECS, direct credit, RTGS or NEFT, as applicable |
| Registered Broker | Individuals or companies registered with SEBI as “Trading Members” (except Syndicate/Sub-Syndicate Members) who hold valid membership of NSE |

| Term | Description |
|---|--|
| | having right to trade in stocks listed on Stock Exchanges, through which investors can buy or sell securities listed on stock exchanges, a list of which is available on http://www.nseindia.com/membership/dynaContent/find_a_broker.htm |
| Registrar /Registrar to the Issue | Registrar to the Issue, in this case being Link Intime India Private Limited having registered office at C-101, 1 st Floor, 247 Park, Lal Bahadur Shastri Marg, Vikhroli (West), Mumbai-400083 |
| Registrar and Share Transfer Agents or RTAs | Registrar and share transfer agents registered with SEBI and eligible to procure Applications at the Designated RTA Locations in terms of circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI |
| Resident Indian | A person resident in India, as defined under FEMA |
| Retail Individual Bidder(s)/Retail Individual Investor(s)/RII(s)/RIB(s) | Individual Bidders, or minors applying through their natural guardians, including HUFs (applying through their <i>Karta</i>), who apply for an amount less than or equal to Rs 2,00,000 |
| Revision Form | Form used by the Bidders, to modify the quantity of the Equity Shares or the Bid Amount in any of their Bid cum Application Forms or any previous Revision Form(s) |
| Reservation Portion | The portion of the Issue reserved for category of eligible Bidders as provided under the SEBI (ICDR) Regulations, 2009 |
| Reserved Category / Categories | Categories of persons eligible for making Bids under reservation portion. |
| SCSB/ Self Certified Syndicate Banker | Shall mean a Banker to an Issue registered under SEBI (Bankers to an Issue) Regulations, 1994, as amended from time to time, and which Issue the service of making Bids/Application/s Supported by Blocked Amount including blocking of bank account and a list of which is available on http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/RecognisedIntermediaries or at such other website as may be prescribed by SEBI from time to time |
| SEBI Listing Regulations | Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and includes the agreement to be entered into between our Company and the Stock Exchange in relation to listing of Equity Shares on such Stock Exchange. |
| SEBI (Foreign Portfolio Investor) Regulations | Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014. |
| Specified Locations | Bidding centres where the Syndicate shall accept Bid cum Application Forms from Bidders, a list of which is available on the website of SEBI (www.sebi.gov.in) and updated from time to time |
| Sub-Syndicate members | A SEBI Registered member of NSE appointed by the BRLM and/or Syndicate Member to act as a Sub-Syndicate Member in the Issue |
| Syndicate Agreement | Agreement dated February 02, 2018 entered into amongst the BRLM, the Syndicate Members, our Company in relation to the procurement of Bid cum Application Forms by Syndicate |
| Syndicate or Members of the Syndicate | Intermediaries registered with SEBI who are permitted to carry out activities as an underwriter, namely, Pantomath Stock Brokers Private Limited |

| Term | Description |
|--------------------------------------|--|
| TRS or Transaction Registration Slip | The slip or document issued by the Syndicate, or the SCSB (only on demand), as the case may be, to the Bidder as proof of registration of the Bid |
| Underwriter | Pantomath Capital Advisors Private Limited |
| Underwriting Agreement | The agreement dated February 02, 2018 entered into between the Underwriter and our Company |
| Working Day | “Working Day” means all days, other than second and fourth Saturday of the month, Sunday or a public holiday, on which commercial banks in Mumbai are open for business; provided however, with reference to the time period between (a) announcement of Price Band; and (b) Bid/ Issue Period, “Working Day” shall mean all days, excluding all Saturdays, Sundays or a public holiday, on which commercial banks in Mumbai are open for business; and with reference to the time period between the Bid/ Issue Closing Date and the listing of the Equity Shares on the Stock Exchanges, “Working Day” shall mean all trading days of Stock Exchanges, excluding Sundays and bank holidays |

TECHNICAL AND INDUSTRY TERMS

| Term | Description |
|----------|---|
| ASSOCHAM | The Associated Chambers of Commerce of India |
| CAGR | Compounded Annual Growth Rate |
| CII | Confederation of Indian Industry |
| CNC | Computer Numerical Control |
| CPI | Consumer Price Index |
| CoE | Centres of Excellence |
| DIPP | Department of Industries Policy and Promotion |
| DMIC | Delhi Mumbai Industrial Corridor |
| EMC | Electronic Manufacturing Clusters |
| EDF | Electronic Development Fund |
| EEPC | Engineering Export Promotion Council |
| EPFO | Employees Provident Fund Organisation |
| ESI | Employee State Insurance |
| ESDM | Indian Electronic System Design and Manufacturing |
| EU | European Union |
| EV | Electric Vehicle |
| FDI | Foreign Direct Investment |
| FCNR | Foreign Currency Non-Resident |
| FIPB | Foreign Investment Promotion Board |
| GDP | Gross Domestic Product |
| GST | Goods and Services Tax |
| GVA | Gross Value Added |
| HVAC | Heating ventilation and air-conditioning |
| IMF | International Monetary Fund |
| JV | Joint Venture |
| MAT | Minimum Alternative Tax |
| MGNREGS | Mahatma Gandhi National Rural Employment Guarantee Scheme |
| M-SIPS | Modified Special Incentive Package Scheme |
| M-o-M | Month-On-Month |
| MoU | Memorandum Of Understanding |
| MT | Million Tonnes |
| M-SIPS | Modified Special Incentive Package Scheme |
| MYEA | Mid-Year Economic Analysis |
| NITK | National Institute Technology Karnataka |
| PIB | Press Information Bureau |
| PMEGP | Prime Minister's Employment Generation Programme |
| PMS | Preferential Market Access |
| PMGKY | Pradhan Mantra Garib Kalyan Yojana |
| PPP | Purchasing Power Parity |
| PSUs | Public Sector Units |
| RBI | Reserve Bank of India |
| SEZ | Special Economic Zone |
| SMEs | Small And Medium Enterprises |
| UAM | Udyog Aadhaar Memorandum |
| UAN | Udyog Aadhaar Number |
| UNIDO | United Nations Industrial Development Organisation |
| UDAY | Ujwal DISCOM Assurance Yojana Scheme |
| WA | Washington Accord |
| WPI | Wholesale Price Index |
| FY | Financial Year |

| Term | Description |
|-----------------|---|
| US/ U.S./ USA | United States of America |
| US\$/ US dollar | United States Dollar, the official currency of United States of America |
| FPI | Foreign Portfolio Investment |
| Credit Suisse | Credit Suisse Business Analytics India |

CONVENTIONAL AND GENERAL TERMS/ABBREVIATIONS

| Term | Description |
|--|---|
| A/C | Account |
| AGM | Annual General Meeting |
| AIF | Alternative Investment Fund as defined in and registered with SEBI under the Securities and Exchange Board of India (Alternative Investments Funds) Regulations, 2012 |
| AS/Accounting Standard | Accounting Standards as issued by the Institute of Chartered Accountants of India |
| A.Y./AY | Assessment Year |
| AIF | Alternative Investments Fund as defined in and registered with SEBI under Securities and Exchange Board of India (Alternative Investments Fund) Regulations, 2012 |
| AoA | Articles of Association |
| ASBA | Application Supported by Blocked Amount |
| BIFR | Board for Industrial and Financial Reconstruction |
| NSE | National Stock Exchange of India Limited |
| CAGR | Compounded Annual Growth Rate |
| Category I Foreign Portfolio Investors | FPIs who are registered as – Category I foreign portfolio investors under the SEBI FPI Regulations |
| Category II Foreign Portfolio Investors | FPIs who are registered as – Category II foreign portfolio investors under the SEBI FPI Regulations |
| Category III Foreign Portfolio Investors | FPIs who are registered as – Category III foreign portfolio investors under the SEBI FPI Regulations |
| CC | Cash Credit |
| CDSL | Central Depository Services (India) Limited |
| CFO | Chief Financial Officer |
| CIN | Corporate Identification Number |
| CS | Company Secretary |
| CST | Central Sales Tax |
| Cm | Centimeter |
| CMD | Chairman and Managing Director |
| CENVAT | Central Value Added Tax |
| Companies Act, 1956 | Companies Act, 1956 (without reference to the provisions thereof that have ceased to have effect upon notification of the Notified Sections) and the Companies Act, 2013. |
| Companies Act, 2013 | The Companies Act, 2013, to the extent in force pursuant to the notification of the notified sections |
| Depositories | NSDL (National Securities Depository Limited) and CDSL (Central Depository Services Limited); Depositories registered with the SEBI under |

| Term | Description |
|------------------|---|
| | the Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996, as amended from time to time |
| Depositories Act | The Depositories Act, 1996, as amended from time to time. |
| DGFT | Directorate General of Foreign Trade |
| DIN | Director Identification Number |
| DIPP | Department of Industrial Policy & Promotion |
| DP | Depository Participant |
| DP ID | Depository Participant's Identity |
| EBIDTA | Earnings before interest, depreciation, tax, amortization and extraordinary items |
| ECS | Electronic Clearing System |
| EGM | Extraordinary General Meeting |
| EPFA | The Employees' Provident Funds and Miscellaneous Provisions Act, 1952 |
| ESIC | Employee State Insurance Corporation |
| ESOP | Employee Stock Option Plan |
| ESPS | Employee Stock Purchase Scheme |
| EPS | Earnings Per Share |
| EPF | Employees Provident Fund |
| FCNR Account | Foreign Currency Non Resident Account |
| FDI | Foreign Direct Investment |
| FEMA | Foreign Exchange Management Act 1999, as amended from time to time and the regulations framed there under |
| FII(s) | Foreign Institutional Investor, as defined under the FII Regulations and registered with the SEBI under applicable laws in India |
| FPI(s) | Foreign Portfolio Investor means a person who satisfies the eligibility criteria prescribed under regulation 4 and has been registered under Chapter II of Securities And Exchange Board Of India (Foreign Portfolio Investors) Regulations, 2014, which shall be deemed to be an intermediary in terms of the provisions of the SEBI Act, 1992 |
| FII Regulations | Securities and Exchange Board of India (Foreign Institutional Investors) Regulations, 1995, as amended from time to time. |
| FIs | Financial Institutions |
| FIPB | The Foreign Investment Promotion Board, Ministry of Finance, Government of India |
| FVCI | Foreign Venture Capital Investor registered under the Securities and Exchange Board of India (Foreign Venture Capital Investor) Regulations, 2000 |
| FV | Face Value |
| F.Y./FY | Financial Year |
| GAAP | Generally Accepted Accounting Principles |
| GDP | Gross Domestic Product |
| GIR Number | General Index Registry number |
| GoI/ Government | Government of India |
| HNI | High Networth Individual |
| HUF | Hindu Undivided Family |

| Term | Description |
|---|---|
| ICDR Regulations/ SEBI Regulations/ SEBI (ICDR) Regulations/Regulations | SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 as amended from time to time |
| Indian GAAP | Generally Accepted Accounting Principles in India |
| ICAI | Institute of Chartered Accountants of India |
| IFRS | International Financial Reporting Standards |
| IPO | Initial Public Offering |
| IRDA | Insurance Regulatory and Development Authority |
| I. T. Act | The Income Tax Act, 1961, as amended. |
| IT Authorities | Income Tax Authorities |
| IT Rules | The Income Tax Rules, 1962, as amended from time to time |
| INR | Indian National Rupee |
| Key Managerial Personnel / KMP | The officers declared as a Key Managerial Personnel and as mentioned in the chapter titled “ <i>Our Management</i> ” beginning on page 141 of this Red Herring Prospectus |
| KVA | Kilovolt-ampere |
| LM | Lead Manager |
| Ltd. | Limited |
| Mn | Million |
| MoA | Memorandum of Association |
| MoF | Ministry of Finance, Government of India |
| MoU | Memorandum of Understanding |
| MD | Managing Director |
| MICR | Magnetic Ink Character Recognition |
| N/A or N.A. | Not Applicable |
| NAV | Net Asset Value |
| NBFC | Non Banking Finance Company |
| Net Worth | The aggregate of the paid up share capital, share premium account, and reserves and surplus (excluding revaluation reserve) as reduced by the aggregate of miscellaneous expenditure (to the extent not adjusted or written off) and the debit balance of the profit and loss account |
| NOC | No Objection Certificate |
| NR | Non Resident |
| NRE Account | Non Resident (External) Account |
| NRI | Non Resident Indian, is a person resident outside India, who is a citizen of India or a person of Indian origin and shall have the same meaning as ascribed to such term in the Foreign Exchange Management (Deposit) Regulations, 2000, as amended from time to time |
| NRO Account | Non Resident (Ordinary) Account |
| NSDL | National Securities Depository Limited |
| NI Act | Negotiable Instruments Act, 1881 |
| OCB | Overseas Corporate Bodies |
| p.a. | per annum |
| PAN | Permanent Account Number |
| PAT | Profit After Tax |

| Term | Description |
|---|--|
| Pvt. | Private |
| PBT | Profit Before Tax |
| P/E Ratio | Price Earnings Ratio |
| QIB | Qualified Institutional Buyer |
| RBI | Reserve Bank of India |
| RBI Act | The Reserve Bank of India Act, 1934, as amended from time to time |
| RoC | Registrar of Companies |
| RoNW | Return on Net Worth |
| Rs. / INR | Indian Rupees |
| SCRA | Securities Contracts (Regulation) Act, 1956 as amended from time to time |
| SCRR | Securities Contracts (Regulation) Rules, 1957 |
| SCSB | Self Certified Syndicate Bank |
| SEBI | Securities and Exchange Board of India |
| SEBI Act | Securities and Exchange Board of India Act, 1992, as amended from time to time |
| SEBI AIF Regulations | Securities and Exchange Board of India (Alternative Investments Funds) Regulations, 2012 |
| SEBI FII Regulations | Securities and Exchange Board of India (Foreign Institutional Investors) Regulations, 1995 |
| SEBI FPI Regulations | Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014 |
| SEBI FVCI Regulations | Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000 |
| SEBI VCF Regulations | Securities and Exchange Board of India (Venture Capital Fund) Regulations, 1996 as repealed pursuant to the SEBI AIF Regulations |
| SEBI Insider Trading Regulations | The SEBI (Prohibition of Insider Trading) Regulations, 2015, as amended from time to time, including instructions and clarifications issued by SEBI from time to time |
| SEBI Takeover Regulations / Takeover Regulations / Takeover Code | Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 |
| Listing Regulations / SEBI Listing Regulations/ SEBI (LODR) Regulations | Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 |
| Sub-Account | Sub-accounts registered with SEBI under the SEBI (Foreign Institutional Investor) Regulations, 1995, other than sub-accounts which are foreign corporate or foreign individuals. |
| SICA | Sick Industrial Companies (Special Provisions) Act, 1985, as amended from time to time |
| SME | Small Medium Enterprise |
| Sec | Section |
| SSI Undertaking | Small Scale Industrial Undertaking |
| Stock Exchange (s) | SME Platform of NSE Limited |
| STT | Securities Transaction Tax |
| TAN | Tax Deduction Account Number |

| Term | Description |
|-------------------------------|--|
| TRS | Transaction Registration Slip |
| TIN | Taxpayers Identification Number |
| TNW | Total Net Worth |
| u/s | Under Section |
| UIN | Unique Identification Number |
| US/ U.S. / USA/ United States | United States of America |
| USD / US\$ / \$ | United States Dollar, the official currency of the United States of America |
| U.S. GAAP | Generally accepted accounting principles in the United States of America |
| UOI | Union of India |
| UV | Ultraviolet |
| VAT | Value Added Tax |
| 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. |
| WDV | Written Down Value |
| WTD | Whole-time Director |
| w.e.f. | With effect from |
| YoY | Year over year |

Notwithstanding the following: -

- i. In the section titled “*Main Provisions of the Articles of Association*” beginning on page 279 of this Red Herring Prospectus, defined terms shall have the meaning given to such terms in that section;
- ii. In the section titled “*Financial Statements*” beginning on page 164 of this Red Herring Prospectus, defined terms shall have the meaning given to such terms in that section;
- iii. In the section titled “*Risk Factor*” beginning on page 21 of this Red Herring Prospectus, defined terms shall have the meaning given to such terms in that section;
- iv. In the chapter titled “*Statement of Possible Tax Benefits*” beginning on page 89 of this Red Herring Prospectus, defined terms shall have the meaning given to such terms in that chapter; and
- v. In the chapter titled “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” beginning on page 165 of this Red Herring Prospectus, defined terms shall have the meaning given to such terms in that chapter.

PRESENTATION OF FINANCIAL, INDUSTRY AND MARKET DATA

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

FINANCIAL DATA

Unless stated otherwise, the financial data included in this Red Herring Prospectus are extracted from the restated financial statements of our Company, prepared in accordance with the applicable provisions of the Companies Act, Indian GAAP and restated in accordance with SEBI (ICDR) Regulations, as stated in the report of our Peer Reviewed Auditor, set out in the section titled “*Financial Statements*” beginning on page 164 this Red Herring Prospectus. Our restated financial statements are derived from our audited financial statements prepared in accordance with Indian GAAP and the Companies Act, and have been restated in accordance with the SEBI (ICDR) Regulations. Our fiscal year commences on April 1st of each year and ends on March 31st of the next year. All references to a particular fiscal year are to the 12 month period ended March 31st of that year. In this Red Herring Prospectus, any discrepancies in any table between the total and the sums of the amounts listed are due to rounding-off. All decimals have been rounded off to two decimal points.

There are significant differences between Indian GAAP, IFRS and US GAAP. The Company has not attempted to quantify their impact on the financial data included herein and urges you to consult your own advisors regarding such differences and their impact on the Company’s financial data. Accordingly to what extent, the financial statements included in this Red Herring Prospectus will provide meaningful information is entirely dependent on the reader’s level of familiarity with Indian accounting practices / Indian GAAP. Any reliance by persons not familiar with Indian Accounting Practices on the financial disclosures presented in this Red Herring Prospectus should accordingly be limited. Any percentage amounts, as set forth in “*Risk Factors*”, “*Our Business*”, “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” and elsewhere in this Red Herring Prospectus unless otherwise indicated, have been calculated on the basis of the Company’s restated financial statements prepared in accordance with the applicable provisions of the Companies Act, Indian GAAP and restated in accordance with SEBI (ICDR) Regulations, as stated in the report of our Peer Reviewed Auditor, set out in the section titled ‘*Financial Statements*’ beginning on page 164 of this Red Herring Prospectus.

CURRENCY OF PRESENTATION

In this Red Herring Prospectus, references to “Rupees” or “Rs.” or “INR” are to Indian Rupees, the official currency of the Republic of India. All references to “\$”, “US\$”, “USD”, “U.S. \$” or “U.S. Dollars” are to United States Dollars, the official currency of the United States of America. All references to ‘million’ / ‘Million’ / ‘Mn’ refer to one million, which is equivalent to ‘ten lacs’ or ‘ten lakhs’, the word ‘Lacs / Lakhs / Lac’ means ‘one hundred thousand’ and ‘Crore’ means ‘ten million’ and ‘billion / bn./ Billions’ means ‘one hundred crores’.

INDUSTRY & MARKET DATA

Unless stated otherwise, Industry and Market data and various forecasts used throughout this Red Herring Prospectus have been obtained from publically available Information, Industry Sources and Government Publications. Industry Sources as well as Government Publications generally state that the information contained in those publications has been obtained from sources believed to be reliable but their accuracy and completeness and underlying assumptions are not guaranteed and their reliability cannot be assured. Although we believe that industry data used in this Red Herring Prospectus is reliable, it has not been independently verified by the Lead Manager or our Company or any of their affiliates or advisors. Such data involves risks, uncertainties and numerous assumptions and is subject to change based on various factors, including those discussed in the section – “*Risk Factors*” on page 21 of this Red Herring Prospectus. Accordingly, investment decisions should not be based solely on such information. Further, the extent to which the industry and market data presented in this Red Herring 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 STATEMENT

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

Important factors that could cause actual results to differ materially from our expectations include, but are not limited to the following:-

- General economic and business conditions in the markets in which we operate and in the local, regional, national and international economies;
- Changes in laws and regulations relating to the sectors/areas in which we operate;
- Increased competition in the sectors/areas in which we operate;
- Factors affecting Industry in which we operate;
- Our ability to meet our capital expenditure requirements;
- Fluctuations in operating costs;
- Our ability to attract and retain qualified personnel;
- Changes in political and social conditions in India, the monetary and interest rate policies of India and other countries;
- Inflation, deflation, unanticipated turbulence in interest rates, equity prices or other rates or prices;
- The performance of the financial markets in India and globally;
- Any adverse outcome in the legal proceedings in which we are involved;
- Our failure to keep pace with rapid changes in technology;
- The occurrence of natural disasters or calamities;
- Other factors beyond our control;
- Our ability to manage risks that arise from these factors;
- Conflict of Interest with affiliated companies, the promoter group and other related parties; and
- Changes in government policies and regulatory actions that apply to or affect our business.

For a further discussion of factors that could cause our actual results to differ, refer to section titled “*Risk Factors*” and chapter titled “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” beginning on pages 21 and 165 respectively of this Red Herring Prospectus. By their nature, certain market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual future gains or losses could materially differ from those that have been estimated.

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

SECTION II – RISK FACTOR

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

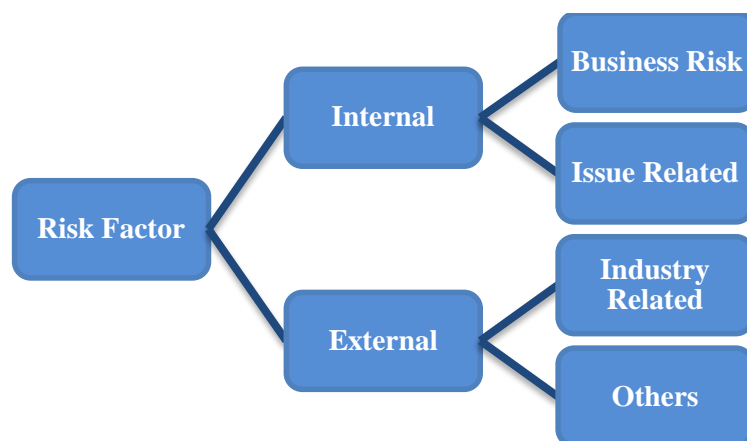
Unless otherwise stated in the relevant risk factors set forth below, we are not in a position to specify or quantify the financial or other implications of any of the risks mentioned herein. Unless otherwise stated, the financial information of our Company used in this section is derived from our restated financial statements prepared in accordance with Indian GAAP and the Companies Act and restated in accordance with the SEBI ICDR Regulations. To obtain a better understanding, you should read this section in conjunction with the chapters titled “Our Business” beginning on page, 108 “Our Industry” beginning on page 92 and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” beginning on page 165 respectively, of this Red Herring Prospectus as well as other financial information contained herein.

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

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

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

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



Business Related Risk

- Our Company and Director-Promoter are currently involved in certain litigation which is currently pending at various stages. Currently our Company is also involved in civil proceedings, criminal proceedings and certain other tax related proceedings; any adverse decision in such proceedings may render us liable to liabilities and penalties and may adversely affect our business and results of operations.*

A classification of legal proceedings is mentioned below:

Also, there is no assurance that in future, we, our promoters or our directors may not face legal proceedings; any adverse decision in such legal proceedings may impact our business. For further details in relation to legal proceedings involving our Company, Promoters and Directors see the chapter titled “Outstanding Litigation and Material Developments” on page 181 of this Red Herring Prospectus.

| Name of Entity | Criminal Proceedings | Civil/ Arbitration Proceedings | Tax Proceedings | Labour Disputes | Consumer Complaints | Complaints under Section 138 of NI Act, 1881 | Aggregate amount involved (R. In lakhs) |
|---------------------------------------|----------------------|--------------------------------|-----------------|-----------------|---------------------|--|---|
| Company | | | | | | | |
| By the Company | Nil | 3 | 2 | Nil | Nil | 3 | 14.08# |
| Against the Company | Nil | Nil | 2 | Nil | 1 | Nil | Not ascertainable |
| Promoters | | | | | | | |
| By the Promoter | Nil | Nil | Nil | Nil | Nil | Nil | Nil |
| Against the Promoter | Nil | Nil | Nil | Nil | Nil | Nil | Nil |
| Group Companies | | | | | | | |
| By Group Companies | N.A.* | N.A. | N.A. | N.A. | N.A. | N.A. | N.A. |
| Against Group Companies | N.A. | N.A. | N.A. | N.A. | N.A. | N.A. | N.A. |
| Directors other than promoters | | | | | | | |
| By the Directors | Nil | Nil | Nil | Nil | Nil | Nil | Nil |
| Against the Directors | Nil | Nil | Nil | Nil | Nil | Nil | Nil |
| Subsidiaries | | | | | | | |

| | | | | | | | |
|---------------------------------|-------|------|------|------|------|------|------|
| By the Subsidiaries | N.A.* | N.A. | N.A. | N.A. | N.A. | N.A. | N.A. |
| Against the Subsidiaries | N.A. | N.A. | N.A. | N.A. | N.A. | N.A. | N.A. |

*N.A. = Not Applicable

#The amount is an approximate as it involves calculated rate of interest which is dependent upon the disposal of the case.

2. *Increased costs for raw materials and components, interruptions in their availability and poor quality of these raw materials may adversely affect our results of operations.*

Our business is significantly affected by the availability, cost and quality of the raw materials and components which we need to develop our products. Our principal raw materials include CNC System, Servo Live Turret, Live Tool Holder, Spindle VMC, Ball Screw, Linear Guide Ways, Linear Glass scale, Probe, Auto Tool changer, Auto Pallet Changer, Rotary Table, Lock Nut, MS Steel, Sheet, Spindle (turning), Turret, Chuck, Rotary Cylinder, Hydraulic Power Oack, Steady Rest, Lubricant Unit, Coolant Pump. We are dependent on external suppliers for certain of the materials /components. The prices and supply of these and other raw materials and components depend on factors beyond our control, including general economic conditions, competition, production levels, transportation costs and duties. If, for any reason, our suppliers of raw materials and components should curtail or discontinue their delivery of such materials to us in the quantities we need or at prices that are competitive or expected by us, our ability to meet the requirements of our customers could be impaired and our earnings and business could suffer. Further, we may not be able to pass on any increase in the cost of manufacturing our products to our customers, which may adversely affect our results of operations. Additionally, we do not have control over the quality of raw materials and components they supply, which may adversely affect the quality and workmanship of our products.

3. *Dependence on a few suppliers for key components may require us to procure them from other suppliers at higher cost and cause operational interruptions and affect our delivery capacity leading to loss of production and underutilization of our capacity.*

We source our CNC System controllers largely from key suppliers like Fanuc (Japan), Siemes (Germany), and Mitsubishi Electric India Private Limited (Japan). Similarly, other key components like servo live turret, Live tool holder, spindle (VMC), Ball Screw, Linear Guide Ways, Linear Glass Scale, Probe, auto Tool Changer, Auto Pallet Changer, Chuck/Cylindr, Rotary Table, Lock Nut etc. are also supplied by a few suppliers. The relationship with these key suppliers plays an important role in helping us provide complete integrated solutions to our customers in the agreed timeframe. If we are unable to maintain a beneficial relationship with our key suppliers for our products, then we may have to purchase key inputs from other suppliers at higher costs or we may not be able to source key inputs from other suppliers, which may result in operational interruptions or prolonged loss of production and can significantly affect our delivery capacity and lead to under-utilization of our production capacity. Any delay in delivery or increase in price may result in order cancellations by our customers or even claims for damages, and may harm our relationships with those customers and our business and results of operations could be adversely affected.

4. *Demand for our products depends on demand and capital spending by customers in the industries like Automobile, Agriculture, Earth Moving Equipment's, Bearings, General Engineering, Aerospace, Metal, Petroleum, Construction Industries, Defense. Any downturn affecting these sectors may result in a decrease in demand for our products and services and adversely affect our business, financial condition and results of operations.*

Demand for many of our products and services depends on capital spending by industries like Automobile, Agriculture, Earth Moving Equipment's, Bearings, General Engineering, Aerospace, Metal, Petroleum, Construction Industries, Defense, which is directly affected by trends in these sectors and the current economic scenario. Our customers may defer major expenditures given the long term nature of many large scale projects due to perception of lower demand for their products or other reasons. Further, any financial crisis may lead to tightening of credit and consequently our customers,

who may not have the ability to fund capital expenditures, may have difficulty in obtaining financing, which may result in cancellations of projects or deferral of projects to a later date. Such cancellations or deferrals may result in decreased demand for our products and could adversely affect our results of operations, cash flows and liquidity.

5. **We require a number of approvals, NOCs, licences, registrations and permits in the ordinary course of our business. Some of the approvals are required to be transferred in the name of Macpower CNC Machines Limited from Macpower CNC Machines Private Limited pursuant to name change of our company and any failure or delay in obtaining the same in a timely manner may adversely affect our operations.**

We require a number of approvals, licenses, registrations and permits in ordinary course of our business. Additionally, we need to apply for renewal of approvals which expire, from time to time, as and when required in the ordinary course. Also, we were a private limited company in the name of “**Macpower CNC Machines Private Limited**” which was carrying business of manufacturing of CNC machines, vertical machining centers, HMC, VTL, twin spindle, vertical turret lathe, cylindrical grinder, multi-tasking machine, five axis machine, DTC, robotic automation, SPM [Special Purpose Machines] for Hindustan Aeronautics Limited, DRDO, Ordnance Factory for Defence. As per Companies Act, 1956/2013, a private limited company can be converted into public limited company. After complying with the relevant procedure of Companies Act, 1956/2013, the said private limited company was converted into a public limited company in the year 2017. After conversion there was change of name of the company from “**Macpower CNC Machines Private Limited**” to “**Macpower CNC Machines Limited**”. We shall be taking necessary steps for transferring the approvals in new name of our company. In case we fail to transfer/obtain the same in name of the company same may adversely affect our business or we may not be able to carry our business

. The company has also applied for change of name of these approvals. In case of delay or failure to obtain the same, it could affect our business operations. Any failure to renew the approvals that have expired, or to apply for and obtain the required approvals, licences, registrations or permits, or any suspension or revocation of any of the approvals, licences, registrations and permits that have been or may be issued to us, could result in delaying the operations of our business, which may adversely affect our business, financial condition, results of operations and prospects. For more information, see chapter “Government and Other Statutory Approvals” on page 191 of this Red Herring Prospectus.

6. ***Failure by the customers to make payment and take delivery of our products could affect our cash flows and working capital, which may have an adverse effect on our results of operations.***

Many of our customers purchase our machines through funding from bank. In such cases, banks directly make us the payment and we deliver the machines to our customers. Before commencing any work order, we receive earnest money as advance from our customers. If there is any delay by the customers in procuring the funds or the loan arrangement from the bank then we may be left with a complete machine ready for delivery without any buyers. In such case, our working capital would be blocked and our cash flow would be affected and thereby adversely affecting our results of operations.

7. ***We provide after sales service to our customers. Any failure or deterioration of after sale service could have an adverse effect on our business, reputation, results of operations or financial condition.***

We believe that our ability to provide effective after sales service has played a huge part in our success. Effective after sales service ensures repeat customers and also adds to our brand value. Presently, our service network caters to Ahmedabad, Jamnagar, Surendranagar, Baroda, Rajkot, Mumbai, Nasik, Nagpur, Aurangabad, Kolhapur, Pune, Delhi, Gurgaon, Bhiwadi, Manesar, Faridabad, Ghaziabad, Ludhiana, Noida, Rohtak, Jaipur,, Mohali, Indore, Alwar, Bhopal, Kolkata, Bangalore, Chennai, Coimbatore, Sonipat and Hyderabad cities across India where a team of qualified engineers is present to provide support to our customers. However, we cannot guarantee that we will be able to maintain the standard and quality of our after sale services considering the volumes and the increasing number of customers across geographical territories coupled with the complexity of the requirements of diverse segment of customers. The performance and quality of our after sales service to our customers is critical to the success of our business. The effectiveness and quality of our after sales service depends significantly on the engineers’ skill and experience which in turn is dependent on the quality of training

program. We cannot give any assurance that training given to the field service engineers is adequate or that they will continue to provide services after completion of their training. Any failure or deterioration of after sale service could have an adverse effect on our business, reputation, results of operations or financial condition.

8. *Our Company's inability to maintain distribution network can adversely affect our revenues.*

We sell our products with the help of distribution network and we have entered into agreements with various selling agents. The Selling Agents sells our machines to customers in various industries. Our inability to maintain our existing distribution network or to expand it further, can adversely affect our growth and revenues. In case, if we are not able to market our manufactured machines, it may affect our operations and profitability adversely.

9. *The operations of our Company are subject to manufacturing risk and may be disrupted by failure in the facilities causing fatal injury to personnel including death and destruction of property and consequent imposition of civil and criminal penalties.*

Our manufacturing facilities 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, earthquakes, other natural disasters and industrial accidents. Our manufacturing facilities are also subject to operating risk resulting in fatal personal injury and property damage and consequent imposition of civil and criminal penalties.

10. *Our company is highly dependent on third party logistics services for the delivery of our manufactured machines 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 delivery of our manufactured machines. 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 our business. These transportation facilities may not be adequate to support our existing and future operations. In addition raw materials/ finished products may be lost or damaged in transit for various reasons including occurrence of accidents or natural disasters. There may also be delay in delivery of 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 manufactured machines may have an adverse effect on our business and results of operations. Further, disruptions of transportation services due to weather-related problems, strikes, lock-outs, inadequacies in the road infrastructure and port facilities, or other events could impair ability to procure raw materials or deliver finished goods on time. Any such disruptions could materially and adversely affect our business, financial condition and results of operations.

11. *We face significant competition in our business from Indian and international companies which could adversely affect our operations and our profitability.*

We operate in a competitive market. Many Indian and foreign players are operating in the machine tools market. There are several strategies adopted by our competitors to increase their market share through pricing, service, new product introductions and distribution reach among others. This increased competition by both traditional and new players may affect our margins. In order to protect our existing market share or capture market share, we may be required to increase expenditure for increasing our reach and to introduce and establish new products. Due to inherent risks in the marketplace associated with new product introductions, including uncertainties about user industry's response, increased expenditure may not prove successful in maintaining or enhancing our market share and could result in lower profitability. For further details, see the section titled "Business – Competition" on page 108.

12. *Our product designs are not protected by Intellectual Property Rights. Any misuse of the same may have an adverse effect on our reputation and goodwill, business and results of operations.*

Our product designs are not protected by intellectual property rights and we have not applied for registration of any of the trademarks. As a result, we may not be able to protect our trademarks and trade names, which we rely on to support our awareness with customers and to differentiate our products and services from those of our competitors and prevent the use of our name or variations thereof by any

other party, nor ensure that we will continue to have a right to use it. We further cannot assure you that our goodwill in such name or logo will not be diluted or harmed by misuse of our name or logo by third parties, which in turn would have a material adverse effect on our reputation, goodwill, business, financial condition and results of operations.

13. We may face potential liabilities or claims by the customers in the future which could have an adverse effect on our business, reputation, results of operations or financial condition.

We may face the risk of legal proceedings and claims being brought against us by the customers for any defects in the machines sold to them. This may result in liabilities and/or financial claims against us and could have an adverse effect on our business, reputation, results of operations or financial condition. In the past, one of the customers of our Subsidiary has made a claim for loss arising from burning of the machine. For details, please refer to the section entitled “Outstanding Litigations and Material Developments” on page 181.

14. Our business and results of operations could be adversely affected by strikes, work stoppages or increased wage demands by our employees.

India has stringent labour legislation that protects the interests of workers, including legislation that sets forth detailed procedures for establishment of unions, dispute resolution and employee removal and legislation that imposes certain financial obligations on employers upon retrenchment. Although our employees are not currently unionized, there can be no assurances that they will not unionize in the future. If our employees unionize, it may become difficult for us to maintain flexible labour related policies, which may have an adverse effect on our business, financial condition and results of operations.

15. We have entered into certain related party transactions and we expect that we will continue to do so in the future which may involve conflicts of interest.

We have entered into certain transactions with related parties, such as our Promoters including entities affiliated with our Promoters, Directors and their relatives, key management personnel and enterprises in which key management personnel/Directors have significant influence. For detailed information on our related party transactions, see the section titled “Related Party Transactions” on page 162. While we believe that all our related party transactions have been conducted on an arm’s length basis, there can be no assurance that we could not have achieved more favourable terms had such transactions been entered into with unrelated parties. Furthermore, it is likely that we will 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 business, financial condition and results of operations.

16. We may not be fully insured for all losses we may incur.

Although we attempt to limit and mitigate our liability for damages arising from negligent acts, errors or omissions through contractual provisions, limitations of liability set forth in our contracts may not be enforceable in all instances or may not otherwise protect us from liability for damages. In addition, certain liabilities, such as claims of third parties for which we may be required to indemnify our clients, are generally not limited under those agreements. We have taken Workmen’s Compensation Policy for Workmen’s, Marine Cargo Open Policy for goods and Standard Fire & Special Perils Policy for a substantial majority of our assets at our office and factory. Although we believe we have adequate insurance coverage but that coverage may not continue to be available on reasonable terms or to be available in sufficient amounts to cover one or more large claims, and our insurers may disclaim coverage as to any future claim. Insurance coverage may be an inadequate remedy where the loss suffered is not easily quantifiable, for example, in the event of severe damage to our reputation. The successful assertion of one or more large claims against us that exceed available insurance coverage, or changes in our insurance policies (including premium increases or the imposition of large deductible or co-insurance requirements), could have a material adverse effect on our business, reputation, results of operations, financial condition and cash flows.

17. We have not placed orders for the machinery, equipment’s and tooling’s that is required for expansion of the facility and as a result, we may face time and cost overruns.

One of the objects of the Issue includes setting up in house machining and civil construction at the manufacturing facility which, inter-alia, includes purchase of machinery, equipment's and tooling's for the machine. For details, see the section titled "Objects of the Issue" on page 78. We are yet to enter into definitive agreements or are yet to place orders for all the machinery, equipment's and tooling's required for expansion at the manufacturing facility. The total cost of machinery, equipment's and tooling's proposed to be procured is estimated to be Rs. 1580.84 lakhs We are subject to risks on account of inflation in the price of machinery, equipment's and tooling's and fluctuations in foreign currency rates. These factors may increase the overall cost of our expansion, and we may have to raise additional funds by way of additional debt or equity placement to complete our expansion of manufacturing facility, which may have an adverse effect on our business and results of operations

18. *The Company has significant planned capital expenditures; its capital expenditure plans may not yield the benefits intended. The capital expenditure mentioned in the Objects of the Issue has not been appraised by any bank or financial institution*

The Company operations require significant capital expenditure to be utilized for the purpose of setting up facilities for in house machining, civil construction work of factory building, working capital requirement and general corporate purpose. For more details on the Company's planned expenditure please refer to the section entitled "Objects of the Issue" on page no.78 of this Red Herring Prospectus. The figures in the capital expenditure plans are based on management estimates and have not been appraised by any bank, financial institution or other independent organisation. In addition, the Company's capital expenditure plans are subject to a number of variables, including possible cost overruns; receipt of critical governmental approvals; availability of financing on acceptable terms; and changes in management's views of the desirability of current plans, among others. There can be no assurance that any capacity addition or improvement at its facilities will be completed as planned or on schedule or that the Company will achieve its planned capacity, operational efficiency or product base, or its targeted return on investment. In view of the reasons stated above, the Company cannot assure that it will be able to execute its capital expenditure plans as contemplated. If the Company experiences significant delays or mishaps in the implementation of its capital expenditure plans or if there are significant cost overruns, then the overall benefit of such plans to its revenues and profitability may decline.

19. *Our Promoters will continue to retain majority control over the Company after the Issue, which will allow them to influence the outcome of matters submitted to shareholders for approval.*

Upon completion of the Issue, our Promoter will own [●]% of the post-issue Equity Share capital of the Company. As a result, the Promoter will have the ability to exercise significant influence over all matters requiring shareholders' approval, including the election of directors and approval of significant corporate transactions. For further details of Promoters' shareholding, please refer to section titled "Capital Structure" beginning on page 64 of this Red Herring Prospectus.

20. *We are dependent on our Directors of our Company for success whose loss could seriously impair the ability to continue to manage and expand business efficiently.*

Our Directors have vast experience in the industry and are difficult to replace. They provide expertise, which enables us to make well informed decisions in relation to our business and our future prospects. Our success largely depends on the continued services and performance of our management and other key personnel. The loss of service of our Directors and other senior management could seriously impair the ability to continue to manage and expand the business efficiently. Also, the loss of any of the management or other key personnel may adversely affect the operations, finances and profitability of our Company. Any failure or inability of our Company to efficiently retain and manage its human resources would adversely affect our ability expand our business.

Further, our future performance will depend upon the skills, efforts, expertise, and continued services of these persons and our ability to attract and retain qualified senior and mid-level managers. The loss of their services or those of any other members of management could impair our ability to implement our strategy and may have a material adverse effect on our business, financial condition and results of

operations. For further details of our Directors and key managerial personnel, please refer to section titled "Our Management" beginning on page 141 of this Red Herring Prospectus.

21. *Third party industry and statistical data in this Red Herring Prospectus may be incomplete, incorrect or unreliable.*

Neither BRLM nor we have independently verified the data obtained from the official and industry publications and other sources referred in this Red Herring Prospectus and therefore, while we believe them to be true, there can be no assurance that they are complete or reliable. Such data may also be produced on different bases from those used in the industry publications we have referenced. The discussion of matters relating to India, its economy and our industry in this Red Herring Prospectus are subject to the caveat that the statistical and other data upon which such discussions are based may be incomplete or unreliable. Industry sources and publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends. Industry sources and publications may also base their information on estimates, projections, forecasts and assumptions that may prove to be incorrect. While industry sources take due care and caution while preparing their reports, they do not guarantee the accuracy, adequacy or completeness of the data or report and do not take responsibility for any errors or omissions or for the results obtained from using their data or report. Accordingly, investors should not place undue reliance on, or base their investment decision on this information, please refer to section titled "Our Industry" beginning on page 92 of this Red Herring Prospectus.

22. *Our Peer reviewed Auditor has included audit qualification in the restated financials.*

Our Peer reviewed Auditor has given following adverse/qualified remark:

Company is required to assess its gratuity liability each year on the basis of actuarial valuation and make provision for gratuity liability. However, company has not obtained the actuarial valuation and not provided for gratuity liability in the financial statement.

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

We import the major raw materials required in our manufacturing process. Changes in value of currencies with respect to the Rupee may cause fluctuations in our operating results expressed in Rupees. The exchange rate between the Rupee and other currencies is variable and may continue to fluctuate in future. Fluctuations in the exchange rates may affect our Company to the extent of cost of goods Any adverse or unforeseen fluctuations with respect to the unhedged exchange rate of any foreign currency for Indian Rupees may affect our Company's results of operations

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

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

25. *We depend on certain brand names and our corporate name and logo that we may not be able to protect and/or maintain.*

Our ability to market and sell our products depends upon the recognition of our brand names and associated consumer goodwill. Currently, we have applied for registration of our trade mark. under the Trade Marks Act, 1999. Consequently, we do not enjoy the statutory protections accorded to registered trademarks in India for the corporate name and logo of our company. In the absence of such registrations, competitors and other companies may challenge the validity or scope of our intellectual property right over these brands or our corporate name or logo. As a result, we may be required to invest significant resources in developing new brands or names, which could materially and adversely affect our business, financial condition, results of operations and prospects.

In addition to same, our failure to comply with existing or increased regulations, or the introduction of changes to existing regulations, could adversely affect our business, financial condition, results of operations and prospects. We cannot assure you that the approvals, licences, registrations and permits issued to us would not be suspended or revoked in the event of non-compliance or alleged non-compliance with any terms or conditions thereof, or pursuant to any regulatory action.

The material approvals, licences or permits required for our business include excise and tax laws, environment laws and shops and establishment licences, as applicable. See “Government and other Statutory Approvals” on page 191 of this Red Herring Prospectus for further details on the required material approvals for the operation of our business.

26. *Our Company has not maintained sector wise revenue Break up*

Our products find application in various end-use industries including Automobile, Agriculture, Earth Moving Equipment's, Bearings, General Engineering, Aerospace, Metal, Petroleum, Construction Industries, Ordnance Factories, Public Sectors Units, Educational Institutions. Thus there is wide horizon of segments and industries to cater which opportune us to grow multifold in coming times. Our Company has not maintained revenue break sector wise, in which it serves.

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

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

28. *Our Company has made non compliances and lapsed/made delay in certain filings under various Statutory Acts applicable to it in the past years.*

Our Company has in past contravened provisions of the Companies Act, 2013. Further, our Company has also lapsed/ made delay in certain filings under various Statutory Acts applicable to it in the past years. Due to these delays in filings, our Company had on several occasions paid the requisite late fees. Although they have not been furnished with any notices by the RoC/any other statutory authority with respect to this noncompliance, such non-compliance may in the future render us liable to statutory penalties and could have serious consequences on our operations. While this could be attributed to technical lapses and human errors, our Company has now appointed a whole time Company Secretary to set up a system to ensure that requisite filings are done within the applicable timelines.

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

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

30. *Our future funds requirements, in the form of fresh issue of capital or securities and/or loans taken by us, may be prejudicial to the interest of the shareholders depending upon the terms on which they are eventually raised.*

We may require additional capital from time to time depending on our business needs. Any fresh issue of shares or convertible securities would dilute the shareholding of the existing shareholders and such issuance may be done on terms and conditions, which may not be favourable to the then existing shareholders. If such funds are raised in the form of loans or debt, then it may substantially increase our

interest burden and decrease our cash flows, thus prejudicially affecting our profitability and ability to pay dividends to our shareholders.

31. *Our ability to pay dividends will depend upon future earnings, financial condition, cash flows, working capital requirements, capital expenditures and other factors.*

We may retain all our future earnings, if any, for use in the operations and expansion of our business. As a result, we may not declare dividends in the foreseeable future. Any future determination as to the declaration and payment of dividends will be at the discretion of our Board of Directors and will depend on factors that our Board of Directors deem relevant, including among others, our results of operations, financial condition, cash requirements, business prospects and any other financing arrangements. Additionally, under some of our loan agreements, we may not be permitted to declare any dividends, if there is a default under such loan agreements or unless our Company has paid all the dues to the lender up to the date on which the dividend is declared or paid or has made satisfactory provisions thereof. Accordingly, realization of a gain on shareholders investments may largely depend upon the appreciation of the price of our Equity Shares. There can be no assurance that our Equity Shares will appreciate in value. For details of our dividend history, see —Dividend Policy on page 163 of this Red Herring Prospectus.

32. *Our lenders have imposed certain restrictive conditions on us under our financing arrangements*

We have entered into agreements for availing debt facilities from lenders. Certain covenants in these agreements require us to obtain approval/permission from our lenders in certain conditions. In the event of default or the breach of certain covenants, our lender has the option to make the entire outstanding amount payable immediately. Further certain agreements also impose financial and other restrictive covenants such as maintenance of financial ratios, submission of results, etc. There can be no assurance that we will be able to comply with the financial or other covenants or that we will be able to obtain the consents necessary to take the actions we believe are necessary to operate and grow our business. Our level of existing debt and any new debt that we incur in the future has important consequences. Any failure to comply with these requirements or other conditions or covenants under our financing agreements that is not waived by our lenders or is not otherwise cured by us, may require us to repay the borrowing in whole or part and may include other related costs. Our Company may be forced to sell some or all of its assets or limit our operations. This may adversely affect our ability to conduct our business and impair our future growth plans. Though these covenants are restrictive to some extent for us, however it ensures financial discipline, which would help us in the long run to improve our financial performance. For further information, see the chapter titled —Financial Indebtedness on page 178 of the Red Herring Prospectus.

• **Issue Specific Risks**

33. *We have issued Equity Shares in the last twelve months, the price of which may be lower than the Issue Price.*

Our Company has issued 61,68,000 Equity Shares in the last twelve months which may be at a price lower than the issue price. For further details of Equity Shares issued, please refer to chapter titled, ‘Capital Structure’ beginning on page 64 of this Red Herring Prospectus.

34. *After this Issue, the price of the Equity Shares may be highly volatile, or an active trading market for the Equity Shares may not develop.*

The price of the Equity Shares on the Stock Exchange may fluctuate as a result of the factors, including:

- a. Volatility in the Indian and global capital market;
- b. Company’s results of operations and financial performance;
- c. Performance of Company’s competitors,
- d. Adverse media reports on Company or pertaining to the Industry in which we operate;
- e. Changes in our estimates of performance or recommendations by financial analysts;
- f. Significant developments in India’s economic and fiscal policies; and
- g. Significant developments in India’s environmental regulations.

Current valuations may not be sustainable in the future and may also not be reflective of future valuations for our industry and our Company. There has been no public market for the Equity Shares and the prices of the Equity Shares may fluctuate after this Issue. There can be no assurance that an active trading market for the Equity Shares will develop or be sustained after this Issue or that the price at which the Equity Shares are initially traded will correspond to the price at which the Equity Shares will trade in the market subsequent to this Issue

35. The Issue price of our Equity Shares may not be indicative of the market price of our Equity Shares after the Issue and the market price of our Equity Shares may decline below the issue price and you may not be able to sell your Equity Shares at or above the Issue Price.

The Issue Price of our Equity Shares will be determined by book built method. This price is based on numerous factors (For further information, please refer chapter titled “Basis for Issue Price” beginning on page 86 of this Red Herring Prospectus) and may not be indicative of the market price of our Equity Shares after the Issue. The market price of our Equity Shares could be subject to significant fluctuations after the Issue, and may decline below the Issue Price. We cannot assure you that you will be able to sell your Equity Shares at or above the Issue Price. Among the factors that could affect our share price include without limitation. The following:

- Half yearly variations in the rate of growth of our financial indicators, such as earnings per share, net income and revenues;
- Changes in revenue or earnings estimates or publication of research reports by analysts;
- Speculation in the press or investment community;
- General market conditions; and
- Domestic and international economic, legal and regulatory factors unrelated to our performance.

EXTERNAL RISK FACTORS

Industry Risks:

36. Changes in government regulations or their implementation could disrupt our operations and adversely affect our business and results of operations.

Our business and industry is regulated by different laws, rules and regulations framed by the Central and State Government. These regulations can be amended/ changed on a short notice at the discretion of the Government. If we fail to comply with all applicable regulations or if the regulations governing our business or their implementation change adversely, we may incur increased costs or be subject to penalties, which could disrupt our operations and adversely affect our business and results of operations.

Other Risks

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

Under the Income-tax Act, 1961, capital gains arising from the sale of equity shares in an Indian company are generally taxable in India except any gain realized on the sale of shares on a stock exchange held for more than 12 months will not be subject to capital gains tax in India if the STT has been paid on the transaction. The STT will be levied on and collected by an Indian stock exchange on which equity shares are sold. Any gain realized on the sale of shares held for more than 12 months to an Indian resident, which are sold other than on a recognized stock exchange and as a result of which no STT has been paid, will be subject to long term capital gains tax in India. Further, any gain realized on the sale of shares on a stock exchange held for a period of 12 months or less will be subject to short term capital gains tax. Further, any gain realized on the sale of listed equity shares held for a period of 12 months or less which are sold other than on a recognized stock exchange and on which no STT has been paid, will be subject to short term capital gains tax at a relatively higher rate as compared to the transaction where STT has been paid in India. By way of the Finance Bill, 2017, the Government of India has proposed to introduce certain anti-abuse measures, pursuant to which, the aforesaid exemption from payment of capital gains tax for income arising on transfer of equity shares shall only be available

if STT was paid at the time of acquisition of the equity shares. While the said provision has not been notified as on date, it is expected to take effect from April 1, 2018 and will, accordingly, apply in relation to the assessment year 2018-19 and subsequent assessment years. Capital gains arising from the sale of shares will be exempt from taxation in India in cases where an exemption is provided under a tax treaty between India and the country of which the seller is a resident. Generally, Indian tax treaties do not limit India's ability to impose tax on capital gains. As a result, residents of other countries may be liable for tax in India as well as in their own jurisdictions on gains arising from a sale of the shares subject to relief available under the applicable tax treaty or under the laws of their own jurisdiction.

38. *Significant differences exist between Indian GAAP and other accounting principles, such as U.S. GAAP and IFRS, which may be material to the financial statements prepared and presented in accordance with SEBI ICDR Regulations contained in this Red Herring Prospectus.*

As stated in the reports of the Auditor included in this Red Herring Prospectus under chapter "Financial Statements as restated" beginning on page 164, the financial statements included in this Red Herring Prospectus are based on financial information that is based on the audited financial statements that are prepared and presented in conformity with Indian GAAP and restated in accordance with the SEBI ICDR Regulations, and no attempt has been made to reconcile any of the information given in this Red Herring Prospectus to any other principles or to base it on any other standards. Indian GAAP differs from accounting principles and auditing standards with which prospective investors may be familiar in other countries, such as U.S. GAAP and IFRS. Significant differences exist between Indian GAAP and U.S. GAAP and IFRS, which may be material to the financial information prepared and presented in accordance with Indian GAAP contained in this Red Herring Prospectus. Accordingly, the degree to which the financial information included in this Red Herring Prospectus will provide meaningful information is dependent on familiarity with Indian GAAP, the Companies Act and the SEBI ICDR Regulations. Any reliance by persons not familiar with Indian GAAP on the financial disclosures presented in this Red Herring Prospectus should accordingly be limited.

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

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

40. *We cannot guarantee the accuracy or completeness of facts and other statistics with respect to India, the Indian economy and IT Enable Services (ITES) industry contained in the Red Herring Prospectus.*

While facts and other statistics in the Red Herring Prospectus relating to India, the Indian economy and the ITES Industry 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 'Our Industry' beginning on page 92 of this 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.

41. *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 exchanges 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 Emerge Platform of National Stock Exchange of India Limited could adversely affect the trading price of the Equity Shares.

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

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

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

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

44. *The extent and reliability of Indian infrastructure could adversely affect our Company's results of operations and financial condition.*

India's physical infrastructure is in developing phase compared to that of many developed nations. Any congestion or disruption in its port, rail and road networks, electricity grid, communication systems or any other public facility could disrupt our Company's normal business activity. Any deterioration of India's physical infrastructure would harm the national economy, disrupt the transportation of goods and supplies, and add costs to doing business in India. These problems could interrupt our Company's business operations, which could have an adverse effect on its results of operations and financial condition.

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

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

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

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

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

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

PROMINENT NOTES

1. Public Issue of upto 26,15,000 Equity Shares of face value of Rs. 10 each of our Company for cash at a price of Rs. [●] per Equity Share ("Issue Price") aggregating upto Rs. [●] Lakhs, of which upto 1,53,000 Equity Shares of face value of Rs. 10 each will be reserved for subscription by Market Maker to the Issue ("Market Maker Reservation Portion"). The Issue less the Market Maker Reservation Portion i.e. Net Issue of upto 24,62,000 Equity Shares of face value of Rs. 10 each is hereinafter referred to as the "Net Issue". The Issue and the Net Issue will constitute [●]% and [●]%, respectively of the post Issue paid up equity share capital of the Company.
2. The company has undertaken in consultation with the BRLM a private placement of 4,25,000 Equity Shares for cash consideration aggregating to Rs. 535.50 lakhs.(Pre- IPO Placement). The size of the Issue as disclosed in the Draft Red Herring Prospectus dated February 06, 2018 has been reduced from 30,40,000 Equity shares to 26,15,000 Equity Shares accordingly. The Equity Shares allotted under the Pre-IPO Placement shall be subject to a lock-in period of one (1) year from the date of Allotment pursuant to the Issue.
3. Investors may contact the Book Running Lead Manager or the Company Secretary & Compliance Officer for any complaint/clarification/information pertaining to the Issue. For contact details of the Book Running Lead Manager and the Company Secretary & Compliance Officer, please refer to chapter titled "*General Information*" beginning on page 54 of this Red Herring Prospectus.
4. The pre-issue net worth of our Company was Rs. 681.03 lakhs as of September 30, 2017. The book value of Equity Share was Rs. 10.06 as at September 30, 2017 as per the restated standalone financial statements of our Company. For more information, please refer to section titled "Financial Statements" beginning on page 164 of this Red Herring Prospectus.
5. The average cost of acquisition per Equity Share by our Promoter is set forth in the table below:

| Name of the Promoter | No. of Shares held | Average cost of Acquisition (in Rs.) |
|----------------------|--------------------|--------------------------------------|
| Rupesh Mehta | 31,49,000 | 4.49 |
| Nikesh Mehta | 11,84,400 | 3.84 |

For further details relating to the allotment of Equity Shares to our Promoters, please refer to the chapter titled "*Capital Structure*" beginning on page 64 of this Red Herring Prospectus.

6. For details on related party transactions and loans and advances made to any company in which Directors are interested, please refer “*Related Party Transaction*” under chapter titled “*Financial Statements as restated*” beginning on page 162 of this Red Herring Prospectus.
7. Investors may note that in case of over-subscription in the Issue, allotment to Retail applicants and other applicants shall be on a proportionate basis. For more information, please refer to the chapter titled “*Issue Structure*” beginning on page 217 of this Red Herring Prospectus.
8. Except as disclosed in the chapter titled “*Capital Structure*”, “*Our Promoter and Promoter Group*”, “*Our Management*” and “*Related Party Transaction*” beginning on pages 64, 157, 141 and 162 respectively, of this Red Herring Prospectus, none of our Promoter, Directors or Key Management Personnel has any interest in our Company.
9. Except as disclosed in the chapter titled “*Capital Structure*” beginning on page 64 of this Red Herring Prospectus, we have not issued any Equity Shares for consideration other than cash.
10. Trading in Equity Shares of our Company for all investors shall be in dematerialized form only.
11. Investors are advised to refer to the chapter titled “*Basis for Issue Price*” beginning on page 86 of the Red Herring Prospectus.
12. There are no financing arrangements whereby the Promoter Group, the Directors of our Company and their relatives have financed the purchase by any other person of securities of our Company during the period of six months immediately preceding the date of filing of the Red Herring Prospectus with the Stock exchange.
13. Our Company was incorporated as Macpower CNC Machines Private Limited at Rajkot, Gujarat as a Private Limited Company under the provision of Companies Act, 1956 vide Certificate of Incorporation dated December 31, 2003 bearing CIN U3009GJ2003PTC43419 issued by the Registrar of Companies, Gujarat, Dadra & Nagar Haveli. Subsequently, pursuant to shareholders resolution passed at Extraordinary General Meeting of our Company held on November 03, 2017, our Company was converted into a Public Limited Company, following which our name was changed to Macpwer CNC Machines Limited and a Fresh Certificate of Incorporation consequent upon conversion of company to Public Limited dated November 16, 2017 was issued by Registrar of Companies, Ahmedabad, Gujarat. The Corporate Identification number of our Company is U30009GJ2003PLC043419.

SECTION III- INTRODUCTION

SUMMARY OF INDUSTRY

The information in this section includes extracts from publicly available information, data and statistics and has been derived from various government publications and industry sources. Neither we nor any other person connected with the Issue have verified this information. The data may have been re-classified by us for the purposes of presentation. Industry sources and publications generally state that the information contained therein has been obtained from sources generally believed to be reliable, but that 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. You should read the entire Red Herring Prospectus, including the information contained in the sections titled “Risk Factors” and “Financial Statements” and related notes beginning on page 21 and 164 Red Herring Prospectus

INDIA ENGINEERING INDUSTRY

The Indian engineering sector is divided into two major segments - heavy engineering and light engineering. The capital goods and engineering turnover in India is expected to have reached US\$ 125.4 billion by FY 2016-17. Likewise, Electrical equipment market size is expected to reach US\$ 100 billion by FY 2021-22. Comparative advantage vis-à-vis peers in terms of manufacturing costs, market knowledge, technology and creativity has been a driving force for engineering exports from India. The construction equipment market in India is expected to reach 131,000 units by 2022.

During January - May 2016, the industry recorded sales of 21,869 units, which represents a growth of 47.6 per cent over the same period of the previous year. Exports of machine tools from India increased 15.65 per cent in 2016-17 to reach US\$ 452.34 million.

Companies engaged in the engineering sector are virtually on a roll. Capacity creation in sectors like infrastructure, power, mining, oil & gas, refinery, steel, automotive, and consumer durables has been driving demand in the engineering sector. Separately, the approval of significant number of special economic zones (SEZs) across the country and the development of the Delhi Mumbai Industrial Corridor (DMIC) across seven states is expected to further bolster the engineering sector.

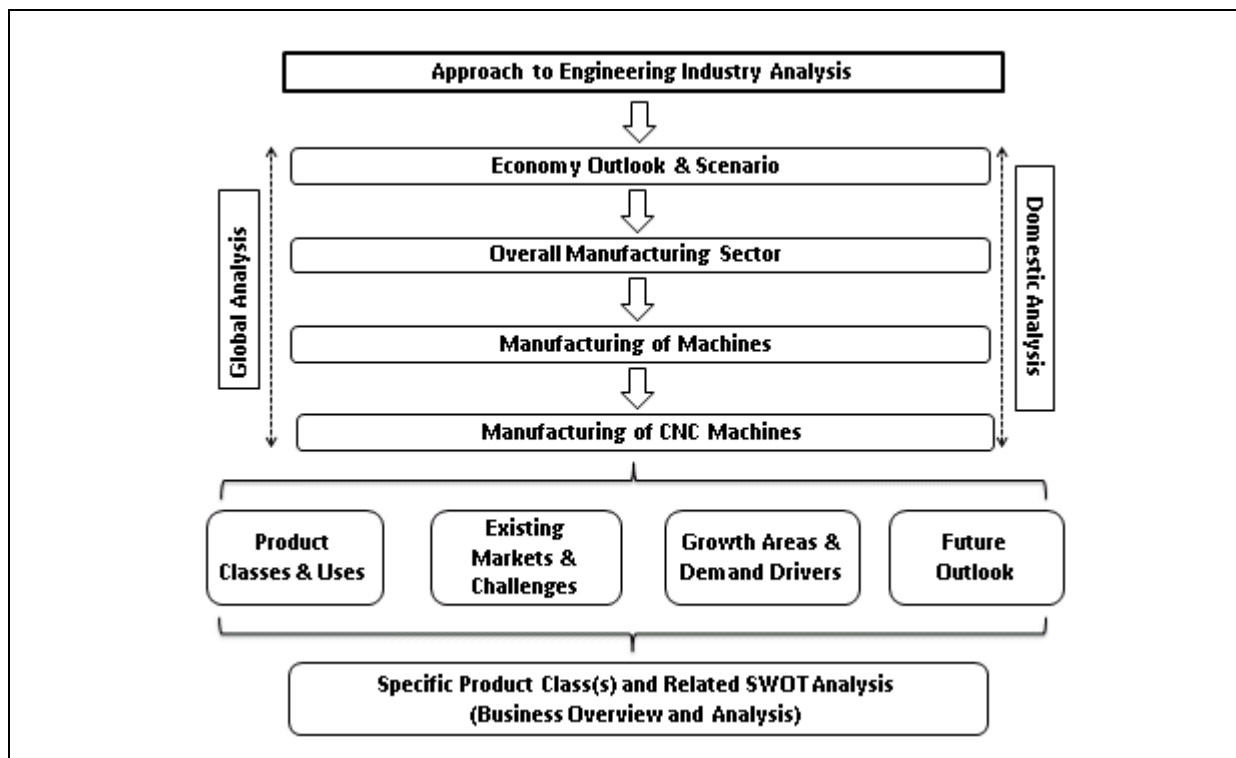
With 100 per cent Foreign Direct Investment (FDI) allowed through the automatic route, and initiatives like ‘Make in India’, major international players have entered the Indian engineering sector due to significant growth opportunities available. The engineering sector has received cumulative FDI inflows worth US\$ 3.34 billion during April 2000 to June 2017.

(Source: Indian Engineering Industry Analysis-India Brand Equity Foundation www.ibef.org)



(Source: Indian Engineering Industry Analysis-India Brand Equity Foundation www.ibef.org)

APPROACH TO ENGINEERING INDUSTRY ANALYSIS



Analysis of Engineering Industry needs to be approached at both macro and micro levels, whether for domestic or global markets. Engineering Industry forms part of Manufacturing Sector at a macro level. Hence, broad picture of Manufacturing Sector should be at preface while analysing the Engineering Industry.

Manufacturing sector comprises various industries, which in turn, have numerous sub-classes or products. One such major industry in the overall Manufacturing sector is 'Engineering Industry', which in turn encompasses various components one of them being 'Manufacturing of CNC Machines'.

Thus manufacturing of CNC (Computer Numerical Control) should be analysed in the light of 'Engineering Industry' at large. An appropriate view on manufacturing of CNC machine Segment then, calls for the overall economy outlook, performance and expectations of Manufacturing Sector, position and outlook of Food Processing Industry segment micro analysis.

This Approach Note is developed by Pantomath Capital Advisors (P) Ltd ('Pantomath') and any unauthorized reference or use of this Note, whether in the context of Engineering Industry and/or any other industry, may entail legal consequences.

GLOBAL ECONOMIC OVERVIEW

For India, three external developments are of significant consequence. In the short run, the change in the outlook for global interest rates as a result of the US elections and the implied change in expectations of US fiscal and monetary policy will impact on India's capital flows and exchange rates. Markets are factoring in a regime change in advanced countries, especially US macroeconomic policy, with high expectations of fiscal stimulus and unwavering exit from unconventional monetary policies. The end of the 20-year bond rally and end to the corset of deflation and deflationary expectations are within sight. Second, the medium-term political outlook for globalisation and in particular for the world's "political carrying capacity for globalisation" may have changed in the wake of recent developments. In the short run a strong dollar and declining competitiveness might exacerbate the lure of protectionist policies. These follow on on-going trends— documented widely— about stagnant or declining trade at the global level. This changed outlook will affect India's export and growth prospects

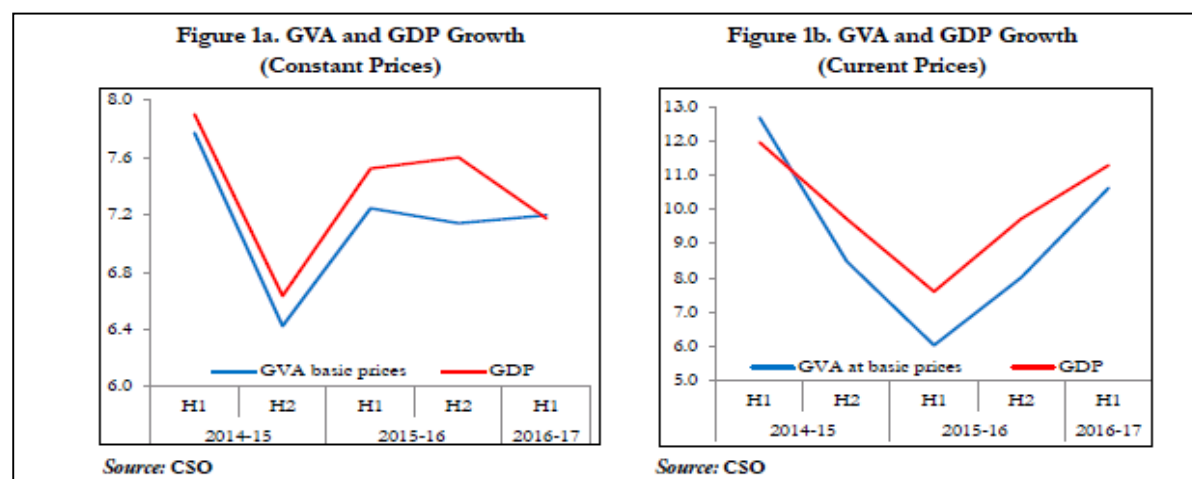
Third, developments in the US, especially the rise of the dollar, will have implications for China's currency and currency policy. If China is able to successfully re-balance its economy, the spill over effects on India and the rest of the world will be positive. On, the other hand, further declines in the yuan, even if dollar-induced, could

interact with underlying vulnerabilities to create disruptions in China that could have negative spill overs for India. For China, there are at least two difficult balancing acts with respect to the currency. Domestically, a declining currency (and credit expansion) props up the economy in the short run but delay rebalancing while also adding to the medium term challenges. Internationally, allowing the currency to weaken in response to capital flight risks creating trade frictions but imposing capital controls discourages FDI and undermines China’s ambitions to establish the Yuan as a reserve currency. China with its underlying vulnerabilities remains the country to watch for its potential to unsettle the global economy.

(Source: Economic Survey 2016-17 www.indiabudget.nic.in)

REVIEW OF MAJOR DEVELOPMENTS IN INDIAN ECONOMY

The Indian economy has continued to consolidate the gains achieved in restoring macroeconomic stability. Real GDP growth in the first half of the year was 7.2 percent, on the weaker side of the 7.0-7.75 per cent projection in the Economic Survey 2015-16 and somewhat lower than the 7.6 percent rate recorded in the second half of 2015-16 (Figure 1a). The main problem was fixed investment, which declined sharply as stressed balance sheets in the corporate sector continued to take a toll on firms’ spending plans. On the positive side, the economy was buoyed by government consumption, as the 7th Pay Commission salary recommendations were implemented, and by the long-awaited start of an export recovery as demand in advanced countries began to accelerate. Nominal GDP growth recovered to respectable levels, reversing the sharp and worrisome dip that had occurred in the first half of 2015-16 (Figure 1b).



The major highlights of the sectoral growth outcome of the first half of 2016-17 were: (i) moderation in industrial and nongovernment service sectors; (ii) the modest pick-up in agricultural growth on the back of improved monsoon; and (iii) strong growth in public administration and defence services— dampeners on and catalysts to growth almost balancing each other and producing a real Gross Value Addition (GVA) growth (7.2 percent), quite similar to the one (7.1 per cent) in H2 2015-16 (Figure 1b).

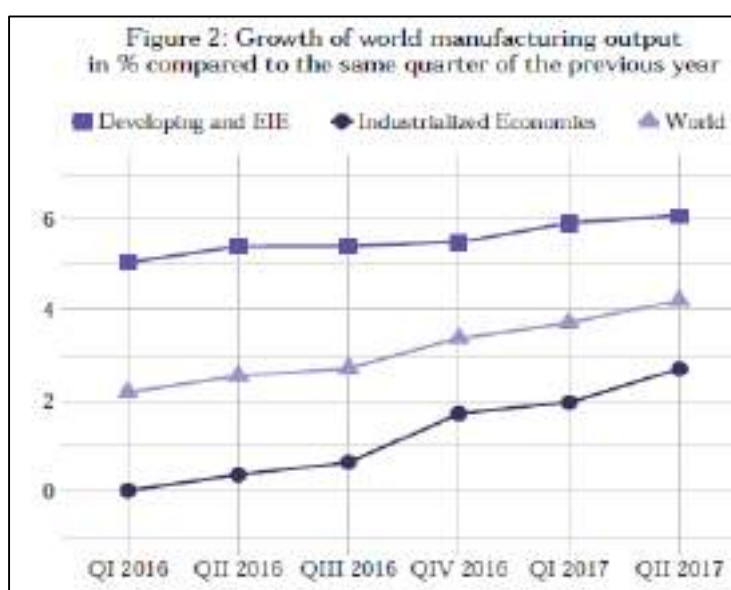
Inflation this year has been characterized by two distinctive features. The Consumer Price Index (CPI)-New Series inflation, which averaged 4.9 per cent during April-December 2016, has displayed a downward trend since July when it became apparent that kharif agricultural production in general, and pulses in particular would be bountiful. The decline in pulses prices has contributed substantially to the decline in CPI inflation which reached 3.4 percent at end-December. The second distinctive feature has been the reversal of WPI inflation, from a trough of (-)5.1 percent in August 2015 to 3.4 percent at end-December 2016, on the back of rising international oil prices. The wedge between CPI and WPI inflation, which had serious implications for the measurement of GDP discussed in MYEA (Box 3, Chapter 1, MYEA 2015-16), has narrowed considerably. Core inflation has, however, been more stable, hovering around 4.5 percent to 5 percent for the year so far. The outlook for the year as a whole is for CPI inflation to be below the RBI’s target of 5 percent, a trend likely to be assisted by demonetisation.

GLOBAL MANUFACTURING SECTOR

World Manufacturing Growth in quarter II, 2017

World manufacturing in the second quarter of 2017 has continued to show signs of expansion, following an upward trend observed throughout 2016 and improved growth rates in the first quarter of 2017. Both industrialized and developing and emerging industrial economies gained further strength in manufacturing production and confirmed their healthy dynamic growth.

Although the pace of growth indicates similar trends in both country groups (Figure 2), developing economies continuously performed better than industrialized ones. The current growth prospects are improving further on account of rising consumer spending and promising investment plans, which are favourably directed towards developing economies. Changing business conditions are driving industrial production growth and confidence for the overall outlook has been increasing. Moreover, the risks for global growth witnessed last year, such as political instability in Europe, unpredictability of the Brexit aftermath, the rising trade protectionism following the US election and an abrupt slowdown in China have certainly diminished, although they have not disappeared completely.



(Source: World Manufacturing Production, Statistics for Quarter II, 2017, United Nations Industrial Development Organization, www.unido.org)

Optimistic results reported in the first quarter have carried over into the second quarter of this year. Global manufacturing output rose by 4.2 per cent in the second quarter of 2017 compared to the same period of the previous year, building on the robust 3.7 per cent increase observed at the beginning of 2017. The major industrialized economies with a significant share in global manufacturing output, namely the United States, Japan, Germany, Italy and France, thrived in the second quarter of 2017. The growth prospects of China, the world's largest manufacturer, remained unchanged.

As depicted in Figure 2, steady progress over several consecutive quarters characterizes all country groups and the prospects for sustained global industrial growth in the coming periods are good.

MANUFACTURING SECTOR IN INDIA

Introduction

Manufacturing has emerged as one of the high growth sectors in India. Prime Minister of India, Mr Narendra Modi, had launched the 'Make in India' program to place India on the world map as a manufacturing hub and give global recognition to the Indian economy. India is expected to become the fifth largest manufacturing country in the world by the end of year 2020*.

The Gross Value Added (GVA) at basic constant (2011-12) prices from the manufacturing sector in India grew 7.9 per cent year-on-year in 2016-17, as per the 2nd provisional estimate of annual national income published

by the Government of India. Under the Make in India initiative, the Government of India aims to increase the share of the manufacturing sector to the gross domestic product (GDP) to 25 per cent by 2022, from 16 per cent, and to create 100 million new jobs by 2022. Business conditions in the Indian manufacturing sector continue to remain positive.

Investments

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

Cumulative Foreign Direct Investment (FDI) in India's manufacturing sector reached US\$ 70.51 billion by June 2017.

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

- JSW Energy has signed a memorandum of understanding (MoU) with the Government of Gujarat, for setting up an electric vehicle (EV) manufacturing unit in Gujarat at an estimated cost of Rs 4,000 crore (US\$ 608.88 million).
- With an aim to increase its presence in India, Denmark-based heating ventilation and air-conditioning (HVAC) giant, Danfoss, is planning to take its manufacturing localisation to 50 per cent as well as double its supplier base in India by 2020.
- Cochin Shipyard Ltd, which recently completed its initial public offer (IPO), will utilize the funds from the issue to implement expansion projects worth Rs 2,800 crore (US\$ 437.3 million), which are already in its pipeline.
- Indian biscuits giant, Britannia Industries Ltd (BIL), is setting up its largest plant ever, in Ranjangaon, Maharashtra, with an investment of Rs 1,000 crore (US\$ 156.89 million). The plant will have an annual capacity of 120,000 tonne and will be completed by FY19.
- IKEA, a Swedish furniture company, aims to manufacture more than 30 per cent of its products in India in the coming years, stated Mr Patrik Antoni, Deputy Country Manager, IKEA.
- Volvo India Pvt Ltd, Swedish luxury car manufacturer, will start assembly operations near Bengaluru in India by the end of 2017. The company is targeting to double its share in India's luxury car segment to 10 per cent by 2020.
- Larsen & Toubro (L&T) has bagged a contract worth US\$ 669.34 million from the Ministry of Defence, Government of India, to supply 100 artillery of 155mm/52 caliber tracked self-propelled guns for the Indian Army, under the Make in India initiative.
- Berger Paints has entered into a partnership with Chugoku Marine Paints (CMP), thereby marking its entry into the marine paints segment, which has an estimated market size of Rs 250 crore (US\$ 38.82 million) and is expected to grow at 25 per cent annually for the next five years.
- SAIC Motor Corp, China's largest automaker, has signed a deal to buy General Motors (GM) India's Halol plant in Gujarat.
- Dabur India Ltd set up its largest manufacturing plant globally, spread over 30 acres, at a cost of Rs 250 crore (US\$ 38.82 million), in Tezpur, Assam, which will produce Dabur's complete range of ayurvedic medicines, health supplements, and personal care products among others.
- Apple Inc is looking to expand its Taiwanese contract manufacturer, Wistron's, production facility in Bengaluru, India, where it started manufacturing iPhone SE in May, 2017.
- China based LCD and touchscreen panel manufacturer, Holitech Technology, has announced plans to investing up to US\$ 1 billion in India by the end of 2017.

- Tristone Flowtech Group, the Germany-based flow technology systems specialist, has set up a new facility in Pune, which will manufacture surge tank as well as engine cooling and aircharge hose for the Indian market. The company plans to start the production at the plant in the fourth quarter of 2017.
- Honda Motorcycle & Scooter India plans to invest around Rs 600 crore (US\$ 90 million) to add a new line to produce additional 600,000 units at its Narsapura facility in Karnataka.
- Hindustan Coca-Cola Beverages plans to set up a bottling plant with an investment of Rs 750 crore (US\$ 112.5 million) in phases at the first industrial area being developed by Government of Madhya Pradesh under the public private partnership in Babai village of Hoshangabad, Bhopal.
- Tata Advanced Systems is collaborating with the world's largest defence contractor Lockheed Martin to manufacture the F-16 fighter jets in India.

• INDIAN ENGINEERING INDUSTRY

• *Introduction*

- The Indian Engineering sector has witnessed a remarkable growth over the last few years driven by increased investments in infrastructure and industrial production. The engineering sector, being closely associated with the manufacturing and infrastructure sectors, is of strategic importance to India's economy.
- India on its quest to become a global superpower has made significant strides towards the development of its engineering sector. The Government of India has appointed the Engineering Export Promotion Council (EEPC) as the apex body in charge of promotion of engineering goods, products and services from India. India exports transport equipment, capital goods, other machinery/equipment and light engineering products such as castings, forgings and fasteners to various countries of the world. The Indian semiconductor industry offers high growth potential areas as the industries which source semiconductors as inputs are themselves witnessing high demand.
- India became a permanent member of the Washington Accord (WA) in June 2014. The country is now a part of an exclusive group of 17 countries who are permanent signatories of the WA, an elite international agreement on engineering studies and mobility of engineers

• **Market size**

- The capital goods and engineering turnover in India is expected to reach US\$ 125.4 billion by FY17.
- India exports its engineering goods mostly to the US and Europe, which accounts for over 60 per cent of the total exports. Recently, India's engineering exports to Japan and South Korea have also increased with shipments to these two countries rising by 16 and 60 per cent respectively. Sri Lanka, Nepal and Bangladesh have also emerged as the major destinations for India's engineering exports.

According to the India Electronics & Semiconductor Association, the Indian Electronic System Design and Manufacturing (ESDM) market is expected to grow at a CAGR of 16-23 per cent to reach US\$ 228 billion by 2020 from \$100 billion in 2016-17. According to a study by The Associated Chambers of Commerce of India (ASSOCHAM) and NEC Technologies, the demand for electronic products in India is expected to grow at a Compound Annual Growth Rate (CAGR) of 41 per cent during 2017-20 to US\$ 400 billion by 2020.

SUMMARY OF OUR BUSINESS

Some of the information contained in the following discussion, including information with respect to our business plans and strategies, contain forward-looking statements that involve risks and

Uncertainties. You should read the chapter titled “Forward-Looking Statements” beginning on page 20 of this Red Herring Prospectus, for a discussion of the risks and uncertainties related to those statements and also the section “Risk Factors” for a discussion of certain factors that may affect our business, financial condition or results of operations. Our actual results may differ materially from those expressed in or implied by these forward-looking statements. Our fiscal year ends on March 31 of each year, so all references to a particular fiscal are to the twelve-month period ended March 31 of that year.

The financial information used in this section, unless otherwise stated, is derived from our Financial Information, as restated prepared in accordance with Indian GAAP, Companies Act and SEBI Regulations. The following information is qualified in its entirety by, and should be read together with, the more detailed financial and other information included in this Red Herring Prospectus, including the information contained in the sections titled “Risk Factors” and “Financial Information” beginning on pages 21 and 164, respectively.

OVERVIEW

Established in 2003 our Company is engaged in manufacturing of CNC Turning Centers, Vertical Machining Centers, Horizontal Machining Centers, Cylindrical Grinder, Vertical Turret Lathe, Turn Mill Centers, Drill Tap Center, Twin Spindle VMC and also Multi Tasking, 5-axis along with sub spindle. Adding to the solution capabilities, Macpower has also offered Robotic Automation integrated with CNC machines to cope up the demand of technology driven machining excellence. CNC Machining is a process used in the manufacturing sector that involves the use of computers to control machine tools. Tools that can be controlled in this manner include lathes, mills, routers and grinders. The CNC in CNC Machining stands for Computer Numerical Control. On the surface, it may look like a normal PC that control the machines, but the computer's unique software and control console are what really sets the system apart for use in CNC machining. Under CNC Machining, machine tools function through numerical control. A computer program is customized for an object and the machines are programmed with CNC machining language (called G-code) that essentially controls all features like feed rate, coordination, Position and RPM. With CNC machining, the computer can control exact positioning and speed.

Our company is importing various components and parts i.e. Spindle, Ball Screw, Linear Guide ways, Linear Glass Scale, Live Tool Turret, Live Tool Holder, Probe, CNC System from Taiwan, Germany, Japan, Italy etc. Our in house research and development approach allows the company to offer customized solutions to our customers. Macpower is registered to ISO 9001(Design), a universally accepted quality assurance designation by Tuv Suddeutchnland India Private Limited (Germany) and also ISO 9001: 2008 by BSCIC, India. Our Company is well equipped with the latest infrastructure and equipments, well qualified skilled intellectual capital to support the manufacturing of high end technology driven machines.

Our Company was founded by Mr. Rupesh Mehta. Who has experience of more than 25 years in the Machine Tool Industry. He was the Former President of Rajkot Machine Tools, Former Treasurer of the Chamber of Commerce, Former Director of Rajkot Engineering Association and presently Executive Director of Indian Machine Tools Manufactures Association. He is the guiding force behind all the corporate decision and is responsible for the entire business operation of the Company. Our Promoter Nikesh Mehta, aged 39 years, is the Promoter and Director of our Company. He has been on the Board of our Company since December 31, 2003. He has experience of around 14 years of experience in Machine Tool Industry. He holds a degree in Bachelor of Commerce from Saurashtra University. His scope of work includes looking after Machine Shop, Application and Purchase department of the Company.

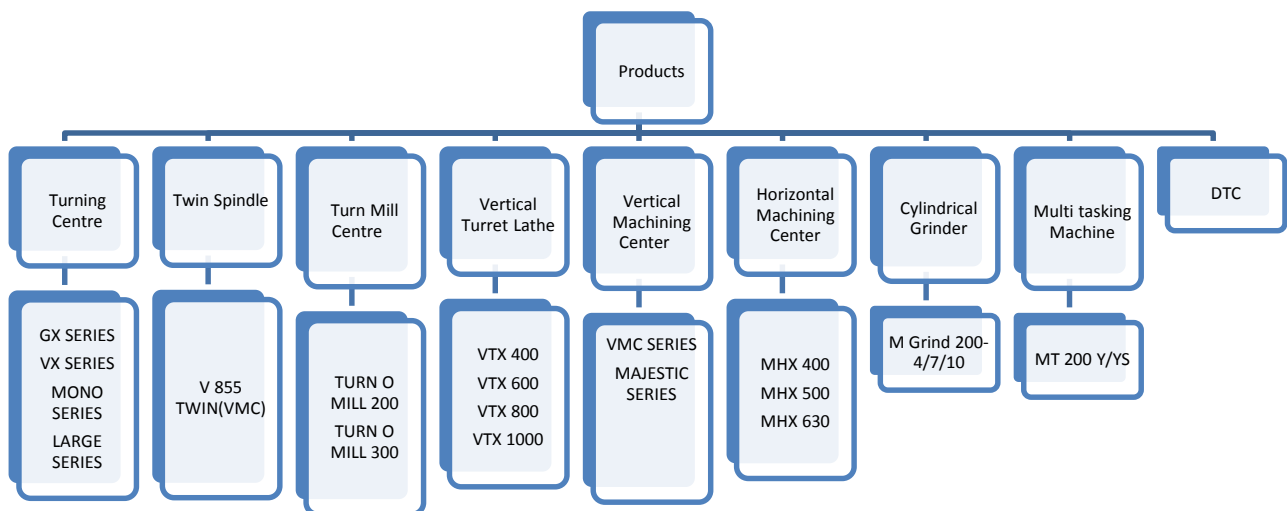
Few Awards and Recognitions of the Company are listed below:

1. FIE Foundation Award at IMTEX 2017 for Designing Excellence of Twin Spindle VMC V855 Twin Head
2. FIE Foundation Award at IMTEX 2015 for Designing Excellence of Multitasking Machine Turn O' Mill Y S

3. FIE Foundation Award at IMTEX 2013, Bangalore for designing excellence for model TURN 'O' Mill 200
4. Ranked 4th in highest excise tax pay in the year 2010-11
5. Best Design award for LX 200 Super at Engineering Expo in 2004

Our total Income were Rs. 4645.32 lakhs, Rs.6954.92 lakhs, Rs. 6416.13 lakhs and Rs. 6426.26 Lakhs and our profit for the period was Rs. 250.41 lakhs , Rs. 79.39 lakhs, Rs. 48.95 lakhs and Rs. 28.74 lakhs for the period ended September 2017 and Financial year ended 2017, 2016 and 2015, respectively.

PRODUCT PROFILE



TURNING CENTER: Macpower offers various variants of turning centers to cater to various segments of different industry strata which serves to provide solutions for valves, impellers, crankshafts, hydraulic fittings etc.

TWIN SPINDLE: Twin spindle VMCs offer increased productivity with tremendous reduction in cycle time for a component manufacturing and Macpower offers range for the same which can be described as new age machines

TURNMILL CENTER: It is a mix of solution being offered wherein majority portion is covered by turning operations very well supported by milling to give two in one customized outcome for the end user. Live tool turret supported by matching tools help in achieve the required outcome for a whole range of sectors like petroleum, automobile, infrastructure industry and so on.

VERTICAL MACHINING CENTER: Three axes VMCs offer critical solutions for die and mould, aerospace, defence sectors by providing high end precision to various components and we offer range of VMCs to incorporate total range of components to offer customized solutions.

VTL: Vertical Turret lathe offers precision vertical turning for valve body, motor body and pump industry. It is the expansion of horizon from horizontal turning to the vertical one with various variants to offer.

HMC: Multi dimensional end to end machining of most critical components for aerospace, defence, infrastructure industry is possible on Horizontal Machining Centers wherein Automatic Tool Changer and Auto

Pallet Changer play their respective roles for accurate machining very well supported by moving column structure..

DTC: Specific application of drilling and tapping operations is being met by Drill Tap Center wherein special type of Automatic Tool Changer helps in achieve specific results with apparent decrease in cycle time.

CYLINDRICAL GRINDER: The ultimate operation for machining – grinding is being carried out by our range of Cylindrical Grinder. It's work head, wheel head, slides tailstock along with Dressing Unit performs synchronously as per program and offers ultimate finish to end components.

MULTI TASKING MACHINE:

Multi-tasking Machines are designed to exceed customer expectations even further, to accomplish part manufacturing in a single setup with help of multi-tasking operations alongside delicate part handling and without compromising high level of precision. Multi-tasking Machine reduces the need of multi-step machining process that traditionally would consist of two or more separate machine and setups

COMPETITIVE STRENGTH

1. Experienced Promoters and management team:

Mr. Rupesh Mehta, Promoter, Chairman and Managing Director has over 25 years of experience in machine tool industry and has been the anchor person to craft out new avenues. His exposure related to our industry adds more strength to their experience. Mr. Nikesh Mehta, promoter and Whole Time Director who is looking after entire manufacturing process has around 14 years of experience in machine tool industry. For further details of our Promoter's experience and background, please refer the chapter titled "Our Promoters and Promoter Group" on page no. 157 of this Red Herring Prospectus. Also, our Company is managed by a team of experienced personnel. The team comprises personnel having technical and operational experience. Our management team's experience and their understanding of the machine tools industry enable us to continue to take advantage of both current and future market opportunities. Moreover, flat hierarchy structure enables fast decision making process which enables quick implementation of customer centric solutions.

2. Diversified Customer Base

We have catered to over 178 customers with total 213 Machines during the six months ended September 30, 2017 and 236 customers with total 343 Machines in Financial Year 2017 across various sectors like Automobile, Agriculture, Earth Moving Equipment's, Bearings, General Engineering, Aerospace, Metal, Petroleum, Construction Industries, Defense, PSUs. We are not dependent on the fortunes of any particular sector for growing our business and this diversification also helps us to withstand cyclical downturns in one or more sectors. One of the characteristics of the machine tool industry is the reluctance of the customer to switch vendors, if an existing process has been running efficiently. We have been able to retain our customers by promising and delivering cost savings and process enhancements.

3. Research and Development:

Right from the beginning our Company has believed in research and development which has benefited our company to lay a technical foundation and the capability that allows the Company to offer customized solutions to the customers. A facilitated design and research and development department with use of ProE, 3D, CAD Software and FE Analysis, enables a continuous study of the customer feedback and related technology to make the necessary upgradation. We have applied for inhouse Research and Development Center establishment with a team of 15 experienced design engineers headed by President R & D having core experience of 40 years in Machine tool Design. This has resulted in new models, and implemented into our latest machines. By combining a designer's innovation with an analyst's insight, we were able to fully complement each person's strength to arrive at powerful solutions.

4. Sales Service

Our company understands that to suggest the proper solution, customers has to be attended personally by a trained sales person and to achieve the same we have established nation wide network of sales force with its own offices in major centers and network of dealers.

Our Sales and Service Team is spread in 31 cities in the Country with 107 B.E./D.M.E. qualified Sales & Service Engineers. These 31 cities cover 3 Technical Centre at Ahmedabad, Pune and Hyderabad for advance services. We have 7 Distributors in different cities i.e. Mohali, Sonipat, Bangalore, Coimbatore, Hyderabad and Kolkata. For expanding our roots, Company holds 4 Places as its Branch Offices at Ahmedabad, Pune, Jaipur and Delhi.

A customer achieving high throughput using CNC machines would always want prompt after sales service. We have trained Service Team members placed across the nation to cater customers as quickly as they can. We provide regular training to its sales, service & managerial staff to maintain & upgrade them with the latest methodology and this will further help our Company to maintain the edge

Our Sales representatives are at Ahmedabad, Surendra nagar, Jamnagar, Baroda, Rajkot, Mumbai, Nasik, Nagpur, Aurangabad, Kolhapur, Pune, Delhi, Gurgaon, Bhiwadi, Manesar, Faridabad, Ghaziabad, Ludhiana, Noida, Rohtak, Jaipur, , Mohali, Indore, Alwar, Bhopal, Kolkata, Bangalore, Chennai, Coimbatore, Sonipat and Hyderabad

5. Quality Check

We believe that we are a quality focused company. We are committed to maintain quality and at all steps from procurement till dispatch. We have established a quality control team which has the responsibility to ensure compliance with manufacturing practices. We have in-house testing laboratory to test our raw materials to match the quality standards. Before commencement of the manufacturing process, the raw materials purchased by our Company have to undergo a quality check, to ensure that they are of relevant quality and match the standards as specified. The finished products are checked in our in house testing laboratory to ensure that the same is of relevant standards and design as specified by the customer; the products are then packed and dispatched.

BUSINESS STRATEGY

1. Setting Up Facility for In-house Machining

We believe we are a one-stop metal cutting solutions provider. We offer a wide range of CNC metal cutting products for both Turning and Milling operations. The momentum of growth already achieved by the company. Now we are planning for integrated operation of our products by in-house machine shop and Sheet metal manufacturing facility. We believe that our integrated operations reduce our dependence on third party suppliers of products, services and quality, enabling us to streamline our production process and achieve timely delivery of quality products at competitive costs.

2. Pursue international growth opportunities

We believe that there exist substantial opportunities to grow our business internationally. Historically our revenue has been dependent on domestic market. We intend to develop new distribution channels in international geographies and upscale our export operations to sell higher volumes of our products.

3. Government Supplies:

We had supplied series of Machines to Government of India Establishments like Ordnance Factories, PSUs, Educational Institutes of State and Central Government, Research Centers and we are firmly establishing our footholds in those categories with multifold planning to supply various machines and cater to this vertical. Our Company receives advances against each order except government orders as it works through tenders only.

Synopsis of Government Business

| Total Tenders submitted successfully as on December 11, 2017 | | |
|---|----------------------------------|-------------------|
| Segment | Total Value Including Taxes(INR) | (In Rupees Lakhs) |
| Defense Sector Like Ordnance Factories Rifle factory, Engine Factory, Gun & Shell Factory , Tank Factory) | 2,09,51,71,674 | 20,951.72 |
| Educational Sector like ITI'S and IIT Colleges | 27,09,66,939 | 2,709.67 |
| PSU's –like DRDO | 47,98,18,530 | 4,798.19 |

| | | |
|--|-----------------------|--------------------------|
| Hindustan Aeronautics Limited | 18,03,99,862 | 1,804.00 |
| Grand Total | 3,02,63,57,005 | 30,263.57 |
| Total Pending Orders In Hand as on December 11, 2017 | | |
| SEGMENT | VALUE (INR) | (In Rupees Lakhs) |
| Defense Sector Like Ordnance Factories (Rifle Factory, Engine Factory, Gun & Shell Factory , Tank Factory) | 8,38,08,310 | 838.08 |
| Educational Sector like ITI'S and IIT Colleges | 1,98,95,070 | 198.95 |
| Grand Total | 10,37,03,380 | 1037.03 |
| Value Of Supplied Orders In Last 05 Years | | |
| SEGMENT | VALUE (INR) | (In Rupees Lakhs) |
| Defense Sector Like Ordnance Factories (Rifle Factory, Engine Factory, Gun & Shell Factory , Tank Factory) | 60,99,58,290 | 6,099.58 |
| Educational Sector like ITI'S and IIT Colleges | 7,49,97,159 | 749.97 |
| PSU's like DRDO | 2,20,30,763 | 220.31 |
| Grand Total | 70,69,86,212 | 7,069.86 |

4. Domestic Business

Our machine caters to various sectors industries like Automobile, Agriculture, Earth Moving Equipment's, Bearings, General Engineering, Aerospace, Metal, Petroleum, Construction Industries, Defense, PSUs.

Details of our domestic business as blow:

| | |
|--|-----|
| Total Machines dispatch till March 31, 2017 | 554 |
| Current Order cleared upto November 30, 2017 | 279 |
| Future Orders in hand | 295 |

We have around 295 orders in line valuing Rs. 52.44 Cr out of which we already receive Rs. 3.02 Cr. as an advance to orders.

5. Tech Center Close to the Customer

We started our first Technology center in Bangalore since 2013. It houses live demo of Macpower CNC Machines. It is one stop solution regarding machines, tooling, fixture options, part development, machines, tooling, part development, machine applications and trading and Prove outs. To achieve this objective, these centers have a representative selection of CNC Lathes, Machining Centers for Customers to get hands on experience about these machines. This journey has progressed to opening up Tech Centers at Hyderabad, Pune, Ahmedabad.

6. Augmenting manufacturing capacity to meet the growing industry demand

We believe that the growing demand for machine tools presents a significant opportunity for us. The consumption of machine tools in India was ` 117.6 bn in 2012 and is expected to reach 293.0 bn in 2020 (Source: Indian Machine Tool Industry Vision Document & Perspective Plan 2010-2020, August 2010, by the Ministry of Heavy Industries & Public Enterprises). As per the National Manufacturing Policy, the Government has

announced its intention to improve the share of Manufacturing in GDP from nearly 16% currently to 25% by 2022.

The continued increase in domestic and foreign investment into industry will translate into a higher demand for machine tools, the “Mother Industry” for all manufacturing activities. The major mechanical engineering ancillary hubs in the country that comprise a large number of SMEs and MSMEs are expected to contribute in a major way to the growth of the machine tools industry. We intend to continue the expansion of our manufacturing capacities to address this growing industry demand

SUMMARY OF FINANCIAL STATEMENTS

STATEMENT OF ASSETS AND LIABILITIES AS RESTATED

ANNEXURE-I

(Amount in Lakhs)

| Particulars | AS at September 30, 2017 | As at March 31, 2017 | As at March 31, 2016 | As at March 31, 2015 | As at March 31, 2014 | As at March 31, 2013 |
|--|--------------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|
| I. EQUITY AND LIABILITIES | | | | | | |
| 1. Shareholders' funds | | | | | | |
| (a) Share capital | 72.00 | 60.00 | 60.00 | 50.00 | 50.00 | 50.00 |
| (b) Reserves and surplus | 609.03 | 305.82 | 226.43 | 137.48 | 151.62 | 124.04 |
| Sub-Total | 681.03 | 365.82 | 286.43 | 187.48 | 201.62 | 174.04 |
| 2. Share application money pending allotment | | | | | | |
| Sub-Total | - | - | - | - | - | - |
| 3. Non-current liabilities | | | | | | |
| (a) Long-term borrowings | 100.95 | 71.81 | 396.49 | 559.79 | 666.81 | 57.54 |
| (b) Deferred tax liabilities (Net) | - | - | - | - | - | - |
| (c) Other Non Current Liabilities | - | - | - | - | - | - |
| (d) Long-term Provisions | - | - | - | - | - | - |
| Sub-Total | 100.95 | 71.81 | 396.49 | 559.79 | 666.81 | 57.54 |
| 4. Current liabilities | | | | | | |
| (a) Short-term borrowings | - | 319.50 | - | 201.93 | 252.45 | 145.32 |
| (b) Trade payables | 1721.87 | 2052.30 | 1541.14 | 1478.51 | 1133.93 | 825.39 |
| (c) Other current liabilities | 405.25 | 358.03 | 234.99 | 208.85 | 299.42 | 221.19 |
| (d) Short-term provisions | 440.59 | 73.45 | 40.38 | 34.78 | 23.97 | 14.32 |
| Sub-Total | 2567.71 | 2803.28 | 1816.51 | 1924.07 | 1709.77 | 1206.22 |
| TOTAL | 3349.69 | 3240.91 | 2499.42 | 2671.34 | 2578.20 | 1437.80 |
| II. ASSETS | | | | | | |
| 1. Non-current assets | | | | | | |
| (a) Fixed assets | 468.05 | 302.55 | 281.90 | 348.15 | 383.92 | 407.68 |
| (b) Non-current investments | - | - | - | - | 103.75 | 103.75 |
| (c) Deferred tax assets (net) | 41.76 | 42.66 | 40.39 | 49.92 | 44.13 | 57.86 |
| (d) Long-term loans and advances | - | - | - | - | - | - |
| (e) Other Non Current Assets | - | - | - | - | - | - |
| Sub-Total | 509.81 | 345.21 | 322.29 | 398.07 | 531.80 | 569.29 |
| 2. Current assets | | | | | | |
| (a) Current investments | 403.78 | 0.21 | 1.17 | 109.01 | 209.74 | 148.94 |
| (b) Inventories | 1261.02 | 1730.92 | 1008.59 | 1623.42 | 1264.55 | 554.47 |
| (c) Trade receivables | 608.96 | 1037.74 | 329.06 | 235.28 | 162.92 | 7.87 |
| (d) Cash and cash equivalents | 73.81 | 5.93 | 623.19 | 56.02 | 143.85 | 39.16 |
| (e) Short-term loans and advances | 492.31 | 120.90 | 215.12 | 249.54 | 265.35 | 118.08 |
| (f) Other Current Assets | - | - | - | - | - | - |
| Sub-Total | 2839.88 | 2895.70 | 2177.13 | 2273.27 | 2046.40 | 868.52 |
| TOTAL | 3349.69 | 3240.91 | 2499.42 | 2671.34 | 2578.20 | 1437.80 |

STATEMENT OF PROFIT AND LOSS AS RESTATED
**ANNEXURE-II
(Amount in Lakhs)**

| Particulars | For the period ended September 30, 2017 | For the period ended March 31, 2017 | For the year ended March 31, 2016 | For the year ended March 31, 2015 | For the year ended March 31, 2014 | For the year ended March 31, 2013 |
|--|---|-------------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|
| I. Revenue from operations | 4,637.20 | 6,932.23 | 6,387.46 | 6,373.21 | 4,194.75 | 3,717.05 |
| II. Other income | 8.12 | 22.69 | 28.67 | 53.05 | 42.67 | 40.11 |
| III. Total Revenue (I + II) | 4645.32 | 6954.92 | 6416.13 | 6426.26 | 4237.42 | 3757.16 |
| IV. Expenses: | | | | | | |
| Cost of materials consumed | 2304.64 | 5368.89 | 4483.33 | 4656.21 | 3735.63 | 2903.15 |
| Purchases of Stock-in-Trade | - | - | - | - | - | - |
| Changes in inventories of finished goods work-in-progress and Stock-in-Trade | 903.82 | (403.47) | 229.87 | 88.45 | (542.71) | 37.74 |
| Employee benefits expense | 536.04 | 854.04 | 718.75 | 658.90 | 469.73 | 466.22 |
| Finance costs | 21.06 | 40.28 | 83.28 | 62.75 | 33.83 | 16.31 |
| Depreciation and amortization expense | 40.83 | 59.25 | 86.59 | 127.07 | 53.86 | 58.43 |
| Other expenses | 464.85 | 928.97 | 739.87 | 809.93 | 445.78 | 452.74 |
| Total expenses | 4271.24 | 6847.96 | 6341.69 | 6403.31 | 4196.12 | 3934.59 |
| V. Profit before exceptional and extraordinary items and tax (III-IV) | 374.08 | 106.96 | 74.44 | 22.95 | 41.30 | (177.43) |
| VI. Exceptional items | - | - | - | - | - | - |
| VII. Profit before extraordinary items and tax (V - VI) | 374.08 | 106.96 | 74.44 | 22.95 | 41.30 | (177.43) |
| VIII. Extraordinary Items- | - | - | - | - | - | - |
| IX. Profit before tax (VII- VIII) | 374.08 | 106.96 | 74.44 | 22.95 | 41.30 | (177.43) |
| X. Tax expense: | | | | | | |
| (1) Current tax | 122.77 | 29.83 | 15.97 | - | - | - |
| (2) Deferred tax | 0.90 | (2.26) | 9.52 | (5.79) | 13.73 | (55.02) |
| (3) MAT Credit | - | - | - | - | - | - |
| (4) Current tax expense relating to prior years | - | - | - | - | - | - |
| XI. Profit (Loss) for the period from continuing operations (VII- VIII) | 250.41 | 79.39 | 48.95 | 28.74 | 27.57 | (122.41) |
| XII. Profit/(loss) from discontinuing operations | - | - | - | - | - | - |
| XIII. Tax expense of discontinuing operations | - | - | - | - | - | - |
| XIV. Profit/(loss) from Discontinuing operations (after tax) (XII-XIII) | - | - | - | - | - | - |
| XV. Profit (Loss) for the period (XI + XIV) | 250.41 | 79.39 | 48.95 | 28.74 | 27.57 | (122.41) |
| XVI Earnings per equity share: | | | | | | |
| (1) Basic & Diluted | 3.77 | 1.19 | 0.74 | 0.44 | 0.41 | (1.86) |

STATEMENT OF CASH FLOW AS RESTATED

ANNEXURE-III

| Particulars | For the period ended September 30, 2017 | For the period ended March 31, 2017 | For the year ended March 31, 2016 | For the year ended March 31, 2015 | For the year ended March 31, 2014 | For the year ended March 31, 2013 |
|--|---|-------------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|
| CASH FLOW FROM OPERATING ACTIVITIES | | | | | | |
| Restated Net profit Before Tax and Extraordinary Items | 374.08 | 106.96 | 74.44 | 22.95 | 41.30 | (177.43) |
| Adjustments For: | | | | | | |
| Depreciation | 40.83 | 59.25 | 86.59 | 127.07 | 53.86 | 58.43 |
| Loss (Profit) on Sale of Assets | (0.15) | (0.51) | - | - | (0.53) | - |
| Profit on sale of assets | - | - | - | - | - | - |
| Dividend Income | - | (4) | (13.09) | (15.56) | (15.56) | (16.97) |
| Extraordinary Items (Loss due to fire) | - | - | - | - | - | - |
| Extraordinary Items (Prior Period Items) | - | - | - | - | - | - |
| Interest Received | (2.81) | (5.29) | (15.58) | (27.76) | (23.94) | (13.47) |
| Interest and Finance Charges | 21.06 | 40.28 | 83.28 | 62.75 | 33.83 | 16.31 |
| Operating Profit before working capital changes | 433.01 | 200.68 | 215.65 | 169.45 | 88.95 | (133.13) |
| Adjustment For: | | | | | | |
| Trade receivables | 428.78 | (708.68) | (93.78) | (72.36) | (155.05) | 43.73 |
| Other Loans and advances receivable | (371.41) | 94.22 | 34.42 | 15.81 | (147.28) | (40.07) |
| Inventories | 469.90 | (722.33) | 614.83 | (358.88) | (710.08) | (31.63) |
| Trade Payable | (330.43) | 511.16 | 62.63 | 344.58 | 308.54 | (330.47) |
| Other Current Liabilities | 47.22 | 123.04 | 26.14 | (90.57) | 78.23 | 205.30 |
| Short Term Borrowings | (319.50) | 319.50 | (201.93) | (50.53) | 107.13 | 43.02 |
| Short Term Provisions | 367.15 | 33.07 | 5.60 | 10.81 | 9.65 | (16.82) |
| | | | | | | |
| Cash Generated from Operations | 291.70 | (350.02) | 447.91 | (201.13) | (508.85) | (126.94) |
| Net Cash Flow from Operations | 724.71 | (149.33) | 663.56 | (31.68) | (419.90) | (260.07) |
| Less : Taxes Paid | (122.77) | (29.83) | (15.96) | - | - | - |
| Net Cash From /(Used In) Operating Activities (A) | 601.94 | (179.16) | 647.59 | (31.68) | (419.90) | (260.07) |
| Cash Flow From Investing Activities | | | | | | |
| Purchase Of Fixed Assets | (208.32) | (82.37) | (20.35) | (135.80) | (32.66) | (13.98) |
| Sale of Fixed Assets | 2.15 | 2.97 | - | 1.62 | 3.09 | - |
| Purchase of Investment | (403.57) | - | - | - | (60.80) | 73.44 |
| Sale/Redemption of Investment | | 0.96 | 107.84 | 204.48 | | 122.40 |
| Interest Income | 2.81 | 5.29 | 15.58 | 27.76 | 23.94 | 13.47 |
| Dividend Income | | 4 | 13.09 | 15.56 | 15.56 | 16.97 |
| Net Cash From /(Used In) Investing Activities (B) | (606.94) | (73.14) | 116.16 | 113.62 | (50.87) | 212.31 |
| Cash Flow From Financing Activities | | | | | | |

| | | | | | | |
|--|---------|----------|----------|----------|---------|---------|
| Proceed From Issue Of Share Capital | 12.00 | - | 10.00 | - | - | - |
| Increase in Share Premium | 52.80 | - | 40.00 | - | - | - |
| Decrease in Secured Loans | - | - | - | - | - | - |
| Increase in Long Term Provision | - | - | - | - | - | - |
| Increase in Unsecured Loans | 29.14 | (324.68) | (163.30) | (107.02) | 609.28 | 49.68 |
| Interest Paid | (21.06) | (40.28) | (83.28) | (62.75) | (33.83) | (16.31) |
| Dividend Paid (Including DDT) | - | - | - | - | - | - |
| Net Cash From Financing Activities (c) | 72.88 | (364.95) | (196.58) | (169.77) | 575.45 | 33.36 |
| Net Increase / (Decrease) in Cash (A)+(B)+(C) | 67.88 | (617.26) | 567.17 | (87.83) | 104.68 | (14.39) |
| Cash and Cash equivalents at the beginning of the year | 5.93 | 623.19 | 56.02 | 143.85 | 39.16 | 53.56 |
| Cash and Cash equivalents at the end of the year | 73.81 | 5.93 | 623.19 | 56.02 | 143.85 | 39.16 |

- I. The Cash Flow statement has been prepared under Indirect method as per Accounting Standard-3 "Cash Flow Statements"
- II. Figures in Brackets represent outflows
- III. The above statement should be read with the Restated Statement of Assets and Liabilities, Statement of Profit and loss, Significant Accounting Policies and Notes to Accounts as appearing in Annexure I,II, IV(A) respectively.

THE ISSUE

PRESENT ISSUE IN TERMS OF THIS RED HERRING PROSPECTUS

The following table summarizes the Issuer details:

| Particulars | Details of Equity Shares |
|---|--|
| Issue of Equity Shares by Our Company | Upto 26,15,000 Equity Shares of face value of Rs. 10/- each fully paid up of the Company for cash at a price of Rs. [●]/- per Equity share aggregating to Rs. [●] Lakhs |
| Of Which: | |
| Market Maker Reservation Portion | upto 1,53,000 Equity Shares of face value of Rs. 10/- each fully paid of the Company for cash at a price of Rs. [●]/- per share aggregating Rs. [●] Lakhs. |
| Net Issue to Public | upto 24,62,000 Equity Shares of face value of Rs. 10/- each fully paid of the Company for cash at a price of Rs. [●]/- per share aggregating Rs. [●] Lakhs. |
| <i>Of which</i> | |
| QIB Portion | QIB portion being 49.96% of the Net offer aggregation upto [●]Equity Shares. |
| Of which | |
| Anchor Investor Portion | [●] Equity Shares of Face Value of Rs. 10/- each |
| Balance available for allocation to QIBs other than Anchor Investors (assuming Anchor Investor Portion is fully subscribed) | [●] Equity Shares of Face Value of Rs. 10/- each |
| Of Which | |
| Available for allocation to Mutual Funds only (5% of the QIB portion excluding Anchor Investor Portion) | [●] Equity Shares of Face Value of Rs. 10/- each |
| Balance of all QIBs including Mutual Funds | [●] Equity Shares |
| Retail Portion being not less than 35% of the Net Issue | [●] Equity Shares of face value of Rs. 10/- each fully paid of the Company at a cash price of Rs. [●]/- per Equity share aggregating Rs. [●] Lakhs will be available for allocation to Investors applying with application value of up to Rs. 2.00 Lakhs |
| Non-Institutional Portion being not less than 15% of the Net Issue | [●] Equity Shares of face value of Rs. 10/- each fully paid of the Company for cash at price of [●]/- per Equity Share aggregating Rs. [●] lakhs will be available for allocation to Investors applying with application value of above Rs. 2.00 Lakhs |
| Pre and Post Issue Equity Shares | |
| Equity Shares outstanding prior to the Issue | 71,93,000 Equity Shares of face value of Rs.10 each |
| Equity Shares outstanding after the Issue | [●] Equity Shares of face value of Rs.10 each |
| Use of proceeds of this Issue | For details please refer chapter titled “ <i>Objects of the Issue</i> ” beginning on page 178 of this Red Herring Prospectus for information on use of Issue Proceeds. |

Notes:-

1. The Issue has been authorized by the Board of Directors *vide* a resolution passed at its meeting held on November 17, 2017 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 Extra Ordinary General Meeting held on November 28, 2017.
- 1) The company has undertaken in consultation with BRLM a private placement of 4,25,000 Equity Shares for cash consideration aggregating to Rs. 535.50 lakhs.(Pre- IPO Placement) at its discretion, prior to filing of the Red Herring Prospectus with ROC. The size of the issue as disclosed in the draft Red Herring Prospectus dated February 06, 2018 *In the event of over-subscription, Allotment shall be made on a proportionate basis, subject to valid Bids received at or above the Issue Price;*
- 2) *Subject to valid Bids being received at or above the Issue Price, under-subscription, if any, in the Non-Institutional Portion and Retail Portion would be allowed to be met with spill-over from other categories or a combination of categories at the discretion of our Company, in consultation with the BRLM and the Designated Stock Exchange. However, under-subscription, if any, in the QIB Portion will not be allowed to be met with spill-over from other categories or a combination of categories.*
- 3) *Our Company in consultation with the BRLM may allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis in accordance with SEBI Regulation. One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price. In the event of under-subscription in the Anchor Investor Portion, the remaining Equity Shares shall be added to the QIB Portion. 5% of the QIB Portion (excluding Anchor Investor Portion) shall be available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the QIB Portion (excluding Anchor Investor Portion) shall be available for allocation on a proportionate basis to all QIB Bidders, including Mutual Funds, subject to valid Bids being received at or above the Issue Price. In the event the aggregate demand from Mutual Funds is less than as specified above, the balance Equity Shares available for Allotment in the Mutual Fund Portion will be added to the QIB Portion and allocated proportionately to the QIB Bidders (other than Anchor Investors) in proportion to their Bids.*

GENERAL INFORMATION

Our Company was originally formed as a private limited Company in the name and style of ‘Macpower CNC Machines Private Limited’ in Gujarat and received a Certificate of Incorporation issued by Registrar of Companies, Gujarat on December 31, 2003 bearing Corporate Identification Number U3009GJ2003PTC43419. Consequently, it was converted into a public limited company pursuant to shareholders resolution passed at Extra-ordinary General Meeting of our Company held on November 3, 2017 and the name of our Company was changed to ‘Macpower CNC Machines Limited’ and a fresh certificate of incorporation consequent upon Conversion of Private Company to Public Limited dated November 16, 2017 was issued by Registrar of Companies, Gujarat, Ahmedabad. The Corporate Identification Number of our Company is U30009GJ2003PLC043419

For details of Business, Incorporation and other details of our company, please refer to chapter titled “*Our Business*”, “*Our History and Certain Other Corporate Matters*” beginning on page 108 and 138 of this Red Herring Prospectus.

REGISTERED OFFICE OF OUR COMPANY

Macpower CNC Machines Limited

Plot No.2234, Nr. Kranti Gate,
GIDC Metoda, Tal Lodhika Dist Rajkot
Gujarat 360021 India

Tel: 02827-287930/31/32

Fax: 02827 287933

Email: info@macpowercnc.com

Website: www.macpowercnc.com

Corporate Identification Number: U30009GJ2003PLC043419

REGISTRAR OF COMPANIES

Registrar of Companies, Gujarat

Roc Bhawan, Opp. Rupal Park,
Near Ankur Bus Stand,
Naranpur, Ahmedabad-380013.

DESIGNATED STOCK EXCHANGE

NSE Emerge, National Stock Exchange of India Limited

Exchange Plaza, Plot no. C/1, G Block,
Bandra - Kurla Complex, Bandra (E),
Mumbai - 400 051
Maharashtra, India

BOARD OF DIRECTORS OF OUR COMPANY

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

| Sr. No. | Name | Age (In Years) | DIN | Address | Designation |
|---------|--------------|----------------|----------|---|------------------------------|
| 1. | Rupesh Mehta | 49 | 01474523 | White House, Amin Marg, Opposite Destination Complex, Rajkot 360005, Gujarat, India | Managing Director & Chairman |
| 2. | Riya Mehta | 43 | 01603726 | White House, Amin Marg, Opposite Destination Complex, Rajkot 360005, Gujarat, India | Director |

| | | | | | |
|----|-----------------------|----|----------|---|---------------------------------|
| 3. | Nikesh Mehta | 39 | 01603779 | White House, Amin Marg, Opposite Destination Complex, Rajkot 360005, Gujarat, India | Whole Time Director |
| 4. | Maulik Mokaria | 29 | 05310868 | C-91, Riviera Antilia, Corporate Road, Prahaladnagar, Ahmedabad – 380015, Gujarat, India. | Additional Independent Director |
| 5. | Deven Doshi | 51 | 07994505 | Devkiran, Rampark Main Road, Kalawad Road, Near Central School, Kankot, Rajkot – 360005, Gujarat, India | Additional Independent Director |
| 6. | Rajendrabhai Bhandari | 53 | 07986563 | Nisarg, 3 – Shree Society, Vidhyutnagar Main Road, Rajkot – 360004, Gujarat, India | Additional Independent Director |

For further details of our Directors, please refer to the chapter titled “*Our Management*” beginning on page 141 of this Red Herring Prospectus.

CHIEF FINANCIAL OFFICER

Mr. Rajnikant Mohanlal Raja
Macpower CNC Machines Limited
Plot No.2234, Nr. Krnati Gate,
GIDC Metoda, Tal Lodhika Dist Rajkot
Gujarat 360021 India
Tel: 02827-287932
Fax: +91 2827 287933
Email: cfo@macpowercnc.com
Website: www.macpowercnc.com

COMPANY SECRETARY & COMPLIANCE OFFICER

Ekta Shukla
Macpower CNC Machines Limited
Plot No.2234, Nr. Krnati Gate,
GIDC Metoda, Tal Lodhika Dist Rajkot
Gujarat 360021 India
Tel: 02827-287932
Fax: +91 2827 287933
Email: cs@macpowercnc.com
Website: www.macpowercnc.com

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

All grievances relating to the ASBA process may be addressed to the Registrar to the Issue with a copy to the relevant Designated Intermediary with whom the ASBA Form was submitted. The Bidder should give full details such as name of the sole or first Bidder, ASBA Form number, Bidder DP ID, Client ID, PAN, date of the ASBA Form, address of the Bidder, number of Equity Shares applied for and the name and address of the Designated Intermediary where the ASBA Form was submitted by the ASBA Bidder.

Further, the investor shall also enclose the Acknowledgment Slip from the Designated Intermediaries in addition to the documents/information mentioned hereinabove.

STATUTORY AUDITOR and PEER REVIEWED AUDITOR

S. C. Makhecha & Associates, Chartered Accountants
1ST Floor Ram Krishna

Atithi Chowk, Panchvati
Main Road, Rajkot, Gujarat, India
[Tel: +91-2812459254](tel:+912812459254)
Fax: +91-2812459254
Email: contact@scma.in
Website: Not Available
Contact Person: Mr Sanat C Makhecha
Firm Registration: 120184W
Membership No: 107192

BOOK RUNNING LEAD MANAGER

Pantomath Capital Advisors Private Limited

406-408, Keshava Premises
Bandra Kurla Complex, Bandra (East)
Mumbai 400 051
Tel: +91 22 61946704
Fax: + 91 22 26598690
Email: ipo@pantomathgroup.com
Website: www.pantomathgroup.com
Contact Person: Lokesh Shah
SEBI Registration No: INM000012110

REGISTRAR TO THE ISSUE

Link Intime India Private Limited

C-101, 1st Floor, 247 Park,
Lal Bahadur Shastri Marg, Vikhroli (West),
Mumbai 400083
Tel: +91 22 49186200
Fax: +91 22 49186195
Email: macpower.ipo@linkintime.co.in
Website: www.linkintime.co.in
Contact Person: Shanti Goplakrinshnan
SEBI Registration No: INR000004058
CIN: U67190MH1999PTC118368

LEGAL ADVISOR TO THE ISSUE

M V Kini

Kini House,
1st Floor, 261/263,
Near City Bank, D.N. Road,
Fort, Mumbai - 400001,
Maharashtra, India
Tel: 022-2261 2527/ 28/ 29
Fax: 022-2261 2530
E-mail: vidisha@mvkini.com
Contact Person: Vidisha Krishan
Website: www.mvkini.com

BANKER TO THE COMPANY

Axis Bank Limited

Metoda Branch, Plot No. C 403/4,
GIDC Lodhika,
Metoda, Rajkot- 360021
Tel: 02827 287173

Fax: 02827 287175

E-mail: metoda.branchhead@axisbank.com

Contact Person: Divyesh Patel

Website: www.axisbank.com

PUBLIC ISSUE BANK/ BANKERS TO THE ISSUE AND REFUND BANKER

ICICI Bank Limited

Capital Market Division,

1st Floor, 122, Mistry Bhavan,

Dinshaw Vachha Road, Backbay Reclamation,

Churchgate, Mumbai-400020

Tel: +91 22 66818964

Fax: +91 22 22611138

E-mail: shweta.surana@icicibank.com

Contact Person: Shweta Surana

Website: www.icicibank.com

SEBI Registration Number: INBI00000004

SYNDICATE MEMBER

Pantomath Stock Brokers Private Limited

108, Madhava Premises, Behind Family Court,

Bandra Kurla Complex, Bandra (East), Mumbai 400 051,

Maharashtra, India

Tel: +91 22 42577001

Fax: +91 22 2659 8690

Email: broking@pantomathgroup.com

Contact Person: Mahavir Toshniwal

SEBI Registration Number: INZ000068338

DESIGNATED INTERMEDIARIES

Self Certified Syndicate Banks

The list of SCSBs for the ASBA process is provided on the website of SEBI at <http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries> or such other websites as updated from time to time. For details of the Designated Branches which shall collect Bid cum Application Forms from the ASBA Bidders and Designated Intermediaries, please refer to the above-mentioned link.

Registered Brokers

Bidders can submit Bid cum Application Forms in the Issue using the stock brokers network of the Stock Exchanges, i.e., through the Registered Brokers at the Broker Centres. The list of the Registered Brokers, including details such as postal address, telephone number and e-mail address, is provided on the websites of the National Stock Exchange of India, as updated from time to time. In relation to ASBA Bids submitted to the Registered Brokers at the Broker Centres, the list of branches of the SCSBs at the Broker Centres named by the respective SCSBs to receive deposits of the Bid cum Application Forms from the Registered Brokers will be available on the website of the SEBI (www.sebi.gov.in) and updated from time to time.

Registrar to Issue

The list of the RTAs eligible to accept Bid cum Applications forms at the Designated RTA Locations, including details such as address, telephone number and e-mail address, are provided on the website of Stock Exchange at National Stock Exchange India Limited, as updated from time to time.

Collecting Depository Participants

The list of the CDPs eligible to accept Bid cum Application Forms at the Designated CDP Locations, including details such as name and contact details, are provided on the website of Stock Exchange at National Stock

Exchange India Limited, as updated from time to time. The list of branches of the SCSBs named by the respective SCSBs to receive deposits of the Bid cum Application Forms from the Designated Intermediaries will be available on the website of the SEBI (www.sebi.gov.in) and updated from time to time.

CREDIT RATING

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

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.

APPRAISAL AND MONITORING AGENCY

As per regulation 16(1) of the SEBI ICDR Regulations, the requirement of Monitoring Agency is not mandatory if the Issue size is below Rs. 10,000 Lakhs. Since the Issue size is only of Rs.[●]lakhs, our Company has not appointed any monitoring agency for this Issue. However, as per Section 177 of the Companies Act, 2013, the Audit Committee of our Company, would be monitoring the utilization of the proceeds of the Issue.

INTER-SE ALLOCATION OF RESPONSIBILITIES

Since Pantomath Capital Advisors Private Limited is the sole Book running lead manager to this Issue, a statement of inter se allocation of responsibilities among Lead Managers is not applicable.

EXPERT OPINION

S.C.Makhecha & Associates Chartered Accountant, have provided their written consent for the inclusion of the report on the restated financial statements in the form and context in which it will appear in the Red Herring Prospectus, Red Herring Prospects and Prospectus and the statement of tax benefits included on page 89 and to be named as an expert in relation hereto, and such consent has not been withdrawn at the time of delivery of this Prospectus to Stock Exchange. Except the report of the Peer Reviewed Auditor our Company has not obtained any other expert opinion.

DEBENTURE TRUSTEE

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

UNDERWRITER

Our Company and Lead Managers to the Issue hereby confirm that the Issue is 100% Underwritten. The underwriting agreement is dated February 02, 2018 and pursuant to the terms of the underwriting agreement; obligations of the underwriters are subject to certain conditions specified therein. The underwriters have indicated their intention to underwrite following number of specified securities being offered through this Issue.

| Name and Address of the Underwriters | Indicative Number of Equity Shares to be Underwritten | Amount Underwritten (Rupees Lakhs) in | % of the Total Issue size Underwritten |
|---|---|---------------------------------------|--|
| Pantomath Capital Advisors Private Limited 406-408, Keshava Premises Co-Op Soc. Ltd., Bandra Kurla Complex, Bandra East Mumbai 400051 Tel: +91 22 61946772 Fax: + 91 22 26598690 Email: ipo@pantomathgroup.com Contact Person: Madhu Lunawat SEBI Registration Number: INM000012110 | Upto 26,15,000 | [●] | 100% |
| Total | Upto 26,15,000 | [●] | 100% |

**Includes upto 1,53,000 Equity shares of the Market Maker Reservation Portion which are to be subscribed by the Market Maker in order to claim compliance with the requirements of Regulation 106 V (4) of the SEBI (ICDR) Regulations, 2009, as amended.*

In the opinion of the Board of Directors of the Company, the resources of the above mentioned underwriters are sufficient to enable them to discharge their respective underwriting obligations in full.

DETAILS OF THE MARKET MAKING ARRANGEMENT

Our Company and the Book Running Lead Manager have entered into an agreement dated February 02, 2018, with the following Market Maker, duly registered with NSE Emerge to fulfil the obligations of Market Making.

Pantomath Stock Brokers Private Limited

108, Madhava Premises, Behind Family Court,
Bandra Kurla Complex, Bandra (East), Mumbai 400 051,
Maharashtra, India

Tel: +91 22 42577001

Fax: +91 22 2659 8690

Email: broking@pantomathgroup.com

Contact Person: Mahavir Toshniwal

SEBI Registration Number: INZ000068338

Pantomath Stock Brokers Private Limited, registered with SME segment of NSE will act as the Market Maker and has agreed to receive or deliver of the specified securities in the market making process for a period of three years from the date of listing of our Equity Shares or for a period as may be notified by any amendment to SEBI (ICDR) Regulations.

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

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

1. The Market Maker(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. The spread (difference between the sell and the buy quote) shall not be more than 10% or as specified by the stock exchange. Further, the Market Maker(s) shall inform the Exchange in advance for each and every black out period when the quotes are not being offered by the Market Maker(s).
2. The minimum depth of the quote shall be Rs. 1,00,000/-. However, the investors with holdings of value less than Rs. 1,00,000/- shall be allowed to Issue 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. Based on the IPO price of [●]/- the minimum lot size is [●] Equity Shares thus minimum depth of the quote shall be Rs. [●]/- until the same, would be revised by NSE.
3. After a period of three (3) months from the market making period, the Market Maker would be exempted to provide quote if the Shares of Market Maker in our Company reaches to 25% of Issue Size (including the upto 1,53,000 Equity Shares out to be allotted under this Issue). Any Equity Shares allotted to Market Maker under this Issue over and above 25% Equity Shares would not be taken in to consideration of computing the threshold of 25% of Issue Size. As soon as the Shares of Market Maker in our Company reduce to 24% of Issue Size, the Market Maker will resume providing 2-way quotes.
4. There shall be no exemption / threshold on downside. However, in the event the Market Maker exhausts his inventory through market making process, NSE may intimate the same to SEBI after due verification.
5. Execution of the order at the quoted price and quantity must be guaranteed by the Market Maker(s), for the quotes given by him.

6. There would not be more than five Market Makers for the Company's Equity Shares at any point of time and the Market Makers may compete with other Market Makers for better quotes to the investors. At this stage, Pantomath Stock Brokers Private Limited is acting as the sole Market Maker.
7. The shares of the company will be traded in continuous trading session from the time and day the company gets listed on SME Platform of NSE and market maker will remain present as per the guidelines mentioned under NSE and SEBI circulars.
8. 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.
9. The Market Maker shall have the right to terminate said arrangement by giving one month notice or on mutually acceptable terms to the Lead Manager, who shall then be responsible to appoint a replacement Market Maker(s).

In case of termination of the above mentioned Market Making agreement prior to the completion of the compulsory Market Making period, it shall be the responsibility of the Lead Manager to arrange for another Market Maker(s) in replacement during the term of the notice period being served by the Market Maker but prior to the date of releasing the existing Market Maker from its duties in order to ensure compliance with the requirements of regulation 106V of the SEBI (ICDR) Regulations. Further the Company and the Lead Manager reserve the right to appoint other Market Maker(s) either as a replacement of the current Market Maker or as an additional Market Maker subject to the total number of Designated Market Makers does not exceed 5 (five) or as specified by the relevant laws and regulations applicable at that particular point of time. The Market Making Agreement is available for inspection at our Registered Office from 11.00 a.m. to 5.00 p.m. on working days.

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

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 Rs. 20 Crore | 25% | 24% |
| Rs. 20 crore to Rs. 50 crore | 20% | 19% |
| Rs. 50 to Rs. 80 crore | 15% | 14% |

| 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) |
|--------------------|---|--|
| Above Rs. 80 crore | 12% | 11% |

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

BOOK BUILDING PROCESS

Book building, with reference to the Issue, refers to the process of collection of Bids on the basis of the Red Herring Prospectus within the Price Band. The Price Band shall be determined by our Company in consultation with the BRLM in accordance with the Book Building Process, and advertised in all editions of a widely circulated English Newspaper, all editions of a widely circulated Hindi Newspaper and a widely circulated Gujarati Newspaper, Gujarati being the regional language of Gujarat, where our registered office is situated at least five working days prior to the Bid/ Issue Opening date, after the Bid/Issue Closing Date. The Issue Price shall be determined by our Company, in consultation with the BRLM in accordance with the Book Building Process. Principal parties involved in the Book Building Process are:

- Our Company;
- The Book Running Lead Manager in this case being Pantomath Capital Advisors Private Limited, the Syndicate Member(s) who are intermediaries registered with SEBI/ registered as brokers with NSE and eligible to act as Underwriters. The Syndicate Member(s) will be appointed by the BRLM;
- The Registrar to the Issue and;
- The Designated Intermediaries
- The SEBI ICDR Regulations have permitted the Issue of securities to the public through the Book Building Process, wherein 49.96% of the Net Issue shall be available for allocation on a proportionate basis to QIBs, provided that our Company, in consultation with the BRLM may allocate upto 60% of the QIB Portion to Anchor Investors on a discretionary basis. One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price. In the event of under-subscription in the Anchor Investor Portion, the remaining Equity Shares shall be added to the QIB Portion. 5% of the QIB Portion (excluding the Anchor Investor Portion) shall be available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the QIB Portion (excluding Anchor Investor Portion) shall be available for allocation on a proportionate basis to all QIB Bidders, including Mutual Funds, subject to valid Bids being received at or above the Issue Price. In the event the aggregate demand from Mutual Funds is less than as specified above, the balance Equity Shares available for Allotment in the Mutual Fund Portion will be added to the QIB Portion and allocated proportionately to the QIB Bidders (other than Anchor Investors) in proportion to their Bids. Further Not less than 15% of the Net Issue shall be available for allocation on a proportionate basis to Non Institutional Bidders and Not less than 35% of the Net Issue shall be available for allocation on a proportionate basis to Retail Individual Bidders, subject to valid Bids being received at or above the Issue Price.
- Subject to valid Bids being received at or above the Issue Price, allocation to all categories in the Net Issue, shall be made on a proportionate basis, except for Retail Portion where allotment to each Retail Individual Bidders shall not be less than the minimum bid lot, subject to availability of Equity Shares in Retail Portion, and the remaining available Equity Shares, if any, shall be allotted on a proportionate basis. Under-subscription, if any, in any category, would be allowed to be met with spill-over from any other category or a combination of categories at the discretion of our Company in consultation with the BRLMs and the Stock Exchange.

All Bidders (excluding Anchor Investors) can participate in the Issue only through the ASBA process. Anchor Investors are not permitted to participate through the ASBA process. In accordance with the SEBI Regulations, QIBs and Non-Institutional Bidders are not allowed to withdraw or lower the size of their Bids (in terms of the

quantity of the Equity Shares or the Bid Amount) at any stage. Retail Individual Bidders can revise or withdraw their Bids prior to the Bid/Issue Closing Date. Further, Anchor Investors cannot withdraw their Bids after the Anchor Investor Bid/Issue Period. Except Allocation to Retail Individual Investors and the Anchor Investors, Allocation in the Issue will be on a proportionate basis We will comply with the SEBI ICDR Regulations and any other ancillary directions issued by SEBI for this Issue. In this regard, we have appointed Pantomath Capital Advisors Private Limited and Indian Overseas Bank as the Book Running Lead Manager, respectively to manage the Issue and procure subscriptions to the Issue.

The process of Book Building under the SEBI ICDR Regulations is subject to change from time to time and the investors are advised to make their own judgment about investment through this process prior to making a Bid or application in the Issue.

For further details on the method and procedure for Bidding, please see section entitled “*Issue Procedure*” on page 222 of this Red Herring Prospectus.

Illustration of Book Building and Price Discovery Process (Investors should note that this example is solely for illustrative purposes and is not specific to the Issue) Bidders can bid at any price within the price band. For instance, assume a price band of Rs.20.00 to Rs.24.00 per equity share, issue size of 3,000 equity shares and receipt of five bids from bidders, details of which are shown in the table below. A graphical representation of the consolidated demand and price would be made available at the bidding centers during the bidding period. The illustrative book below shows the demand for the equity shares of the issuer company at various prices and is collated from bids received from various investors.

| Bid Quantity | Bid Price (Rs.) | Cumulative Bid Quantity | Subscription |
|--------------|-----------------|-------------------------|--------------|
| 500 | 24 | 500 | 16.67% |
| 1,000 | 23 | 1,500 | 50.00% |
| 1,500 | 22 | 3,000 | 100.00% |
| 2,000 | 21 | 5,000 | 166.67% |
| 2,500 | 20 | 7,500 | 250.00% |

The price discovery is a function of demand at various prices. The highest price at which the issuer is able to issue the desired number of shares is the price at which the book cuts off, i.e., Rs. 22.00 in the above example. The issuer, in consultation with the Book Running Lead Manager will finalize the issue price at or below such cut-off price, i.e., at or below Rs.22.00. All bids at or above this issue price and cut-off bids are valid bids and are considered for allocation in the respective categories.

Steps to be taken by the Bidders for Bidding:

1. Check eligibility for making a Bid (see section titled “*Issue Procedure*” on page 222. of this Red Herring Prospectus);
2. Ensure that you have a demat account and the demat account details are correctly mentioned in the Bid cum Application Form;
3. Ensure correctness of your PAN, DP ID and Client ID mentioned in the Bid cum Application Form. Based on these parameters, the Registrar to the Issue will obtain the Demographic Details of the Bidders from the Depositories.
4. Except for Bids on behalf of the Central or State Government officials, residents of Sikkim and the officials appointed by the courts, who may be exempt from specifying their PAN for transacting in the securities market, for Bids of all values ensure that you have mentioned your PAN allotted under the Income Tax Act in the Bid cum Application Form. The exemption for Central or State Governments and officials appointed by the courts and for investors residing in Sikkim is subject to the Depository Participant’s verification of the veracity of such claims of the investors by collecting sufficient documentary evidence in support of their claims
5. Ensure that the Bid cum Application Form is duly completed as per instructions given in this Red Herring Prospectus and in the Bid cum Application Form;

BID / ISSUE PROGRAMME

An indicative timetable in respect of the Issue is set out below:

| Event | Indicative Date |
|---|---------------------------------|
| Bid/Issue Opening Date | March 12, 2018 |
| Bid/Issue Closing Date | March 14, 2018 |
| Finalization of Basis of Allotment with the Designated Stock Exchange | March 19, 2018 |
| Initiation of Refunds | On or before March 20 , 2018 |
| Credit of Equity Shares to Demat Accounts of Allottees | On or before March 21, 2018 |
| Commencement of trading of the Equity Shares on the Stock Exchange | On or before March 22, 2018 |

The above timetable is indicative and does not constitute any obligation on our Company or the Book Running Lead Manager. Whilst our Company shall ensure that all steps for the completion of the necessary formalities for the listing and the commencement of trading of the Equity Shares on the Stock Exchange are taken within 6 Working Days of the Issue Closing Date, the timetable may change due to various factors, such as extension of the Issue Period by our Company, or any delays in receiving the final listing and trading approval from the Stock Exchange. The Commencement of trading of the Equity Shares will be entirely at the discretion of the Stock Exchange and in accordance with the applicable laws.

Bids and any revision to the same shall be accepted only between 10.00 a.m. and 5.00 p.m. (IST) during the Issue Period. On the Issue Closing Date, the Bids and any revision to the same shall be accepted between 10.00 a.m. and 5.00 p.m. (IST) or such extended time as permitted by the Stock Exchanges, in case of Bids by Retail Individual Bidders after taking into account the total number of bids received up to the closure of timings and reported by the Book Running Lead Manager to the Stock Exchanges. It is clarified that Bids not uploaded on the electronic system would be rejected. Bids will be accepted only on Working Days. Neither our Company nor the Book Running Lead Manager is liable for any failure in uploading the Bids due to faults in any software/hardware system or otherwise.

Non Retail Bidders shall not be allowed to either withdraw or lower the size of their Bid at any stage. Non Retail Bidders may revise their Bids upwards (in terms of quantity of Equity Shares) during the Issue Period. Such upward revision must be made using the Revision Form.

In case of discrepancy in the data entered in the electronic book vis-à-vis the data contained in the physical or electronic Bid cum Application Form, for a particular Bidder, the Registrar to the Issue shall ask the relevant SCSBs / RTAs / DPs / Stock Brokers, as the case may be, for rectified data.

CAPITAL STRUCTURE

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

Amount (Rs.in Lakhs except share data)

| No. | Particulars | Aggregate nominal value | Aggregate value at Issue Price |
|-----------|---|-------------------------|--------------------------------|
| A. | Authorized Share Capital | | |
| | 1,00,00,000 Equity Shares of face value of Rs. 10/- each | 1,000 | [●] |
| B. | Issued, Subscribed and Paid-Up Share Capital before the Issue | | |
| | 71,93,000 Equity Shares of face value of Rs. 10/- each | 719.30 | [●] |
| C. | Present Issue in terms of this Red - Herring Prospectus | | |
| | Upto 26,15,000 Equity Shares of face value of Rs.10/- each | Upto 261.50 | [●] |
| | Consisting : | | |
| | Reservation for Market Maker – Upto 1,53,000 Equity Shares of face value of Rs. 10/- at price of Rs. [●]/- per Equity Share reserved as Market Maker portion | [●] | [●] |
| | Net Issue to the Public – Upto 24,62,000 Equity Shares of face value of Rs. 10/- each at a price of Rs [●]/- per Equity Share | [●] | [●] |
| | Of the Net Issue to the Public | | |
| | QIB Portion of 49.96% of the Net Offer aggregating upto [●] Equity Shares of Rs. 10/- each at a price of Rs. [●]/- per Equity shares. | [●] | [●] |
| | Of which | | |
| | Anchor Investor Portion | [●] | [●] |
| | Balance available for allocation to QIBs other than Anchor Investors (assuming Anchor Investor Portion is fully subscribed) | [●] | [●] |
| | Of Which | | |
| | Available for allocation to Mutual Funds only (5% of the QIB portion excluding Anchor Investor Portion) | [●] | [●] |
| | Balance of all QIBs including Mutual Funds | [●] | [●] |
| | Non – Institutional Portion of not less than 15% of the Net Offer aggregating to not less than [●] Equity Shares | [●] | [●] |
| | Retail Portion of not less than 35% of the Net Offer aggregating to not less than [●] Equity Shares | [●] | [●] |
| D. | Issued, Subscribed and Paid-Up Share Capital after the Issue | | |
| | [●] Equity Shares of face value of Rs. 10/- each | [●] | |
| E. | Securities Premium Account | | |
| | Before the Issue | | 710.00 |
| | After the Issue | | [●] |

The Issue has been authorized by the Board of Directors *vide* a resolution passed at its meeting held on November 17, 2017 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 Extra-Ordinary General Meeting held on November 28, 2017.

The Company has one class of share capital i.e. Equity Shares of face value of Rs. 10/- each only. All Equity Shares issued are fully paid-up. Our Company has no outstanding convertible instruments as on the date of this Red - Herring Prospectus.

The Company has undertaken in consultation with the BRLM a private placement of 4,25,000 Equity Shares for cash consideration aggregating to Rs. 535.50 lakhs.(Pre- IPO Placement). The size of the Issue as disclosed in the Draft Red Herring Prospectus dated February 06, 2018 has been reduced to 4,25,000 Equity shares accordingly. Our Company has no outstanding convertible instruments as on the date of this Red Herring Prospectus.

NOTES TO THE CAPITAL STRUCTURE

1. Details of changes in authorized Share Capital:

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

| Sr. No. | Particulars of Change | | Date of AGM/EGM Resolution | AGM/EGM |
|---------|---|---|----------------------------|---------|
| | From | To | | |
| 1 | The authorised Share Capital was of Rs. 5,00,000 divided into 50,000 Equity Shares of Rs. 10 each | | On incorporation | - |
| 2 | Rs. 5,00,000 consisting of 50,000 Equity Shares of Rs. 10 each | Rs. 50,00,000 consisting of 5,00,000 equity shares of Rs. 10/- each | December 11, 2006 | EGM |
| 3 | Rs. 50,00,000 consisting of 5,00,000 equity shares of Rs. 10/- each | Rs. 60,00,000 consisting of 6,00,000 equity shares of Rs. 10/- each | August 5, 2015 | EGM |
| 4 | Rs. 60,00,000 consisting of 6,00,000 equity shares of Rs. 10/- each | Rs. 10,00,00,000 consisting of 1,00,00,000 equity shares of Rs. 10/- each | September 21, 2017 | AGM |

2. History of Equity Share Capital of our Company

| Date of Allotment / Fully Paid-up | No. of Equity Shares allotted | Face value (Rs.) | Issue Price (Rs.) | Nature of consideration | Nature of Allotment | Cumulative number of Equity Shares | Cumulative Paid-up Capital (Rs.) |
|-----------------------------------|-------------------------------|------------------|-------------------|-------------------------|--|------------------------------------|----------------------------------|
| At the time of Incorporation | 10,000 | 10 | 10 | Cash | Subscription to Memorandum of Association ⁽¹⁾ | 10,000 | 1,00,000 |
| March 29, 2005 | 30,000 | 10 | 10 | Cash | Further allotment ⁽²⁾ | 40,000 | 4,00,000 |
| January 8, 2007 | 4,60,000 | 10 | 37 | Cash | Right Issue ⁽³⁾ | 5,00,000 | 50,00,000 |
| August 24, 2015 | 1,00,000 | 10 | 50 | Cash | Right Issue ⁽⁴⁾ | 6,00,000 | 60,00,000 |
| September 29, 2017 | 1,20,000 | 10 | 54 | Cash | Right Issue ⁽⁵⁾ | 7,20,000 | 72,00,000 |
| November 17, 2017 | 60,48,000 | 10 | - | - | Bonus Issue ⁽⁶⁾ | 67,68,000 | 6,76,80,000 |
| February 27, 2018 | 4,25,000 | 10 | 126 | Cash | Private Placement ⁽⁷⁾ | 71,93,000 | 7,19,30,000 |

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

| Sr. No. | Name of Allottee | No. of shares Allotted |
|---------|------------------|------------------------|
| 1. | Rupesh Mehta | 5,000 |
| 2. | Nikesh Mehta | 5,000 |

| Sr. No. | Name of Allottee | No. of shares Allotted |
|---------|------------------|------------------------|
| | Total | 10,000 |

(2.) Further issue of 30,000 Equity Shares of face value of Rs. 10/- fully paid up at par on March 29, 2005 as per the details given below:

| Sr. No | Name of Allottee | No. of Shares Allotted |
|--------|------------------|------------------------|
| 1. | Riyaben Mehta | 30,000 |
| | Total | 30,000 |

(3.) Right issue of 4,60,000 Equity Shares of face value of Rs. 10/- each fully paid up at a premium of Rs. 27 per Equity Share on January 08, 2007 as per the details given below:

| Sr. No | Name of Allottee | No. of Shares Allotted |
|--------|----------------------|------------------------|
| 1. | Rupesh Mehta | 2,20,000 |
| 2. | Nikeshbhai Mehta | 1,20,000 |
| 3. | Riyaben Mehta | 70,000 |
| 4. | Jagdishchandra Mehta | 20,000 |
| 5. | Simaben Mehta | 30,000 |
| | Total | 4,60,000 |

(4.) Right Issue of 1,00,000 Equity Shares of face value of Rs. 10/- fully paid up at a premium of Rs. 40 per Equity Share on August 24, 2015 as per the details given below:

| Sr. No | Name of Allottee | No. of Shares Allotted |
|--------|------------------|------------------------|
| 1. | Riyaben Mehta | 80,000 |
| 2. | Raxaben Mehta | 20,000 |
| | Total | 1,00,000 |

(5.) Right Issue of 1,20,000 Equity Shares of face value of Rs. 10/- fully paid up at a premium of Rs. 44 per Equity share on September 29, 2017 as per the details given below:

| Sr. No | Name of Allottee | No. of Shares Allotted |
|--------|------------------|------------------------|
| 1. | Riyaben Mehta | 9,000 |
| 2. | Rupeshbhai Mehta | 1,10,000 |
| 3. | Nikesh Mehta | 1,000 |
| | Total | 1,20,000 |

Note: The above mentioned allottees had given unsecured loan to our Company which was adjusted towards their entitlement of Right Issue.

(6.) Bonus Issue of 60,48,000 Equity Shares of face value of Rs. 10/- at par as on in Ratio of 8.4 Equity Shares for every 1 equity shares held allotted on November 17, 2017 as per details given below:

| Sr. No | Name of Allottee | No. of Shares Allotted |
|--------|------------------|------------------------|
| 1. | Rupesh Mehta | 28,14,000 |
| 2. | Nikesh Mehta | 10,58,400 |
| 3. | Riya Mehta | 15,87,600 |
| 4. | Nimisha Mehta | 2,52,000 |
| 5. | Raxaben Mehta | 3,34,320 |
| 6. | Rupesh Mehta HUF | 840 |
| 7. | Pritiben Mehta | 840 |

| Sr. No | Name of Allottee | No. of Shares Allotted |
|--------|------------------|------------------------|
| | Total | 60,48,000 |

(7.) Private Placement 4,25,000 Equity Shares issued at a price of Rs. 126/- each including premium of Rs. 116/- each on February 27, 2018 as per the details given below:

| Sr. No | Name of Allottees | No. of shares Allotted |
|--------|--|------------------------|
| 1 | Pantomath Fund Managers LLP | 68,000 |
| 2 | Pantomath Sabrimala AIF Pantomath Sabrimala SME Growth Fund Series I | 40,000 |
| 3 | HSBC Mid Cap Equity Fund | 2,38,000 |
| 4 | HSBC Infrastructure Equity Fund | 79,000 |

Pantomath Fund Managers LLP, SEBI Registered Portfolio Managers have been allotted shares in Pre IPO Placement on behalf of its clients under Discretionary Portfolio Management Service.

3. Except as mentioned above, we have not issued any Equity Shares for consideration other than cash.
4. No Equity Shares have been allotted pursuant to any scheme approved under Section 230-232 of the Companies Act, 2013.
5. We have not revalued our assets since inception and have not issued any Equity Shares (including bonus shares) by capitalizing any revaluation reserves.
6. Except as mentioned below, no shares have been issued at price below Issue Price within last one year from the date of this Red Herring Prospectus

| Date of Allotment/ Fully Paid up | No. of Equity Shares allotted | Face Value (Rs.) | Issue Price (Rs.) | Reasons for allotment | Benefits accrued to our Company | Allottees | No of Shares Allotted |
|----------------------------------|-------------------------------|------------------|-------------------|-----------------------|---------------------------------|----------------|-----------------------|
| November 17, 2017 | 60,48,000 | 10 | 10 | Bonus Issue | Capitalization of Reserves | Rupesh Mehta | 28,14,000 |
| | | | | | | Nikesh Mehta | 10,58,400 |
| | | | | | | Riya Mehta | 15,87,600 |
| | | | | | | Nimisha Mehta | 2,52,000 |
| | | | | | | Raxaben Mehta | 3,34,320 |
| | | | | | | Rupeshbhai HUF | 840 |
| | | | | | | Pritiben Mehta | 840 |

We have allotted 4,25,000 Equity shares of face Value of Rs. 10/- each at a premium of Rs. 116/- per share on February 27, 2018. However we can not assure that such allotment is above or below price, which will be discovered through Book Building Process and will be finalized by our company in Consultation with Book Running Lead Manager

7. Build-up of Promoters' shareholding, Promoters' contribution and lock-in

i. Build Up of Promoter's shareholdings

As on the date of this Red - Herring Prospectus, our Promoters, Rupesh Mehta and Nikesh Mehta together holds 43,33,400 Equity Shares. None of the shares held by our promoters are subject to any pledge.

a. Rupesh Mehta

| Date of Allotment and made fully paid up / Transfer | No. of Equity Shares | Face value per Share (Rs.) | Issue / Acquisition / Transfer price (Rs.)* | Nature of Transactions | Pre-issue shareholding % | Post – issue shareholding % |
|---|----------------------|----------------------------|---|------------------------|--------------------------|-----------------------------|
| On Incorporation | 5,000 | 10 | 10 | Subscription to MOA | 0.07% | [●] |
| January 8, 2007 | 2,20,000 | 10 | 37 | Right Issue | 3.25% | [●] |
| September 29, 2017 | 1,10,000 | 10 | 54 | Right Issue | 1.63% | [●] |
| November 17, 2017 | 28,14,000 | 10 | - | Bonus Issue | 41.58% | [●] |
| Total | 31,49,000 | | | | 46.53% | [●] |

b. Nikesh Mehta

| Date of Allotment and made fully paid up / Transfer | No. of Equity Shares | Face value per Share (Rs.) | Issue / Acquisition / Transfer price (Rs.)* | Nature of Transactions | Pre-issue shareholding % | Post – issue shareholding % |
|---|----------------------|----------------------------|---|--|--------------------------|-----------------------------|
| On Incorporation | 5,000 | 10 | 10 | Subscription to MOA | 0.07% | [●] |
| January 8, 2007 | 1,20,000 | 10 | 37 | Right Issue | 1.77% | [●] |
| September 29, 2017 | 1,000 | 10 | 54 | Conversion of Unsecured Loan into Equity | 0.01% | [●] |
| November 17, 2017 | 10,58,400 | 10 | - | Bonus Issue | 15.64% | [●] |
| Total | 11,84,400 | | | | 17.51% | [●] |

ii. **Details of Promoter Contribution locked in for three years:**

Pursuant to the SEBI ICDR Regulations, an aggregate of 20% of the fully diluted post-Issue Equity Share capital of our Company held by our Promoters, shall be locked-in for a period of three years from the date of Allotment and our Promoters' shareholding in excess of 20% shall be locked-in for a period of one year from the date of Allotment (“**Promoters' Contribution**”).

The Equity Shares which are being locked in for 3 (three) years from the date of Allotment are as follows

| Promoters | No. of Equity Shares Locked in | Face Value (in `) | Issue / Acquisition Price | Date of Allotment/Acquisition and when made fully paid-up | Nature of Allotment/ Transfer | Consideration (Cash/other than cash) | Percentage of post-Issue paid-up capital | Source of Promoter's Contribution |
|---------------------|--------------------------------|-------------------|---------------------------|---|-------------------------------|--------------------------------------|--|-----------------------------------|
| Rupesh Mehta | 5,000 | 10 | 10 | On Incorporation | Subscription to MOA | cash | [●] | Owned |

| | | | | | | | | |
|-------------------------|------------------|----|----|----------------------|------------------------|------|-----|-------|
| | 2,20,000 | 10 | 37 | January 8, 2007 | Right Issue | cash | [●] | Owned |
| | 16,20,000 | 10 | - | November 17, 2017 | Bonus Issue | - | [●] | - |
| | 18,45,000 | | | | | | | |
| Nikesh Mehta | 5,000 | 10 | 10 | On Incorporation | Subscription to MOA | Cash | [●] | Owned |
| | 1,20,000 | 10 | 37 | January 8, 2007 | Right Issue | Cash | [●] | Owned |
| | 1,25,000 | | | | | | | - |
| TOTAL | 19,70,000 | | | | | | | |

The Equity Shares that are being locked-in are eligible for computation of Promoter's Contribution under Regulation 33 of the SEBI ICDR Regulations. In this connection, as per Regulation 33 of the SEBI ICDR Regulations, our Company confirms that the Equity Shares locked-in do not consist of:

- (i) Equity Shares acquired during the preceding three years for consideration other than cash and revaluation of assets or capitalization of intangible assets or bonus shares out of revaluations reserves or unrealised profits or bonus shares of shares which are otherwise ineligible for computation of Promoters' Contribution;
- (ii) Equity Shares acquired during the preceding one year, at a price lower than the price at which the Equity Shares are being offered to the public in the Issue;
- (iii) Equity Shares issued to the Promoters upon conversion of a partnership firm;
- (iv) Equity Shares held by the Promoters that are subject to any pledge; and
- (v) Equity Shares for which specific written consent has not been obtained from the respective shareholders for inclusion of their subscription in the Promoters' Contribution subject to lock-in.

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

iii. Details of share capital locked in for one year

Other than the above Equity Shares that would be locked in for 3 (three) years, the entire pre-Issue capital of our Company would be locked-in for a period of 1 (one) year from the date of Allotment in the Issue pursuant to Regulation 36(b) and Regulation 37 of the SEBI ICDR Regulations.

iv. Other requirements in respect of lock-in

Pursuant to Regulation 39 of the SEBI ICDR Regulations, the locked-in Equity Shares held by the Promoters, as specified above, can be pledged only with scheduled commercial banks or public financial institutions as collateral security for loans granted by such scheduled commercial banks or public financial institution, provided that the pledge of the Equity Shares is one of the terms of the sanction of the loan.

Provided that securities locked in as Promoters' Contribution for 3 years under Regulation 36(a) of the SEBI ICDR Regulations may be pledged only if, in addition to fulfilling the above requirement, the loan has been granted by such scheduled commercial bank or public financial institution for the purpose of financing one or more of the objects of the Issue.

Pursuant to Regulation 40 of the SEBI ICDR Regulations, Equity Shares held by the Promoters may be transferred to and amongst the Promoters, the Promoter Group or to new promoters or persons in control of our Company subject to continuation of the lock-in in the hands of the transferees for the remaining period and compliance with the SEBI Takeover Regulations.

Further, pursuant to Regulation 40 of the SEBI ICDR Regulations, the Equity Shares held by persons other than the Promoters 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, provided that lock-in on such Equity Shares will continue for the remaining period with the transferee and such transferee shall not be eligible to transfer such Equity Shares till the lock-in period stipulated under the SEBI ICDR Regulations has ended, subject to compliance with the SEBI Takeover Regulations, as applicable.

v. Lock-in in of the Equity Shares to be allotted to the Anchor Investors

Any Equity Shares Allotted to Anchor Investors under the Anchor Investor Portion shall be locked-in for a period of 30 days from the date of Allotment. We further confirm that our Promoter's Contribution of [●]% of the post Issue Equity Share capital does not include any contribution from Alternative Investment Fund.

Except as mentioned below, there were no shares purchased/sold by the Promoter and Promoter Group, directors and their immediate relatives during last 6 months:

| Date of Allotment/Transfer | Name of the Allottee/Transferor | Name of the Transferee | Party Category | Nature of Consideration | No. of Shares Allotted/Transferred | Face Value | Issue/Transfer Price | Nature of Allotment/Transfer |
|----------------------------|---------------------------------|------------------------|----------------|-------------------------|------------------------------------|------------|----------------------|------------------------------|
| August 10, 2017 | Jagdishchandra Mehta | Raxaben Mehta | Promoter Group | - | 20,000 | 10 | Nil | Transmission due to death |
| September 18, 2017 | Raxaben Mehta | Rupeshbhai HUF | Promoter Group | Cash | 100 | 10 | 10 | Transfer |
| | | Pritiben Mehta | Promoter Group | Cash | 100 | 10 | 10 | Transfer |
| November 17, 2017 | Rupesh Mehta | - | Promoter Group | - | 28,14,000 | 10 | Nil | Bonus Issue |
| | Nikesh Mehta | - | | | 10,58,400 | | | |
| | Riya Mehta | - | | | 15,87,600 | | | |
| | Nimisha Mehta | - | | | 2,52,000 | | | |
| | Raxaben Mehta | - | | | 3,34,200 | | | |
| | Rupeshbhai HUF | - | | | 840 | | | |
| | Pritiben Mehta | - | | | 840 | | | |

8. Our Shareholding Pattern

The table below presents the shareholding pattern of our Company as per Regulation 31, of the SEBI Listing Regulations, 2015

Summary of Shareholding Pattern as on date of this Red - Herring Prospectus

| Category | Category of Shareholder | No. of shareholders | No. of fully paid up equity shares held | No. of Partly paid-up equity shares held | No. of shares underlying Depository Receipts | Total nos. shares held | Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) As a % of (A+B+C2) | Number of Voting Rights held in each class of securities* | | No. of Shares Underlying Outstanding convertible securities (including Warrants) | Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) As a % of (A+B+C2) | Number of Locked in shares | | Number of Shares pledged or otherwise encumbered | | Number of equity shares held in dematerialized form |
|----------|-----------------------------|---------------------|---|--|--|------------------------|---|---|-------------------------|--|--|----------------------------|---------------------------------|--|---------------------------------|---|
| | | | | | | | | No. of Voting Rights | Total as a % of (A+B+C) | | | No. (a) | As a % of total Shares held (b) | No. (a) | As a % of total Shares held (b) | |
| I | II | III | IV | V | VI | VII = IV + V + VI | VIII | IX | | X | XI = VII + X | XII | | XIII | | XIV |
| A | Promoter and Promoter Group | 7 | 67,68,000 | - | - | 67,68,000 | - | 67,68,000 | 94.09% | - | - | - | - | - | - | 67,68,000 |
| B | Public | 2 | 4,25,000 | - | - | 4,25,000 | - | 4,25,000 | 5.91% | - | - | - | - | - | - | 4,25,000 |
| C | Non Promoter-Non Public | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 1 | Shares underlying DRs | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 2 | Shares held by Emplo | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |

| Category | Category of Shareholder | No. of shareholders | No. of fully paid up equity shares held | No. of Partly paid-up equity shares held | No. of shares underlying Depository Receipts | Total nos. shares held | Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) As a % of (A+B+C2) | Number of Voting Rights held in each class of securities* | | No. of Shares Underlying Outstanding convertible securities (including Warrants) | Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) As a % of (A+B+C2) | Number of Locked in shares | | Number of Shares pledged or otherwise encumbered | | Number of equity shares held in dematerialized form | |
|----------|-------------------------|---------------------|---|--|--|------------------------|---|---|-------------------------|--|--|----------------------------|---------------------------------|--|---------------------------------|---|------|
| | | | | | | | | No. of Voting Rights | Total as a % of (A+B+C) | | | No. (a) | As a % of total Shares held (b) | No. (a) | As a % of total Shares held (b) | | |
| | Trusts | | | | | | | | | | | | | | | | |
| | Total | 9 | 71,93,000 | - | - | 71,93,000 | - | 71,93,000 | 100.00% | - | - | - | - | - | - | - | 100% |

*As on the date of this Red - Herring Prospectus 1 Equity Shares holds 1 vote.

** All Pre IPO Equity shares of our Company will be locked in as mentioned above prior to listing of shares on NSEEMERGE.

Our Company will file the shareholding pattern of our Company, in the form prescribed under Regulation 31 of the SEBI Listing Regulations, one day prior to the listing of the Equity shares. The Shareholding pattern will be uploaded on the website of NSE before commencement of trading of such Equity Shares.

In terms of SEBI circular bearing Number Cir/ISD/3/2011 dated June 17, 2011 and SEBI circular bearing no. SEBI/Cir/ISD/ 05 /2011, dated September 30, 2011, our Company shall ensure that the Equity Shares held by the Promoter / members of the Promoter Group shall be dematerialized prior to filing the Red Herring Prospectus with the RoC.

9. 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. No. | Name of the Shareholder | Pre – Issue | | Post – Issue | |
|---------|-------------------------|----------------------|------------------------|----------------------|-------------------------|
| | | No. of Equity Shares | % of Pre-Issue Capital | No. of Equity Shares | % of Post-Issue Capital |
| (I) | (II) | (III) | (IV) | (V) | (VI) |
| | Promoter | | | | |
| 1 | Rupesh Mehta | 31,49,000 | 43.78 | 31,49,000 | [●] |
| 2 | Nikesh Mehta | 11,84,400 | 16.47 | 11,84,400 | [●] |
| | Sub Total(1) | 43,33,400 | 60.24 | 43,33,400 | [●] |
| | Promoter Group | | | | |
| 1 | Riya Mehta | 17,76,600 | 24.70 | 17,76,600 | [●] |
| 2 | Nimisha Mehta | 2,82,000 | 3.92 | 2,82,000 | [●] |
| 3 | Raxaben Mehta | 3,74,120 | 5.20 | 3,74,120 | [●] |
| 4 | RupeshMehta HUF | 940 | 0.01 | 940 | [●] |
| 5 | Pritiben Mehta | 940 | 0.01 | 940 | [●] |
| | Sub Total(2) | 24,34,600 | 33.85 | 24,34,600 | [●] |
| | Total | 67,68,000 | 94.09 | 67,68,000 | [●] |

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

| Name of the Promoter | No. of Shares held | Average cost of Acquisition (in Rs.) |
|----------------------|--------------------|--------------------------------------|
| Rupesh Mehta | 31,49,000 | 4.49 |
| Nikesh Mehta | 11,84,400 | 3.84 |
| Total | 43,33,400 | |

11. No persons belonging to the category “Public” holds securities (including shares, warrants, convertible securities) of more than 1% of the total number of shares.
12. The lists of top 10 shareholders of our Company and the number of Equity Shares held by them as on the date of filing, ten days before the date of filing and two years before the date of filing of this Red - Herring Prospectus are set forth below:

- a. Particulars of the top ten shareholders as on the date of filing this Red - Herring Prospectus:

| Sr. No | Particulars | Number of Equity Shares | % of Total Paid-Up Capital |
|--------|---------------------------------|-------------------------|----------------------------|
| 1. | Rupesh Mehta | 31,49,000 | 43.78% |
| 2. | Riya Mehta | 17,76,600 | 24.70% |
| 3. | Nikesh Mehta | 11,84,400 | 16.47% |
| 4. | Raxaben Mehta | 3,74,120 | 5.20% |
| 5. | Nimisha Mehta | 2,82,000 | 3.92% |
| 6. | HSBC Mid Cap Equity Fund | 2,38,000 | 3.31% |
| 7. | HSBC Infrastructure Equity Fund | 79,000 | 1.10% |
| 8. | Pantomath Fund Managers LLP | 68,000 | 0.95% |

| Sr. No | Particulars | Number of Equity Shares | % of Total Paid-Up Capital |
|--------|--|-------------------------|----------------------------|
| 9. | Pantomath Sabrimala AIF Pantomath Sabrimala SME Growth Fund Series I | 40,000 | 0.56% |
| 10. | Rupesh Mehta HUF | 940 | 0.01% |
| 11. | Pritiben Mehta | 940 | 0.01% |

b. Particulars of top ten shareholders ten days prior to the date of filing this Red - Herring Prospectus:

| Sr. No | Particulars | Number of Equity Shares | % of Total Paid-Up Capital |
|--------|------------------|-------------------------|----------------------------|
| 1 | Rupesh Mehta | 31,49,000 | 46.53% |
| 2 | Nikesh Mehta | 11,84,400 | 17.50% |
| 3 | Riya Mehta | 17,76,600 | 26.25% |
| 4 | Nimisha Mehta | 2,82,000 | 4.17% |
| 5 | Raxaben Mehta | 3,74,120 | 5.53% |
| 6 | Rupesh Mehta HUF | 940 | 0.01% |
| 7 | Pritiben Mehta | 940 | 0.01% |

c. Particulars of the top ten shareholders two years prior to the date of filing of this Red - Herring Prospectus:

| Sr. No. | Name of Shareholders | Number of Equity Shares | % of then existing total Paid-Up Capital |
|---------|------------------------------|-------------------------|--|
| 1. | Rupesh Mehta | 225000 | 37.50% |
| 2. | Nikesh Mehta | 125000 | 20.83% |
| 3. | Riya Rupesh Mehta | 180000 | 30.00% |
| 4. | Jagdishchandra Nandlal Mehta | 20000 | 3.33% |
| 5. | Nimisha Nikesh Mehta | 30000 | 5.00% |
| 6. | Raxaben Jagdish Mehta | 20000 | 3.33% |

13. 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 (Share Based Employee Benefits) Regulations, 2014.

14. Our Book Running Lead Manager do not hold any Equity Shares of our company as on the date of this Darft Red Herring Prospectus. However Pantomath Fund Managers LLP and Pantomath Sabrimala AIF Pantomath Sabrimala SME Growth Fund Series I, associates of Pantomath holds 68,000 Equity shares and 40,000 Equity Shares respectively of our company. Please note that the allotment of Equity Shares to above said associated of PCAPL is in compliance with Regulation 21A of the Securities and Exchange Board of India (Merchant Bankers) Regulations 1992, as amended, and the PCAPL confirms that it has not become a promoter or associate (as defined therein) of the Company

15. The BRLM, Syndicate Members and any persons related to the BRLM and Syndicate Members (other than Mutual Funds sponsored by entities related to the BRLM) cannot apply in the Issue under the Anchor Investor Portion. However, the associates and affiliates of the BRLM and the Syndicate Members, if any, may subscribe the Equity Shares in the Offer, either in the Net QIB

Category or in the Non-Institutional Category as may be applicable to such Bidders, where the allocation is on a proportionate basis and such subscription may be on their own account or on behalf of their clients.

16. 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 Book Running Lead Managers and the NSE - EMERGE.
17. The unsubscribed portion in any reserved category (if any) may be added to any other reserved category.
18. The unsubscribed portion if any, after such inter se adjustments among the reserved categories shall be added back to the net offer to the public portion.
19. The Issue is being made through the Book Building Process wherein 49.96% of the Net Issue shall be available for allocation to QIBs on a proportionate basis. Provided that our Company, in consultation with the BRLM may allocate upto 60% of the QIB Portion, to Anchor Investors, on a discretionary basis (Anchor Investor Portion). One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price. In the event of under-subscription in the Anchor Investor Portion, the remaining Equity Shares shall be added to the QIB Portion. Further, 5% of the QIB Portion (excluding the Anchor Investor Portion) shall be available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the QIB Portion (excluding Anchor Investor Portion) shall be available for allocation on a proportionate basis to all QIB Bidders, including Mutual Funds, subject to valid Bids being received at or above the Offer Price. Further not less than 15% of the Net Issue shall be available for allocation on a proportionate basis to Non Institutional Bidders and not less than 35% of the Net Issue shall be available for allocation on a proportionate basis to Retail Individual Bidders, subject to valid Bids being received at or above the Issue Price
20. There are no Equity Shares against which depository receipts have been issued.
21. Other than the Equity Shares, there are no other classes of securities issued by our Company.
22. There will be no further issue of capital, whether by way of issue of bonus shares, preferential allotment, and right issue or in any other manner during the period commencing from the date of the Red - Herring Prospectus until the Equity Shares have been listed. Further, our Company does not intend to alter its capital structure within six months from the date of opening of the Issue, by way of split/consolidation of the denomination of Equity Shares. However our Company may further issue Equity Shares (including issue of securities convertible into Equity Shares) whether preferential or otherwise after the date of the listing of equity shares to finance an acquisition, merger or joint venture or for regulatory compliance or such other scheme of arrangement or any other purpose as the Board may deem fit, if an opportunity of such nature is determined by its Board of Directors to be in the interest of our Company.
23. None of the persons/entities comprising our Promoter Group, or our Directors or 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 any such entity/individual or otherwise during the period of six months immediately preceding the date of filing of this Red - Herring Prospectus.
24. Our Company, our Promoters, our Directors and the Book Running Lead Manager have not entered into any buy back or standby or similar arrangements for the purchase of Equity Shares being offered through the Issue from any person.
25. There are no safety net arrangements for this public issue.
26. An over-subscription to the extent of 10% of the Issue can be retained for the purpose of rounding off to the nearest multiple of minimum allotment lot, 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 our Promoters and subject to lock-in shall be suitably increased; so as to ensure that a minimum of 20% of the post Issue paid-up capital is locked in.

27. In case of over-subscription in all categories the allocation in the Issue shall be as per the requirements of Regulation 43 (4) of SEBI (ICDR) Regulations, as amended from time to time.
28. As on date of this Red - Herring Prospectus there are no outstanding warrants, options or rights to convert debentures loans or other financial instruments into our Equity Shares.
29. All the Equity Shares of our Company are fully paid up as on the date of this Red - Herring Prospectus. Further, since the entire issue price in respect of the Issue is payable on application, all the successful applicants will be issued fully paid-up equity shares and thus all shares offered through this issue shall be fully paid-up.
30. As per RBI regulations, OCBs are not allowed to participate in this Issue.
31. Our Company has not raised any bridge loans against the proceeds of the Issue.
32. Our Company undertakes that at any given time, there shall be only one denomination for our Equity Shares, unless otherwise permitted by law.
33. Our Company shall comply with such accounting and disclosure norms as specified by SEBI from time to time.
34. 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.
35. No payment, direct or indirect in the nature of discount, commission, and allowance or otherwise shall be made either by us or our Promoters to the persons who receive allotments, if any, in this Issue.
36. We have 7 shareholders as on the date of filing of this Red - Herring Prospectus.
37. Our Promoters and the members of our Promoter Group will not participate in this Issue.
38. Our Company has not made any public issue since its incorporation.
39. Our Company shall ensure that transactions in the Equity Shares by the Promoters and the Promoter Group between the date of filing the Red - Herring Prospectus and the Issue Closing Date shall be reported to the Stock Exchange within twenty-four hours of such transaction.
40. For the details of transactions by our Company with our Promoter Group, Group Companies for the financial years ended March 31, 2013, 2014, 2015, 2016, 2017 and for the period ended September 30, 2017, please refer to paragraph titled "Details of Related Parties Transactions as Restated" in the chapter titled '*Financial Statements as restated*' on page 164 of the Red - Herring Prospectus.

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 141 of the Red - Herring Prospectus.

OBJECT OF THE ISSUE

Requirement of Funds

The proceeds of the Issue including Pre-IPO Placement, after deducting Issue related expenses, are estimated to be Rs. [●] lakhs (the —Net Proceeds)

We intend to utilize the Net Proceeds towards the following objects:

1. Setting Up Backward Integration Facility
2. General Corporate Purpose.

The main objects clause of our Memorandum of Association and the objects incidental and ancillary to the main objects enables us to undertake the activities for which funds are being raised in the Issue. The existing activities of our Company are within the objects clause of our Memorandum of Association.

Also, we believe that the listing of Equity Shares will enhance our Company's corporate image, brand name and create a public market for our Equity Shares in India.

ISSUE PROCEEDS

The details of the proceeds of the Issue are set out in the following table:

| Particulars | Amount (Rs. in lakhs)* |
|-------------------------------|------------------------|
| Gross Proceeds from the Issue | [●] |
| (Less) Issue related expenses | [●] |
| Pre IPO Placement | 535.50 |
| Net Proceeds** | [●] |

**To be finalised on determination of Issue Price*

***Net Proceeds of the Issue shall mean Proceeds of the Fresh Issue and Pre-IPO Placement less Issue expenses.*

UTILIZATION OF NET PROCEEDS

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

(Rs. In Lakhs)

| Sr. No. | Particulars | Estimated Amount* |
|---------|--|-------------------|
| 1. | Setting Up Backward Integration Facility | 3290.21 |
| 2. | General Corporate Purpose* | [●] |

**To be finalized on determination of the Issue Price and updated in the Prospectus prior to filing with the RoC*

SCHEDULE OF IMPLEMENTATION & DEPLOYMENT OF FUNDS:

We propose to deploy the Net Proceeds for the aforesaid purposes in accordance with the estimated schedule of Implementation and deployment of funds set forth in the table below. As on the date of this Red Herring Prospectus our Company has not deployed any funds towards the objects of the Issue.

Amount (Rs In lakhs)

| Activity | Amount to be funded from the(Net Proceeds) | Estimated Utilization of Net Proceeds(Financial Year 2017-18) | Estimated Utilization of Net Proceeds(Financial Year 2018-19) |
|---|--|---|---|
| Setting up of Backward Integration Facility | 3290.21 | 329.02 | 2961.19 |
| General corporate purposes ⁽¹⁾ | [●] | [●] | [●] |

⁽¹⁾To be finalized on determination of the Issue Price and updated in the Prospectus prior to filing with the RoC

To the extent our Company is unable to utilise any portion of the Net Proceeds towards the Objects, as per the estimated schedule of deployment specified above, our Company shall deploy the Net Proceeds in the subsequent Financial Years towards the Objects

Means Of Finance

We intend to finance setting up of backward integration facility through Net Proceeds and internal accruals.

Accordingly, we confirm that we are in compliance with the requirement to make firm arrangements of finance under Regulation 4(2)(g) of the SEBI ICDR Regulations through verifiable means towards at least 75% of the stated means of finance, excluding the amount to be raised through the Net Proceeds and existing identifiable internal accruals.

(Rs. In Lakhs)

| Particulars | Amount |
|--|---------|
| Total Amount Required | 3326.42 |
| Amounts already deployed as on January 31, 2018 | 36.21* |
| Amount proposed to be financed from the Net Proceeds | 3290.21 |

*In accordance with the certificate of S. C. Makhecha & Associates, Chartered Accountants, dated February 02, 2018, as of November 30, 2017, our Company has deployed Rs 36.21 lakhs towards advance payment for purchase of new machinery

APPRAISAL BY APPRAISING AGENCY

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

The fund requirements are based on current circumstances of our business and our Company may have to revise its estimates from time to time on account of various factors beyond its control, such as market conditions, competitive environment, costs of commodities and interest or exchange rate fluctuations. The actual costs would depend upon the negotiated prices with the suppliers/contractors and may vary from the above estimates. Consequently, the fund requirements of our Company are subject to revisions in the future at the discretion of the management. In the event of any shortfall of funds for the activities proposed to be financed out of the Net Proceeds as stated above, our Company may re-allocate the Net Proceeds to the activities where such shortfall has arisen, subject to compliance with applicable laws. Further, in case of a shortfall in the Net Proceeds or cost overruns, our management may explore a range of options including utilising our internal accruals or seeking debt financing.

Details of the Object

1. Setting Up of Backward Integration Facility

Our Company proposes to utilize Rs. 3290.21 lakhs out of the net proceeds towards setting up of backward integration facility. Our main business operation include manufacturing of CNC Turning Centers, Vertical Machining Centers, Horizontal Machining Centers, Cylindrical Grinder, Vertical Turret Lathe, Turn Mill Centers, Drill Tap Center, Twin Spindle VMC and also Multi Tasking 5-axis along with sub spindle. We currently outsource machining of raw material components and production of enclosure guards to outside vendors. Further, our Company also outsource testing of our products to third party vendors.

As a part of our business strategy our Company plans to setup in house facilities for machining of raw material components as well as for production of enclosure guard and spindle manufacturing. We believe that this backward integration of our operations will help us to reduce dependence on third party vendors and will also enable us to stream line our production process.

Further Our Company also intends to set-up its own testing facility. Setting up our own testing facility will not only help us to improve its quality but it will also reduce our dependency on third party vendors for quality of our products.

Estimated Costs

The total estimated cost of towards setting up of backward integration facility is Rs. 3326.42 lakhs. The total cost for setting up of backward integration facility has been estimated by our management in accordance with our business plan approved by our Board of Directors pursuant to its meeting dated February 02, 2018 and based on quotations received from third party suppliers. The details of breakdown of such estimated cost is set forth below:

| Sr. No. | Particulars | Estimated Amount(Rs. In Lakhs) |
|----------------|-------------------------------|---------------------------------------|
| 1 | Plant & Machinery | 2147.68 |
| 2 | Civil Construction | 681.20 |
| 3 | Contingencies and other costs | 497.54 |
| | Total | 3326.42 |

Means of Finance

The total estimated cost for setting up of backward integration facility is proposed to be funded as follows:

| Particulars | Amount (in Lakhs) |
|-----------------------|--------------------------|
| Out of Issue Proceeds | 3290.21 |
| Internal Accruals | 36.21 |
| Total | 3326.42 |

Note: Any increase in the cost of setting up of additional manufacturing facility or shortfall in the funding would be financed through internal accruals

a. **The detailed list of plant & machinery to be acquired for this purpose are set out below:**

| Sr. No. | Description | Quotation By | Quantity | Amount (Rs. in Lakhs) |
|----------------|--|--|-----------------|------------------------------|
| 1 | Double Column Machining Centre(Dcm)4x2.5 Mt ⁽¹⁾ | Sigmacnc Technology Machinery-dated October 18, 2017 | 1 | 180.59** (USD 3,30,000) |

| Sr. No. | Description | Quotation By | Quantity | Amount (Rs. in Lakhs) |
|---------|--|---|----------|----------------------------|
| 2 | Surface Grinder 2x1 M | Electronica Hitech Machine Tools Pvt. Ltd.- dated July 15,2017 | 1 | 129.71** (USD 2,01,150) |
| 3 | Double Column Machining Centre(Dcm)3x2 M | Autotech CNC- dated November 24, 2017 | 1 | 185.26** (USD 2,87,300) |
| 4 | Plano Milling Machine | Sagar Machine Tools Pvt Ltd- dated February 13, 2017 | 1 | 38.50 |
| 5 | CNC Router Machine For Pattern 2500 *1500 2 Nos. | Suresh Indu Lasers Private Limited- December 01, 2017 | 2 | 17.00 |
| 6 | Laser Profile Cutting Machine ⁽¹⁾ | Suresh Indu Lasers Private Limited- November 13, 2017 | 1 | 50.00* |
| 7 | Powder Coating Plant | Sew Surface Coating Private Limited- dated November 06, 2017 | 1 | 257.85 |
| 8 | Press Brake Bending Machine | Weldor CNC Machines- dated November 09, 2017 | 1 | 24.85 |
| 9 | Eot Crane | RMS Industries- dated December 04, 2017 | 12 | 84.00 |
| 10 | Tool Presetter | Aditya Engineering Company- dated December 01, 2017 | 1 | 12.71** (Euro 15900) |
| 11 | Electronic Level | Ultra Precession Technologies- dated December 01, 2017 | 1 | 5.65** (GBP 6572) |
| 12 | Autocollimator | Taylor Hobson- dated December 01, 2017 | 1 | 35.59** (GBP 41366) |
| 13 | XI80 Laser Interferometer Kit | Renishaw Apply Innovation- dated December 01, 2017 | 1 | 21.45** (GBP 24924.41) |
| 14 | Ball Bar System | Renishaw Apply Innovation- dated November 28, 2017 | 1 | 7.03** (GBP 8172.38) |
| 15 | Balancing Machine | MPM Micro Präzision Marx Gmbh- dated June 26, 2017 | 1 | 3.67** (Euro 4587) |
| 16 | Cmm | Hexagon Metrology (India) Private Limited – dated December 01, 2017 | 1 | 56.72 |
| 17 | Granite Square | Luthar Engineering Works- October 21, 2017 | 5 | 6.55 |
| 18 | Streight Edge (Cast Iron & Granite) | Micro Flat Datums Private Limited- dated February 09, 2017 | 1 | 3.92 |

| Sr. No. | Description | Quotation By | Quantity | Amount (Rs. in Lakhs) |
|---------|---|---|----------|--------------------------|
| 19 | Test Mandrel | Micro Flat Datums Private Limited- dated February 16, 2017 | 10 | 4.60 |
| 20 | Toolings For Inhouse Machining | Unique Sales and Services dated July 28, 2017 | 1 | 51.67 |
| 21 | Fixtures | Unitecjh Workholding Systems- dated December 04, 2017 | 1 | 63.03 |
| 22 | Storage Kardex System | Kardex Remstar Division- dated | 2 | 62.34 |
| 23 | Pallet Trucks 20500 Inr | Gooline Equipment Private Limited- dated November 04, 2017 | 10 | 2.20 |
| 24 | Tool Cabinet / Racks | Vertex Engineering Works Private Limited- November 17, 2017 | 20 | 9.56 |
| 25 | Double Column Machining Center (DCM) 5*3M | Kafong Machinery Company Limited | 1 | 248.26 (USD 3,85,000) |
| 26 | Sindle Grinding Machine Multitask S33 | Fritz Studer AG - January 19, 2018 | 1 | 408.83 (CHF 593,536) |
| 27 | Surface Grinder | Phillips Machine Tools- January 25,2018 | 1 | 139.93 (USD 217,000) |
| | Total | | | 2111.47 |

⁽¹⁾Our Company had made an advance payment of Rs. 32.21 and Rs 4.00 lakhs towards purchase of Double Column Machining Centre (Dcm)4x2.5 Mt and Laser Profile Cutting Machine respectively, the above quotation are excluding these amounts.

** (1 USD=64.4834, 1 GBP=86.0466, 1 Euro=79.9292, 1 CHF=68.88)

b. Civil Construction work at existing manufacturing unit

The company proposes to undertake certain civil construction at our existing manufacturing facility to increase the assembly area in order to accommodate the proposed machinery to be purchased at an estimated cost of Rs 666.60 lakhs. Apart from this our company will also undertake take certain other construction work at an estimated cost of Rs 14.60 lakhs. The civil construction work will help to increase the assembly area by from 24875 sq ft to 49875 sqft. The details of civil work to be undertaken at our manufacturing facility are as under:-

| Sr. No. | Description | Built Up Area/ Length | Estimated Rate | Amount (Rs. In Lakhs) |
|-------------------------|----------------------|-----------------------|----------------|-----------------------|
| Factory Building | | | | |
| 1 | Heavy Machine Shop 1 | 1445 Smt | 12,000 | 173.40 |
| 2 | Pre Assembly Shop | 860 Smt | 12,000 | 103.20 |
| 3 | Stores | 797 Smt | 13,500 | 107.60 |
| 4 | Fabrication area | 426 Smt | 11,000 | 46.86 |

| Sr. No. | Description | Built Up Area/ Length | Estimated Rate | Amount (Rs. In Lakhs) |
|---------------------------|--|--------------------------|----------------|-----------------------------|
| 5 | Passage | 117 Smt | 12,000 | 14.04 |
| 6 | Paint Shop Area | 140 Smt | 12,500 | 17.50 |
| 7 | Space for Powder Coating Area | 1080 Smt | 11,500 | 124.20 |
| 8 | Electric Room | 260 Smt | 13,000 | 33.80 |
| 9 | Addition Alteration in Existing Factory | 1150 Smt | 4,000 | 46.00 |
| | Sub Total | | | 666.60 |
| Other Construction | | | | |
| 1 | Watchman Cabin | - | - | 1.00 |
| 2 | Under Ground Water tank | 1,00,000 Ltr | 10 | 10.00 |
| 3 | Car Parking Area | 120 Smt | 3000 | 3.60 |
| | Sub Total | | | 14.60 |
| | Total | | | 681.20 |

*As per Quotation received from SMP Consultants LLP, dated December 11, 2017.

Contingencies and other cost

We have created a provision for contingency of Rs. 497.54 lakhs to cover legal fees, professional fees to various consultants, related taxes, levies and other duties, as applicable, and any increase in the estimated cost of setting up the backward integration facility .

No second-hand machinery or material is proposed to be purchased out of the aforesaid objects. The abovementioned Plant & Machinery is proposed to be acquired in a ready-to use condition.

We have not entered into any definitive agreements with the suppliers and there can be no assurance that the same suppliers would be engaged to eventually supply the machinery and material at the same costs. The quantity of the machinery and material to be purchased is based on the estimates of our management. Our Company shall have the flexibility to deploy the machinery and material at additional manufacturing facility, according to the business requirements of such facility, which are dynamic, which may evolve with the passage of time and based on the estimates of our management.

Our Promoters, Directors, Key Management Personnel or Group Entities have no interest in the proposed procurements, as stated above

General Corporate Purpose

The Net Proceeds will be first utilized towards the Objects as mentioned as mentioned above. The balance is proposed to be utilized for general corporate purposes, subject to such utilization not exceeding 25% of the Net Proceeds, in compliance with the SEBI ICDR Regulations. Our Company intends to deploy the balance Net Proceeds, if any, for general corporate purposes, subject to above mentioned limit, as may be approved by our management, including but not restricted to, the following:

- ❖ strategic initiatives
- ❖ brand building and strengthening of marketing activities; and
- ❖ On-going general corporate exigencies or any other purposes as approved by the Board subject to compliance with the necessary regulatory provisions.

The quantum of utilization of funds towards each of the above purposes will be determined by our Board of Directors based on the permissible amount actually available under the head General Corporate Purposes and the business requirements of our Company, from time to time. We, in accordance with the policies of our Board, will have flexibility in utilizing the Net Proceeds for general corporate purposes, as mentioned above.

ISSUE RELATED EXPENSES

The total expenses of the issue are estimated to be approximately Rs [•] lakhs. The expenses of this issue include, among others, underwriting and management fees, printing and distribution expenses, advertisement expenses, legal fees and listing fees. The estimated issue expenses are as follows.

| Expenses | Expenses (Rs. in Lakhs)* | Expenses (% of total Offer expenses) | Expenses (% of Gross Offer Proceeds) |
|--|--------------------------|--------------------------------------|--------------------------------------|
| Fees payable to the Book Running Lead Manager (including Underwriting commission) | [•] | [•] | [•] |
| Advertising and marketing expenses | [•] | [•] | [•] |
| Fees payable to the Registrar to the Issue | [•] | [•] | [•] |
| Brokerage and selling commission payable to Syndicate** | [•] | [•] | [•] |
| Brokerage and selling commission payable to Registered Brokers** | [•] | [•] | [•] |
| Processing fees to SCSBs for ASBA Applications procured by the members of the Syndicate or Registered Brokers and submitted with the SCSBs** | [•] | [•] | [•] |
| Others (listing fees, legal fees, stationery charges, bankers to the offer, auditor's fees etc.) | [•] | [•] | [•] |
| Total estimated Offer expenses | [•] | [•] | [•] |

. *Will be incorporated at the time of filing of the Prospectus.

** Selling commission payable to the members of the Syndicate, CDPs, RTA and SCSBs, on the portion for RIIs and NIIs, would be as follows:

| | |
|------------------------|--|
| Portion of RIIs | 0.35% ^ (exclusive of Goods and Service Tax) |
| Portion of NIIs | 0.35% ^ (exclusive of Goods and Service Tax) |

^Percentage of the amounts received against the Equity Shares Allotted (i.e. the product of the number of Equity Shares Allotted and the Issue Price).

Further, the Members of Syndicate, RTAs and CDPs will be entitled to bidding charges of Rs 10/- (plus applicable Goods and Service Tax) per valid ASBA Form. The terminal from which the Bid has been uploaded will be taken into account in order to determine the total bidding charges payable to the relevant RTA/CDP.

*****Registered Brokers, will be entitled to a commission of Rs. 10/- (plus applicable Goods and Service Tax) per Bid cum Application Form, on valid Bids, which are eligible for allotment, procured from RIIs and NIIs and submitted to the SCSB for processing. The terminal from which the bid has been uploaded will be taken into account in order to determine the total processing fees payable to the relevant Registered Broker subject to total bidding charges payable being maximum of Rs. 5 lakhs (plus applicable service tax)., on valid bids, which are eligible for allotment, procured from Retail Individual Bidders and Non-Institutional Bidders and eligible employees and submitted to the SCSB for processing. In case the total bidding charges exceeds Rs. 5 lakhs, then the amount payable to Registered Brokers, CDPs and RTAs would be proportionately distributed based on the number of valid applications such that the total bidding charges payable does not exceed Rs 5 lakhs. .

**** SCSBs would be entitled to a processing fee of Rs. 10/- (plus Goods and Service Tax) for processing the Bid cum Application Forms procured by the members of the Syndicate, Registered Brokers, RTAs or the CDPs and submitted to SCSBs subject to total bidding charges payable being maximum of Rs. 5 lakhs (plus applicable service tax) on valid bids for processing the Bid cum Application Form procured by the members of the Syndicate or the Registered Brokers or the CDPs or RTAs and submitted to them. In case the total bidding charges exceeds Rs. 5.00 lakhs, then the amount payable to SCSBs would be proportionately distributed based on the number of valid applications such that the total bidding charges payable does not exceed Rs 5.00 lakhs

BRIDGE FINANCING

We have not entered into any bridge finance arrangements that will be repaid from the Net Issue Proceeds. However, we may draw down such amounts, as may be required, from an overdraft arrangement / cash credit facility with our lenders, to finance project requirements until the completion of the Issue. Any amount that is drawn down from the overdraft arrangement / cash credit facility during this period to finance project requirements will be repaid from the Net Proceeds of the Issue.

INTERIM USE OF FUNDS

Pending utilization of the Issue Proceeds for the Objects of the Issue described above, our Company shall deposit the funds only in Scheduled Commercial Banks included in the Second Schedule of Reserve Bank of India Act, 1934. In accordance with Section 27 of the Companies Act, 2013, our Company confirms that, pending utilization of the proceeds of the Issue as described above, it shall not use the funds from the Issue Proceeds for any investment in equity and/or real estate products and/or equity linked and/or real estate linked products.

MONITORING UTILIZATION OF FUNDS

As the size of the Issue does not exceed Rs 10,000 lakhs, in terms of Regulation 16 of the SEBI Regulations, our Company is not required to appoint a monitoring agency for the purposes of this Issue. Our Board and Audit Committee shall monitor the utilization of the Net Proceeds. Pursuant to Regulation 32 of the Listing Regulations, our Company shall on a half yearly basis disclose to the Audit Committee the uses and application of the Issue Proceeds. Until such time as any part of the Issue Proceeds remains unutilized, our Company will disclose the utilization of the Issue Proceeds under separate heads in our Company's balance sheet(s) clearly specifying the amount of and purpose for which Issue Proceeds have been utilized so far, and details of amounts out of the Issue Proceeds that have not been utilized so far, also indicating interim investments, if any, of such unutilized Issue Proceeds. In the event that our Company is unable to utilize the entire amount that we have currently estimated for use out of the Issue Proceeds in a Fiscal Year, we will utilize such unutilized amount in the next financial year. Further, in accordance with Regulation 32(1) (a) of the Listing Regulations our Company shall furnish to the Stock Exchanges on a half yearly basis, a statement indicating material deviations, if any, in the utilization of the Issue Proceeds for the objects stated in this Red Herring Prospectus.

VARIATION IN OBJECTS

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

OTHER CONFIRMATIONS

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

BASIS FOR ISSUE PRICE

The Issue Price will be determined by our Company in consultation with the Book Running Lead Managers, on the basis of an assessment of market demand for the Equity Shares issued through the Book Building Process and on the basis of quantitative and qualitative factors as described below. The face value of the Equity Shares is Rs. 10 each and the Issue Price is [●] times the face value at the lower end of the Price Band and [●] times the face value at the higher end of the Price Band. Investors should also refer to the chapters “*Our Business*”, “*Risk Factors*” and “*Financial Statements*” beginning on pages 108, 21, and 164 respectively, to have an informed view before making an investment decision

QUALITATIVE FACTORS

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

- Experienced Promoters and management team:
- Diversified Customer Base
- Research and Development
- After Sales Service
- Quality Check

For further details, refer to heading “*Our Competitive Strengths*” under chapter titled “*Our Business*” beginning on page 108 of this Red Herring Prospectus.

QUANTITATIVE FACTORS

The information presented below is based on the restated financial statements of the Company for the Financial Years ended 2017, 2016, 2015 and for the period ended September 30, 2017, prepared in accordance with Indian GAAP. Some of the quantitative factors, which form the basis or computing the price, are as follows:

1. Basic and Diluted Earnings per Share (EPS) as per Accounting Standard 20 as adjusted for changes in capital

| Year/ Period Ended | EPS(Rs.) | Weight |
|---|----------|-------------|
| March 31, 2015 | 0.44 | 1 |
| March 31, 2016 | 0.74 | 2 |
| March 31, 2017 | 1.19 | 3 |
| Weighted Average | | 0.92 |
| For the period ended September 30, 2017* | | 3.77 |

*Not Annualised

Note:

The earnings per share has been computed by dividing net profit as restated, attributable to equity shareholders by restated weighted average number of equity shares outstanding during the period / year. Restated weighted average number of equity shares has been computed as per AS-20. The face value of each Equity Share is Rs. 10/-. Basic EPS is Net profit attributable to equity shareholders divided by weighted average number of equity shares outstanding during the year/ period.

On November 17, 2017, our company allotted 60,48,000 Equity Shares in the ratio of 8.4:1 to the existing shareholders as fully paid bonus shares. For the purpose of calculating the Earnings Per Share (EPS) above, these bonus shares have been taken into account for all the periods reported.

2. Price to Earnings (P/E) ratio in relation to Issue Price of Rs. [●] per Equity Share of Rs. 10 each fully paid up

| Particulars | P/E Ratio on Cap Price | P/E on Floor Price |
|---|------------------------|--------------------|
| P/E ratio based on Basic EPS for FY 2016-17 | [●] | [●] |
| P/E ratio based on Weighted Average EPS | [●] | [●] |
| *Industry P/E | | |
| Highest | | 53.06 |
| Lowest | | 53.06 |
| Average | | 53.06 |

**Industry Composite comprises of Lokesh Machines Limited.*

3. Return on Net worth (RoNW)

Return on Net Worth (“RoNW”) as per restated financial statements

| Year/ Period Ended | RoNW (%) | Weight |
|---|----------|---------------|
| March 31, 2015 | 15.33 | 1 |
| March 31, 2016 | 17.09 | 2 |
| March 31, 2017 | 21.70 | 3 |
| Weighted average | | 19.10% |
| For the period ended September 30, 2017* | | 36.77% |

**Not annualised*

Note: The RoNW has been computed by dividing net profit after tax as restated, by Net Worth as at the end of the year/ period.

4. Minimum Return on Total Net Worth post Issue needed to maintain Pre-Issue EPS for the year ended March 31, 2017

To maintain pre-issue basic & diluted EPS

- At the floor price – [●]%
- At the cap price – [●]%

5. Net Asset Value (NAV)

| NAV per Equity Share | Amount (in Rs.) |
|---|-----------------|
| Net Asset Value per Equity Share as of March 31, 2017 | 5.50 |
| Net Asset Value per Equity Share as of September 30, 2017 | 10.06 |
| Net Asset Value per Equity Share after the Issue | [●] |
| Issue Price per equity share | [●] |

Net Asset Value per Equity Share has been calculated as net worth divided by number of equity shares at the end of the year. On November 17, 2017, our company allotted 60,48,000 Equity Shares in the ratio of 8.4:1 to the existing shareholders as fully paid bonus shares. For the purpose of calculating the Net Asset Value (NAV) per share above, these bonus shares have been taken into account for all the periods reported.

6. Comparison with other listed companies

| Companies | CMP | EPS | PE Ratio | RONW % | NAV (per share) | Face Value | Total Income(In Lakhs) |
|-------------------------------|-------|------|----------|--------|-----------------|------------|------------------------|
| Macpower CNC Machines Limited | [●] | 1.19 | [●] | 21.70 | 5.50 | 10 | 6954.92 |
| Peer Groups** | | | | | | | |
| Lokesh Machines Limited | 68.40 | 1.29 | 53.02 | 1.68% | 76.74 | 10 | 13,213.00 |

**Source: www.nseindia.com & www.bseindia.com

***Money received against share warrants has not been considered for calculating Net worth of Lokesh Machines Limited.

Notes:

- Considering the nature of business of the Company the peers are not strictly comparable. However same have been included for broad comparison.
- The figures for Macpower CNC Machines Limited are based on the restated results for the year ended March 31, 2017.
- The figures for the peer group are based on the standalone audited results for the year ended March 31, 2017.
- Current Market Price (CMP) is the closing prices of Lokesh Machines Limited as on December 12, 2017 on NSE.
- The Issue Price of Macpower CNC Machines Limited is Rs. [●] per Equity Share. Macpower CNC Machines Limited is a Book Built issue and price band for the same shall be published 5 working days before opening of the issue in English and Hindi National newspapers and one regional newspaper with wide circulation.

For further details see section titled “*Risk Factors*” beginning on page 21 and the financials of the Company including profitability and return ratios, as set out in the section titled “*Financial Statements*” beginning on page 164 of this Red Herring Prospectus for a more informed view.

STATEMENT OF POSSIBLE TAX BENEFIT

To,
The Board of Directors
Macpower CNC Machines Limited
Plot No 2234, Nr. Krnati Gate,
GIDC Metoda, Tal: Lodhika,
Rajkot-360007

Dear Sirs,

Sub: Statement of possible special tax benefits (“the Statement”) available to Macpower CNC Machines Limited (“the Company”) and its shareholders prepared in accordance with the requirements in Schedule VIII-Clause (VII) (L) of the Securities Exchange Board of India (Issue of Capital Disclosure Requirements) Regulations 2009, as amended (“the Regulations”)

We hereby report that the enclosed annexure, prepared by the Management of the Company, states the possible special tax benefits available to the Company and the shareholders of the Company under the Income - Tax Act, 1961 (“Act”) as amended by the Finance Act, 2017 (i.e. applicable to Financial Year 2017-18 relevant to Assessment Year 2018-19), presently in force in India. Several of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the Act. Hence, the ability of the Company or its shareholders to derive the special tax benefits is dependent upon fulfilling such conditions which, based on business imperatives which the Company may face in the future, the Company may or may not choose to fulfil.

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

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

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

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

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

We shall not be liable to Company for any claims, liabilities or expenses relating to this assignment except to the extent of fees relating to this assignment, as finally judicially determined to have resulted primarily from bad faith of intentional misconduct.

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

For, S. C. Makhecha & Associates

Chartered Accountants

Firm Registration No.: 120184w

Sanat C. Makhecha

Partner

Membership No.: 107192

Date: 11-12-2017

Place: Rajkot

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

Outlined below are the possible benefits available to the Company and its shareholders under the current direct tax laws in India for the Financial Year 2016-17

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

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

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

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

SECTION IV- ABOUT THE COMPANY OUR INDUSTRY

The information in this section includes extracts from publicly available information, data and statistics and has been derived from various government publications and industry sources. Neither we nor any other person connected with the Issue have verified this information. The data may have been re-classified by us for the purposes of presentation. Industry sources and publications generally state that the information contained therein has been obtained from sources generally believed to be reliable, but that 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. You should read the entire Red Herring Prospectus, including the information contained in the sections titled “Risk Factors” and “Financial Statements” and related notes beginning on page 21 and 155 Red Herring Prospectus

INDIA ENGINEERING INDUSTRY

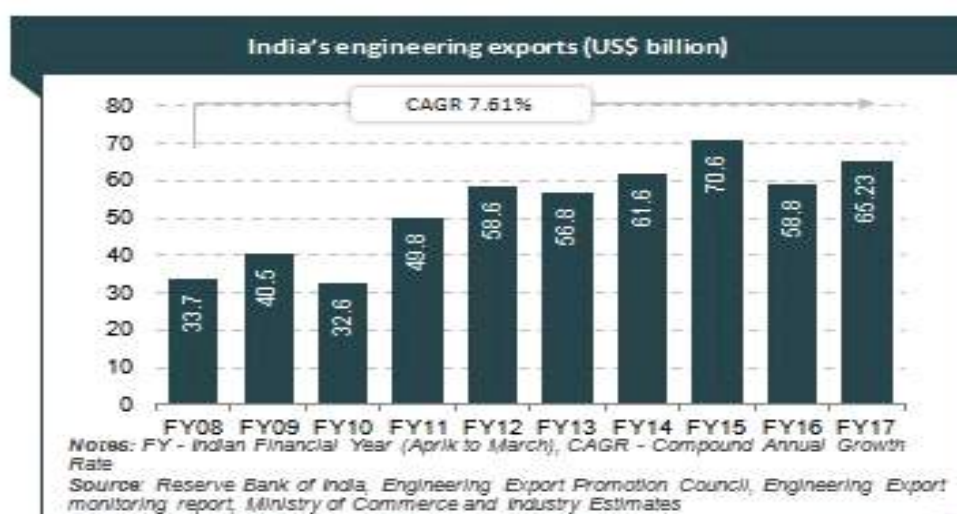
The Indian engineering sector is divided into two major segments - heavy engineering and light engineering. The capital goods and engineering turnover in India is expected to have reached US\$ 125.4 billion by FY 2016-17. Likewise, Electrical equipment market size is expected to reach US\$ 100 billion by FY 2021-22. Comparative advantage vis-à-vis peers in terms of manufacturing costs, market knowledge, technology and creativity has been a driving force for engineering exports from India. The construction equipment market in India is expected to reach 131,000 units by 2022.

During January - May 2016, the industry recorded sales of 21,869 units, which represents a growth of 47.6 per cent over the same period of the previous year. Exports of machine tools from India increased 15.65 per cent in 2016-17 to reach US\$ 452.34 million.

Companies engaged in the engineering sector are virtually on a roll. Capacity creation in sectors like infrastructure, power, mining, oil & gas, refinery, steel, automotive, and consumer durables has been driving demand in the engineering sector. Separately, the approval of significant number of special economic zones (SEZs) across the country and the development of the Delhi Mumbai Industrial Corridor (DMIC) across seven states is expected to further bolster the engineering sector.

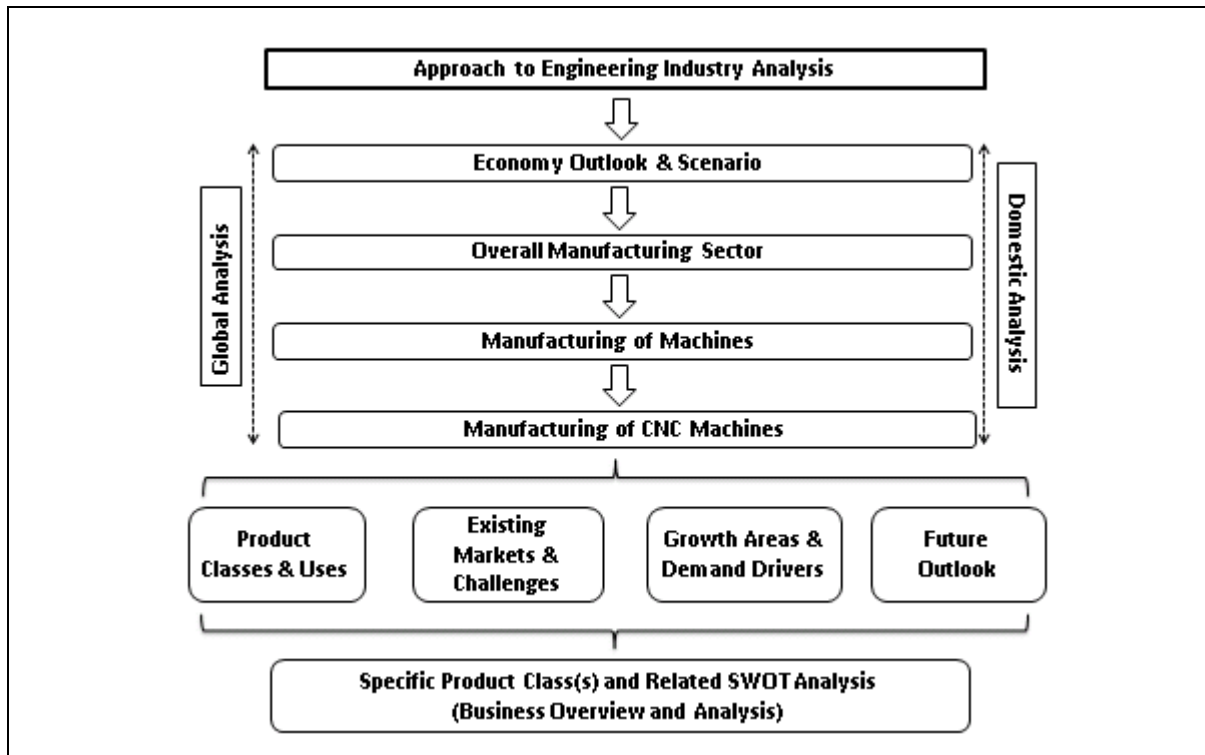
With 100 per cent Foreign Direct Investment (FDI) allowed through the automatic route, and initiatives like ‘Make in India’, major international players have entered the Indian engineering sector due to significant growth opportunities available. The engineering sector has received cumulative FDI inflows worth US\$ 3.34 billion during April 2000 to June 2017.

(Source: Indian Engineering Industry Analysis-India Brand Equity Foundation www.ibef.org)



(Source: Indian Engineering Industry Analysis-India Brand Equity Foundation www.ibef.org)

APPROACH TO ENGINEERING INDUSTRY ANALYSIS



Analysis of Engineering Industry needs to be approached at both macro and micro levels, whether for domestic or global markets. Engineering Industry forms part of Manufacturing Sector at a macro level. Hence, broad picture of Manufacturing Sector should be at preface while analysing the Engineering Industry.

Manufacturing sector comprises various industries, which in turn, have numerous sub-classes or products. One such major industry in the overall Manufacturing sector is ‘Engineering Industry’, which in turn encompasses various components one of them being ‘Manufacturing of CNC Machines’.

Thus manufacturing of CNC (Computer Numerical Control) should be analysed in the light of ‘Engineering Industry’ at large. An appropriate view on manufacturing of CNC machine Segment then, calls for the overall economy outlook, performance and expectations of Manufacturing Sector, position and outlook of Food Processing Industry segment micro analysis.

This Approach Note is developed by Pantomath Capital Advisors (P) Ltd (‘Pantomath’) and any unauthorized reference or use of this Note, whether in the context of Engineering Industry and/or any other industry, may entail legal consequences.

GLOBAL ECONOMIC OVERVIEW

For India, three external developments are of significant consequence. In the short run, the change in the outlook for global interest rates as a result of the US elections and the implied change in expectations of US fiscal and monetary policy will impact on India’s capital flows and exchange rates. Markets are factoring in a regime change in advanced countries, especially US macroeconomic policy, with high expectations of fiscal stimulus and unwavering exit from unconventional monetary policies. The end of the 20-year bond rally and end to the corset of deflation and deflationary expectations are within sight. Second, the medium-term political outlook for globalisation and in particular for the world’s “political carrying capacity for globalisation” may have changed in the wake of recent developments. In the short run a strong dollar and declining competitiveness might exacerbate the lure of protectionist policies. These follow on on-going trends—documented widely—about stagnant or declining trade at the global level. This changed outlook will affect India’s export and growth prospects

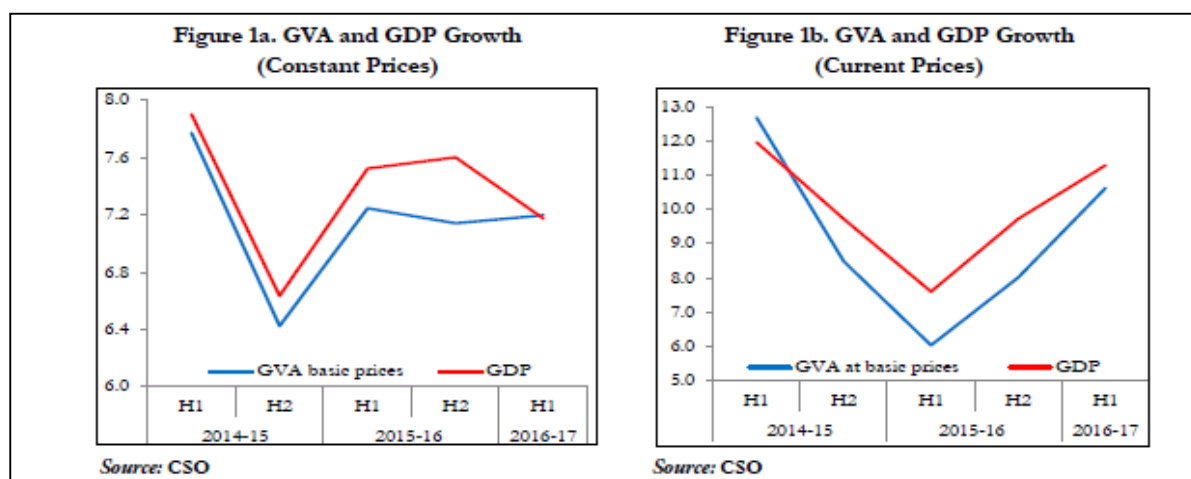
Third, developments in the US, especially the rise of the dollar, will have implications for China’s currency and currency policy. If China is able to successfully re-balance its economy, the spill over

effects on India and the rest of the world will be positive. On the other hand, further declines in the yuan, even if dollar-induced, could interact with underlying vulnerabilities to create disruptions in China that could have negative spill overs for India. For China, there are at least two difficult balancing acts with respect to the currency. Domestically, a declining currency (and credit expansion) props up the economy in the short run but delay rebalancing while also adding to the medium term challenges. Internationally, allowing the currency to weaken in response to capital flight risks creating trade frictions but imposing capital controls discourages FDI and undermines China's ambitions to establish the Yuan as a reserve currency. China with its underlying vulnerabilities remains the country to watch for its potential to unsettle the global economy.

(Source: Economic Survey 2016-17 www.indiabudget.nic.in)

REVIEW OF MAJOR DEVELOPMENTS IN INDIAN ECONOMY

The Indian economy has continued to consolidate the gains achieved in restoring macroeconomic stability. Real GDP growth in the first half of the year was 7.2 percent, on the weaker side of the 7.0-7.75 per cent projection in the Economic Survey 2015-16 and somewhat lower than the 7.6 percent rate recorded in the second half of 2015-16 (Figure 1a). The main problem was fixed investment, which declined sharply as stressed balance sheets in the corporate sector continued to take a toll on firms' spending plans. On the positive side, the economy was buoyed by government consumption, as the 7th Pay Commission salary recommendations were implemented, and by the long-awaited start of an export recovery as demand in advanced countries began to accelerate. Nominal GDP growth recovered to respectable levels, reversing the sharp and worrisome dip that had occurred in the first half of 2015-16 (Figure 1b).



The major highlights of the sectoral growth outcome of the first half of 2016-17 were: (i) moderation in industrial and nongovernment service sectors; (ii) the modest pick-up in agricultural growth on the back of improved monsoon; and (iii) strong growth in public administration and defence services— dampeners on and catalysts to growth almost balancing each other and producing a real Gross Value Addition (GVA) growth (7.2 percent), quite similar to the one (7.1 per cent) in H2 2015-16 (Figure 1b).

Inflation this year has been characterized by two distinctive features. The Consumer Price Index (CPI)-New Series inflation, which averaged 4.9 per cent during April-December 2016, has displayed a downward trend since July when it became apparent that kharif agricultural production in general, and pulses in particular would be bountiful. The decline in pulses prices has contributed substantially to the decline in CPI inflation which reached 3.4 percent at end-December. The second distinctive feature has been the reversal of WPI inflation, from a trough of (-)5.1 percent in August 2015 to 3.4 percent at end-December 2016, on the back of rising international oil prices. The wedge between CPI and WPI inflation, which had serious implications for the measurement of GDP discussed in MYEA (Box 3, Chapter 1, MYEA 2015-16), has narrowed considerably. Core inflation has, however, been more stable, hovering around 4.5 percent to 5 percent for the year so far. The outlook for the year as a whole is for CPI inflation to be below the RBI's target of 5 percent, a trend likely to be assisted by demonetisation.

External Sector

Similarly, the external position appears robust having successfully weathered the sizeable redemption of Foreign Currency Non-Resident (FCNR) deposits in late 2016, and the volatility associated with the US election and demonetisation. The current account deficit has declined to reach about 0.3 percent of GDP in the first half of FY2017. Foreign exchange reserves are at comfortable levels, having risen from around US\$350 billion at end-January 2016 to US\$ 360 billion at end-December 2016 and are well above standard norms for reserve adequacy. In part, surging net FDI inflows, which grew from 1.7 percent of GDP in FY2016 to 3.2 percent of GDP in the second quarter of FY2017, helped the balance-of-payments

The trade deficit declined by 23.5 per cent in April-December 2016 over corresponding period of previous year. During the first half of the fiscal year, the main factor was the contraction in imports, which was far steeper than the fall in exports. But during October- December, both exports and imports started a long-awaited recovery, growing at an average rate of more than 5 per cent. The improvement in exports appears to be linked to improvements in the world economy, led by better growth in the US and Germany. On the import side, the advantage on account of benign international oil prices has receded and is likely to exercise upward pressure on the import bill in the short to medium term. Meanwhile, the net services surplus declined in the first half, as software service exports slowed and financial service exports declined. Net private remittances declined by \$4.5 bn in the first half of 2016-17 compared to the same period of 2015-16, weighed down by the lagged effects of the oil price decline, which affected inflows from the Gulf region.

Fiscal Position

Trends in the fiscal sector in the first half have been unexceptional and the central government is committed to achieving its fiscal deficit target of 3.5 percent of GDP this year. Excise duties and services taxes have benefitted from the additional revenue measures introduced last year. The most notable feature has been the over-performance (even relative to budget estimates) of excise duties in turn based on buoyant petroleum consumption: real consumption of petroleum products (petrol) increased by 11.2 percent during April-December 2016 compared to same period in the previous year. Indirect taxes, especially petroleum excises, have held up even after demonetisation in part due to the exemption of petroleum products from its scope. More broadly, tax collections have held up to a greater extent than expected possibly because of payment of dues in demonetised notes was permitted. Non-tax revenues have been challenged owing to shortfall in spectrum and disinvestment receipts but also to forecast optimism; the stress in public sector enterprises has also reduced dividend payments.

State government finances are under stress. The consolidated deficit of the states has increased steadily in recent years, rising from 2.5 percent of GDP in 2014-15 to 3.6 percent of GDP in 2015-16, in part because of the UDAY scheme. The budgeted numbers suggest there will be an improvement this year. However, markets are anticipating some slippage, on account of the expected growth slowdown, reduced revenues from stamp duties, and implementation of their own Pay Commissions. For these reasons, the spread on state bonds over government securities jumped to 75 basis points in the January 2017 auction from 45 basis points in October 2016. For the general government as a whole, there is an improvement in the fiscal deficit with and without UDAY scheme.

(Source: Economic Survey 2016-17 www.indiabudget.nic.in)

OUTLOOK FOR 2016-17

This year's outlook must be evaluated in the wake of the November 8 action to demonetize the high denomination notes. But it is first important to understand the analytics of the demonetisation shock in the short run. Demonetisation affects the economy through three different channels. It is potentially: 1) an aggregate demand shock because it reduces the supply of money and affects private wealth, especially of those holding unaccounted money; 2) an aggregate supply shock to the extent that economic activity relies on cash as an input (for example, agricultural production might be affected since sowing requires the use of labour traditionally paid in cash); and 3) an uncertainty shock because economic agents face imponderables related to the magnitude and duration of the cash shortage and the

policy responses (perhaps causing consumers to defer or reduce discretionary consumption and firms to scale back investments).

Demonetisation is also very unusual in its monetary consequences. It has reduced sharply, the supply of one type of money— cash—while increasing almost to the same extent another type of money— demand deposits. This is because the demonetized cash was required to be deposited in the banking system. In the third quarter of FY2017 (when demonetisation was introduced), cash declined by 9.4 percent, demand deposits increased by 43 percent, and growth in the sum of the two by 11.3 percent.

The price counterparts of this unusual aspect of demonetisation are the surge in the price of cash (inferred largely through queues and restrictions), on the one hand; and the decline in interest rates on the lending rate (based on the marginal cost of funds) by 90 basis points since November 9; on deposits (by about 25 basis points); and on g-secs on the other (by about 32 basis points).

There is yet another dimension of demonetisation that must be kept in mind. By definition, all these quantity and price impacts will self-correct by amounts that will depend on the pace at which the economy is remonetized and policy restrictions eased. As this occurs, consumers will run down their bank deposits and increase their cash holdings. Of course, it is possible, even likely that the self-correction will not be complete because in the new equilibrium, aggregate cash holdings (as a share of banking deposits and GDP) are likely to be lower than before.

Anecdotal and other survey data abound on the impact of demonetisation. But we are interested in a macro-assessment and hence focus on five broad indicators: Agricultural (Rabi) sowing; Indirect tax revenue, as a broad gauge of production and sales; Auto sales, as a measure of discretionary consumer spending and two-wheelers, as the best indicator of both rural and less affluent demand; Real credit growth; and Real estate prices. Contrary to early fears, as of January 15, 2017 aggregate sowing of the two major rabi crops—wheat and pulses (gram)—exceeded last year’s planting by 7.1 percent and 10.7 percent, respectively. Favourable weather and moisture conditions presage an increase in production. To what extent these favourable factors will be attenuated will depend on whether farmers’ access to inputs—fertilizer, credit, and labour—was affected by the cash shortage.

To estimate a demonetisation effect, one needs to start with the counterfactual. Our best estimate of growth in the absence of demonetisation is 11¼ percent in nominal terms (slightly higher than last year’s Survey forecast because of the faster rebound in WPI inflation, but lower than the CSO’s advance estimate of 11.9 percent) and 7 percent in real terms (in line with both projections).

Finally, demonetisation will afford an interesting natural experiment on the substitutability between cash and other forms of money. Demonetisation has driven a sharp and dramatic wedge in the supply of these two: if cash and other forms are substitutable, the impact will be relatively muted; if, on the other hand, cash is not substitutable the impact will be greater.

(Source: Economic Survey 2016-17 www.indiabudget.nic.in)

OUTLOOK FOR 2017-18

Turning to the outlook for 2017-18, we need to examine each of the components of aggregate demand: exports, consumption, private investment and government.

As discussed earlier, India’s exports appear to be recovering, based on an uptick in global economic activity. This is expected to continue in the aftermath of the US elections and expectations of a fiscal stimulus. The IMF’s January update of its World Economic Outlook forecast is projecting an increase in global growth from 3.1 percent in 2016 to 3.4 percent in 2017, with a corresponding increase in growth for advanced economies from 1.6 percent to 1.9 percent. Given the high elasticity of Indian real export growth to global GDP, exports could contribute to higher growth next year, by as much as 1 percentage point.

The outlook for private consumption is less clear. International oil prices are expected to be about 10-15 percent higher in 2017 compared to 2016, which would create a drag of about 0.5 percentage points. On the other hand, consumption is expected to receive a boost from two sources: catch-up after the demonetisation-induced reduction in the last two quarters of 2016-17; and cheaper borrowing costs,

which are likely to be lower in 2017 than 2016 by as much as 75 to 100 basis points. As a result, spending on housing and consumer durables and semi-durables could rise smartly. It is too early to predict prospects for the monsoon in 2017 and hence agricultural production. But the higher is agricultural growth this year, the less likely that there would be an extra boost to GDP growth next year.

Since no clear progress is yet visible in tackling the twin balance sheet problem, private investment is unlikely to recover significantly from the levels of FY2017. Some of this weakness could be offset through higher public investment, but that would depend on the stance of fiscal policy next year, which has to balance the short-term requirements of an economy recovering from demonetisation against the medium-term necessity of adhering to fiscal discipline—and the need to be seen as doing so. Putting these factors together, we expect real GDP growth to be in the 6¾ to 7½ percent range in FY2018. Even under this forecast, India would remain the fastest growing major economy in the world.

There are three main downside risks to the forecast. First, the extent to which the effects of demonetisation could linger into next year, especially if uncertainty remains on the policy response. Currency shortages also affect supplies of certain agricultural products, especially milk (where procurement has been low), sugar (where cane availability and drought in the southern states will restrict production), and potatoes and onions (where sowings have been low). Vigilance is essential to prevent other agricultural products becoming in 2017-18 what pulses was in 2015-16.

Second, geopolitics could take oil prices up further than forecast. The ability of shale oil production to respond quickly should contain the risks of a sharp increase, but even if prices rose merely to \$60-65/barrel the Indian economy would nonetheless be affected by way of reduced consumption; less room for public investment; and lower corporate margins, further denting private investment. The scope for monetary easing might also narrow, if higher oil prices stoked inflationary pressure.

Third, there are risks from the possible eruption of trade tensions amongst the major countries, triggered by geo-politics or currency movements. This could reduce global growth and trigger capital flight from emerging markets. The one significant upside possibility is a strong rebound in global demand and hence in India's exports. There are some nascent signs of that in the last two quarters. A strong export recovery would have broader spill over effects to investment.

Fiscal outlook

The fiscal outlook for the central government for next year will be marked by three factors. First, the increase in the tax to GDP ratio of about 0.5 percentage points in each of the last two years, owing to the oil windfall will disappear. In fact, excise-related taxes will decline by about 0.1 percentage point of GDP, a swing of about 0.6 percentage points relative to FY2017.

Second, there will be a fiscal windfall both from the high denomination notes that are not returned to the RBI and from higher tax collections as a result of increased disclosure under the Pradhan Mantra Garib Kalyan Yojana (PMGKY). Both of these are likely to be one-off in nature, and in both cases the magnitudes are uncertain.

A third factor will be the implementation of the GST. It appears that the GST will probably be implemented later in the fiscal year. The transition to the GST is so complicated from an administrative and technology perspective that revenue collection will take some time to reach full potential. Combined with the government's commitment to compensating the states for any shortfall in their own GST collections (relative to a baseline of 14 percent increase), the outlook must be cautious with respect to revenue collections. The fiscal gains from implementing the GST and demonetisation, while almost certain to occur, will probably take time to be fully realized. In addition, muted non-tax revenues and allowances granted under the 7th Pay Commission could add to pressures on the deficit.

The macroeconomic policy stance for 2017-18

An economy recovering from demonetisation will need policy support. On the assumption that the equilibrium cash-GDP ratio will be lower than before November 8, the banking system will benefit from a higher level of deposits. Thus, market interest rates—deposits, lending, and yields on g-secs—should be lower in 2017-18 than 2016-17. This will provide a boost to the economy (provided, of course, liquidity is no longer a binding constraint). A corollary is that policy rates can be lower not necessarily

to lead and nudge market rates but to validate them. Of course, any sharp uptick in oil prices and those of agricultural products, would limit the scope for monetary easing.

Fiscal policy is another potential source of policy support. This year the arguments may be slightly different from those of last year in two respects. Unlike last year, there is more cyclical weakness on account of demonetisation. Moreover, the government has acquired more credibility because of posting steady and consistent improvements in the fiscal situation for three consecutive years, the central government fiscal deficit declining from 4.5 percent of GDP in 2013-14 to 4.1 percent, 3.9 percent, and 3.5 percent in the following three years. But fiscal policy needs to balance the cyclical imperatives with medium term issues relating to prudence and credibility.

One key question will be the use of the fiscal windfall (comprising the unreturned cash and additional receipts under the PMGKY) which is still uncertain. Since the windfall to the public sector is both one off and a wealth gain not an income gain, it should be deployed to strengthening the government's balance sheet rather than being used for government consumption, especially in the form of programs that create permanent entitlements. In this light, the best use of the windfall would be to create a public sector asset reconstruction company so that the twin balance sheet problem can be addressed, facilitating credit and investment revival; or toward the compensation fund for the GST that would allow the rates to be lowered and simplified; or toward debt reduction. The windfall should not influence decisions about the conduct of fiscal policy going forward.

Perhaps the most important reforms to boost growth will be structural. In addition to those spelt out in Section 1—strategic disinvestment, tax reform, subsidy rationalization—it is imperative to address directly the twin balance sheet problem. The problem is large, persistent and difficult, will not correct itself even if growth picks up and interest rates decline, and current attempts have proved grossly inadequate. It may be time to consider something like a public sector asset reconstruction company.

Another area of reform relates to labour. Given the difficulty of reforming labor laws per se, the thrust could be to move towards affording greater choice to workers which would foster competition amongst service providers. Choices would relate to: whether they want to make their own contribution to the Employees' Provident Fund Organisation (EPFO); whether the employers' contribution should go to the EPFO or the National Pension Scheme; and whether to contribute to the Employee State Insurance (ESI) or an alternative medical insurance program. At the same time, there could be a gradual move to ensure that at least compliance with the central labour laws is made paperless, presence less, and cashless. One radical idea to consider is the provision of a universal basic income. But another more modest proposal worth embracing is procedural: a standstill on new government programs, a commitment to assess every new program only if it can be shown to demonstrably address the limitations of an existing one that is similar to the proposed one; and a commitment to evaluate and phase down existing programs that are not serving their purpose.

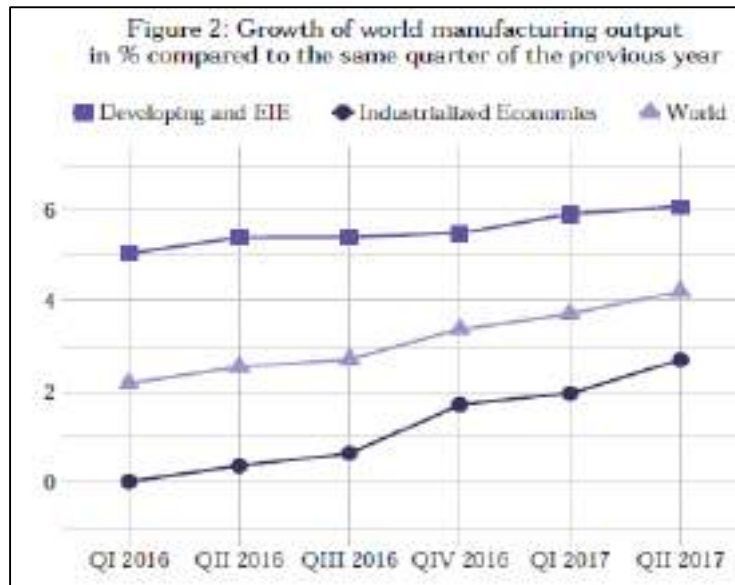
(Source: Economic Survey 2016-17 www.indiabudget.nic.in)

GLOBAL MANUFACTURING SECTOR

World Manufacturing Growth in quarter II, 2017

World manufacturing in the second quarter of 2017 has continued to show signs of expansion, following an upward trend observed throughout 2016 and improved growth rates in the first quarter of 2017. Both industrialized and developing and emerging industrial economies gained further strength in manufacturing production and confirmed their healthy dynamic growth.

Although the pace of growth indicates similar trends in both country groups (Figure 2), developing economies continuously performed better than industrialized ones. The current growth prospects are improving further on account of rising consumer spending and promising investment plans, which are favourably directed towards developing economies. Changing business conditions are driving industrial production growth and confidence for the overall outlook has been increasing. Moreover, the risks for global growth witnessed last year, such as political instability in Europe, unpredictability of the Brexit aftermath, the rising trade protectionism following the US election and an abrupt slowdown in China have certainly diminished, although they have not disappeared completely.



(Source: World Manufacturing Production, Statistics for Quarter II, 2017, United Nations Industrial Development Organization, www.unido.org)

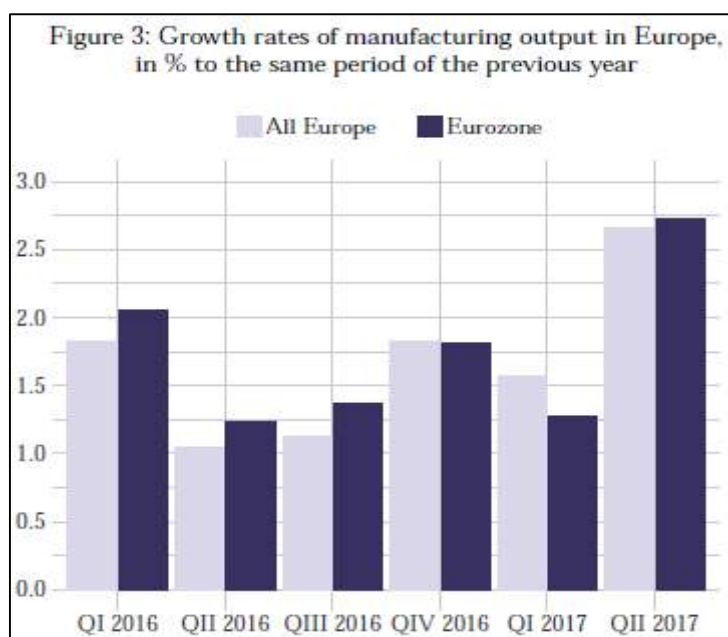
Optimistic results reported in the first quarter have carried over into the second quarter of this year. Global manufacturing output rose by 4.2 per cent in the second quarter of 2017 compared to the same period of the previous year, building on the robust 3.7 per cent increase observed at the beginning of 2017. The major industrialized economies with a significant share in global manufacturing output, namely the United States, Japan, Germany, Italy and France, thrived in the second quarter of 2017. The growth prospects of China, the world's largest manufacturer, remained unchanged.

As depicted in Figure 2, steady progress over several consecutive quarters characterizes all country groups and the prospects for sustained global industrial growth in the coming periods are good.

Manufacturing Growth in Industrialized economies

The manufacturing output growth of industrialized economies has progressively been improving over the last quarters. The upward growth trend-at a relatively moderate pace-is attributable to the robust dynamics in all industrialized regions, namely East Asia, Europe and North America.

The manufacturing sector gained increasing strength due to domestic and external demand in European economies and resulted in the solid performance recorded in the second quarter of 2017. Europe's manufacturing output jumped to 2.7 per cent in the second quarter of 2017 from 1.6 per cent growth in the previous quarter, while the growth rate in the Eurozone witness the same development during the second quarter of 2017 (Figure 3).



The disaggregated data points to continued improvement in the already healthy economic momentum of leading Eurozone economies with growth figures of 2.9 per cent in Germany and Italy, and 2.4 per cent in France and Spain compared to year-to-year developments. The manufacturing production in other economies of the single currency block seemingly remained healthy in the second quarter. Strong growth of over 8.0 per cent was observed in Slovenia, and Estonia, while a fairly robust growth rate was recorded in the Netherlands (3.0 per cent), Austria (3.5 per cent), Belgium (4.2 per cent) and Finland (3.2 per cent). The manufacturing sector in the eurozone ended the second quarter on a strong note. The only exception was Ireland, where manufacturing output fell by 1.1 per cent compared to the same period of the previous year.

Taking a closer look at individual countries beyond the eurozone, manufacturing output remained stagnant in the United Kingdom at only 0.2 per cent growth in the second quarter of 2017. Despite remaining in positive terrain, output dipped significantly considering that the previous quarter's result was the highest one in over two years. On the other hand, the pace of growth in Czechia and Hungary strengthened, where an increase of 7.4 per cent and 4.7 per cent was recorded, respectively. Other exceptionally positive results were visible in Switzerland with a 2.4 per cent growth rate as well as in Sweden with a gain of 5.2 per cent compared to the same period of the previous year. Among the other Nordic countries, Denmark expanded its manufacturing production by 3.7 per cent, while Norway significantly moderated its contraction rate to roughly 0.4 per cent.

North America's overall manufacturing production grew by 1.6 per cent compared to the same period of 2016. The strengthening of the dollar and the consequent weak demand for U.S. goods caused the American manufacturing sector to go into recession in late 2015. However, the recent weakening of the U.S. dollar combined with a stronger global environment resulted in the opposite effect, and American total manufacturing output rose by 1.5 per cent compared to the same period of the previous year, representing the highest increase since the last recession. Improved performance was also witnessed in Canadian manufacturing, where manufacturing production expanded by 3.5 per cent in the second quarter of 2017.

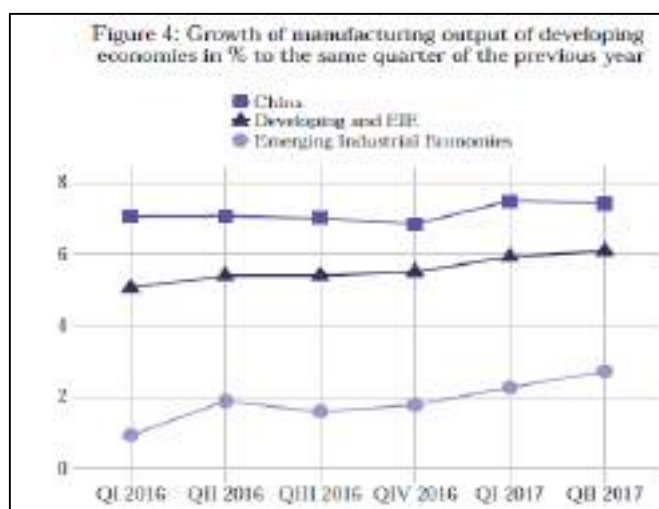
Another positive result was observed in industrialized East Asian economies in the second quarter of 2017 - a 4.4 per cent improvement compared to the same period of the previous year. The main forces that have been driving growth in Japan's manufacturing sector in recent quarters remained firmly in place in the second quarter of 2017. Japan, the major force behind the entire region's upward trend, reconfirmed the end of a long period of contractions with a growth rate of nearly 5.8 per cent. The Republic of Korea's manufacturing production, on the other hand, remained almost unchanged compared to the same period of the previous year. Malaysia's total manufacturing output recorded a 5.9 per cent rise in the second quarter of 2017; a very strong growth rate of 8.5 per cent was observed in

Singapore. The manufacturing production of Taiwan, Province of China lost some steam in the second quarter of 2017 according to the latest figures, although it still expanded at a moderate 2.6 per cent pace on a year-to-year basis.

(*Source: World Manufacturing Production, Statistics for Quarter II, 2017, United Nations Industrial Development Organization, www.unido.org)*

Manufacturing sector growth in Developing and emerging industrial economies

The second quarter of 2017 brought upward trends for all developing and emerging industrial regions. Latin America is continuing on the path to full recovery from last year's weak performance, Asian economies continue to prosper and production in Africa is profiting from boosted investor confidence. Stronger foreign demand is helping support manufacturing activity in China. Together with an improvement in domestic demand and support for the development of advanced manufacturing industries, this translated into a 7.4 per cent increase in total manufacturing production in China compared to the same period of the previous year.



Latin American economies have overcome a severe decline in economic growth, which affected the region for a long period with a 1.8 per cent upsurge in the second quarter of 2017 in a year-to-year comparison. Brazilian manufacturers are slowly emerging from the deep recession during which manufacturing production contracted at the beginning of 2014 and shrank uninterruptedly until early 2017. This steep fall was softened by a mild, but ultimately positive upward trend of 0.4 per cent recorded in the second quarter of 2017. Moreover, data for the second quarter of 2017 suggest that the recovery is finally gathering pace in Argentina's manufacturing sector. The country's manufacturing activity recorded a growth of 1.9 per cent - its best performance over the last five years. Production was driven by a broad-based expansion, with the food, automotive and metallurgic industries, leading the way.

The positive momentum of manufacturing production in Mexico, the region's powerhouse, was largely retained with a positive increase of nearly 3.9 per cent. Looking at the other countries in the region, Chile recorded a minor upturn of 0.9 per cent, whereas manufacturing output in Colombia remained stagnant compared to the same period of 2016.

The Asia and the Pacific region saw an increase of 6.6 per cent in manufacturing output during the second quarter of 2017. Viet Nam, one of Asia's fast growing economies, maintained a solid growth rate of 11.1 per cent, continuing its long-term trajectory of double-digit year-to-year growth in manufacturing. On the other hand, a subdued export performance dampened the momentum in Indonesia, resulting in the country's manufacturing sector expanding by 3.8 per cent, a slight deceleration compared to the 4.5 per cent average growth rate in 2016. India's manufacturing production expanded by 1.8 per cent in the second quarter of 2017. Very positive developments in growth were also observed in the Philippines, Pakistan, Kazakhstan and Mongolia. In Thailand, the weak performance of manufacturing production in the first quarter continued into the second quarter of 2017,

and the manufacturing sector recorded a 0.1 per cent loss compared to the second quarter of the previous year.

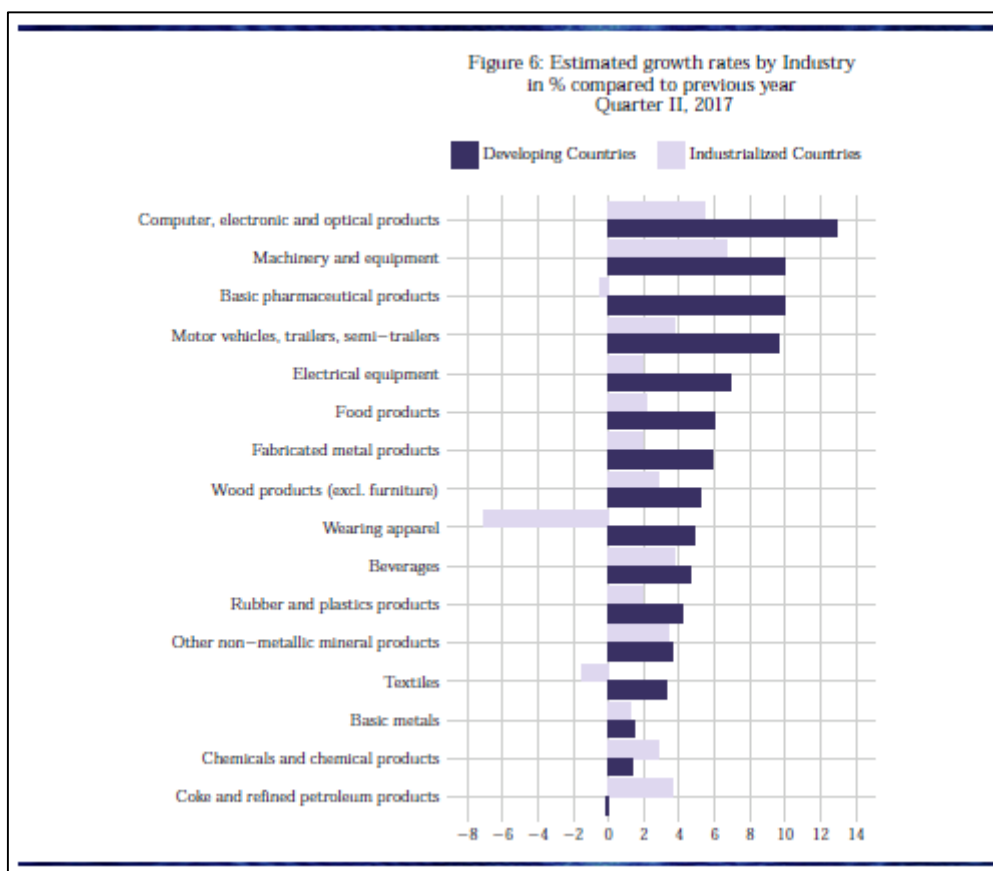
According to UNIDO estimates, Africa's manufacturing output increased to 10.5 per cent in the second quarter of 2017, however, it should be noted that estimates for Africa are based on limited data revealing high instability and volatility. A two-digit growth rate was registered in Egypt; Cote d'Ivoire only barely missed a two-digit growth rate, Morocco experienced a 2.3 per cent growth, while Senegal's and Tunisia's manufacturing output dropped by 3.0 per cent and 0.4 per cent, respectively, compared to the same period of the previous year. South Africa, the region's most industrialized economy, saw a contraction rate of 1.7 per cent in the second quarter of 2017, the third quarter of depressed manufacturing production in a row. Weak manufacturing together with a shrinking trade sector, uncertain political landscape and stunted investment signalizes potentially dim prospects, and perhaps not only for 2017.

Among other developing economies, the manufacturing output of Eastern European countries achieved relatively higher growth rates. Manufacturing output rose by 6.2 per cent in Poland, 10.6 per cent in Romania, 8.5 per cent in Bulgaria, 6.0 per cent in Serbia and 8.7 per cent in Latvia. Turkey's manufacturing sector also performed well, growing by 4.7 percent due to healthy export growth fueled by a weaker lira. Greek manufacturing marked 2.5 per cent growth in the second quarter of 2017 over the same period of 2016.

(Source: World Manufacturing Production, Statistics for Quarter II, 2017, United Nations Industrial Development Organization, www.unido.org)

Findings by industry Group

The growth rates for selected industries are presented below.



(Source: World Manufacturing Production, Statistics for Quarter II, 2017, United Nations Industrial Development Organization, www.unido.org)

MANUFACTURING SECTOR IN INDIA

Introduction

Manufacturing has emerged as one of the high growth sectors in India. Prime Minister of India, Mr Narendra Modi, had launched the 'Make in India' program to place India on the world map as a manufacturing hub and give global recognition to the Indian economy. India is expected to become the fifth largest manufacturing country in the world by the end of year 2020*.

The Gross Value Added (GVA) at basic constant (2011-12) prices from the manufacturing sector in India grew 7.9 per cent year-on-year in 2016-17, as per the 2nd provisional estimate of annual national income published by the Government of India. Under the Make in India initiative, the Government of India aims to increase the share of the manufacturing sector to the gross domestic product (GDP) to 25 per cent by 2022, from 16 per cent, and to create 100 million new jobs by 2022. Business conditions in the Indian manufacturing sector continue to remain positive.

Investments

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

Cumulative Foreign Direct Investment (FDI) in India's manufacturing sector reached US\$ 70.51 billion by June 2017.

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

- JSW Energy has signed a memorandum of understanding (MoU) with the Government of Gujarat, for setting up an electric vehicle (EV) manufacturing unit in Gujarat at an estimated cost of Rs 4,000 crore (US\$ 608.88 million).
- With an aim to increase its presence in India, Denmark-based heating ventilation and air-conditioning (HVAC) giant, Danfoss, is planning to take its manufacturing localisation to 50 per cent as well as double its supplier base in India by 2020.
- Cochin Shipyard Ltd, which recently completed its initial public offer (IPO), will utilize the funds from the issue to implement expansion projects worth Rs 2,800 crore (US\$ 437.3 million), which are already in its pipeline.
- Indian biscuits giant, Britannia Industries Ltd (BIL), is setting up its largest plant ever, in Ranjangaon, Maharashtra, with an investment of Rs 1,000 crore (US\$ 156.89 million). The plant will have an annual capacity of 120,000 tonne and will be completed by FY19.
- IKEA, a Swedish furniture company, aims to manufacture more than 30 per cent of its products in India in the coming years, stated Mr Patrik Antoni, Deputy Country Manager, IKEA.
- Volvo India Pvt Ltd, Swedish luxury car manufacturer, will start assembly operations near Bengaluru in India by the end of 2017. The company is targeting to double its share in India's luxury car segment to 10 per cent by 2020.
- Larsen & Toubro (L&T) has bagged a contract worth US\$ 669.34 million from the Ministry of Defence, Government of India, to supply 100 artillery of 155mm/52 caliber tracked self-propelled guns for the Indian Army, under the Make in India initiative.
- Berger Paints has entered into a partnership with Chugoku Marine Paints (CMP), thereby marking its entry into the marine paints segment, which has an estimated market size of Rs 250 crore (US\$ 38.82 million) and is expected to grow at 25 per cent annually for the next five years.
- SAIC Motor Corp, China's largest automaker, has signed a deal to buy General Motors (GM) India's Halol plant in Gujarat.

- Dabur India Ltd set up its largest manufacturing plant globally, spread over 30 acres, at a cost of Rs 250 crore (US\$ 38.82 million), in Tezpur, Assam, which will produce Dabur's complete range of ayurvedic medicines, health supplements, and personal care products among others.
- Apple Inc is looking to expand its Taiwanese contract manufacturer, Wistron's, production facility in Bengaluru, India, where it started manufacturing iPhone SE in May, 2017.
- China based LCD and touchscreen panel manufacturer, Holitech Technology, has announced plans to investing up to US\$ 1 billion in India by the end of 2017.
- Tristone Flowtech Group, the Germany-based flow technology systems specialist, has set up a new facility in Pune, which will manufacture surge tank as well as engine cooling and aircharge hose for the Indian market. The company plans to start the production at the plant in the fourth quarter of 2017.
- Honda Motorcycle & Scooter India plans to invest around Rs 600 crore (US\$ 90 million) to add a new line to produce additional 600,000 units at its Narsapura facility in Karnataka.
- Hindustan Coca-Cola Beverages plans to set up a bottling plant with an investment of Rs 750 crore (US\$ 112.5 million) in phases at the first industrial area being developed by Government of Madhya Pradesh under the public private partnership in Babai village of Hoshangabad, Bhopal.
- Tata Advanced Systems is collaborating with the world's largest defence contractor Lockheed Martin to manufacture the F-16 fighter jets in India.

Government Initiatives

In a bid to push the 'Make in India' initiative to the global level, Mr Narendra Modi, Prime Minister of India, pitched India as a manufacturing destination at the World International Fair in Germany's Hannover in 2015. Mr Modi showcased India as a business friendly destination to attract foreign businesses to invest and manufacture in the country.

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

- The Government of India has introduced several policy measures in the Union Budget 2017-18 to provide impetus to the manufacturing sector. Some of which include reduction of income tax rate to 25 per cent for MSME companies having turnover up to Rs 50 crore (US\$ 7.5 million), MAT credit carry forward extended to 15 years from 10 years and abolishment of Foreign Investment Promotion Board (FIPB) by 2017-18.
- The Government of India has launched a phased manufacturing programme (PMP) aimed at adding more smartphone components under the Make in India initiative thereby giving a push to the domestic manufacturing of mobile handsets.
- The Government of India is in talks with stakeholders to further ease foreign direct investment (FDI) in defence under the automatic route to 51 per cent from the current 49 per cent, in order to give a boost to the Make in India initiative and to generate employment.
- The Ministry of Heavy Industries and Public Enterprises, Government of India, has approved the setting up of four Centres of Excellence (CoE) in areas of textile machinery, machine tools, welding technology and smart pumps, which will help raise the technology depth of the Indian Capital Goods Industry.
- The Ministry of Defence, Government of India, approved the "Strategic Partnership" model which will enable private companies to tie up with foreign players for manufacturing submarines, fighter jets, helicopters and armoured vehicles.
- The Union Cabinet has approved the Modified Special Incentive Package Scheme (M-SIPS) in which, proposals will be accepted till December 2018 or up to an incentive commitment limit of Rs 10,000 crore (US\$ 1.5 billion).

Road Ahead

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

The manufacturing sector of India has the potential to reach US\$ 1 trillion by 2025 and India is expected to rank amongst the top three growth economies and manufacturing destination of the world by the year 2020. The implementation of the Goods and Services Tax (GST) will make India a common market with a GDP of US\$ 2 trillion along with a population of 1.2 billion people, which will be a big draw for investors.

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

promote advance practices in manufacturing.

Exchange Rate Used: INR 1 = US\$ 0.015 as on October 30, 2017

(Source: *Manufacturing Sector in India*, India Brand Equity Foundation www.ibef.org)

INDIAN ENGINEERING INDUSTRY

Introduction

The Indian Engineering sector has witnessed a remarkable growth over the last few years driven by increased investments in infrastructure and industrial production. The engineering sector, being closely associated with the manufacturing and infrastructure sectors, is of strategic importance to India's economy.

India on its quest to become a global superpower has made significant strides towards the development of its engineering sector. The Government of India has appointed the Engineering Export Promotion Council (EEPC) as the apex body in charge of promotion of engineering goods, products and services from India. India exports transport equipment, capital goods, other machinery/equipment and light engineering products such as castings, forgings and fasteners to various countries of the world. The Indian semiconductor industry offers high growth potential areas as the industries which source semiconductors as inputs are themselves witnessing high demand.

India became a permanent member of the Washington Accord (WA) in June 2014. The country is now a part of an exclusive group of 17 countries who are permanent signatories of the WA, an elite international agreement on engineering studies and mobility of engineers

Market size

The capital goods and engineering turnover in India is expected to reach US\$ 125.4 billion by FY17.

India exports its engineering goods mostly to the US and Europe, which accounts for over 60 per cent of the total exports. Recently, India's engineering exports to Japan and South Korea have also increased with shipments to these two countries rising by 16 and 60 per cent respectively. Sri Lanka, Nepal and Bangladesh have also emerged as the major destinations for India's engineering exports.

According to the India Electronics & Semiconductor Association, the Indian Electronic System Design and Manufacturing (ESDM) market is expected to grow at a CAGR of 16-23 per cent to reach US\$ 228 billion by 2020 from \$100 billion in 2016-17. According to a study by The Associated Chambers of Commerce of India (ASSOCHAM) and NEC Technologies, the demand for electronic products in India is expected to grow at a Compound Annual Growth Rate (CAGR) of 41 per cent during 2017-20 to US\$ 400 billion by 2020.

According to data from the Engineering Export Promotion Council of India, engineering exports from India grew 11.33 per cent year-on-year to reach US\$ 65.23 billion in FY 2016-17. Exports of electrical machinery rose to US\$ 4.6 billion in FY 2016-17 from US\$ 3.7 billion in FY 2015-16.

Investments

The engineering sector in India attracts immense interest from foreign players as it enjoys a comparative advantage in terms of manufacturing costs, technology and innovation. The above, coupled with favourable regulatory policies and growth in the manufacturing sector has enabled several foreign players to invest in India.

The foreign direct investment (FDI) inflows into India's miscellaneous mechanical and engineering industries during April 2000 to June 2017 stood at around US\$ 3.34 billion, as per data released by the Department of Industries Policy and Promotion (DIPP).

In the recent past there have been many major investments and developments in the Indian engineering and design sector:

- With an aim to increase its presence in India, Denmark-based heating ventilation and air-conditioning (HVAC) giant, Danfoss, is planning to take its manufacturing localisation to 50 per cent as well as double its supplier base in India by 2020.
- Larsen and Toubro Ltd (L&T) has been awarded with projects worth Rs 2,170 crore (US\$ 336.93 million), which includes an order worth Rs 1,169 crore (US\$ 181.51 million) from Oman Electricity Transmission Company SAOC.
- South Korean electronics major, LG, is planning to make India as its export hub, on the back of improved ties between South Korea and India, as per Mr Ki Wan Kim, Managing Director, LG Electronics India (LGEI).
- Warburg Pincus is in advance talks with Tata Technologies to acquire up to 40 per cent minority stake for about Rs 2,300 crore (US\$ 357.11 million).
- Hexagon Capability Centre India (HCCI) in collaboration with National Institute of Technology Karnataka (NITK), Surathkal, launched first-of-its-kind NextGen 3D Lab costing Rs 7.7 crore (US\$ 1.15 million) at NITK Campus. The lab aims at making budding engineers industry-ready by the time they graduate.
- Engineering and construction major L&T entered into a joint venture with European defence major Matra BAE Dynamics Alenia (MBDA) Missile Systems for development of missiles in India. L&T will own 51 per cent stake in the JV named L&T MBDA Missile Systems and the rest 49 with the European partner.
- American plane maker Boeing Corporation has launched the Boeing India Engineering & Technology Center in Bengaluru. The centre will employ hundreds of locals who will work to support Boeing, including its information technology & data analytics, engineering, research and technology, and tests.
- Reliance Defence and Engineering Ltd said it has signed an agreement with the US Navy for undertaking service, maintenance and repair of Seventh Fleet of US Navy at the Reliance Shipyard at Pipavav in Gujarat.

Government Initiatives

The Indian engineering sector is of strategic importance to the economy owing to its intense integration with other industry segments. The sector has been de-licensed and enjoys 100 per cent FDI. With the aim to boost the manufacturing sector, the government has relaxed the excise duties on factory gate tax, capital goods, consumer durables and vehicles.

- In the Union Budget 2017-18, the Government of India increased the allocation for incentive schemes like the Modified Special Incentive Package Scheme (M-SIPS) and the Electronic Development Fund (EDF) to Rs 745 crore (US\$ 111 million) for providing a boost to the semiconductor as well as the electronics manufacturing industry.
- The Union Cabinet has approved incentives up to Rs 10,000 crore (US\$ 1.47 billion) for investors by amending the M-SIPS scheme, in order to further incentivise investments in

electronics sector, create employment opportunities and reduce dependence on imports by 2020.

- The Ministry of Electronics and Information Technology plans to revise its policy framework, which would involve the government taking a more active role in developing the sector by providing initial capital, with the aim to attract more private players and make India a global semiconductor hub.
- The Government of India is planning to merge 6 engineering consulting Public Sector Units (PSUs) to create a mega consultancy firm that can take up projects across sectors and compete with the likes of Bechtel of the US and domestic majors like Larsen & Toubro (L&T).

Road Ahead

The engineering sector is a growing market. Spending on engineering services is projected to increase to US\$ 1.1 trillion by 2020. The government, in consultation with semiconductor industry, has increased focus on the ESDM sector in last few years. Some of the initiatives outlined in the National Electronics policy and the National Telecom policy are already in the process of implementation, such as Preferential Market Access (PMS), Electronics Manufacturing Clusters (EMC) and Modified Special Incentive Package Scheme (M-SIPS).

India's capital good sector is expected to triple in size to Rs 7.5 trillion (US\$ 116 billion) and add 21 million jobs by 2025.

Exchange Rate Used: INR 1 = INR 1 = US\$ 0.015 as of October 30, 2017.

References: Media reports, Press releases, EEPC India, Press Information Bureau (PIB), Department of Industrial Policy and Promotion (DIPP), The Confederation of Indian Industry (CII)

(Source: Indian Engineering Industry Analysis-*India Brand Equity Foundation* www.ibef.org)

OUR BUSINESS

Some of the information contained in the following discussion, including information with respect to our business plans and strategies, contain forward-looking statements that involve risks and

Uncertainties. You should read the chapter titled “Forward-Looking Statements” beginning on page 20 of this Red Herring Prospectus, for a discussion of the risks and uncertainties related to those statements and also the section “Risk Factors” for a discussion of certain factors that may affect our business, financial condition or results of operations. Our actual results may differ materially from those expressed in or implied by these forward-looking statements. Our fiscal year ends on March 31 of each year, so all references to a particular fiscal are to the twelve-month period ended March 31 of that year.

The financial information used in this section, unless otherwise stated, is derived from our Financial Information, as restated prepared in accordance with Indian GAAP, Companies Act and SEBI Regulations. The following information is qualified in its entirety by, and should be read together with, the more detailed financial and other information included in this Red Herring Prospectus, including the information contained in the sections titled “Risk Factors” and “Financial Information” beginning on pages 21 and 164 respectively.

OVERVIEW

Established in 2003 our Company is engaged in manufacturing of CNC Turning Centers, Vertical Machining Centers, Horizontal Machining Centers, Cylindrical Grinder, Vertical Turret Lathe, Turn Mill Centers, Drill Tap Center, Twin Spindle VMC and also Multi Tasking, 5-axis along with sub spindle. Adding to the solution capabilities, Macpower has also offered Robotic Automation integrated with CNC machines to cope up the demand of technology driven machining excellence. CNC Machining is a process used in the manufacturing sector that involves the use of computers to control machine tools. Tools that can be controlled in this manner include lathes, mills, routers and grinders. The CNC in CNC Machining stands for Computer Numerical Control. On the surface, it may look like a normal PC that control the machines, but the computer's unique software and control console are what really sets the system apart for use in CNC machining. Under CNC Machining, machine tools function through numerical control. A computer program is customized for an object and the machines are programmed with CNC machining language (called G-code) that essentially controls all features like feed rate, coordination, Position and RPM. With CNC machining, the computer can control exact positioning and speed.

Our company is importing various components and parts i.e. Spindle, Ball Screw, Linear Guide ways, Linear Glass Scale, Live Tool Turret, Live Tool Holder, Probe, CNC System from Taiwan, Germany, Japan, Italy etc. Our in house research and development approach allows the company to offer customized solutions to our customers. Macpower is registered to ISO 9001(Design), a universally accepted quality assurance designation by Tuv Suddeutchland India Private Limited (Germany) and also ISO 9001: 2008 by BSCIC, India. Our Company is well equipped with the latest infrastructure and equipments, well qualified skilled intellectual capital to support the manufacturing of high end technology driven machines.

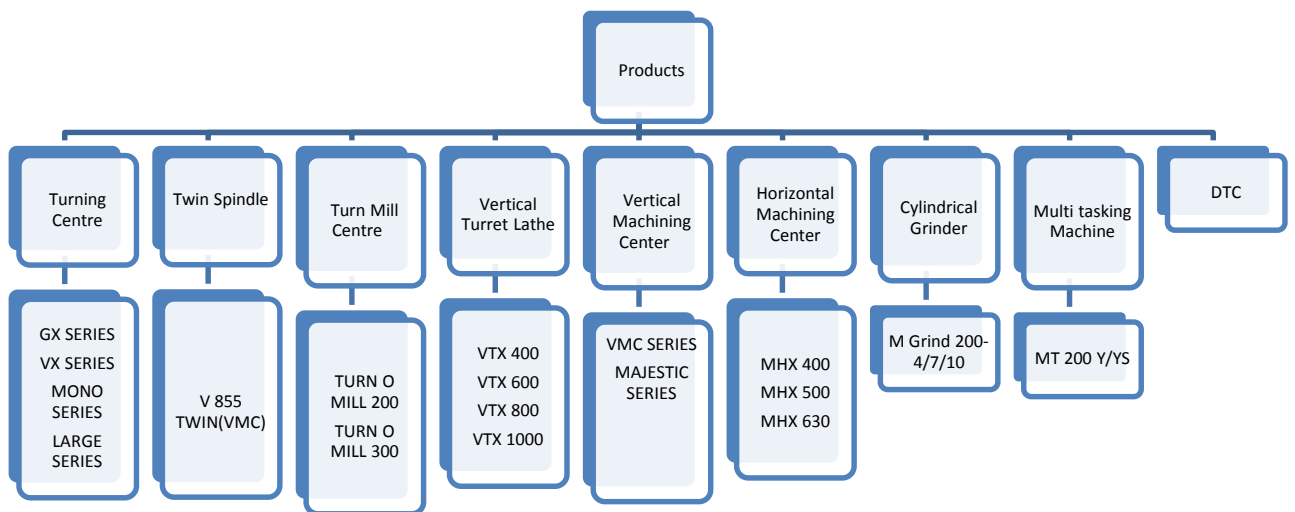
Our Company was founded by Mr. Rupesh Mehta. Who has experience of more than 25 years in the Machine Tool Industry. He was the Former President of Rajkot Machine Tools, Former Treasurer of the Chamber of Commerce, Former Director of Rajkot Engineering Association and presently Executive Director of Indian Machine Tools Manufactures Association. He is the guiding force behind all the corporate decision and is responsible for the entire business operation of the Company. Our Promoter Nikesh Mehta, aged 39 years, is the Promoter and Director of our Company. He has been on the Board of our Company since December 31, 2003. He has experience of around 14 years of experience in Machine Tool Industry. He holds a degree in Bachelor of Commerce from Saurashtra University. His scope of work includes looking after Machine Shop, Application and Purchase department of the Company.

Few Awards and Recognitions of the Company are listed below:

1. FIE Foundation Award at IMTEX 2017 for Designing Excellence of Twin Spindle VMC V855 Twin Head
2. FIE Foundation Award at IMTEX 2015 for Designing Excellence of Multitasking Machine Turn O’ Mill Y S
3. FIE Foundation Award at IMTEX 2013, Bangalore for designing excellence for model TURN ‘O’ Mill 200
4. Ranked 4th in highest excise tax pay in the year 2010-11
5. Best Design award for LX 200 Super at Engineering Expo in 2004

Our total Income were Rs. 4645.32 lakhs, Rs.6954.92 lakhs, Rs. 6416.13 lakhs and Rs. 6426.26 Lakhs and our profit for the period was Rs. 250.41 lakhs , Rs. 79.39 lakhs, Rs. 48.95 lakhs and Rs. 28.74 lakhs for the period ended September 2017 and Financial year ended 2017, 2016 and 2015, respectively.

PRODUCT PROFILE



TURNING CENTER: Macpower offers various variants of turning centers to cater to various segments of different industry strata which serves to provide solutions for valves, impellers, crankshafts, hydraulic fittings etc.

TWIN SPINDLE: Twin spindle VMCs offer increased productivity with tremendous reduction in cycle time for a component manufacturing and Macpower offers range for the same which can be described as new age machines

TURNMILL CENTER: It is a mix of solution being offered wherein majority portion is covered by turning operations very well supported by milling to give two in one customized outcome for the end user. Live tool turret supported by matching tools help in achieve the required outcome for a whole range of sectors like petroleum, automobile, infrastructure industry and so on.

VERTICAL MACHINING CENTER: Three axes VMCs offer critical solutions for die and mould, aerospace, defence sectors by providing high end precision to various components and we offer range of VMCs to incorporate total range of components to offer customized solutions.

VTL: Vertical Turret lathe offers precision vertical turning for valve body, motor body and pump industry. It is the expansion of horizon from horizontal turning to the vertical one with various variants to offer.

HMC: Multi dimensional end to end machining of most critical components for aerospace, defence, infrastructure industry is possible on Horizontal Machining Centers wherein Automatic Tool Changer and Auto Pallet Changer play their respective roles for accurate machining very well supported by moving column structure..

DTC: Specific application of drilling and tapping operations is being met by Drill Tap Center wherein special type of Automatic Tool Changer helps in achieve specific results with apparent decrease in cycle time.

CYLINDRICAL GRINDER: The ultimate operation for machining – grinding is being carried out by our range of Cylindrical Grinder. It’s work head, wheel head, slides tailstock along with Dressing Unit performs synchronously as per program and offers ultimate finish to end components.

MULTI TASKING MACHINE:

Multi-tasking Machines are designed to exceed customer expectations even further, to accomplish part manufacturing in a single setup with help of multi-tasking operations alongside delicate part handling and without compromising high level of precision. Multi-tasking Machine reduces the need of multi-step machining process that traditionally would consist of two or more separate machine and setups.

OUR MANUFACTURED MACHINES





VERTICAL TURNING LATHE



ROBOTIC AUTOMATION



VERTICAL MACHINING CENTER

PRODUCT WISE REVENUE BREAKUP
[INR in Lakhs]

| Year | Total Sales | Sales [Other than Govt] | | | Govt Business | | Other Components | | Total % of Sales |
|---------|-------------|-------------------------|----------------|------------------|---------------|------------------|------------------|------------------|------------------|
| | | Model | Amount | % of total sales | Amount | % of total sales | Amount | % of total sales | |
| 2012-13 | 3674.93 | TURN MILL CENTER | 21.51 | 0.59 | 0.00 | 0.00 | 16.05 | 0.44 | 100 |
| | | TURNING CENTER | 3434.76 | 93.46 | 0.00 | 0.00 | | | |
| | | VMC | 202.61 | 5.51 | 0.00 | 0.00 | | | |
| | | MULTI TASKING MACHINE | 0.00 | 0.00 | 0.00 | 0.00 | | | |
| | | VTL | 0.00 | 0.00 | 0.00 | 0.00 | | | |
| | | TWIN SPINDLE | 0.00 | 0.00 | 0.00 | 0.00 | | | |
| | | HMC | 0.00 | 0.00 | 0.00 | 0.00 | | | |
| | | DTC | 0.00 | 0.00 | 0.00 | 0.00 | | | |
| | | Grand Total | 3658.88 | 99.56 | 0.00 | 0.00 | | | |
| 2013-14 | 4124.60 | TURN MILL CENTER | 0.00 | 0.00 | 317.14 | 7.69 | 30.32 | 0.74 | 100 |
| | | TURNING CENTER | 2968.69 | 71.98 | 98.88 | 2.40 | | | |
| | | VMC | 539.31 | 13.08 | 94.32 | 2.29 | | | |
| | | MULTI TASKING MACHINE | 75.94 | 1.84 | 0.00 | 0.00 | | | |
| | | VTL | 0.00 | 0.00 | 0.00 | 0.00 | | | |
| | | TWIN SPINDLE | 0.00 | 0.00 | 0.00 | 0.00 | | | |
| | | HMC | 0.00 | 0.00 | 0.00 | 0.00 | | | |
| | | DTC | 0.00 | 0.00 | 0.00 | 0.00 | | | |
| | | Grand Total | 3583.94 | 86.89 | 510.34 | 12.37 | | | |
| 2014-15 | 6298.22 | TURN MILL CENTER | 20.65 | 0.33 | 376.02 | 5.97 | 43.99 | 0.70 | 100 |

| | | | | | | | | | |
|----------------|---------|-----------------------|----------------|--------------|----------------|--------------|-------|------|-----|
| | | TURNING CENTER | 3756.29 | 59.64 | 544.82 | 8.65 | | | |
| | | VMC | 925.61 | 14.70 | 596.83 | 9.48 | | | |
| | | MULTI TASKING MACHINE | 0.00 | 0.00 | 0.00 | 0.00 | | | |
| | | VTL | 34.00 | 0.54 | 0.00 | 0.00 | | | |
| | | TWIN SPINDLE | 0.00 | 0.00 | 0.00 | 0.00 | | | |
| | | HMC | 0.00 | 0.00 | 0.00 | 0.00 | | | |
| | | DTC | 0.00 | 0.00 | 0.00 | 0.00 | | | |
| | | Grand Total | 4736.56 | 75.20 | 1517.68 | 24.10 | | | |
| | | | | | | | | | |
| 2015-16 | 6314.05 | TURN MILL CENTER | 23.75 | 0.38 | 112.41 | 1.78 | 47.88 | 0.76 | 100 |
| | | TURNING CENTER | 3002.53 | 47.55 | 407.58 | 6.46 | | | |
| | | VMC | 1395.89 | 22.11 | 594.10 | 9.41 | | | |
| | | MULTI TASKING MACHINE | 45.00 | 0.71 | 68.05 | 1.08 | | | |
| | | VTL | 34.00 | 0.54 | 81.00 | 1.28 | | | |
| | | TWIN SPINDLE | 0.00 | 0.00 | 0.00 | 0.00 | | | |
| | | HMC | 0.00 | 0.00 | 501.86 | 7.95 | | | |
| | | DTC | 0.00 | 0.00 | 0.00 | 0.00 | | | |
| | | Grand Total | 4501.18 | 71.29 | 1765.00 | 27.95 | | | |
| | | | | | | | | | |
| 2016-17 | 6877.68 | TURN MILL CENTER | 0.00 | 0.00 | | 0.00 | 54.36 | 0.79 | 100 |
| | | TURNING CENTER | 3190.23 | 46.39 | 472.18 | 6.87 | | | |
| | | VMC | 1663.64 | 24.19 | 1076.64 | 15.65 | | | |
| | | MULTI TASKING MACHINE | 0.00 | | 199.24 | 2.90 | | | |
| | | VTL | 37.95 | 0.55 | 0.00 | 0.00 | | | |
| | | TWIN SPINDLE | 65.45 | 0.95 | 0.00 | 0.00 | | | |
| | | HMC | 96.00 | 1.40 | 0.00 | 0.00 | | | |
| | | DTC | 22.00 | 0.32 | 0.00 | 0.00 | | | |
| | | Grand Total | 5075.26 | 73.79 | 1748.06 | 25.42 | | | |
| | | | | | | | | | |

| | | | | | | | | | |
|--|---------|-----------------------|----------------|--------------|----------------|--------------|-------|------|-----|
| 2017-18 upto 30.09.2017 | 4582.01 | TURN MILL CENTER | 0.00 | | 0.00 | 0.00 | 49.48 | 1.08 | 100 |
| | | TURNING CENTER | 2136.53 | 46.63 | 604.22 | 13.19 | | | |
| | | VMC | 1273.03 | 27.78 | 0.00 | 0.00 | | | |
| | | MULTI TASKING MACHINE | 0.00 | | 0.00 | 0.00 | | | |
| | | VTL | 62.75 | 1.37 | 0.00 | 0.00 | | | |
| | | TWIN SPINDLE | 53.10 | 1.16 | 0.00 | 0.00 | | | |
| | | HMC | 0.00 | | 402.91 | 8.79 | | | |
| | | DTC | 0.00 | | 0.00 | | | | |
| | | Grand Total | 3525.41 | 76.94 | 1007.13 | 21.98 | | | |

EXPORT WISE REVENUE BREAK UP

| Export Data With Breakup | | | |
|--------------------------|-------------------|-----------------------|----------------|
| F.Y. | Country of Export | Value in INR in Lakhs | Machine Type |
| 2012-13 | THAILAND | 53.13 | TURNING CENTER |
| 2013-14 | THAILAND | 0.45 | - |
| | RUSSIA | 20.23 | TURNING CENTER |
| | | 49.14 | TURN O' MILL Y |
| | | 24.91 | VMC |
| | TURKEY | 42.70 | TURNING CENTER |
| 2014-15 | SHARJAH [UAE] | 18.30 | TURNING CENTER |
| | USA | 31.16 | TURNING CENTER |
| 2015-16 | UK | 84.76 | VMC |
| 2016-17 | - | - | - |
| September 30, 2017 | - | - | - |

COMPETITIVE STRENGTH

Experienced Promoters and management team:

Mr. Rupesh Mehta, Promoter, Chairman and Managing Director has over 25 years of experience in machine tool industry and has been the anchor person to craft out new avenues. His exposure related to our industry adds more strength to their experience. Mr. Nikesh Mehta, promoter and Whole Time Director who is looking after entire manufacturing process has around 14 years of experience in machine tool industry. For further details of our Promoter's experience and background, please refer the chapter titled "Our Promoters and Promoter Group" on page no. 157 of this Prospectus. Also, our Company is managed by a team of experienced personnel. The team comprises personnel having technical and operational experience. Our management team's experience and their understanding of the machine tools industry enable us to continue to take advantage of both current and future market opportunities. Moreover, flat hierarchy structure enables fast decision making process which enables quick implementation of customer centric solutions.

Diversified Customer Base

We have catered to over 178 customers with total 213 Machines during the six months ended September 30, 2017 and 236 customers with total 343 Machines in Financial Year 2017 across various sectors like Automobile, Agriculture, Earth Moving Equipment's, Bearings, General Engineering, Aerospace, Metal, Petroleum, Construction Industries, Defense, PSUs. We are not dependent on the fortunes of any particular sector for growing our business and this diversification also helps us to withstand cyclical downturns in one or more sectors. One of the characteristics of the machine tool industry is the reluctance of the customer to switch vendors, if an existing process has been running efficiently. We have been able to retain our customers by promising and delivering cost savings and process enhancements.

Research and Development:

Right from the beginning our Company has believed in research and development which has benefited our company to lay a technical foundation and the capability that allows the Company to offer customized solutions to the customers. A facilitated design and research and development department with use of ProE, 3D, CAD Software and FE Analysis, enables a continuous study of the customer feedback and related technology to make the necessary upgradation. We have applied for inhouse Research and Development Center establishment with a team of 15 experienced design engineers headed by President R & D having core experience of 40 years in Machine tool Design. This has resulted in new models, and implemented into our latest machines. By combining a designer's innovation with an analyst's insight, we were able to fully complement each person's strength to arrive at powerful solutions.

Sales Service

Our company understands that to suggest the proper solution, customers has to be attended personally by a trained sales person and to achieve the same we have established nation wide network of sales force with its own offices in major centers and network of dealers.

Our Sales and Service Team is spread in 31 cities in the Country with 107 B.E./D.M.E. qualified Sales & Service Engineers. These 31 cities cover 3 Technical Centre at Ahmedabad, Pune and Hyderabad for advance services. We have 7 Distributors in different cities i.e. Mohali, Sonapat, Bangalore, Coimbatore, Hyderabad and Kolkata. For expanding our roots, Company holds 4 Places as its Branch Offices at Ahmedabad, Pune, Jaipur and Delhi.

A customer achieving high throughput using CNC machines would always want prompt after sales service. We have trained Service Team members placed across the nation to cater customers as quickly as they can. We provide regular training to its sales, service & managerial staff to maintain & upgrade them with the latest methodology and this will further help our Company to maintain the edge

Our Sales representatives are at Ahmedabad, Surendra nagar, Jamnagar, Baroda, Rajkot, Mumbai, Nasik, Nagpur, Aurangabad, Kolhapur, Pune, Delhi, Gurgaon, Bhiwadi, Manesar, Faridabad,

Ghaziabad, Ludhiana, Noida, Rohtak, Jaipur, , Mohali, Indore, Alwar, Bhopal, Kolkata, Bangalore, Chennai, Coimbatore, and Hyderabad

Quality Check

We believe that we are a quality focused company. We are committed to maintain quality and at all steps from procurement till dispatch. We have established a quality control team which has the responsibility to ensure compliance with manufacturing practices. We have in-house testing laboratory to test our raw materials to match the quality standards. Before commencement of the manufacturing process, the raw materials purchased by our Company have to undergo a quality check, to ensure that they are of relevant quality and match the standards as specified. The finished products are checked in our in house testing laboratory to ensure that the same is of relevant standards and design as specified by the customer; the products are then packed and dispatched.

BUSINESS STRATEGY

Setting Up Facility for In-house Machining

We believe we are a one-stop metal cutting solutions provider. We offer a wide range of CNC metal cutting products for both Turning and Milling operations. The momentum of growth already achieved by the company. Now we are planning for integrated operation of our products by in-house machine shop and Sheet metal manufacturing facility. We believe that our integrated operations reduce our dependence on third party suppliers of products, services and quality, enabling us to streamline our production process and achieve timely delivery of quality products at competitive costs.

Pursue international growth opportunities

We believe that there exist substantial opportunities to grow our business internationally. Historically our revenue has been dependent on domestic market. We intend to develop new distribution channels in international geographies and upscale our export operations to sell higher volumes of our products.

Government Supplies:

We had supplied series of Machines to Government of India Establishments like Ordnance Factories, PSUs, Educational Institutes of State and Central Government, Research Centers and we are firmly establishing our footholds in those categories with multifold planning to supply various machines and cater to this vertical. Our Company receives advances against each order except government orders as it works through tenders only.

Synopsis of Government Business

| Total Tenders submitted successfully as on December 11, 2017 | | |
|---|----------------------------------|-------------------|
| Segment | Total Value Including Taxes(INR) | (In Rupees Lakhs) |
| Defense Sector Like Ordnance Factories Rifle factory, Engine Factory, Gun & Shell Factory , Tank Factory) | 2,09,51,71,674 | 20,951.72 |
| Educational Sector like ITI'S and IIT Colleges | 27,09,66,939 | 2,709.67 |
| PSU's –like DRDO | 47,98,18,530 | 4,798.19 |
| Hindustan Aeronautics Limited | 18,03,99,862 | 1,804.00 |
| Grand Total | 3,02,63,57,005 | 30,263.57 |
| Total Pending Orders In Hand as on December 11, 2017 | | |
| SEGMENT | VALUE (INR) | (In Rupees Lakhs) |

| | | |
|--|---------------------|--------------------------|
| Defense Sector Like Ordnance Factories (Rifle Factory, Engine Factory, Gun & Shell Factory , Tank Factory) | 8,38,08,310 | 838.08 |
| Educational Sector like ITI'S and IIT Colleges | 1,98,95,070 | 198.95 |
| Grand Total | 10,37,03,380 | 1037.03 |
| Value Of Supplied Orders In Last 05 Years | | |
| SEGMENT | VALUE (INR) | (In Rupees Lakhs) |
| Defense Sector Like Ordnance Factories (Rifle Factory, Engine Factory, Gun & Shell Factory , Tank Factory) | 60,99,58,290 | 6,099.58 |
| Educational Sector like ITI'S and IIT Colleges | 7,49,97,159 | 749.97 |
| PSU's like DRDO | 2,20,30,763 | 220.31 |
| Grand Total | 70,69,86,212 | 7,069.86 |

Domestic Business

Our machine caters to various sectors industries like Automobile, Agriculture, Earth Moving Equipment's, Bearings, General Engineering, Aerospace, Metal, Petroleum, Construction Industries, Defense, PSUs.

Details of our domestic business as blow:

| | |
|--|-----|
| Total Machines dispatch till March 31, 2017 | 554 |
| Current Order cleared upto November 30, 2017 | 279 |
| Future Orders in hand | 295 |

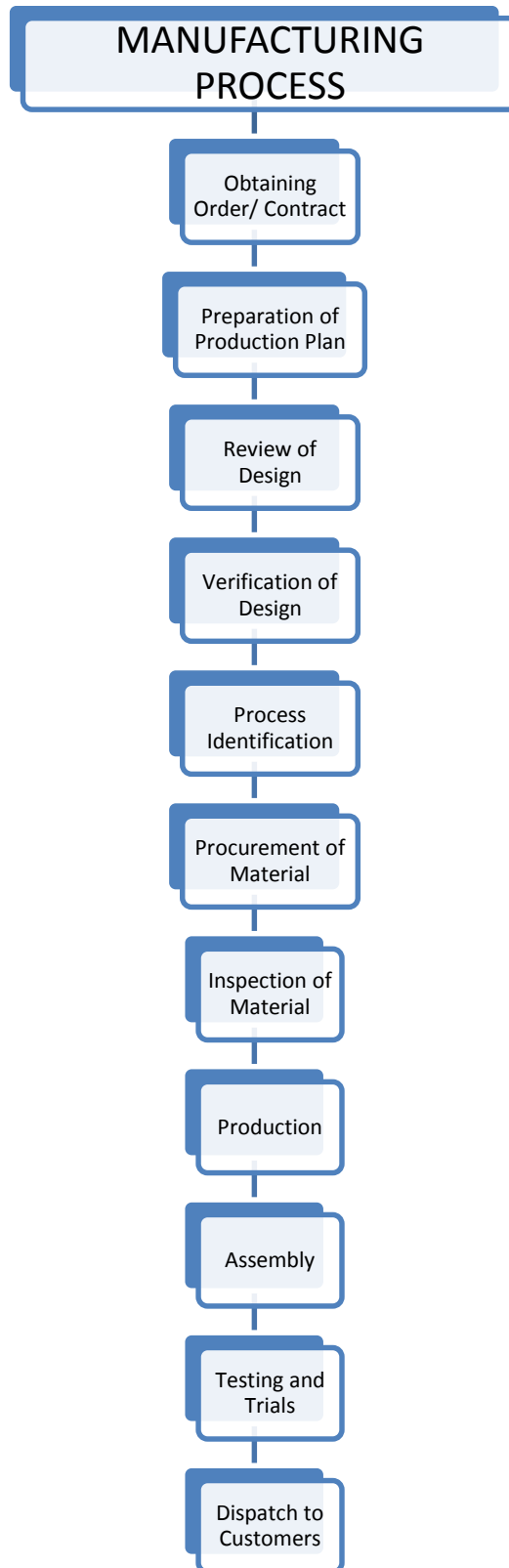
We have around 295 orders in line valuing Rs. 52.44 Cr out of which we already receive Rs. 3.02 Cr. as an advance to orders.

Tech Center Close to the Customer

We started our first Technology center in Bangalore since 2013. It houses live demo of Macpower CNC Machines. It is one stop solution regarding machines, tooling, fixture options, part development, machines, tooling, part development, machine applications and trading and Prove outs. To achieve this objective, these centers have a representative selection of CNC Lathes, Machining Centers for Customers to get hands on experience about these machines. This journey has progressed to opening up Tech Centers at Hyderabad, Pune, Ahmedabad.

Augmenting manufacturing capacity to meet the growing industry demand

We believe that the growing demand for machine tools presents a significant opportunity for us. The consumption of machine tools in India was ` 117.6 bn in 2012 and is expected to reach 293.0 bn in 2020 (Source: Indian Machine Tool Industry Vision Document & Perspective Plan 2010-2020, August 2010, by the Ministry of Heavy Industries & Public Enterprises). As per the National Manufacturing Policy, the Government has announced its intention to improve the share of Manufacturing in GDP from nearly 16% currently to 25% by 2022. The continued increase in domestic and foreign investment into industry will translate into a higher demand for machine tools, the "Mother Industry" for all manufacturing activities. The major mechanical engineering ancillary hubs in the country that comprise a large number of SMEs and MSMEs are expected to contribute in a major way to the growth of the machine tools industry. We intend to continue the expansion of our manufacturing capacities to address this growing industry demand.



The manufacturing process for the machines is briefly described below:

Production Plan & Design:

This is the primary stage of the manufacturing process. Depending upon the specifications of the machine to be manufactured, the design of the machine is prepared. This design is verified and confirmed in consultation with the user (customer). As per the designs, the entire machine may also be divided into various components. A Bill of Materials is then prepared, listing out the various materials required for manufacture of the components and the machine. A schedule of processes which the materials have to undergo, is prepared..

Procurement of Materials

The materials required for manufacture of the machinery is procured from among the approved suppliers of the company. Materials received are then subjected to inspection to verify whether they conform to specifications as per the Bill of Materials. The approved material is then issued to the shop-floor.

Processing of Material:

The materials then undergo various processes of fabrication and machining, in accordance with the design.

In process Inspection:

During the various stages of manufacture described above, the materials are subjected to In-process Inspection on various parameters to identify deviations from the specifications, if any, during the process and to take corrective action wherever needed.

Calibration of Test Instruments:

The gauges and measuring instruments are calibrated periodically to ensure they are as per pre-set standards

Final Inspection:

The components are then subjected to final inspection before passing them for assembly

Assembly

The components produced in house, along with the components bought out are then assembled to produce the machinery

Testing and Trials:

The machines are then subjected to Testing and Trials to ensure that they satisfy the specified parameters of performance. The trials are conducted internally as well as in the presence of the customer to fully satisfy the user's expectations.

Dispatch:

On successful completion of test run and trials, the machines are then dispatched to the customer's works.

Commissioning of Machine:

On receipt of the machine at customer works, necessary supervision of its erection and commissioning is carried out by our Company's service personnel. Further, necessary orientation /training of customer's operators is imparted by the company's service personnel.

COLLABORATIONS

Our Company has not entered into any collaboration agreements as on date of this Red Herring Prospectus.

OUR RAW MATERIALS

Metal cutting CNC machine manufacturing involves assembling various parts either manufactured in-house or sourced from vendors. Our raw materials are MS Steel, Spindle (Turning), Turret, ATC, Chuck, Rotary Cylinder, Hydraulic Power Oack, Steady Rest, Lubrication Unit, Coolant Pump, Conveyor, Telescopic Cover, and Pneumatic. We importing various components and parts i.e. Spindle, Ball Screw, Linear Guide ways, Linear Glass Scale, Live Tool Holder, Probe, Auto Tool Changer, Auto Pallet Changer, CNC System from Taiwan, Germany, Japan, Italy, Korea, UK etc. Our Company assembles the raw material and manufactures various type of CNC Machines.

SWOT ANALYSIS:

| | |
|---|---|
| <p><u>Strengths</u></p> <ul style="list-style-type: none">▪ Serving 60 plus models catering 27 Product Categories▪ Research & Development▪ Pro Engineer 3-D Modeling and Finite Element Analysis (FEA) digital design tools allow our designers to achieve maximum accuracy and flexibility, while applying practical experience and knowledge to our new product▪ Experienced Management▪ Sales and Service Network | <p><u>Threats</u></p> <ul style="list-style-type: none">▪ Increase in price of raw material▪ Changing Technology▪ Possible entry of global players▪ Perceived lack of quality |
| <p><u>Weaknesses</u></p> <ul style="list-style-type: none">▪ Logistics time of Raw Material▪ Assembling Time▪ Dependency on Imports of Key Components▪ Long Manufacturing Cycle | <p><u>Opportunities</u></p> <ul style="list-style-type: none">▪ Expanding New Geographical Markets▪ Covering New Industries▪ Backward Integration▪ Huge number of Orders in row |

UTILITIES & INFRASTRUCTURE FACILITIES

Infrastructure Facilities

Our Registered Office and Manufacturing Unit is situated at Plot No. 2234, Near Kranti Gate, GIDC Metoda, GIDC, Metoda Tal Lodhikha District, Rajkot, Gujarat 360021, India well equipped with computer systems, internet connectivity, other communication equipment, security and other facilities, which are required for our business operations to function smoothly.

Power

The Registered Offices as well as manufacturing facilities of our Company meets its Power requirements by purchasing electricity from Paschim Gujarat Vij Company Limited.

Water

Our Company has two bore wells and water connection from GIDC Association which suffice our regular water requirements. In case of additional requirement, we arrange it from water suppliers.

EXPORT AND EXPORT OBLIGATIONS

As on the date of filing of this Red Herring Prospectus, Our Company does not have any export obligation.

HUMAN RESOURCE

We believe that our employees are key contributors to our business success. We focus on attracting and retaining the best possible talent. Our Company looks for specific skill-sets, interests and background that would be an asset for its kind of business.

As on the date of this Red Herring Prospectus, we have 356 employees on payroll. Our manpower is a prudent mix of the experienced and youth which gives us the dual advantage of stability and growth. Our work processes and skilled/ semi-skilled/ unskilled resources together with our management team have enabled us to implement our growth plans.

PLANT & MACHINERY

Our Major Plant and Machinery are listed below

| Sr. No | Description (including make, model etc) | Quantity |
|--------|---|----------|
| 1 | Drill Machine | 4 |
| 2 | Straight Edge 1000 mm | 1 |
| 3 | All Geared Lathe Size 6 Ft. | 1 |
| 4 | Jib Crane 1 Ton with Hoist | 1 |
| 5 | Granite Straight Edge 1000x200x100 mm | 1 |
| 6 | EOT Crane 3 Ton | 1 |
| 7 | Hydraulik Surface Grinder | 1 |
| 8 | Gidder Crane ISMB 200 & 250 | 1 |
| 9 | Radial Drill 62/1500 | 1 |
| 10 | Radial Drill 40/900 | 1 |
| 11 | Granite I Section Straight Edge | 1 |
| 12 | Granite Surface Plate 1000x1000mm | 1 |
| 13 | Granite Surface Plate 2000x1000mm | 1 |
| 14 | Granite Straight Edge 1000x150x75 | 1 |
| 15 | All Cut Magnetic Drill 23mm | 1 |
| 16 | E.O.T. Crane 5 Ton | 1 |
| 17 | E.O.T. Crane 10 Ton | 1 |
| 18 | Radial Drilling Machine - 25 mm | 1 |
| 19 | LX 215 All Geared Head Lathe | 1 |
| 20 | Batliboi Radial Drilling Machine | 1 |
| 21 | All Cut Magnetic Drill | 1 |
| 22 | Hydraulic Surface Grinder 1000x500 | 1 |
| 23 | Horizontal Machining Centre | 1 |
| 24 | Renishaw make basic Measurement System- Lase Ball Bar | 1 |
| 25 | Hartford Double Column Machining Centre | 1 |

Our Company proposes to acquire machineries at an estimated cost of about Rs. 1311.33 lakhs. For further details regarding plant and machineries to be acquired, please refer to the chapter titled “Objects of the Issue” beginning on page 78 of this Red Herring Prospectus.

CAPACITY AND CAPACITY UTILISATION

Capacity of the Plant cannot be determined as we make customised product and same machineries are used for producing different types of products.

COMPETITION

Our Company is into manufacturing of CNC Machines, which faces competition from domestic as well as international players. Competition emerges not only from the organized and unorganized sector but also from small and big players. Its competitiveness depends on several factors including quality, price and customer service. Internationally, competition typically comes from low-cost operations in other emerging countries.

We compete with our competitors on the basis of product quality, price and reliability, application support and after sales service. We continuously strive to increase our distribution channel to increase our domestic presence. We presently have 107 plus sales and service engineers serving in 40 odd locations through our own offices and 3 Tech Centers of which all have minimum technical qualification and acumen to serve the target audience well. We intend to beat the competition not by price only but by providing total solution in terms application, service support and space to provide support in new component development of our valued customers. We intend to continue compete to capture more market share and manage our organic growth in an optimal way by improving our satisfying customer's demands, achieving operating efficiencies, and so on.

END USERS

Our products find application in various end-use industries including Automobile, Agriculture, Earth Moving Equipment's, Bearings, General Engineering, Aerospace, Metal, Petroleum, Construction Industries, Ordnance Factories, Public Sectors Units, Educational Institutions. Thus there is wide horizon of segments and industries to cater which opportune us to grow multifold in coming times. However our company has not maintained sector wise revenue breakup.

MARKETING

The efficiency of the marketing and sales network is critical success of our Company. Our success lies in the strength of our relationship with the customers who have been associated with our Company. Our team through their relevant experience and good rapport with these customers owing to timely and quality delivery of service plays an instrumental role in creating and expanding a work platform for our Company. We sell our products directly to customer as well as through our dealer network.

We believe our relationship with our customers is strong and established as we receive repeated orders. To retain our customers, our team regularly interacts with them and focuses on gaining an insight into the additional needs of customers. We intend to expand our existing customer base by increasing our presence in existing markets and reaching out to other geographical areas. Our marketing team is ready to take up challenge so as to scale new heights. As an ongoing effort of brand building, we participate in various PAN India machine tools exhibitions, arranging training for programmers and operators at Tech Centers, customer meet, News Letters, Bulletin, updation of new development on website and social media and so on. Our ongoing effort is to coverage various Marketing tools like taking part in an exhibition will converge to virtual presentation of the same on the social media. Newsletter being sent on regular basis not only to existing but even to potential customers, making use of AIDA model in exhibition for optimum end result and applying proper Marketing Mix to have direct impact on sales and bottom line of the company

INSURANCE

Our Company has insurance coverage which we consider reasonably sufficient to cover all normal risks associated with our operations and which we believe is in accordance with the industry standards. We have taken Workmen's Compensation Policy for Workmen's, Marine Cargo Open Policy for goods and Standard Fire & Special Perils Policy for a substantial majority of our assets at our office and factory.

Our policies are subject to customary exclusions and customary deductibles. We believe that our insurance coverage is adequate for our business needs and operations. We will continue to review our policies to ensure adequate insurance coverage is maintained.

INTELLECTUAL PROPERTY

Our Company does not have any intellectual property as on the date of this Red Herring Prospectus.-

LAND AND PROPERTY

I. Land and Properties leased by the Company.

| Sr. No | Location of the Property | Usage of Property | Document Date | Lessor |
|--------|---|--|------------------|---|
| 1 | Plot No. 2234, Near Kranti Gate, GIDC Metoda, GIDC, Metoda Tal Lodhikha District, Rajkot, Gujarat 360021, India | Registered Office, Corporate Office and Manufacturing Unit | January 05, 2005 | Gujarat Industrial Development Corporation. |

I. Land and Properties taken on Rent by the Company.

| Sr. No | Location of the Property | Usage of Property | Document Date | Rented From |
|--------|---|-------------------|------------------|---|
| 1 | Plot No. 71/1B/2, Khira Industrial, Co-operative Society, T- Block Bhosari, Near Indrani Corner, Telco Road, Pune- 411026 | Branch Office | January 05, 2017 | Mr. Bharat Kuwad |
| 2 | Patparganj Industrial Area, C-23, 2 nd Floor, New Delhi- 110092 | | May 04, 2017 | Mr. Rajesh Kumar Gupta |
| 3 | F-134, First Floor, Dhan Shree Tower-1, Central Soine, Vidhyadhar Nager, Jaipur-302023 | | June 16, 2017 | Mr. Vikram Singh |
| 4 | E-1, Sumel -7, Near Soni Chali Cross Road, Rakhial, Ahmedabad – 380 023 | | Sept. 21, 2017 | Hardik Shah Devenbhai Shah Bharatkumar Shah |

KEY INDUSTRIES REGULATION AND POLICIES

Except as otherwise specified in this Red Herring Prospectus, the Companies Act, 1956 / the Companies Act, 2013, we are subject to a number of central and state legislations which regulate substantive and procedural aspects of our business. Additionally, our operations require sanctions from the concerned authorities, under the relevant Central and State legislations and local bye-laws. The following is an overview of some of the important laws, policies and regulations which are pertinent to our business as a player in business of Manufacturing of CNC Machines, Vertical Machining Centers, HMC, VTL, Twin Spindle, Vertical Turret Lathe, Cylindrical Grinder, Multi-tasking Machine, Five Axis Machine, DTC, Robotic Automation, SPM [Special Purpose Machines] for Hindustan Aeronautics Limited, DRDO, Ordnance Factory for Defence. Taxation statutes such as the I.T. Act, and applicable Labour laws, environmental laws, contractual laws, intellectual property laws as the case may be, apply to us as they do to any other Indian company. The statements below are based on the current provisions of Indian law, and the judicial and administrative interpretations thereof, which are subject to change or modification by subsequent legislative, regulatory, administrative or judicial decisions. The regulations set out below may not be exhaustive, and are only intended to provide general information to Applicants and is neither designed nor intended to be a substitute for professional legal advice.

APPROVALS

For the purpose of the business undertaken by our Company, our Company is required to comply with various laws, statutes, rules, regulations, executive orders, etc. that may be applicable from time to time. The details of such approvals have more particularly been described for your reference in the chapter titled “Government and Other Statutory Approvals” beginning on page number 191 of this Red Herring Prospectus.

APPLICABLE LAWS AND REGULATIONS

BUSINESS/TRADE RELATED LAWS/REGULATIONS

The Micro, Small and Medium Enterprises Development Act, 2006

In order to promote and enhance the competitiveness of Micro, Small and Medium Enterprise (MSME) the Micro, Small and Medium Enterprises Development Act, 2006 is enacted. A National Board shall be appointed and established by the Central Government for MSME enterprise with its head office at Delhi in the case of the enterprises engaged in the manufacture or production of goods pertaining to any industry mentioned in first schedule to Industries (Development and Regulation) Act, 1951 as “micro enterprise”, where the investment in plant and machinery does not exceed twenty-five lakh rupees; “Small enterprise”, where the investment in plant and machinery is more than twenty-five lakh rupees but does not exceed five crore rupees; or a medium enterprise, where the investment in plant and machinery is more than five crore but does not exceed ten crore rupees and in the case of the enterprise engaged in the services, “Micro – enterprise”, where the investment in equipment does not exceed ten lakh rupees, “Small Enterprise” where the investment in equipment is more than ten lakh rupees but does not exceed two crore rupees, or “Medium Enterprise” where the investment in equipment is more than two crore rupees but does not exceed five crore rupees.

The Gujarat Industrial Policy 2015

Gujarat has witnessed strong growth in Micro, Small & Medium Enterprises (MSMEs) sector which covers the medium sector of Gujarat. MSME sector has a special importance as this is the sector which belongs to common man. Gujarat Government wishes to strengthen the sector by making it more technology-driven. This type of support will come by way of interest subsidy for manufacturing and service sector, venture capital assistance, quality certification, technology acquisition fund, patent assistance for national and international, energy and water conservation audit, market development assistance and support, MSMEs for credit rating, raising capital through MSE exchange, reimbursement of CGTSME scheme for collateral free loan, state awards under MSMEs and skill development etc. Support would also be extended for development of ancillary and auxiliary enterprises for labour intensive industries.

The Government of Gujarat will constitute separate awards for MSMEs. The awards will be for achieving excellence through growth and production profit, quality improvement measures, Environment improvement measures and Innovation and new product/process/technology development. The policy encourages adoption of new and innovative technologies by providing financial support will be provided to each cluster for every innovative technology, setting up R&D Institutions, setting new laboratories, financial support through partial reimbursement of cost for filing domestic patents and international patents.

Gujarat government shall be taking market development initiatives with the intention of giving enhanced visibility to local produce from large industries and specifically from MSMEs. Government of Gujarat stresses on “Zero Defect” to produce globally-competitive, locally manufactured goods. One of the expansive marketing practices around the globe is participation in international and domestic trade fairs to show one’s products or wares. Government of Gujarat will make market credit available to MSMEs.

Quality improvement is strongly envisaged in the new industrial policy. The assistance will be granted by national (approved by quality council of India) and international certification. The policy also intends to encourage use of enterprise resources planning system (ERP) for MSMEs. Government of Gujarat also provides assistance for raising capital through SME exchange on one time basis.

Legal Metrology Act, 2009

An act to establish and enforce standards of weights and measures, regulate trade and commerce in weights, measures and other goods which are sold or distributed by weight, measure or number and for matters incidental thereto. The part of metrology in relation to weighing and measuring units as well as methods of weighing and measuring instruments with the object of ensuring public guarantee and from the point of view of security and accuracy of weighing and measurement. Any weight or measure which conforms to the standard of such weight or measure and also conforms to such of the provisions of Sec. 7 as are applicable to it shall be the standard of weight or measure. Any numeral which conforms to the provisions of Sec. 6 shall be the standard numeral. It further provides that no weight, measure or numeral, other than the standard weight, measure or numeral shall be used as a standard weight, measure or numeral.

Every reference standard, secondary standard and working standard shall be verified and stamped in such manner and after payment of such fee as may be prescribed. Every reference standard, secondary standard and working standard which is not verified and stamped in accordance with the provisions shall not be deemed to be a valid standard. The provision relating to Use and Prohibition provides that no person shall, in relation to any goods, things or service quote, or make announcement of, whether by word of mouth or otherwise, any price or charge, or issue or exhibit any price list, invoice, cash memo or other document, or prepare or publish any advertisement, poster or other document, or indicate the net quantity of a pre-packaged commodity, or express in relation to any transaction or protection, any quantity or dimension, otherwise than in accordance with the standard unit of weight, measure or numeration.

No person shall manufacture, repair or sell, or offer, expose or possess for repair or sale, any weight or measure unless he holds a licence issued by the Controller. No licence to repair shall be required by a manufacturer for repair of his own weight or measure in a State other than the State of manufacture of the same. The Controller shall issue a licence in such form and manner, on such conditions, for such period and such area of jurisdiction and on payment of such fee as may be prescribed.

Anti-Trust Laws

Competition Act, 2002

An act to prevent practices having adverse effect on competition, to promote and sustain competition in markets, to protect interest of consumer and to ensure freedom of trade in India. The act deals with prohibition of agreements and Anti-competitive agreements. No enterprise or group shall abuse its dominant position in various circumstances as mentioned under the Act.

The prima facie duty of the commission is to eliminate practices having adverse effect on competition, promote and sustain competition, protect interest of consumer and ensure freedom of trade. The commission shall issue notice to show cause to the parties to combination calling upon them to respond within 30 days in case it is of the opinion that there has been an appreciable adverse effect on competition in India. In case a person fails to comply with the directions of the Commission and Director General he shall be punishable with a fine which may exceed to Rs. 1 lakh for each day during such failure subject to maximum of Rupees One Crore.

GENERAL CORPORATE COMPLIANCE

The Companies Act 1956 and the Companies Act, 2013

The consolidation and amendment in the law relating to the Companies Act, 1956 made way to the enactment of the Companies Act, 2013. The Companies Act 1956 is still applicable to the extent not repealed and the Companies Act, 2013 is applicable to the extent notified. The act deals with incorporation of companies and the procedure for incorporation and post incorporation. The conversion of private company into public company and vice versa is also laid down under the Companies Act, 2013. The procedure relating to winding up, voluntary winding up, appointment of liquidator also forms part of the act. The provision of this act shall apply to all the companies incorporated either under this act or under any other previous law. It shall also apply to banking companies, companies engaged in generation or supply of electricity and any other company governed by any special act for the time being in force. A company can be formed by seven or more persons in case of public company and by two or more persons in case of private company. A company can even be formed by one person i.e., a One Person Company. The provisions relating to forming and allied procedures of One Person Company are mentioned in the act.

Further, Schedule V (read with sections 196 and 197), Part I lays down the conditions to be fulfilled for the appointment of a managing or whole time director or manager. It provides the list of acts under which if a person is prosecuted, he cannot be appointed as the director or Managing Director or Manager of the firm. The provisions relating to remuneration of the directors payable by the companies is under Part II of the said schedule.

EMPLOYMENT AND LABOUR LAWS

Contract Labour (Regulation and Abolition) Act, 1970 (“CLRA”)

The Contract Labour (Regulation and Abolition) Act, 1970 has been enacted to regulate the employment of contract labour in certain establishments, the regulation of their conditions and terms of service and to provide for its abolition in certain circumstances. The CLRA applies to every establishment in which 20 or more workmen are employed or were employed on any day of the preceding 12 months as contract labour. The CLRA vests the responsibility on the principal employer of an establishment to which the CLRA applies to make an application to the registered officer in the prescribed manner for registration of the establishment. In the absence of registration, a contract labour cannot be employed in the establishment. Likewise, every contractor to whom the CLRA applies is required to obtain a license and not to undertake or execute any work through contract labour except under and in accordance with the license issued. To ensure the welfare and health of the contract labour, the CLRA imposes certain obligations on the contractor in relation to establishment of canteens, rest rooms, drinking water, washing facilities, first aid, other facilities and payment of wages. However, in the event the contractor fails to provide these amenities, the principal employer is under an obligation to provide these facilities within a prescribed time period. Penalties, including both fines and imprisonment, may be levied for contravention of the provisions of the CLRA.

Employees’ Provident Funds and Miscellaneous Provisions Act, 1952 (“the EPF Act”) and the Employees Provident Fund Scheme, 1952

The EPF Act is applicable to an establishment employing more than 20 employees and as notified by the government from time to time. All the establishments under the EPF Act are required to be registered with the appropriate Provident Fund Commissioner. Also, in accordance with the provisions of the EPF

Act, the employers are required to contribute to the employees' provident fund the prescribed percentage of the basic wages, dearness allowances and remaining allowance (if any) payable to the employees. The employee shall also be required to make the equal contribution to the fund. The Central Government under Section 5 of the EPF Act (as mentioned above) frames Employees Provident Scheme, 1952.

Employees Deposit Linked Insurance Scheme, 1976

The scheme shall be administered by the Central Board constituted under section 5A of the EPF Act. The provisions relating to recovery of damages for default in payment of contribution with the percentage of damages are laid down under Section 8A of the act. The employer falling under the scheme shall send to the Commissioner within fifteen days of the close of each month a return in the prescribed form. The register and other records shall be produced by every employer to Commissioner or other officer so authorized shall be produced for inspection from time to time. The amount received as the employer's contribution and also Central Government's contribution to the insurance fund shall be credited to an account called as "Deposit-Linked Insurance Fund Account."

The Employees Pension Scheme, 1995

Family pension in relation to this act means the regular monthly amount payable to a person belonging to the family of the member of the Family Pension Fund in the event of his death during the period of reckonable service. The scheme shall apply to all the employees who become a member of the EPF or PF of the factories provided that the age of the employee should not be more than 59 years in order to be eligible for membership under this act. Every employee who is member of EPF or PF has an option of the joining scheme. The employer shall prepare a Family Pension Fund contribution card in respect of the entire employee who is member of the fund.

Payment of Bonus Act, 1965

The Payment of Bonus Act, 1965 imposes statutory liability upon the employers of every establishment in which 20 or more persons are employed on any day during an accounting year to pay bonus to their employees. It further provides for payment of minimum and maximum bonus and linking the payment of bonus with the production and productivity.

Payment of Gratuity Act, 1972

The Act shall apply to every factory, mine plantation, port and railway company; to every shop or establishment within the meaning of any law for the time being in force in relation to shops and establishments in a State, in which ten or more persons are employed, or were employed, on any day of the preceding twelve months; such other establishments or class of establishments, in which ten or more employees are employed, on any day of the preceding twelve months, as the Central Government, may by notification, specify in this behalf.. A shop or establishment to which this act has become applicable shall be continued to be governed by this act irrespective of the number of persons falling below ten at any day. The gratuity shall be payable to an employee on termination of his employment after he has rendered continuous service of not less than five years on superannuation or his retirement or resignation or death or disablement due to accident or disease. The five year period shall be relaxed in case of termination of service due to death or disablement.

Minimum Wages Act, 1948 (“MWA”)

The Minimum Wages Act, 1948 came into force with an objective to provide for the fixation of a minimum wage payable by the employer to the employee. Under the MWA, every employer is mandated to pay the minimum wages to all employees engaged to do any work skilled, unskilled, manual or clerical (including out-workers) in any employment listed in the schedule to the MWA, in respect of which minimum rates of wages have been fixed or revised under the MWA. Construction of Buildings, Roads, and Runways are scheduled employments. It prescribes penalties for non-compliance by employers for payment of the wages thus fixed.

Maternity Benefit Act, 1961

The Maternity Benefit Act, 1961 provides for leave and right to payment of maternity benefits to women employees in case of confinement or miscarriage etc. The act is applicable to every establishment which is a factory, mine or plantation including any such establishment belonging to government and to every establishment of equestrian, acrobatic and other performances, to every shop or establishment within the meaning of any law for the time being in force in relation to shops and establishments in a state, in which ten or more persons are employed, or were employed, on any day of the preceding twelve months; provided that the state government may, with the approval of the Central Government, after giving at least two months’ notice shall apply any of the provisions of this act to establishments or class of establishments, industrial, commercial, agricultural or otherwise.

Equal Remuneration Act, 1979

The Equal Remuneration Act 1979 provides for payment of equal remuneration to men and women workers and for prevention discrimination, on the ground of sex, against female employees in the matters of employment and for matters connected therewith. The act was enacted with the aim of state to provide Equal Pay and Equal Work as envisaged under Article 39 of the Constitution.

Child Labour Prohibition and Regulation Act, 1986

The Child Labour Prohibition and Regulation Act 1986 prohibits employment of children below 14 years of age in certain occupations and processes and provides for regulation of employment of children in all other occupations and processes. Employment of Child Labour in our industry is prohibited as per Part B (Processes) of the Schedule.

Trade Union Act, 1926 and Trade Union (Amendment) Act, 2001

Provisions of the Trade Union Act, 1926 provides that any dispute between employers and workmen or between workmen and workmen, or between employers and employers which is connected with the employment, or non-employment, or the terms of employment or the conditions of labour, of any person shall be treated as trade dispute. For every trade dispute a trade union has to be formed. For the purpose of Trade Union Act, 1926, Trade Union means combination, whether temporary or permanent, formed primarily for the purpose of regulating the relations between workmen and employers or between workmen and workmen, or between employers and employers, or for imposing restrictive condition on the conduct of any trade or business etc.

The Sexual Harassment of Women at workplace (Prevention, Prohibition and Redressal) Act, 2013

In order to curb the rise in sexual harassment of women at workplace, this act was enacted for prevention and redressal of complaints and for matters connected therewith or incidental thereto. The terms sexual harassment and workplace are both defined in the act. Every employer should also constitute an “Internal Complaints Committee” and every officer and member of the company shall hold office for a

period of not exceeding three years from the date of nomination. Any aggrieved woman can make a complaint in writing to the Internal Committee in relation to sexual harassment of female at workplace. Every employer has a duty to provide a safe working environment at workplace which shall include safety from the persons coming into contact at the workplace, organising awareness programs and workshops, display of rules relating to the sexual harassment at any conspicuous part of the workplace, provide necessary facilities to the internal or local committee for dealing with the complaint, such other procedural requirements to assess the complaints.

Industrial Disputes Act, 1947 (“ID Act”) and Industrial Dispute (Central) Rules, 1957

The ID Act and the Rules made thereunder provide for the investigation and settlement of industrial disputes. The ID Act was enacted to make provision for investigation and settlement of industrial disputes and for other purposes specified therein. Workmen under the ID Act have been provided with several benefits and are protected under various labour legislations, whilst those persons who have been classified as managerial employees and earning salary beyond prescribed amount may not generally be afforded statutory benefits or protection, except in certain cases. Employees may also be subject to the terms of their employment contracts with their employer, which contracts are regulated by the provisions of the Indian Contract Act, 1872. The ID Act also sets out certain requirements in relation to the termination of the services of the workman. The ID Act includes detailed procedure prescribed for resolution of disputes with labour, removal and certain financial obligations up on retrenchment. The Industrial Dispute (Central) Rules, 1957 specify procedural guidelines for lock-outs, closures, lay-offs and retrenchment.

TAX RELATED LEGISLATIONS

Value Added Tax (“VAT”)

VAT is a system of multi-point Levy on each of the purchases in the supply chain with the facility of set-off input tax on sales whereby tax is paid at the stage of purchase of goods by a trader and on purchase of raw materials by a manufacturer. VAT is based on the value addition of goods, and the related VAT Liability of the dealer is calculated by deducting input tax credit for tax collected on the sales during a particular period. VAT is a consumption tax applicable to all commercial activities involving the production and distribution of goods and the provisions of services, and each state that has introduced VAT has its own VAT Act, under which, persons liable to pay VAT must register and obtain a registration number from Sales Tax Officer of the respective State.

Gujarat Value Added Tax Act, 2003 (“GVAT”)

Gujarat Value Added Tax, 2003 (GVAT Act) is made effective in the state of Gujarat from 1st April, 2006. On its implementation, the following Acts are repealed:

- The Gujarat Sales Tax Act, 1969,
- The Bombay Sales of Motor Spirit Taxation Act, 1958,
- The Purchase Tax on Sugarcane Act, 1989.

However provisions relating to pending assessment, appeals, recovery etc., under the above Acts will survive. The basic requirement of charging tax under GVAT Act is that where any sale in the course of business is affected, in the State of Gujarat, VAT is payable under GVAT Act. Transactions made in the course of business only are covered under the GVAT Act.

Maharashtra Value Added Tax Act, 2002 (“MVAT”)

As per the provisions of MVAT, a dealer is liable to pay tax on the basis of turnover of sales within the State. The term dealer has been defined u/s. 2(8) of the Act. It includes all person or persons who buys

or sells goods in the State whether for commission, remuneration or otherwise in the course of their business or in connection with or incidental to or consequential to engagement in such business. The term includes a Broker, Commission Agent, Auctioneer, Public Charitable Trusts, Clubs, Association of Persons, Departments of Union Government and State Government, Customs, Port Trusts, Railways, Insurance & Financial Corporations, Transport Corporations, Local authorities, Shipping and Construction Companies, Airlines, Advertising Agencies and also any corporation, company, body or authority, which is owned, constituted or subject to administrative control of the Central Government, any State Government or any local authority.

Delhi Value Added Tax Act, 2004

The Delhi Value Added Tax Act, 2004 is an act to consolidate and amend the law relating to levy of tax on sale of goods, tax on transfer of property involved in execution of works contracts, tax on transfer of right to use goods and tax on entry of motor vehicles by way of introducing a value added tax regime in the local areas of the National Capital Territory of Delhi. An elaborative definition of the term dealer is contained in section 2 (j) of the Act. Under section 3 (1) of the Act, Subject to other provisions of the Act, every dealer who is –

(a) registered under this Act; or

(b) required to be registered under this Act; shall be liable to pay tax calculated in accordance with this Act, at the time and in the manner provided in this Act. The rates of tax to be levied are under section 4 of the Act. Tax shall be paid in the manner specified in section 36 of this Act. Section 6 deals with those sales which are exempt from tax.

Rajasthan Value Added Tax Act, 2003 (“RVAT”)

The Rajasthan Value Added Tax Act, 2003 is an Act to consolidate and amend the law relating to the levy of tax on sale or purchase of goods and to introduce value added system of taxation in the State of Rajasthan. Section 2 (11) defines the term “dealer”. Section 3 of the RVAT Act deals with Incidence of tax i.e. who is liable to pay VAT. Importer of goods, manufacturer of goods with annual turnover of Rs 5 Lakhs and Trader of Goods having annual turnover exceeds Rs 10 lakhs are liable to pay VAT to Rajasthan. According to section 3(2), any dealer having turnover of less than Rs 75 lakhs can opt for a composition scheme and the Turnover for composition scheme is calculated after deducting the turnover of goods covered in Schedule 1 of RVAT Act (Exempted Goods). Composition Scheme means that dealer will not charge VAT from customer/buyer directly but will pay the percentage of turnover as fee in place of the VAT.

The Gujarat (Panchayats, Municipalities, Municipal Corporations and State) Tax on Professions, Traders, Callings and Employments Act, 1976

Professional tax in Gujarat is governed by the Gujarat Panchayats, Municipalities, Municipal Corporation and State Tax on Professions, Traders, Callings and Employment Act, 1976 and rules of 1976. All registered partnership firms, all factory owners, all shops or establishment owners (if the shop has employed on an average five employees per day during the year), all businesses covered under the definition of ‘dealer’ defined in the Gujarat Value Added Tax Act, 2003 whose annual turnover is more than Rs. 2.50 lakhs, all transport permit holders, money lenders, petrol pump owners, all limited companies, all banks, all district or state level co-operative societies, estate agents, brokers, building contractors, video parlours, video libraries, members of associations registered under Forward Contract Act, members of stock exchange, other professionals, like legal consultants, solicitors, doctors, insurance agents, etc., are covered under this Act. It is duty of the employers to deduct tax from the person earning any salary/wage in the organisation. For the purpose of this act, employer means in relation to an employee earning any salary or wages on regular basis under him, means the person or the officer who is responsible for disbursement of such salary or wages, and includes the head of the office or any establishment as well as the manager of agent of the employer.

| Monthly Salary | Amount payable in Gujarat |
|-----------------------|----------------------------------|
| Less than Rs. 5999 | Nil |
| Rs. 6000 to Rs. 8999 | Rs. 80 per month |
| Rs. 9000 to Rs. 11999 | Rs. 150 per month |
| Rs. 12000 & above | Rs. 200 per month |

Service Tax

Chapter V of the Finance Act, 1994 as amended, provides for the levy of a service tax in respect of ‘taxable services’, as specified in entry 39 defined therein. The service provider of taxable services is required to collect service tax from the recipient of such services and pay such tax to the Government. Every person who is liable to pay this service tax must register himself with the appropriate authorities. According to Rule 6 of the Service Tax Rules, every assessee is required to pay service tax in TR 6 challan by the 5th / 6th of the month immediately following the month to which it relates. Further, under Rule 7 (1) of Service Tax Rules, the Company is required to file a half yearly return in Form ST 3 by the 25th of the month immediately following the half year to which the return relates.

Central Sales Tax Act, 1956 (“CST”)

The main object of this act is to formulate principles for determining (a) when a sale or purchase takes place in the course of trade or commerce (b) when a sale or purchase takes place outside a State (c) when a sale or purchase takes place in the course of imports into or export from India, to provide for levy, collection and distribution of taxes on sales of goods in the course of trade or commerce, to declare certain goods to be of special importance trade or commerce and specify the restrictions and conditions to which State Laws imposing taxes on sale or purchase of such goods of special importance (called as declared goods) shall be subject. CST Act imposes the tax on interstate sales and states the principles and restrictions as per the powers conferred by Constitution.

Customs Act, 1962

The provisions of the Customs Act, 1962 and rules made there under are applicable at the time of import of goods i.e. bringing into India from a place outside India or at the time of export of goods i.e. taking out of India to a place outside India. Any Company requiring to import or export any goods is first required to get it registered and obtain an IEC (Importer Exporter Code). Imported goods in India attract basic customs duty, additional customs duty and education cess. The rates of basic customs duty are specified under the Customs Tariff Act 1975. Customs duty is calculated on the transaction value of the goods. Customs duties are administrated by Central Board of Excise and Customs under the Ministry of Finance.

The Central Excise Act, 1944

The Central Excise Act, 1944 (“Central Excise Act”) consolidates and amends the law relating to Central Duties of Excise on goods manufactured or produced in India. Excisable goods under the Act means goods specified in the Schedule to the Central Excise Tariff Act, 1985 as being subject to duty of excise. Factory means any premises, including the precincts thereof, wherein or in any part of which excisable goods are manufactured, or wherein or in any part of which any manufacturing process connected with the production of these goods being carried on or is ordinarily carried out. Under the Act a duty of excise is levied on all excisable goods, which are produced or manufactured in India as and at the rates, set forth in the First Schedule to the Central Excise Tariff Act, 1985.

Goods and Service Tax (GST)

Goods and Services Tax (GST) is levied on supply of goods or services or both jointly by the Central and State Governments. It was introduced as The Constitution (One Hundred and First Amendment) Act 2017 and is governed by the GST Council. GST provides for imposition of tax on the supply of goods or services and will be levied by Centre on intra-state supply of goods or services and by the States including Union territories with legislature/ Union Territories without legislature respectively. A destination based consumption tax GST would be a dual GST with the centre and states simultaneously levying tax with a common base. The GST law is enforced by various acts viz. Central Goods and Services Act, 2017 (CGST), State Goods and Services Tax Act, 2017 (SGST), Union Territory Goods and Services Tax Act, 2017 (UTGST), Integrated Goods and Services Tax Act, 2017 (IGST) and Goods and Services Tax (Compensation to States) Act, 2017 and various rules made thereunder. It replaces following indirect taxes and duties at the central and state levels:

Central Excise Duty, Duties of Excise (Medicinal and Toilet Preparations), additional duties on excise – goods of special importance, textiles and textile products, commonly known as CVD – special additional duty of customs, service tax, central and state surcharges and cesses relating to supply of goods and services, state VAT, Central Sales Tax, Luxury Tax, Entry Tax (all forms), Entertainment and Amusement Tax (except when levied by local bodies), taxes on advertisements, purchase tax, taxes on lotteries, betting and gambling.

It is applicable on all goods except for alcohol for human consumption and five petroleum products.

Taxpayers with an aggregate turnover of Rs. 20 lakhs would be exempt from tax. The exemption threshold for special category of states like North-East shall be Rs. 10 lakhs. Small taxpayers with an aggregate turnover in preceding financial year upto Rs. 75 lakhs (50 lakhs in case of special category states) may opt for composition levy. Under GST, goods and services are taxed at the following rates, 0%, 5%, 12% and 18%. There is a special rate of 0.25% on rough precious and semi-precious stones and 3% on gold. In addition a cess of 15% or other rates on top of 28% GST applies on few items like aerated drinks, luxury cars and tobacco products. The rate of tax for CGST and SGST/UTGST shall not exceed –

- a) 2.5% in case of restaurants etc.
- b) 1% of the turnover in state/UT in case of manufacturer
- c) 0.5% of the turnover in state/ UT in case of other supplier

Export and supplies to SEZ shall be treated as zero-rated supplies. Import of goods and services would be treated as inter-state supplies. Every person liable to take registration under these Acts shall do so within a period of 30 days from the date on which he becomes liable to registration. The Central/State authority shall issue the registration certificate upon receipt of application. The Certificate shall contain fifteen digit registration number known as Goods and Service Tax Identification Number (GSTIN). In case a person has multiple business verticals in multiple location in a state, a separate application will be made for registration of each and every location. The registered assessee are then required to pay GST as per the rules applicable thereon and file the appropriate returns as applicable thereon.

OTHER LAWS

The Factories Act, 1948 (“Factories Act”)

The Factories Act, 1948 aims at regulating labour employed in factories. A “factory” is defined as “any premises...whereon ten or more workers are working or were working on any day of the preceding twelve months, and in any part of which a manufacturing process is being carried on with the aid of power, or is ordinarily so carried on, or whereon twenty or more workers are working, or were 81 working on any day of the preceding twelve months, and in any part of which a manufacturing process is carried on without the aid of power, or is ordinarily so carried on...”. The main aim of the said Act is to ensure adequate safety measures and to promote the health and welfare of the workers employed in

factories initiating various measures from time to time to ensure that adequate standards of safety, health and welfare are achieved at all the places.

Under the Factories Act, the State Government may make rules mandating approval for proposed factories and requiring licensing and registration of factories. The Factories Act makes detailed provision for ensuring sanitary conditions in the factory and safety of the workers and also lays down permissible working hours, leave etc. In addition, it makes provision for the adoption of worker welfare measures. The prime responsibility for compliance with the Factories Act and the rules thereunder rests on the “occupier”, being the person who has ultimate control over the affairs of the factory. The Factories Act states that save as otherwise provided in the Factories Act and subject to provisions of the Factories Act which impose certain liability on the owner of the factory, in the event there is any contravention of any of the provisions of the Factories Act or the rules made thereunder or of any order in writing given thereunder, the occupier and the manager of the factory shall each be guilty of the offence and punishable with imprisonment or with fine. The occupier is required to submit a written notice to the chief inspector of factories containing all the details of the factory, the owner, manager and himself, nature of activities and such other prescribed information prior to occupying or using any premises as a factory. The occupier is required to ensure, as far as it is reasonably practicable, the health, safety and welfare of all workers while they are at work in the factory.

Shops and establishments laws in various states

Under the provisions of local Shops and Establishments laws applicable in various states, establishments are required to be registered. Such laws regulate the working and employment conditions of the workers employed in shops and establishments including commercial establishments and provide for fixation of working hours, rest intervals, overtime, holidays, leave, termination of service, maintenance of shops and establishments and other rights and obligations of the employers and employees.

ENVIRONMENTAL LEGISLATIONS

The Environment Protection Act, 1986 (“Environment Protection Act”)

The purpose of the Environment Protection Act is to act as an "umbrella" legislation designed to provide a frame work for Central government co-ordination of the activities of various central and state authorities established under previous laws. The Environment Protection Act authorizes the central government to protect and improve environmental quality, control and reduce pollution from all sources, and prohibit or restrict the setting and /or operation of any industrial facility on environmental grounds. The Act prohibits persons carrying on business, operation or process from discharging or emitting any environmental pollutant in excess of such standards as may be prescribed. Where the discharge of any environmental pollutant in excess of the prescribed standards occurs or is apprehended to occur due to any accident or other unforeseen act, the person responsible for such discharge and the person in charge of the place at which such discharge occurs or is apprehended to occur is bound to (a) prevent or mitigate the environmental pollution caused as a result of such discharge and should intimate the fact of such occurrence or apprehension of such occurrence; and (b) be bound, if called upon, to render all assistance, to such authorities or agencies as may be prescribed.

Air (Prevention and Control of Pollution) Act, 1981 (“Air Act”)

The Air Act was enacted with an objective to protect the environment from smoke and other toxic effluents released in the atmosphere by industries. With a view to curb air pollution, the Air Act has declared several areas as air pollution control area and also prohibits the use of certain types of fuels and appliances. Prior written consent is required of the board constituted under the Air Act, if a person intends to commence an industrial plant in a pollution control area.

Water (Prevention and Control of Pollution) Act, 1974 (“Water Act”)

The Water Act was enacted with an objective to protect the rivers and streams from being polluted by domestic and industrial effluents. The Water Act prohibits the discharge of toxic and poisonous matter in the river and streams without treating the pollutants as per the standard laid down by the Pollution control boards constituted under the Act. A person intending to commence any new industry, operation or process likely to discharge pollutants must obtain prior consent of the board constituted under the Water Act.

Hazardous Waste (Management and Handling) Rules, 1989 (“Hazardous Waste Rules”)

The Hazardous Waste Rules, as amended, impose an obligation on each occupier and operator of any facility generating hazardous waste to dispose of such hazardous wastes properly and also imposes obligations in respect of the collection, treatment and storage of hazardous wastes. Each occupier and operator of any facility generating hazardous waste is required to obtain an approval from the relevant state pollution control board for collecting, storing and treating the hazardous waste.

The Public Liability Insurance Act, 1991

This Act imposes liability on the owner or controller of hazardous substances for any damage arising out of an accident involving such hazardous substances. A list of hazardous substances covered by the legislation has been enumerated by the Government by way of a notification. The owner or handler is also required to take out an insurance policy insuring against liability under the legislation. The rules made under the Public Liability Act mandate that the employer has to contribute towards the environment relief fund, a sum equal to the premium paid on the insurance policies. The amount is payable to the insurer.

National Environmental Policy, 2006

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

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

INTELLECTUAL PROPERTY LEGISLATIONS

In general the Intellectual Property Rights includes but is not limited to the following enactments:

- The Patents Act, 1970
- Indian Copyright Act, 1957
- The Trade Marks Act, 1999

Indian Patents Act, 1970

A patent is an intellectual property right relating to inventions and is the grant of exclusive right, for limited period, provided by the Government to the patentee, in exchange of full disclosure of his invention, for excluding others from making, using, selling, importing the patented product or process producing that product. The term invention means a new product or process involving an inventive step capable of industrial application.

The Copyright Act, 1957

Copyright is a right given by the law to creators of literary, dramatic, musical and artistic works and producers of cinematograph films and sound recordings. In fact, it is a bundle of rights including, inter alia, rights of reproduction, communication to the public, adaptation and translation of the work. There could be slight variations in the composition of the rights depending on the work.

Trade Marks Act, 1999 (“TM Act”)

The Trade Marks Act, 1999 provides for the application and registration of trademarks in India for granting exclusive rights to marks such as a brand, label and heading and obtaining relief in case of infringement for commercial purposes as a trade description. The TM Act prohibits any registration of deceptively similar trademarks or chemical compounds among others. It also provides for penalties for infringement, falsifying and falsely applying for trademarks.

GENERAL LAWS

- Apart from the above list of laws – which is inclusive in nature and not exhaustive - general laws like the Indian Contract Act 1872, Specific Relief Act 1963, Negotiable Instrument Act 1881, The Information Technology Act, 2000, Sale of Goods Act 1930 and Consumer Protection Act 1986 are also applicable to the company.

OTHER LAWS:

Foreign Trade (Development and Regulation) Act, 1992

The Development and Regulation of foreign trade by facilitating imports and exports from and to India. The Import-Export Code number and licence to import or export includes a customs clearance permit and any other permission issued or granted under this act. The Export and Import policy, provision for development and regulation of foreign trade shall be made by the Central Government by publishing an order. The Central Government may also appoint Director General of Foreign Trade (“DGFT”) for the purpose of Export-Import Policy formulation.

If any person makes any contravention to any law or commits economic offence or imports/exports in a manner prejudicial to the trade relations of India or to the interest of other person engaged in imports or exports then there shall be no Import Export Code number granted by Director-General to such person and if in case granted shall stand cancelled or suspended. Provision of search and seizure of Code of Criminal Procedure, 1973 shall apply to every search and seizure made under this Act. In case of appeals in a case the order made by the appellate authority shall be considered to be final. The powers of the civil court under Code of Civil Procedure, 1908 shall vest in him.

The EXIM Policy is a set of guidelines and instructions established by the DGFT in matters related to the export and import of goods in India. This policy is regulated under the said act. DGFT is the main governing body in matters related to the EXIM Policy. The Act shall provide development and regulation of foreign trade by facilitating imports into, and augmenting exports from India. Trade Policy is prepared and announced by the Central Government (Ministry of Commerce).

Foreign Exchange Management Act, 1999 (“FEMA”)

Foreign investment in India is primarily governed by the provisions of the Foreign Exchange Management Act, 1999 and the rules and regulations promulgated there under. FEMA aims at amending the law relating to foreign exchange with facilitation of external trade and payments for promoting orderly developments and maintenance of foreign exchange market in India. It applies to all branches, offices and agencies outside India owned or controlled by a person resident in India and also to any contravention there under committed outside India by any person to whom this Act applies. Every exporter of goods is required to a) furnish to the Reserve Bank or to such other authority a declaration in such form and in such manner as may be specified, containing true and correct material particulars, including the amount representing the full export value or, if the full export value of the goods is not ascertainable at the time of export, the value which the exporter, having regard to the prevailing market conditions, expects to receive on the sale of the goods in a market outside India; b) furnish to the Reserve Bank such other information as may be required by the Reserve Bank for the purpose of ensuring the realization of the export proceeds by such exporter. The Reserve Bank may, for the purpose of ensuring that the full export value of the goods or such reduced value of the goods as the Reserve Bank determines, having regard to the prevailing market conditions, is received without any delay, direct any exporter to comply with such requirements as it deems fit. Every exporter of services shall furnish to the Reserve Bank or to such other authorities a declaration in such form and in such manner as may be specified, containing the true and correct material particulars in relation to payment for such services.

FEMA Regulations

As laid down by the FEMA Regulations, no prior consents and approvals are required from the Reserve Bank of India, for Foreign Direct Investment under the automatic route within the specified sectoral caps. In respect of all industries not specified as FDI under the automatic route, and in respect of investment in excess of the specified sectoral limits under the automatic route, approval may be required from the FIPB and/or the RBI. The RBI, in exercise of its power under the FEMA, has notified the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2017 ("FEMA Regulations") to prohibit, restrict or regulate, transfer by or issue security to a person resident outside India. Foreign investment in India is governed primarily by the provisions of the FEMA which relates to regulation primarily by the RBI and the rules, regulations and notifications there under, and the policy prescribed by the Department of Industrial Policy and Promotion, Ministry of Commerce & Industry, Government of India

THE FOREIGN DIRECT INVESTMENT

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

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

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

OUR HISTORY AND CERTAIN OTHER CORPORATE MATTERS

CORPORATE PROFILE AND BRIEF HISTORY OF OUR COMPANY

Our Company was originally formed as a private limited Company in the name and style of ‘Macpower CNC Machines Private Limited’ in Gujarat and received a Certificate of Incorporation issued by Registrar of Companies, Gujarat on December 31, 2003 bearing Corporate Identification Number U3009GJ2003PTC43419. Consequently, it was converted into a public limited company pursuant to shareholders resolution passed at Extra-ordinary General Meeting of our Company held on November 3, 2017 and the name of our Company was changed to ‘Macpower CNC Machines Limited’ and a fresh certificate of incorporation consequent upon Conversion of Private Company to Public Limited dated November 16, 2017 was issued by Registrar of Companies, Gujarat, Ahmedabad. The Corporate Identification Number of our Company is U30009GJ2003PLC043419.

Rupesh Mehta and Nikesh Mehta are the Promoters of our Company and Initial Subscriber to the Memorandum of Association. The details in this regard have been disclosed in Chapter titled, “Capital Structure” beginning on page 64 of this Red Herring Prospectus.

We are engaged in manufacturing of CNC Turning Centers, Vertical Machining Centers, Horizontal Machining Centers, Cylindrical Grinder, Vertical Turret Lathe, Turn Mill Centers, Drill Tap Center, Twin Spindle VMC and also Multi Tasking, 5-axis along with sub spindle.

For information on our Company’s profile, activities, market, products, etc., market of each segment, standing of our Company in comparison with prominent competitors, with reference to its products, management, managerial competence, market, major suppliers and customers, geographical segment, regulatory approvals, etc. wherever applicable, please refer to the chapters titled —Our Business, —Our Industry, Financial Statements as Restated, —Management’s Discussion and Analysis of Financial Condition and Results of Operation, —Government and Other Statutory Approvals beginning on page 108, 92, 164, 165 and 191 respectively of this Red Herring Prospectus.

CHANGES IN THE REGISTERED OFFICE

Registered office of our company is currently situated at Plot No. 2234, Near Krnati Gate, GIDC Metoda, Tal Lodhika Dist. Rajkot - 360021, Gujarat, India.

The details of change in address of our registered office since incorporation are set forth below:

| Effective Date | Form | To | Reasons |
|----------------|---|---|---------------------------|
| May 23, 2005 | 5, Umakant Pandit Udyognagar, Mavdi Plot, Rajkot- 360 004 | Plot No. 2234, Nr. Krnati Gate, GIDC Metoda, Tal Lodhika Dist. Rajkot - 360021, Gujarat, India. | Administrative Connivance |

AWARDS/ACCREDITATIONS/ MAJOR EVENTS IN THE HISTORY OF OUR COMPANY

| Year | Milestone |
|------|--|
| 2003 | Incorporation of Company |
| 2004 | Best design award for Speed LX 200 Super at Engineering Expo in 2004 |
| 2011 | Central Excise: Rajkot Awarded, 4th position in highest excise tax payer in the year 2010-11 |
| 2013 | FIE Foundation Award at IMTEX 2013, Bangalore for designing excellence for model TURN ‘O’ Mill 200 |
| 2015 | FIE Foundation Award at IMTEX 2015 for Designing Excellence of Multitasking Machine Turn O’ Mill Y S |
| 2017 | FIE Foundation Award at IMTEX 2017 for Designing Excellence of for Twin Spindle VMC V855 Twin Head |

| |
|---|
| Conversion from Private Company to Public Company |
|---|

AMENDMENTS TO OUR MEMORANDUM OF ASSOCIATION

Since incorporation, the following changes have been incorporated in our Memorandum of Association of our Company, after approval of our members:

| Sr. No. | Particulars of Change | Date of Shareholder's meeting | AGM/ EGM |
|---------|---|-------------------------------|----------|
| 1. | Increase in authorized share capital from Rs. 5,00,000/- divided into 50,000 Equity Shares of Rs. 10/- each to Rs. 50,00,000/- divided into 5,00,000 Equity Shares of Rs. 10/- each. | December 11, 2006 | EGM |
| 2. | Increase in authorized share capital from Rs. 50,00,000/- divided into 5,00,000 Equity Shares of Rs. 10/- each to Rs. 60,00,000/- divided into 6,00,000 Equity Shares of Rs. 10/- each. | August 5, 2015 | EGM |
| 3. | Increase in authorized share capital from Rs. 60,00,000/- divided into 6,00,000 Equity Shares of Rs. 10/- each to Rs. 10,00,00,000/- divided into 1,00,00,000 Equity Shares of Rs. 10/- each. | September 21, 2017 | AGM |
| 4. | Conversion and Change in name of our Company and from Macpower CNC Machines Private Limited to Macpower CNC Machines Limited | November 03, 2017 | EGM |

OUR MAIN OBJECTS:

The main object of our Company as stated in the Memorandum of Association is:

“To establish, own, run, take on lease and carry on in India or elsewhere the business of manufacturers, processors, assembling, importers, exporters, designers, fabricators, distributors, suppliers, dealers, consignor, consignee or otherwise deal in all types, kind, size, description of CNC (Computerised Numeric Control) Machines, CNC Turning Centre and all other types of Machinery & Machine Tools.”

Business presently carried out and the objects of the present Issue are in accordance with our Memorandum of Association.

OUR HOLDING COMPANY

We do not have any holding company as on date of the Red Herring Prospectus.

OUR SUBSIDIARY

We do not have any subsidiaries company as on the date of the Red Herring Prospectus

CAPITAL RAISING ACTIVITIES THROUGH EQUITY OR DEBT

For details regarding our capital raising activities through equity and debt, refer to the section titled —Capital Structure beginning on page 64 of this Red Herring Prospectus.

INJUNCTIONS OR RESTRAINING ORDERS

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

DETAILS OF MERGER/AMALGAMATION

Our Company has not merged/ amalgamated itself, nor has acquired any business undertaking since incorporation.

TIME AND COST OVER-RUNS IN SETTING UP PROJECTS AND CERTAIN OTHER ADVERSE REMARKS

Our Company has not faced any Time and cost over-runs in setting up projects and certain other adverse remarks.

REVALUATION OF ASSETS

Our Company has not re-valued its assets since its incorporation.

DEFAULTS OR RESCHEDULING OF BORROWINGS WITH FINANCIAL INSTITUTIONS/BANKS

No Defaulted in respect of payment of interest and/or principal to the debenture/bond/fixed deposit holders, banks, FIs is done by the Company, promoters/promoting company(ies), group companies, companies promoted by the promoters/promoting company(ies) during the past three years.

STRIKES, LOCK-OUTS OR LABOUR UNREST IN THE COMPANY

There have been No strikes, lock-outs or labour unrest since incorporation of our Company

CHANGES IN THE ACTIVITIES OF THE COMPANY DURING THE LAST FIVE YEARS

There has been no change in the activities of our Company during the period of 5 (five) years prior to the date of filing of this Red Herring Prospectus which may have had a material effect on the profits or loss of our Company or affected our business including discontinuance of lines of business, loss of agencies or markets and similar factors.

TECHNOLOGY, MARKET COMPETENCE AND CAPACITY BUILD-UP

For details on the technology, market competence and capacity build-up of our Company, please see the chapter titled “Our Business” beginning on page 108 of this Red Herring Prospectus.

OTHER DETAILS REGARDING OUR COMPANY

For details regarding the capacities/facilities of our Company, location of plants and research and development facilities, products, marketing and competition, please see the chapters titled “Industry Overview” and “Our Business” beginning on pages 92 and 108, respectively of this Red Herring Prospectus

NUMBER OF SHAREHOLDERS/MEMBERS

Our Company has 7 shareholders, as on the date of this Red Herring Prospectus

JOINT VENTURE AND OTHER AGREEMENTS

As on the date of filing the Red Herring Prospectus, there is no existing joint venture or other material agreements entered into by our Company which are not in its ordinary course of business.

SHAREHOLDERS AGREEMENT

Our Company has not entered into any shareholders agreement as on date of filing of this Draft Red Herring Prospectus..

OTHER AGREEMENTS

Our Company has not entered into any agreements/arrangement except under normal course of business of the Company, as on the date of filing of this Red Herring Prospectus..

STRATEGIC PARTNERS / FINANCIAL PARTNERS

Our Company does not have any strategic/financial partners as on date of the Red Herring Prospectus

OUR MANAGEMENT

BOARD OF DIRECTORS

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

The following table sets forth details regarding our Board of Directors as on the date of Red-herring Prospectus:

| Sr. No. | Name, Age, Father's/ Husband's, Designation, Address, Occupation, Nationality, Term and DIN | Date of Appointment/ Reappointment as Director | Other Directorship |
|---------|--|--|---|
| a. | <p>Name: Rupesh Mehta Father's Name: Jagdishchandra Mehta Age: 49 Years Designation: Chairman & Managing Director Address: White House, Amin Marg, Rajkot - 360001, Gujarat, India. Occupation: Business Nationality: Indian Din: 01474523 Term: 5 Years w.e.f. from November 17, 2017 and liable to retire by rotation</p> | <p>Original Appointment: December 31, 2003</p> <p>Designated as Managing Director: November 17, 2017</p> | <p>Public Limited Company: – Nil</p> <p>Private Limited Company: – Nil</p> <p>Guarantee Company: – Indian Machine Tool Manufacturers Association</p> |
| b. | <p>Name: Nikesh Mehta Father's Name: Jagdishchandra Mehta Age: 39 Years Designation: Whole Time Director Address: White House, Amin Marg, Rajkot - 360001, Gujarat, India. Occupation: Business Nationality: Indian DIN: 01603779 Term: 5 Years w.e.f. from November 17, 2017 and liable to retire by rotation</p> | <p>Original Appointment: December 31, 2003</p> <p>Designated as Whole Time Director: November 17, 2017</p> | <p>Public Limited Company: – Nil</p> <p>Private Limited Company: – Nil</p> |

| Sr. No. | Name, Age, Father's/ Husband's, Designation, Address, Occupation, Nationality, Term and DIN | Date of Appointment/ Reappointment as Director | Other Directorship |
|---------|--|--|--|
| c. | <p>Name: Riyaben Mehta Husbands Name: Rupesh Mehta Age: 43 Years Designation: Director Address: White House, Amin Marg Rajkot 360001, Gujarat, India. Occupation: Business Nationality: Indian DIN: 01603726 Term: Liable to retire by rotation</p> | <p>Appointed as a Director: April 01, 2004.</p> | <p>Public Limited Company: – Nil</p> <p>Private Limited Company: – Nil</p> |
| d. | <p>Name: Maulik Mokaria Father's Name: Rambhai Mokaria Age: 29 Years Designation: Additional Independent Director Address: C-91, Riviera Antilia, Corporate Road, Prahaladnagar, Ahmedabad – 380015, Gujarat, India Occupation: Business Nationality: Indian DIN: 05310868 Term: 5 Years w.e.f. November 17, 2017</p> | <p>Appointed as Additional Independent Director: November 17, 2017</p> | <p>Public Limited Company: – Wedib Express Limited</p> <p>Private Limited Company: – Shivalik IB Automotive Private Limited – Shree Marutinandan Logistics Private Limited – Shree Maruti Courier Services Private Limited</p> <p>Limited Liability Partnership: – Upper Commdeal LLP –</p> |
| e. | <p>Name: Deven Doshi Father's Name: Jasvantrai Doshi Age: 51 Years Designation: Additional Independent Director Address: Devkiran, Rampark Main Road, Kalawad Road, Near Central School, Rajkot – 360005, Gujarat, India Occupation: Self-Employed Nationality: Indian</p> | <p>Appointed as Additional Independent Director: November 17, 2017</p> | <p>Public Limited Company: – Nil</p> <p>Private Limited Company: – Nil</p> |

| Sr. No. | Name, Age, Father's/ Husband's, Designation, Address, Occupation, Nationality, Term and DIN | Date of Appointment/ Reappointment as Director | Other Directorship |
|---------|--|---|---|
| | DIN: 07994505 Term: 5 Years w.e.f. November 17, 2017 | | |
| f. | Name: Rajendrabhai Bhanderi Father's Name: Ranchhodbhai Bhanderi Age: 53 Years Designation: Additional Independent Director Address: Nisarg, 3 – Shree Society, Vidhyutnagar Main Road, Rajkot – 360004, Gujarat, India Occupation: Business Nationality: Indian DIN: 07986563 Term: 5 Years w.e.f. November 17, 2017 | Appointment as Additional Independent Director: November 17, 2017 | Public Limited Company: – Nil Private Limited Company: – Nil |

BRIEF BIOGRAPHIES OF OUR DIRECTORS:

1. Rupesh Mehta, Promoter, Chairman and Managing Director

Rupesh Mehta, aged 49 years, is the Promoter, Chairman and Managing Director of our Company. He has experience of more than 25 years in the Machine Tool Industry. He holds a degree in Bachelor of Commerce from Saurashtra University. He was the Former President of Rajkot Machine Tools, Former Treasurer of the Chamber of Commerce, Former Director of Rajkot Engineering Association and presently Executive Director of Indian Machine Tools Manufacturers Association. He has been on the Board of our Company since December 31, 2003. He is the guiding force behind all the corporate decision and is responsible for the entire business operation of the Company.

2. Nikesh Mehta, Promoter and Whole Time Director

Nikesh Mehta, aged 39 years, is the Promoter and Director of our Company. He has experience of around 14 years of experience in Machine Tool Industry. He has been on the Board of our Company since December 31, 2003. He holds a degree in Bachelor of Commerce from Saurashtra University. His scope of work includes looking after Machine Shop, Application and Purchase

department of the Company.

3. Riyaben Mehta, Director

Riyaben Mehta, aged 43 years is a Director of our Company. She has been on the Board of our Company since April 01, 2004. She holds Matriculation Certificate from Secondary Education Board of Andhra Pradesh. She is associated with the Human Resource related activities of the company. She has 13 years of experience in the field of Human Resource Management.

4. Maulik Mokaria, Additional Independent Director

Maulik Mokaria, aged 29 years is the Independent Director of our Company. He has been on the Board of our Company from November 17, 2017. He holds Master of Science Degree in Finance Management from Middlesex University, London. He has experience of 5 years in Courier and Logistic Services industry. He is currently director of Shree Maruti Courier Service Private Limited.

5. Deven Doshi, Additional Independent Director

Deven Doshi, aged 51 years is the Independent Director of our Company. He has been on the Board of our Company from November 17, 2017. He has experience of 10 years in Finance Service Industry.

6. Rajendrabhai Bhanderi, Additional Independent Director

Rajendrabhai Bhanderi, aged 53 years is the Independent Director of our Company. He has been on the Board of our Company from November 17, 2017. He holds Matriculation Certificate from Secondary Education Board of Gandhinagar. He has experience of 30 years in Machine Tools Manufacturing industry. He is currently Managing Director of Dharti Co-operative Bank. He is President of Machine Tools Manufacturers Association.

CONFIRMATIONS:

As on the date of this Red Herring Prospectus:

1. Except as mentioned below, none of the Directors of our Company are related to each other within the meaning of section 2(77) of the Companies Act, 2013.

| Director | Other Director | Family Relation |
|---------------------------------|----------------|-----------------|
| Rupeshbhai Jagdishchandra Mehta | Riyaben Mehta | Spouse |
| | Nikesh Mehta | Brother |

2. There are no arrangements or understanding with major shareholders, customers, suppliers or any other entity, pursuant to which any of the Directors or Key Management Personnel were selected as a Director or member of the senior management.
3. The Directors of our Company have not entered into any service contracts with our Company which provides for benefits upon termination of employment.
4. None of our Directors are on the RBI List of wilful defaulters.
5. Further, none of our Directors are or were directors of any company whose shares were (a) suspended from trading by stock exchange(s) or (b) delisted from the stock exchanges during the term of their directorship in such companies.
6. None of the Promoters, persons forming part of our Promoter Group, Directors or persons in control of our Company, has been or is involved as a promoter, director or person in control of any other company, which is debarred from accessing the capital market under any order or directions made by SEBI or any other regulatory authority.

REMUNERATION/COMPENSATION/COMMISSION PAID TO DIRECTORS

During the last financial year ended on March 31, 2017, the directors have been paid gross remuneration as follows:

| Name of Director | Amount (Rs. In Lakhs) |
|------------------|-----------------------|
| Rupeshbhai Mehta | 5,44,000 |
| Nikesh Mehta | 5,44,000 |
| Riyaben Mehta | 3,84,000 |

Terms and conditions of employment of our Managing Director:

Rupesh Mehta has been appointed as the Chairman and Managing Director of our Company for a period of 5 years with effect from November 17, 2017 and liable to retire by rotation. He is paid remuneration as per the terms and conditions mentioned in the Agreement dated November 17, 2017 entered into between Rupesh Mehta and our Company.

| | |
|---|--|
| Remuneration | Rs. 3,00,000/- per month with such periodical revisions as may be recommended by Board of Directors or Remuneration Committee |
| Term of Appointment | 5 Years with effect from November 17, 2017 liable to retire by rotation. |
| Perquisites as per Section IV of Schedule V of Companies Act, 2013 | <ul style="list-style-type: none"> a) Provident fund and superannuation: Maximum upto 12% of the salary being Company's contribution towards provident fund, in accordance with the rules of the company. b) Gratuity payable at the rate of half month's salary for each completed year of service with a service of six months or more being treated as a full year. c) Encashment of leave at the end of tenure. |
| Other perquisites | <ul style="list-style-type: none"> a) Cars with driver for use on Company's business. b) Reimburse actual entertainment and traveling expenses incurred in connection with the Company's business. |

However, the total managerial remuneration payable to the director shall not exceed the overall ceiling of the total managerial remuneration as provided under section 197 of the Companies Act, 2013 or such other limits as may be prescribed from time to time (i.e as per section 1 of Part II of Schedule V) or whether in case in any financial year, during his currency of tenure of a managerial person, the Company has no profits or its profits are inadequate, it may without approval of Central Government pay, the remuneration to above managerial personnel not exceeding the ceiling (not exceeding the highest of the limit prescribed under section 2 of Part II of Schedule V of the Act.

Terms and conditions of employment of our Whole Time Director:

Nikesh Mehta, has been appointed as Whole Time Director of our Company for a period of years with effect from November 17, 2017 and liable to retire by rotation. He will be paid remuneration as per the terms and conditions mentioned in agreement dated November 17, 2017 entered into between Nikesh Mehta and our Company.

| | |
|---------------------|---|
| Remuneration | Rs. 60,000/- per month with such periodical revisions as may be recommended by Board of Directors or Remuneration Committee |
|---------------------|---|

| | |
|---|--|
| Term of Appointment | 5 Years with effect from November 17, 2017 liable to retire by rotation. |
| Perquisites as per Section IV of Schedule V of Companies Act, 2013 | <ul style="list-style-type: none"> a) Provident fund and superannuation: Maximum upto 12% of the salary being Company's contribution towards provident fund, in accordance with the rules of the company. b) Gratuity payable at the rate of half month's salary for each completed year of service with a service of six months or more being treated as a full year. c) Encashment of leave at the end of tenure. |
| Other perquisites | <ul style="list-style-type: none"> a) Car with driver for use on Company's business. b) Reimburse actual entertainment and traveling expenses incurred in connection with the Company's business. |

However, the total managerial remuneration payable to the director shall not exceed the overall ceiling of the total managerial remuneration as provided under section 197 of the Companies Act, 2013 or such other limits as may be prescribed from time to time (i.e as per section 1 of Part II of Schedule V) or whether in case in any financial year, during his currency of tenure of a managerial person, the Company has no profits or its profits are inadequate, it may without approval of Central Government pay, the remuneration to above managerial personnel not exceeding the ceiling (not exceeding the highest of the limit prescribed under section 2 of Part II of Schedule V of the Act.

Terms and conditions of employment of our Independent Directors and Non-executive Directors

Independent Directors and Non-Executive of our Company may be paid sitting fees, commission and any other amounts as may be decided by our Board in accordance with the provisions of the Articles of Association a, the Companies Act, 2013 and their appointment letters and other applicable laws and regulations.

SHAREHOLDING OF OUR DIRECTORS IN THE COMPANY:

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

The following table details the shareholding of our Directors as on the date of this Red-herring Prospectus:

| Sr. No. | Name of the Director | No. of Equity Shares | % of Pre Issue Equity Share Capital | % of Post Issue Equity Share Capital |
|---------|----------------------|----------------------|-------------------------------------|--------------------------------------|
| 1. | Rupeshbhai Mehta | 31,49,000 | 46.53% | [●] |
| 2. | Riyaben Mehta | 17,76,600 | 26.25% | [●] |
| 3. | Nikesh Mehta | 11,84,400 | 17.50% | [●] |

INTERESTS OF DIRECTORS:

Interest in Promotion of the Company

Our Directors, Rupesh Mehta and Nikesh Mehta may be deemed to be interested to the extent of being Promoters of our Company. They may also be deemed to be interested to the extent of any dividend payable to them and other distributions in respect of the Equity Shares held by them. For further details, refer to chapters titled “*Our Promoter and Promoter Group*” and “*Related Party Transaction*” beginning on page 157 and 162 of this Red-herring Prospectus.

Interest by way of Remuneration from the Company

Our Executive Directors, Rupesh Mehta, Riyaben Mehta and Nikesh Mehta may be deemed to be interested to the extent of remuneration paid to them for services rendered as a Director of our Company

and reimbursement of expenses payable to them. For details, see “*Remuneration/Compensation of Directors*” above. Further, our Independent Directors are entitled to receive sitting fees for attending meetings of our Board within the limits laid down in the Companies Act, 2013 and as decided by our Board subject to Articles of Association. Further, except as disclosed above none of our Directors hold any Equity Shares in our Company. Our Directors may also be interested to the extent of Equity Shares, if any, held by them or held by the entities in which they are associated as promoters, directors, partners, proprietors or trustees or held by their relatives or that may be subscribed by or allotted to the companies, firms, ventures, trusts in which they are interested as promoters, directors, partners, proprietors, members or trustees, pursuant to the Issue. Some of our Directors may also be deemed to be interested to the extent of any dividend payable to them and other distributions in respect of the said equity shares, if any. Except as stated in the chapters “*Our Management*” and “*Related Party Transactions*” beginning on pages 141 and 162 respectively of this Red-herring Prospectus and described herein above, our Directors do not have any other interest in the business of our Company.

Interest by way of sitting fees

The Articles of Association and appointment letters to the Non-Executive Directors and Independent Directors of our Company provides that payment of sitting fees for each meeting to Non-Executive Directors and Independent Directors for attending a meeting of the Board or a Committee thereof and shall be decided by the Board of Directors from time to time.

PROPERTY INTEREST:

Except as stated/referred to in the heading titled “*Land and Property*” under the chapter titled “*Our Business*” beginning on page 108 and chapter titled “*Related Party Transaction*” on page 162 of the Red-herring Prospectus, our Directors have not entered into any contract, agreement or arrangements within a period of two years preceding the date of Red-herring Prospectus in which the Directors are interested directly or indirectly and no payments have been made to them in respect of these contracts, agreements or arrangements or are proposed to be made to them. Further our Directors do not have any interest in any immovable property to be acquired by the Company except otherwise disclosed in the heading titled “*Land and Property*” under the chapter titled “*Our Business*” beginning on page 108 of the Red-herring Prospectus.

INTEREST IN THE BUSINESS OF OUR COMPANY:

Save and except as stated otherwise in “*Related Party Transactions*” in the chapter titled “*Financial Statements as Restated*” beginning on page 164 of this Red-herring Prospectus, our Directors do not have any other interests in our Company as on the date of this Red-herring Prospectus.

SHAREHOLDING OF DIRECTORS IN SUBSIDIARIES AND ASSOCIATE COMPANIES:

Our Company does not have any other Subsidiary Company/ Associate Company as on date of filing this Red Herring Prospectus.

CHANGES IN OUR BOARD OF DIRECTORS DURING THE LAST THREE YEARS:

Following are the changes in directors of our Company in last three years prior to the date of this Red Herring Prospectus:

| NAME | DATE OF EVENT | NATURE OF EVENT | REASON |
|-----------------------|-------------------|-----------------------|--|
| Rupesh Mehta | November 17, 2017 | Change in designation | Designated as Managing Director |
| Nikesh Mehta | November 17, 2017 | Change in designation | Designated as Whole Time Director |
| Rajendrabhai Bhanderi | November 17, 2017 | Appointment | Appointment as Additional Independent Director |

| NAME | DATE OF EVENT | NATURE OF EVENT | REASON |
|-----------------|-------------------|-----------------|--|
| Deven Doshi | November 17, 2017 | Appointment | Appointment as Additional Independent Director |
| Maulik Mokariya | November 17, 2017 | Appointment | Appointment as Additional Independent Director |

BORROWING POWERS OF THE BOARD:

Pursuant to a special resolution passed at an Extra- Ordinary General Meeting of our Company held on November 28, 2017 and pursuant to Section 180(1)(c) and any other applicable provisions, of the Companies Act, 2013 and the rules made there-under, consent of Members be and is hereby accorded to borrow from time to time, any sum or sums of monies, which together with the monies already borrowed by the Company (apart from temporary loans obtained from the Company's bankers in the ordinary course of business), may exceed the aggregate of the paid up capital of the company and free reserve, that is to say, reserves not set apart for any specific purposes, provided that the total outstanding amount so borrowed, shall not at any time exceed the limit of Rs. 50.00 crores.

CORPORATE GOVERNANCE:

The provisions of the SEBI Listing Regulations will be applicable to our Company immediately upon the listing of our Equity Shares with National Stock Exchange of India Limited. Our Company undertakes to take all necessary steps to continue to comply with all the requirements of Chapter IV of the SEBI Listing Regulations as may be applicable.

Our Company stands committed to good corporate governance practices based on the principles such as accountability, transparency in dealings with our stakeholders, emphasis on communication and transparent reporting. We have complied with the requirements of the applicable regulations, including Regulations, in respect of corporate governance including constitution of the Board and Committees thereof. The corporate governance framework is based on an effective independent Board, the Board's supervisory role from the executive management team and constitution of the Board Committees, as required under law.

The Board functions either as a full Board or through various committees constituted to oversee specific operational areas.

Currently our Board has six directors out of which three are Independent Directors. The constitution of our Board is in compliance with section 149 of the Companies Act, 2013.

The following committees have been formed in compliance with the corporate governance norms:

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

A) Audit Committee

Our Company has constituted an audit committee ("Audit Committee"), as per section 177 of the Companies Act 2013 vide resolution passed in the meeting of the Board of Directors dated December 01, 2017. The constituted Audit Committee comprises following members:

| Name of the Director | Status | Nature of Directorship |
|-----------------------|-------------|----------------------------------|
| Rajendrabhai Bhandari | Chairperson | Additional Independent Director* |
| Deven Doshi | Member | Additional Independent Director* |
| Rupesh Mehta | Member | Managing Director |

*the Additional Independent Director will be regularized in the upcoming Annual General Meeting. The Company Secretary and Compliance Officer of the Company would act as the Secretary to the Audit Committee.

The Audit Committee shall have following powers/responsibilities:

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

The Audit Committee shall mandatorily review the following information:

- a. Management discussion and analysis of financial condition and results of operations Statement of significant related party transactions (as defined by the audit committee), submitted by management;
- b. Statement of significant related party transactions (as defined by the Audit Committee), submitted by 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.

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

The role of the Audit Committee not limited to but includes:

1. Overseeing the company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible;
2. Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees;
3. Approving payment to statutory auditors for any other services rendered by the statutory auditors;
4. Approving initial or any subsequent modification of transactions of the Company with related parties;
5. Scrutinizing inter-corporate loans and investments;
6. Valuation of undertakings or assets of the Company, wherever it is necessary;
7. Evaluation of internal financial controls and risk management systems;
8. Monitoring the end use of funds raised through public offers and related matters;
9. Reviewing, with the management, the annual financial statements before submission to the Board for approval, with particular reference to:
 - a) Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 314 of the Companies Act, 2013;
 - b) Changes, if any, in accounting policies and practices along with reasons for the same;
 - c) Major accounting entries involving estimates based on the exercise of judgment by management;
 - d) Significant adjustments made in the financial statements arising out of audit findings;
 - e) Compliance with listing and other legal requirements relating to financial statements;
 - f) Disclosure of any related party transactions; and
 - g) Qualifications in the draft audit report.
10. Reviewing, with the management, the half yearly financial statements before submission to the board for approval;
11. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;

12. Reviewing, with the management, performance of statutory and internal auditors, and adequacy of the internal control systems;
13. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
14. Discussing with the internal auditors any significant findings and follow up there on;
15. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
16. Discussing with the statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
17. Looking into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
18. Reviewing the functioning of the Whistle Blower mechanism, in case the same is existing;
19. Reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
20. Approving the appointment of the Chief Financial Officer (i.e. the whole time finance director or any other person heading the finance function) after assessing the qualifications, experience and background, etc., of the candidate; and
21. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee or contained in the equity listing agreements as and when amended from time to time.

Explanation (i): The term "related party transactions" shall have the same meaning as contained in the Accounting Standard 18, Related Party Transactions, issued by The Institute of Chartered Accountants of India.

Meeting of Audit Committee and relevant Quorum

The committee shall meet at least four times in a year and not more than four months shall elapse between any two meetings. The quorum for the meeting shall be either two members or one third of the members of the committee, whichever is higher but there shall be presence of minimum two Independent members at each meeting. Meeting of the Audit Committee shall be called by at least seven day's notice in advance.

Tenure:

The Audit Committee shall continue to be in function as a committee of the Board until otherwise resolved by the Board, to carry out the functions of the Audit Committee as approved by the Board.

B) Stakeholder's Relationship Committee

Our Company has constituted a shareholder / investors grievance committee ("*Stakeholders' Relationship Committee*") to redress complaints of the shareholders. The Stakeholders Relationship Committee was constituted vide resolution passed at the meeting of the Board of Directors held on December 01, 2017.

The Stakeholder's Relationship Committee comprises the following Directors:

| Name of the Director | Status | Nature of Directorship |
|-----------------------------|---------------|-------------------------------|
| Riyaben Mehta | Chairperson | Non-Executive Director |
| Nikesh Mehta | Member | Whole-time Director |
| Rupesh Mehta | Member | Managing Director |

The Company Secretary of our Company shall act as a Secretary to the Stakeholder's Relationship Committee.

The scope and function of the Stakeholder's Relationship Committee and its terms of reference shall include the following:

- A. Tenure:** The Stakeholder/ Investor Relationship Committee shall continue to be in function as a committee of the Board until otherwise resolved by the Board, to carry out the functions of the Stakeholder / Investor Relationship Committee as approved by the Board.
- B. Meetings:** The Stakeholder/ Investor Relationship Committee shall meet at least at least four times a year with maximum interval of four months between two meetings and shall report to the Board on a quarterly basis regarding the status of redressal of complaints received from the shareholders of the Company. The quorum for the meeting shall be either two members or one third of the members of the committee, whichever is higher
- C. Terms of Reference:** Redressal of shareholders’ and investors’ complaints, including and in respect of:
1. Allotment, transfer of shares including transmission, splitting of shares, changing joint holding into single holding and vice versa, issue of duplicate shares in lieu of those torn, destroyed, lost or defaced or where the cages in the reverse for recording transfers have been fully utilized;
 2. Issue of duplicate certificates and new certificates on split/consolidation/renewal, etc.; and
 3. Review the process and mechanism of redressal of Shareholders /Investors grievance and suggest measures of improving the system of redressal of Shareholders /Investors grievances;
 4. Non-receipt of share certificate(s), non-receipt of declared dividends, non-receipt of interest/dividend warrants, non-receipt of annual report and any other grievance/complaints with Company or any officer of the Company arising out in discharge of his duties;
 5. Oversee the performance of the Registrar & Share Transfer Agent and also review and take note of complaints directly received and resolved them;
 6. Oversee the implementation and compliance of the Code of Conduct adopted by the Company for prevention of Insider Trading for Listed Companies as specified in the Securities & Exchange Board of India (Probation of insider Trading) Regulations, 1992 as amended from time to time;
 7. Any other power specifically assigned by the Board of Directors of the Company from time to time by way of resolution passed by it in a duly conducted Meeting;
 8. Carrying out any other function contained in the SME equity listing agreement as and when amended from time to time.

C) Nomination and Remuneration Committee

Our Company has constituted a Nomination and Remuneration Committee in accordance section 178 of Companies Act 2013. The constitution of the Nomination and Remuneration Committee was approved by a Meeting of the Board of Directors held on December 01, 2017. The said committee is comprised as under:

The Nomination and Remuneration Committee comprises the following Directors:

| Name of the Director | Status | Nature of Directorship |
|-----------------------|-------------|---------------------------------|
| Rajendrabhai Bhanderi | Chairperson | Additional Independent Director |
| Deven Doshi | Member | Additional Independent Director |
| Riyaben Mehta | Member | Non-Executive Director |

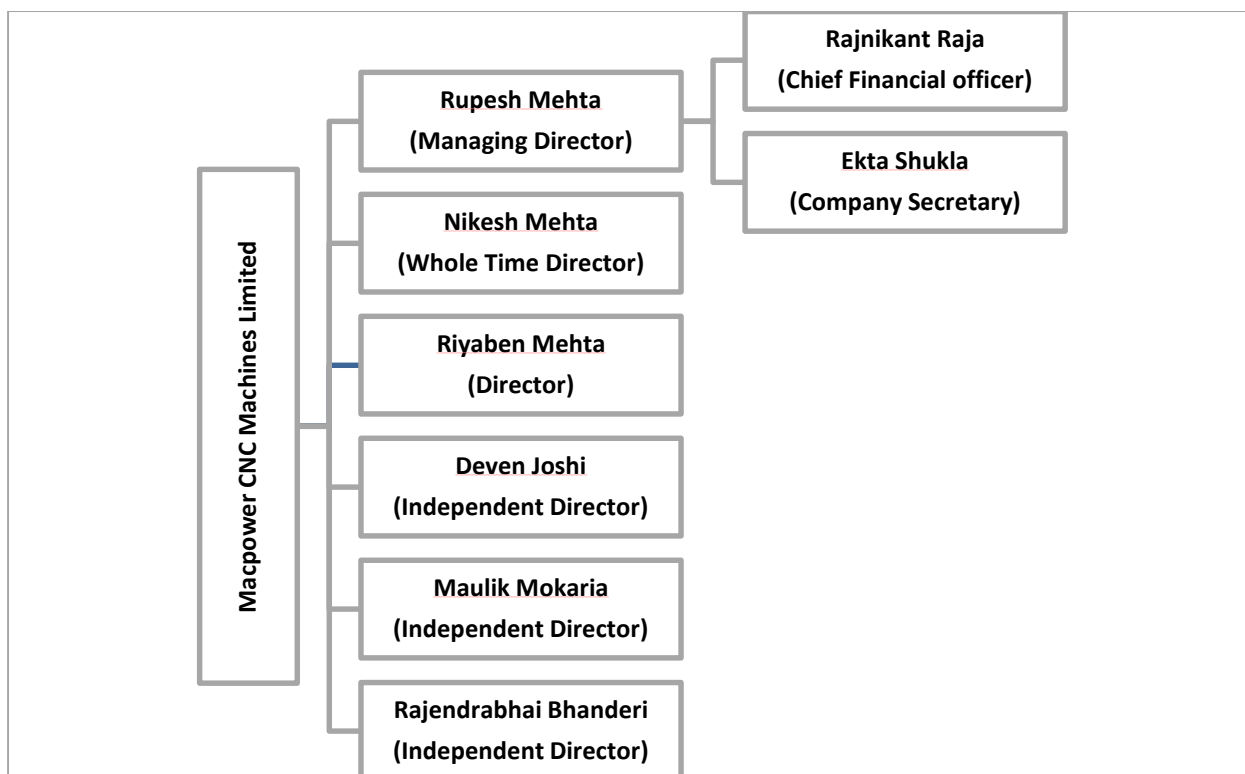
The Company Secretary of our Company shall act as a Secretary to the Nomination and Remuneration Committee. The scope and function of the Committee and its terms of reference shall include the following:

- A. Tenure:** The Nomination and Remuneration Committee shall continue to be in function as a committee of the Board until otherwise resolved by the Board.
- B. Meetings:** The committee shall meet as and when the need arise for review of Managerial Remuneration. The quorum for the meeting shall be one third of the total strength of the committee or two members, whichever is higher. Meeting of the Nomination and Remuneration/Compensation Committee shall be called by at least seven day’s notice in advance.
- C. Terms of Reference:**

- Identify persons who are qualified to become Directors and may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal and shall carry out evaluations of every director's performance;
 - Formulate the criteria for determining the qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration for directors, Key Managerial Personnel and other employees;
 - Decide the salary, allowances, perquisites, bonuses, notice period, severance fees and increment of Executive Directors;
 - Define and implement the Performance Linked Incentive Scheme (including ESOP of the Company) and evaluate the performance and determine the amount of incentive of the Executive Directors for that purpose;
 - Decide the amount of Commission payable to the Whole time Directors;
 - Review and suggest revision of the total remuneration package of the Executive Directors keeping in view the performance of the Company, standards prevailing in the industry, statutory guidelines etc;
 - To formulate and administer the Employee Stock Option Scheme.
 - Formulate the assessment/evaluation criteria for performance evaluation of the Directors of the Company;
 - Devise a policy on the Board diversity;
 - Carry out any other function as is mandated by the Board from time to time and / or enforced by any statutory notification, amendment or modification, as may be applicable;
- **Policy on Disclosures and Internal Procedure for Prevention of Insider Trading**
The provisions of Regulation 9(1) of the SEBI (Prohibition of Insider Trading) Regulations, 2015 will be applicable to our Company immediately upon the listing of its Equity Shares on NSE Emerge. We shall comply with the requirements of the SEBI (Prohibition of Insider Trading) Regulations, 2015 on listing of Equity Shares on stock exchanges.

Ekta Shukla, Company Secretary & Compliance Officer, will be responsible for setting forth policies, procedures, monitoring and adhering to the rules for the prevention of dissemination of price sensitive information and the implementation of the code of conduct under the overall supervision of the Board.

KEY ORGANIZATIONAL STRUCTURE:



MANAGERIAL PERSONNEL:

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

The details of our Key Managerial Personnel are set out below:

1. Rupesh Mehta, Promoter, Chairman and Managing Director

Rupesh Mehta, aged 49 years, is the Promoter, Chairman and Managing Director of our Company. He has experience of more than 25 years in the Machine Tool Industry. He holds a degree in Bachelor of Commerce from Saurashtra University. He was the Former President of Rajkot Machine Tools, Former Treasurer of the Chamber of Commerce, Former Director of Rajkot Engineering Association and presently Executive Director of Indian Machine Tools Manufacturers Association. He has been on the Board of our Company since December 31, 2003. He is the guiding force behind all the corporate decision and is responsible for the entire business operation of the Company.

2. Nikesh Mehta, Promoter & Whole Time Director

Nikesh Mehta, aged 39 years, is the Promoter and Director of our Company. He has experience of around 14 years of experience in Machine Tool Industry. He has been on the Board of our Company since December 31, 2003. He holds a degree in Bachelor of Commerce from Saurashtra University. His scope of work includes looking after Machine Shop, Application and Purchase department of the Company.

3. Rajnikant Raja, Chief Financial Officer

Rajnikant Raja, aged 61 years is the Chief Financial Officer of our Company. He is one of the experienced employees of the company. He has cleared second B.A. exam (Arts) from Saurashtra University. He is associated with the company since incorporation. He is appointed as Chief Financial Officer of our Company with effect from November 17, 2017. He is entrusted with the responsibility of handling financial activities of our Company.

4. Ekta Shukla, Company Secretary

Ekta Shukla, aged 23 years, is the Company Secretary of our Company. She has been appointed as Company Secretary of our Company with effect from November 17, 2017. She is a qualified Company Secretary by profession and is an associate member of the Institute of Company Secretaries of India (ICSI). She is entrusted with the responsibility of handling Legal and Corporate Secretarial Department of our Company.

RELATIONSHIP BETWEEN KEY MANAGERIAL PERSONNEL(KMP):

None of the Key Managerial Personnel's are related to each other within the meaning of Section 2 (77) of the Companies Act, 2013. All of the Key Managerial Personnel are permanent employees of our company.

| KMP | Name of the other KMP | Family Relation |
|--------------|-----------------------|-----------------|
| Rupesh Mehta | Nikesh Mehta | Brother |

RELATIONSHIPS OF DIRECTORS/ AND PROMOTERS WITH KEY MANAGERIAL PERSONNEL

Except as disclosed below, none of our Directors of the Company are related to the Key Managerial Personnel within the meaning of section 2(77) of the Companies Act, 2013.

| Key Managerial Personnel | Other Director/ Promoter | Family Relation |
|--------------------------|--------------------------|-----------------|
| Rupesh Mehta | Riyaben Mehta | Spouse |
| | Nikesh Mehta | Brother |

ARRANGEMENTS AND UNDERSTANDING WITH MAJOR SHAREHOLDERS:

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

SHAREHOLDING OF THE KEY MANAGERIAL PERSONNEL:

Except as disclosed below, none of the Key Managerial Personnel hold any Equity Shares of our Company as on the date of this Red-herring Prospectus.

| Sr. No. | Name of the Director | No. of Equity Shares | % of Pre Issue Equity Share Capital | % of Post Issue Equity Share Capital |
|---------|----------------------|----------------------|-------------------------------------|--------------------------------------|
| 1. | Rupesh Mehta | 31,49,000 | 43.78% | [●] |
| 2. | Nikesh Mehta | 11,84,400 | 16.47% | [●] |

REMUNERATION/ COMPENSATION TO KEY MANAGERIAL PERSONNEL:

Except as disclosed below, none of the Key Managerial Personnel hold any Equity Shares of our Company as on the date of this Red-herring Prospectus.

| Name of the Key Managerial Personnel | Remuneration paid during FY 2016-17 (Rupees in Lakhs) |
|--------------------------------------|---|
| Rupesh Mehta | 5.44 |
| Nikesh Mehta | 5.44 |
| Rajnikant Raja | 6.41 |

| Name of the Key Managerial Personnel | Remuneration paid during FY 2016-17 (Rupees in Lakhs) |
|--------------------------------------|--|
| Ekta Shukla | NIL |

Note: Rajnikant Raja was previously an employee of the Company and was appointed as Chief Financial Officer in the Financial Year 2017-18. Hence the salary that was being paid to him while he was an employee has been mentioned above.

BONUS OR PROFIT SHARING PLAN OF THE DIRECTORS/ KEY MANAGERIAL PERSONNEL:

Our Company has not entered into any Bonus or Profit Sharing Plan with any of the Directors, 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.

LOANS TO KEY MANAGERIAL PERSONNEL:

The Company has not given any loans and advances to the Key Managerial Personnel as on the date of this Red Herring Prospectus.

INTEREST OF KEY MANAGERIAL PERSONNEL:

The Key Managerial Personnel of our Company have interest in our Company to the extent of the remuneration or benefits to which they are entitled to as per their terms of appointment and reimbursement of expenses incurred by them during the ordinary course of business and to the extent of Equity Shares held by them in our Company, if any and dividends payable thereon, if any.

Except as disclosed in this Red Herring Prospectus, none of our key managerial personnel have been paid any consideration of any nature from our Company, other than their remuneration.

Except as stated in the heading titled “*Related Party Transactions*” under the Section titled “Financial Statements as Restated” beginning on page 164 of this Red-herring Prospectus and described herein above, our key managerial personnel do not have any other interest in the business of our Company.

CHANGES IN KEY MANAGERIAL PERSONNEL IN THE LAST THREE YEARS

The Changes in the Key Managerial Personnel in the last three years are as follows:

| NAME | DATE OF EVENT | NATURE OF EVENT | REASON |
|----------------|-------------------|-----------------------|--------------------------------------|
| Rupesh Mehta | November 17, 2017 | Change in designation | Designated as Managing Director |
| Nikesh Mehta | November 17, 2017 | Change in designation | Designated as Whole Time Director |
| Rajnikant Raja | November 17, 2017 | Appointment | Appointed as Chief Financial Officer |
| Ekta Shukla | November 17, 2017 | Appointment | Appointed as Company Secretary |

Other than the above changes, there have been no changes to the KMP of our company that are not in the normal cause of employment.

ESOP/ESPS SCHEME TO EMPLOYEES:

Presently, we do not have any ESOP/ESPS Scheme for employees.


PAYMENT OR BENEFIT TO OUR OFFICERS (NON SALARY RELATED):

Except as disclosed in the heading titled “*Related Party Transactions*” in the section titled “*Financial Statements as Restated*” beginning on page 164 of this Red Herring Prospectus, no amount or benefit has been paid or given within the three preceding years or is intended to be paid or given to any of our officers except the normal remuneration for services rendered as officers or employees.

OUR PROMOTER AND PROMOTER GROUP

Our Company is promoted by Rupesh Mehta and Nikesh Mehta. As on date of this Red Herring Prospectus, our promoter holds, in aggregate 43,33,400 Equity Shares representing 64.03% of the pre-issue paid up Capital of our Company.

Brief profile of our Promoter is as under:

| | |
|---|---|
|  | <p>Rupesh Mehta, Promoter, Chairman & Managing Director</p> <p>Rupesh Mehta, aged 49 years, is the Promoter, Chairman and Managing Director of our Company. He has experience of more than 25 years in the Machine Tool Industry. He holds a degree in Bachelor of Commerce from Saurashtra University. He was the Former President of Rajkot Machine Tools, Former treasurer of the Chamber of Commerce, Former Director of Rajkot Engineering Association and presently Executive Director of Indian Machine Tools Manufactures Association. He has been on the Board of our Company since December 31, 2003. He is the guiding force behind all the corporate decision and is responsible for the entire business operation of the Company.</p> <p>Passport No: J5169770 Driving License: GJ0320050009076 Voters ID: WQT2473627</p> <p>Address: White House, Amin Marg, Rajkot 360001, Gujarat, India.</p> <p>Firms and ventures promoted by Rupesh Mehta: Macpower Industries Rupesh Mehta HUF</p> <p>For further details relating to Rupesh Mehta, including terms of appointment as our Chairman and Managing Director, other directorships, please refer to the chapter titled “<i>Our Management</i>” beginning on page 141 of this Red Herring Prospectus.</p> |
|  | <p>Nikesh Mehta, Promoter & Whole-time Director</p> <p>Nikesh Mehta, aged 39 years, is the Promoter and Director of our Company. He has experience of around 14 years of experience in Machine Tool Industry. He has been on the Board of our Company since December 31, 2003. He holds a degree in Bachelor of Commerce from Saurashtra University. His scope of work includes looking after Machine Shop, Application and Purchase department of the Company.</p> <p>Passport No: M1873545 Driving License: GJ0319960150502 Voters ID: GNC1711845</p> <p>Address: White House Amin Marg, Opp Amin Vanda, Rajkot 360001, Gujarat, India.</p> |

| | |
|--|--|
| | <p>Firms and ventures promoted by Nikesh Mehta:</p> <p>Nikesh Mehta HUF</p> <p>For further details relating to Nikesh Mehta, including terms of appointment as our Whole-time Director, other directorships, please refer to the chapter titled “<i>Our Management</i>” beginning on page 141 of this Red Herring Prospectus.</p> |
|--|--|

DECLARATION

Our Company confirms that the permanent account number, bank account number and passport number of our Promoters shall be submitted to the Stock Exchange at the time of filing of this Red-herring Prospectus with it.

INTEREST OF PROMOTERS

Our Promoters, Rupesh Mehta and Nikesh Mehta are interested in our Company to the extent that they promoted and formed our Company and are interested to the extent of their shareholding and the dividend receivable, if any and other distributions in respect of the Equity Shares held by them. For details regarding shareholding of our promoters in our Company, please refer “*Capital Structure*” on page 64 of this Red Herring Prospectus.

Our Promoters may also be deemed to be interested in our Company to the extent of their shareholding/ interest in our group company /or ventures promoted by them with which our Company transacts during the course of its operations.

Our Promoters are Directors and KMP of our Company and may be deemed to be interested 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, 2013 and in terms of the agreements entered into with our company, if any and AoA of our Company. For details please see “*Our Management*”, “*Financial Statements*” and “*Capital Structure*” beginning on pages 141, 164 and 64 respectively of this Red Herring Prospectus.

Except as mentioned in the chapter titled “Our Business”, our Promoters do not have any other interest in any property acquired or proposed to be acquired by our Company in a period of two years before filing of this Red Herring Prospectus or in any transaction by our Company for acquisition of land, construction of building or supply of machinery.

Except as stated in this section and “*Related Party Transactions*” and “*Our Management*” on page 162 and 137 of this Red-herring Prospectus respectively, there has been no payment of benefits to our Promoters or Promoter Group during the two years preceding the filing of this Red Herring Prospectus nor is there any intention to pay or give any benefit to our Promoters or Promoter Group.

COMMON PURSUITS

Macpower Industries and Morden Machine tools are entities promoted by promoter and promoter group members which have business interests / other interests deals in the similar business activities as that of our Company. As a result, conflicts of interests may arise in allocating business opportunities amongst our Company, and in circumstances where our respective interests diverge. In cases of conflict, our Promoter may favour itself or other ventures in which our Promoters have interests. Except as disclosed in this Red-herring Prospectus, our promoters do not have any interest in any venture that is involved in any activities similar to those conducted by our Company.

RELATED PARTY TRANSACTIONS

For the transactions with our Promoters, Promoter Group and Group Company, please refer to chapter titled “*Related Party Transactions*” on page 162 of this Red Herring Prospectus.

Except as stated in “*Related Party Transactions*” beginning on page 162 of this Red Herring Prospectus, and as stated therein, our Promoter or any of the Promoter Group Entities do not have any other interest in our business.

PAYMENT OR BENEFITS TO PROMOTERS

Except as stated otherwise in the chapter titled “*Related Party Transactions*” on page 162 of this Red Herring Prospectus, there have been no payments or benefits to the Promoters during the two years prior to filing of this Red-herring Prospectus.

OUR PROMOTER GROUP

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

A. Natural Persons who are part of the Promoter Group:

| Relationship with Promoters | Rupesh Mehta | Nikesh Mehta |
|-----------------------------|-----------------|-----------------|
| Father | - | - |
| Mother | Raxaben Mehta | Raxaben Mehta |
| Brother | Nikesh Mehta | Rupesh Mehta |
| Sister(s) | Priti Mehta | Priti Mehta |
| | Seema Vora | Seema Vora |
| Spouse | Riya Mehta | Nimisha Mehta |
| Son | Reyan Mehta | Kush Mehta |
| Daughter(s) | Vincy Mehta | Krishna Mehta |
| | Reyana Mehta | - |
| Wife's Father | Ramniklal Vora- | Vijay Bhatha |
| Wife's Mother | Aruna Vora | Vishakha Bhatha |
| Wife's Brother(s) | - | - |
| Wife's Sister(s) | - | - |
| | - | - |
| | - | - |

Disassociation of certain immediate relatives from Promoter Group by Promoters

Deena Vora, Ami Vora, Anju Sirvani and Kruti Dani immediate relatives of our Promoters do not form part of the Promoter Group of the Company. Moreover, they do not own shareholding in our Company and are also not involved in the business of our Company. Our Promoters has submitted that information related to business/financial interest held by these relatives is not accessible for the purpose of disclosure in the Red Herring Prospectus/Red Herring Prospectus/ Prospectus. Further the said person through their respective declaration has expressed their unwillingness to be constituted under the Promoter Group of the Company and has requested that consequently their entities should not be considered to be part of the Promoter Group and Group Companies. Therefore, though there are no formal disassociation agreements they are not treated as part of Promoter group and the disclosures made in this Red Herring Prospectus are limited to the extent of information that has been made available by our Promoters in relation to Promoter Group and Group Companies

B. Corporates and Entities forming part of our Promoter Group:

1. Macpower Industries– Sole Proprietorship of Rupesh Mehta
2. Modern Machine Tools – Sole Proprietorship of Raxaben Mehta
3. Rupesh Mehta HUF
4. Nikesh Mehta HUF
5. Jagdishchandra Mehta HUF

6. Vijaybhai Chandrakantbhai Bhatha HUF

RELATIONSHIP OF PROMOTERS WITH OUR DIRECTORS

Except as disclosed herein, our Promoter is not related to any of our Company's Directors within the meaning of Section 2 (77) of the Companies Act, 2013.

| Director | Other Director | Family Relation |
|--------------|----------------|-----------------|
| Rupesh Mehta | Nikesh Mehta | Brother |
| | Riya Mehta | Spouse |

DISASSOCIATION BY THE PROMOTERS IN THE LAST THREE YEAR

Our Promoter has not disassociated themselves from any entities/firms during preceding three year of the Red Herring Prospectus.

CHANGES IN CONTROL

There has been no change in the management or control of our Company in the last three years.

LITIGATION INVOLVING OUR PROMOTERS

For details of legal and regulatory proceedings involving our Promoters, please refer "*Outstanding Litigation and Material Developments*" on page 181 of this Red Herring Prospectus.

CONFIRMATIONS

Our Company, our Promoters and members of promoter group are not Wilful Defaulters and there are no violations of securities laws committed by our Promoters in the past and no proceedings for violation of securities laws are pending against them.

Our Promoters are not interested as a member of a firm or company, and no sum has been paid or agreed to be paid to our Promoters or to such firm or company in cash or otherwise by any person for services rendered by our Promoters or by such firm or company in connection with the promotion or formation of our Company.

Our Promoters and members of the Promoter Group have not been prohibited from accessing or operating in capital markets under any order or direction passed by SEBI or any other regulatory or governmental authority.

Our Promoters are not and has never been a promoter, director or person in control of any other company which is prohibited from accessing or operating in capital markets under any order or direction passed by SEBI or any other regulatory or governmental authority.

Except as disclosed in "*Related Party Transactions*" on page 162 of this Red-herring Prospectus, our Promoters are not related to any of the sundry debtors nor are t beneficiaries of Loans and Advances given by/to our Company.-

OTHER VENTURES OF OUR PROMOTERS

Save and except as disclosed in the chapter titled "Our Promoter and Promoter Group" and "Our Group Companies" beginning on page 157 and 161 of this Red Herring Prospectus, there are no ventures promoted by our Promoter in which they have any business interests / other interests.

OUR GROUP COMPANY

In accordance with the provisions of the SEBI (ICDR) Regulations, for the purpose of identification of “Group Companies”, our Company has considered companies as covered under the applicable accounting standards, i.e. Accounting Standard 18 issued by the Institute of Chartered Accountant of India and such other companies as considered material by our Board. In the above mentioned scenario, our Company does not have any Group Company.

RELATED PARTY TRANSACTIONS

For details on Related Party Transactions of our Company, please refer to *Annexure XXIV* of restated financial statement under the section titled, *Financial Statements as restated* beginning on page 164 of this Red Herring Prospectus

DIVIDEND POLICY

Under the Companies Act, 2013, an Indian company pays dividends upon a recommendation by its Board of Directors and approval by a majority of the shareholders. Under the Companies Act, 2013 dividends may be paid out of profits of a company in the year in which the dividend is declared or out of the undistributed profits or reserves of the previous years or out of both.

Our Company does not have a formal dividend policy. Any dividends to be declared shall be recommended by the Board of Directors depending upon the financial condition, results of operations, capital requirements and surplus, contractual obligations and restrictions, the terms of the credit facilities and other financing arrangements of our Company at the time a dividend is considered, and other relevant factors and approved by the Equity Shareholders at their discretion. Our Company has not paid any dividend for the last five years till March 31, 2017.

Dividends are payable within 30 days of approval by the Equity Shareholders at the annual general meeting of our Company. When dividends are declared, all the Equity Shareholders whose names appear in the register of members of our Company as on the “record date” are entitled to be paid the dividend declared by our Company. Any Equity Shareholder who ceases to be an Equity Shareholder prior to the record date, or who becomes an Equity Shareholder after the record date, will not be entitled to the dividend declared by our Company.

**SECTION V- FINANCIAL STATEMENTS
FINANCIAL STATEMENTS AS RESTATED**

| Particulars | Page No. |
|--|-----------------|
| Restated Standalone Financial Statements | F1-F38 |

**SECTION V – FINANCIAL STATEMENTS
FINANCIAL STATEMENTS AS RE-STATED**

**Independent Auditor’s Report for the Restated Financial Statements of
Macpower CNC Machines Limited**

Report of Auditors on the Restated Financial Information of Macpower CNC Machines Limited for each of the period / years ended on September 30, 2017, March 31, 2017, March 31, 2016, March 31, 2015, March 31, 2014 and March 31, 2013.

The Board of Directors

Macpower CNC Machines Limited

Plot No 2234, Nr. Krnati Gate,

GIDC Metoda, Tal: Lodhika,

Rajkot-360007

Dear Sirs,

We, S. C. Makhecha & Associates, have examined the attached Restated Statement of Assets and Liabilities of **Macpower CNC Machines Limited** (the “Company”) as at 30th September, 2017, 31st March 2017, 2016, 2015, 2014 and 2013 and the related Restated Statement of Profit & Loss and Restated Statement of Cash Flow for the years / period ended as at 30th September 2017, 31st March 2017, 2016, 2015, 2014 and 2013, annexed to this report for the purpose of inclusion in the offer document prepared by the Company (collectively the “**Restated Summary Statements**” or “**Restated Financial Statements**”). These Restated Summary Statements have been prepared by the Company and approved by the Board of Directors of the Company in connection with the Initial Public Offering (IPO) in SME Platform of NSE Limited.

1. These Restated Summary Statements have been prepared in accordance with the requirements of:
 - (i) Part I of Chapter III to the Companies Act, 2013 (“**Act**”) read with Companies (Prospectus and Allotment of Securities) Rules 2014;
 - (ii) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations 2009 (“**ICDR Regulations**”) issued by the Securities and Exchange Board of India (“**SEBI**”) in pursuance to Section 11 of the Securities and Exchange Board of India Act, 1992 and related amendments / clarifications from time to time;
 - (iii) The terms of reference to our engagements with the Company requesting us to carry out the assignment, in connection with the Draft Prospectus/ Prospectus being issued by the Company for its proposed Initial Public Offering of equity shares in SME Platform of NSE.(“**IPO**” or “**SME IPO**”); and
 - (iv) The Guidance Note on Reports in Company Prospectus (Revised) issued by the Institute of Chartered Accountants of India (“**Guidance Note**”).

2. The Restated Summary Statements of the Company have been extracted by the management from the Audited Financial Statements of the Company for the financial year / period ended on 30th September, 2017, 31st March 2017, 2016, 2015, 2014 and 2013.
3. In accordance with the requirements of Part I of Chapter III of Act including rules made therein, ICDR Regulations, Guidance Note and Engagement Letter, we report that:
 - (i) The “**Statement of Assets and Liabilities as Restated**” as set out in **Annexure I** to this report, of the Company as at 30th September, 2017, 31st March 2017, 2016, 2015, 2014 and 2013 are prepared by the Company and approved by the Board of Directors. These Statement of Assets and Liabilities, as restated have been arrived at after making such adjustments and regroupings to the individual financial statements of the Company, as in our opinion were appropriate and more fully described in Significant Accounting Policies and Notes to Accounts as set out in **Annexure IV(A)** to this Report.
 - (ii) The “**Statement of Profit and Loss as Restated**” as set out in **Annexure II** to this report, of the Company for the years / period ended 30th September, 2017, 31st March 2017, 2016, 2015, 2014 and 2013 are prepared by the Company and approved by the Board of Directors. These Statement of Profit and Loss, as restated have been arrived at after making such adjustments and regroupings to the individual financial statements of the Company, as in our opinion were appropriate and more fully described in Significant Accounting Policies and Notes to Accounts as set out in **Annexure IV(A)** to this Report.
 - (iii) The ” **Statement of Cash Flow as Restated**” as set out in **Annexure III** to this report, of the Company for the years / period ended 30th Septemebr, 2017, 31st March 2017, 2016, 2015, 2014 and 2013 are prepared by the Company and approved by the Board of Directors. These Statement of Cash Flow, as restated have been arrived at after making such adjustments and regroupings to the individual financial statements of the Company, as in our opinion were appropriate and more fully described in Significant Accounting Policies and Notes to Accounts as set out in **Annexure IV(A)** to this Report.
4. Based on the above, we are of the opinion that the Restated Financial Statements have been made after incorporating:
 - a) Adjustments for the changes in accounting policies retrospectively in respective financial period/years to reflect the same accounting treatment as per the changed accounting policy for all reporting periods, if any.
 - b) Adjustments for prior period and other material amounts in the respective financial years/period to which they relate and there are no qualifications which require adjustments.
 - c) There are no extra-ordinary items that need to be disclosed separately in the accounts and qualifications requiring adjustments.
 - d) **As per Accounting Standard- 15: Employee Benefits issued by the Institute of Chartered Accountants of India, Company is required to assess its gratuity liability each year on the basis of actuarial valuation and make provision for gratuity liability. However, company has not obtained the actuarial valuation and not provided for gratuity liability in the financial Statement. The company has booked the Gratuity Expenses on the basis of the payment made.**
 - e) **For the FY 2014-15 the Statutory Auditor of the company has qualified the Statutory Audit Report for Non Compliance of Schedual II of Companies Act, 2013. Other than This There were no qualifications in the Audit Reports issued by the Statutory Auditors for the financial period/year ended on 30th September, 2017, 31st March 2017, 2016, 2015, 2014 and 2013 which would require adjustments in this Restated Financial Statements of the Company. In the Statutory Audit report of company, residual value of fixed assets after useful life is written of against retained earning whereas the same is retained & carried forward in the Restated Financial Statements.**
 - f) These Profits and Losses have been arrived at after charging all expenses including depreciation and after making such adjustments/restatements and regroupings as in our opinion are appropriate and are to be read in accordance with the Significant Accounting Polices and Notes to Accounts as set out in **Annexure IV(A)** to this report.

5. We have also examined the following other financial information relating to the Company prepared by the Management and as approved by the Board of Directors of the Company and annexed to this report relating to the Company for the financial period/year ended on 30th Septemebr, 2017, 31st March 2017, 2016, 2015, 2014 and 2013 proposed to be included in the Draft Prospectus/Prospectus (“**Offer Document**”).

Annexure of Restated Financial Statements of the Company:-

- a. Significant Accounting Policies and Notes to Accounts as restated in Annexure IV(A);
 - b. Reconciliation of Restated Profit as appearing in Annexure IV(B) to this report.
 - c. Details of Share Capital as Restated as appearing in Annexure V to this report;
 - d. Details of Reserves and Surplus as Restated as appearing in Annexure VI to this report;
 - e. Details of Long Term Borrowings as Restated as appearing in Annexure VII to this report;
 - f. Nature of Security and Terms of Repayment for Long term Borrowings as appearing in Annexure VIII to this report
 - g. Details of Deferred Tax Liabilities (Net) as Restated as appearing in Annexure IX to this report;
 - h. Details of Short Term Borrowings as Restated as appearing in Annexure X to this report;
 - i. Nature of Security and Terms of Repayment for Short term Borrowings as appearing in Annexure XI to this report
 - j. Details of Trade Payables as Restated as appearing in Annexure XII to this report;
 - k. Details of Other Current Liabilities as Restated as appearing in Annexure XIII to this report;
 - l. Details of Short Term Provisions as Restated as appearing in Annexure XIV to this report;
 - m. Details of Fixed Assets as Restated as appearing in Annexure XV to this report;
 - n. Details of Non-Current Investments as Restated as appearing in Annexure XVI to this report;
 - o. Details of Long Term Loans & Advances as Restated as appearing in Annexure XVII to this report;
 - p. Details of Inventories as Restated as appearing in Annexure XVIII to this report;
 - q. Details of Trade Receivables as Restated enclosed as Annexure XIX to this report;
 - r. Details of Cash and Cash Equivalentents as Restated enclosed as Annexure XX to this report;
 - s. Details of Short Term Loans & Advances as Restated as appearing in Annexure XXI to this report;
 - t. Details of Revenue from operations as Restated as appearing in Annexure XXII to this report;
 - u. Details of Other Income as Restated as appearing in Annexure XXIII to this report;
 - v. Details of Related Parties Transactions as Restated as appearing in Annexure XXIV to this report;
 - w. Details of Summary of Accounting Ratios as Restated as appearing in Annexure XXV to this report
 - x. Capitalization Statement as Restated as at 31st March 2017 as appearing in Annexure XXVI to this report;
 - y. Statement of Tax Shelters as Restated as appearing in Annexure XXVII to this report;
6. We, S. C. Makhecha & Associates, Chartered Accountants have been subjected to the peer review process of the Institute of Chartered Accountants of India (“**ICAI**”) and hold a valid peer review certificate issued by the “Peer Review Board” of the ICAI.

7. The preparation and presentation of the Financial Statements referred to above are based on the Audited financial statements of the Company and are in accordance with the provisions of the Act and ICDR Regulations. The Financial Statements and information referred to above is the responsibility of the management of the Company.
8. The report should not in any way be construed as a re-issuance or re-dating of any of the previous audit reports issued nor should this report be construed as a new opinion on any of the financial statements referred to therein.
9. We have no responsibility to update our report for events and circumstances occurring after the date of the report.
10. In our opinion, the above financial information contained in Annexure I to XXVII of this report read with the respective Significant Accounting Policies and Notes to Accounts as set out in Annexure IV(A) are prepared after making adjustments and regrouping as considered appropriate and have been prepared in accordance with the Act, ICDR Regulations, Engagement Letter and Guidance Note.
11. Our report is intended solely for use of the management and for inclusion in the Offer Document in connection with the SME IPO. Our report should not be used, referred to or adjusted for any other purpose except with our consent in writing.

For, S.C.Makhecha & Associates.

Chartered Accountants

Firm Registration No.: 120184w

Sanat C. Makhecha

Partner

Membership No.: 107192

Date: 11/12/2017

Place: Rajkot

**STATEMENT OF ASSETS AND LIABILITIES AS RESTATED
ANNEXURE-I**

(Amount in Lakhs)

| Particulars | AS at September 30, 2017 | As at March 31, 2017 | As at March 31, 2016 | As at March 31, 2015 | As at March 31, 2014 | As at March 31, 2013 |
|---|--------------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|
| I. EQUITY AND LIABILITIES | | | | | | |
| 1. Shareholders' funds | | | | | | |
| (a) Share capital | 72.00 | 60.00 | 60.00 | 50.00 | 50.00 | 50.00 |
| (b) Reserves and surplus | 609.03 | 305.82 | 226.43 | 137.48 | 151.62 | 124.04 |
| Sub-Total | 681.03 | 365.82 | 286.43 | 187.48 | 201.62 | 174.04 |
| 2. Share application money pending allotment | - | - | - | - | - | - |
| Sub-Total | - | - | - | - | - | - |
| 3. Non-current liabilities | | | | | | |
| (a) Long-term borrowings | 100.95 | 71.81 | 396.49 | 559.79 | 666.81 | 57.54 |
| (b) Deferred tax liabilities (Net) | - | - | - | - | - | - |
| (c) Other Non Current Liabilities | - | - | - | - | - | - |
| (d) Long-term Provisions | - | - | - | - | - | - |
| Sub-Total | 100.95 | 71.81 | 396.49 | 559.79 | 666.81 | 57.54 |
| 4. Current liabilities | | | | | | |
| (a) Short-term borrowings | - | 319.50 | - | 201.93 | 252.45 | 145.32 |
| (b) Trade payables | 1721.87 | 2052.30 | 1541.14 | 1478.51 | 1133.93 | 825.39 |
| (c) Other current liabilities | 405.25 | 358.03 | 234.99 | 208.85 | 299.42 | 221.19 |
| (d) Short-term provisions | 440.59 | 73.45 | 40.38 | 34.78 | 23.97 | 14.32 |
| Sub-Total | 2567.71 | 2803.28 | 1816.51 | 1924.07 | 1709.77 | 1206.22 |
| TOTAL | 3349.69 | 3240.91 | 2499.42 | 2671.34 | 2578.20 | 1437.80 |
| II. ASSETS | | | | | | |
| 1. Non-current assets | | | | | | |
| (a) Fixed assets | 468.05 | 302.55 | 281.90 | 348.15 | 383.92 | 407.68 |
| (b) Non-current investments | - | - | - | - | 103.75 | 103.75 |
| (c) Deferred tax assets (net) | 41.76 | 42.66 | 40.39 | 49.92 | 44.13 | 57.86 |
| (d) Long-term loans and advances | - | - | - | - | - | - |
| (e) Other Non Current Assets | - | - | - | - | - | - |
| Sub-Total | 509.81 | 345.21 | 322.29 | 398.07 | 531.80 | 569.29 |
| 2. Current assets | | | | | | |
| (a) Current investmentss | 403.78 | 0.21 | 1.17 | 109.01 | 209.74 | 148.94 |
| (b) Inventories | 1261.02 | 1730.92 | 1008.59 | 1623.42 | 1264.55 | 554.47 |
| (c) Trade receivables | 608.96 | 1037.74 | 329.06 | 235.28 | 162.92 | 7.87 |
| (d) Cash and cash equivalents | 73.81 | 5.93 | 623.19 | 56.02 | 143.85 | 39.16 |
| (e) Short-term loans and advances | 492.31 | 120.90 | 215.12 | 249.54 | 265.35 | 118.08 |
| (f) Other Current Assets | - | - | - | - | - | - |
| Sub-Total | 2839.88 | 2895.70 | 2177.13 | 2273.27 | 2046.40 | 868.52 |
| TOTAL | 3349.69 | 3240.91 | 2499.42 | 2671.34 | 2578.20 | 1437.80 |

STATEMENT OF PROFIT AND LOSS AS RESTATED
ANNEXURE-II

(Amount in Lakhs)

| Particulars | For the period ended September 30, 2017 | For the period ended March 31, 2017 | For the year ended March 31, 2016 | For the year ended March 31, 2015 | For the year ended March 31, 2014 | For the year ended March 31, 2013 |
|--|---|-------------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|
| I.Revenue from operations | 4,637.20 | 6,932.23 | 6,387.46 | 6,373.21 | 4,194.75 | 3,717.05 |
| II.Other income | 8.12 | 22.69 | 28.67 | 53.05 | 42.67 | 40.11 |
| III. Total Revenue (I + II) | 4645.32 | 6954.92 | 6416.13 | 6426.26 | 4237.42 | 3757.16 |
| IV. Expenses: | | | | | | |
| Cost of materials consumed | 2304.64 | 5368.89 | 4483.33 | 4656.21 | 3735.63 | 2903.15 |
| Purchases of Stock-in-Trade | - | - | - | - | - | - |
| Changes in inventories of finished goods work-in-progress and Stock-in-Trade | 903.82 | (403.47) | 229.87 | 88.45 | (542.71) | 37.74 |
| Employee benefits expense | 536.04 | 854.04 | 718.75 | 658.90 | 469.73 | 466.22 |
| Finance costs | 21.06 | 40.28 | 83.28 | 62.75 | 33.83 | 16.31 |
| Depreciation and amortization expense | 40.83 | 59.25 | 86.59 | 127.07 | 53.86 | 58.43 |
| Other expenses | 464.85 | 928.97 | 739.87 | 809.93 | 445.78 | 452.74 |
| Total expenses | 4271.24 | 6847.96 | 6341.69 | 6403.31 | 4196.12 | 3934.59 |
| V. Profit before exceptional and extraordinary items and tax (III-IV) | 374.08 | 106.96 | 74.44 | 22.95 | 41.30 | (177.43) |
| VI. Exceptional items | - | - | - | - | - | - |
| VII. Profit before extraordinary items and tax (V - VI) | 374.08 | 106.96 | 74.44 | 22.95 | 41.30 | (177.43) |
| VIII. Extraordinary Items- | - | - | - | - | - | - |
| IX. Profit before tax (VII-VIII) | 374.08 | 106.96 | 74.44 | 22.95 | 41.30 | (177.43) |
| X. Tax expense: | | | | | | |
| (1) Current tax | 122.77 | 29.83 | 15.97 | - | - | - |
| (2) Deferred tax | 0.90 | (2.26) | 9.52 | (5.79) | 13.73 | (55.02) |
| (3) MAT Credit | - | - | - | - | - | - |
| (4) Current tax expense relating to prior years | - | - | - | - | - | - |
| XI. Profit (Loss) for the period from continuing operations (VII-VIII) | 250.41 | 79.39 | 48.95 | 28.74 | 27.57 | (122.41) |
| XII. Profit/(loss) from discontinuing operations | - | - | - | - | - | - |
| XIII. Tax expense of discontinuing operations | - | - | - | - | - | - |
| XIV. Profit/(loss) from Discontinuing operations (after tax) (XII-XIII) | - | - | - | - | - | - |
| XV. Profit (Loss) for the period (XI + XIV) | 250.41 | 79.39 | 48.95 | 28.74 | 27.57 | (122.41) |
| XVI Earnings per equity share: | | | | | | |
| (1) Basic & Diluted | 3.77 | 1.19 | 0.74 | 0.44 | 0.41 | (1.86) |

**STATEMENT OF CASH FLOW AS RESTATED
ANNEXURE-III**

| Particulars | For the period ended September 30, 2017 | For the period ended March 31, 2017 | For the year ended March 31, 2016 | For the year ended March 31, 2015 | For the year ended March 31, 2014 | For the year ended March 31, 2013 |
|--|---|-------------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|
| CASH FLOW FROM OPERATING ACTIVITIES | | | | | | |
| Restated Net profit Before Tax and Extraordinary Items | 374.08 | 106.96 | 74.44 | 22.95 | 41.30 | (177.43) |
| Adjustments For: | | | | | | |
| Depreciation | 40.83 | 59.25 | 86.59 | 127.07 | 53.86 | 58.43 |
| Loss (Profit) on Sale of Assets | (0.15) | (0.51) | - | - | (0.53) | - |
| Profit on sale of assets | - | - | - | - | - | - |
| Dividend Income | - | (4) | (13.09) | (15.56) | (15.56) | (16.97) |
| Extraordinary Items (Loss due to fire) | - | - | - | - | - | - |
| Extraordinary Items (Prior Period Items) | - | - | - | - | - | - |
| Interest Received | (2.81) | (5.29) | (15.58) | (27.76) | (23.94) | (13.47) |
| Interest and Finance Charges | 21.06 | 40.28 | 83.28 | 62.75 | 33.83 | 16.31 |
| Operating Profit before working capital changes | 433.01 | 200.68 | 215.65 | 169.45 | 88.95 | (133.13) |
| Adjustment For: | | | | | | |
| Trade receivables | 428.78 | (708.68) | (93.78) | (72.36) | (155.05) | 43.73 |
| Other Loans and advances receivable | (371.41) | 94.22 | 34.42 | 15.81 | (147.28) | (40.07) |
| Inventories | 469.90 | (722.33) | 614.83 | (358.88) | (710.08) | (31.63) |
| Trade Payable | (330.43) | 511.16 | 62.63 | 344.58 | 308.54 | (330.47) |
| Other Current Liabilities | 47.22 | 123.04 | 26.14 | (90.57) | 78.23 | 205.30 |
| Short Term Borrowings | (319.50) | 319.50 | (201.93) | (50.53) | 107.13 | 43.02 |
| Short Term Provisions | 367.15 | 33.07 | 5.60 | 10.81 | 9.65 | (16.82) |
| | | | | | | |
| Cash Generated from Operations | 291.70 | (350.02) | 447.91 | (201.13) | (508.85) | (126.94) |
| Net Cash Flow from Operations | 724.71 | (149.33) | 663.56 | (31.68) | (419.90) | (260.07) |
| Less : Taxes Paid | (122.77) | (29.83) | (15.96) | - | - | - |
| Net Cash From/(Used In) Operating Activities (A) | 601.94 | (179.16) | 647.59 | (31.68) | (419.90) | (260.07) |
| Cash Flow From Investing Activities | | | | | | |
| Purchase Of Fixed Assets | (208.32) | (82.37) | (20.35) | (135.80) | (32.66) | (13.98) |
| Sale of Fixed Assets | 2.15 | 2.97 | - | 1.62 | 3.09 | - |
| Purchase of Investment | (403.57) | - | - | - | (60.80) | 73.44 |
| Sale/Redemption of Investment | | 0.96 | 107.84 | 204.48 | | 122.40 |
| Interest Income | 2.81 | 5.29 | 15.58 | 27.76 | 23.94 | 13.47 |
| Dividend Income | | 4 | 13.09 | 15.56 | 15.56 | 16.97 |
| Net Cash From/(Used In) Investing Activities (B) | (606.94) | (73.14) | 116.16 | 113.62 | (50.87) | 212.31 |
| Cash Flow From Financing Activities | | | | | | |

| | | | | | | |
|---|--------------|-----------------|-----------------|-----------------|---------------|----------------|
| Proceed From Issue Of Share Capital | 12.00 | - | 10.00 | - | - | - |
| Increase in Share Premium | 52.80 | - | 40.00 | - | - | - |
| Decrease in Secured Loans | - | - | - | - | - | - |
| Increase in Long Term Provision | - | - | - | - | - | - |
| Increase in Unsecured Loans | 29.14 | (324.68) | (163.30) | (107.02) | 609.28 | 49.68 |
| Interest Paid | (21.06) | (40.28) | (83.28) | (62.75) | (33.83) | (16.31) |
| Dividend Paid (Including DDT) | - | - | - | - | - | - |
| Net Cash From Financing Activities (c) | 72.88 | (364.95) | (196.58) | (169.77) | 575.45 | 33.36 |
| Net Increase / (Decrease) in Cash (A)+(B)+(C) | 67.88 | (617.26) | 567.17 | (87.83) | 104.68 | (14.39) |
| Cash and Cash equivalents at the beginning of the year | 5.93 | 623.19 | 56.02 | 143.85 | 39.16 | 53.56 |
| Cash and Cash equivalents at the end of the year | 73.81 | 5.93 | 623.19 | 56.02 | 143.85 | 39.16 |

- I. The Cash Flow statement has been prepared under Indirect method as per Accounting Standard-3 "Cash Flow Statements"
- II. Figures in Brackets represent outflows
- III. The above statement should be read with the Restated Statement of Assets and Liabilities, Statement of Profit and loss, Significant Accounting Policies and Notes to Accounts as appearing in Annexure I,II, IV(A) respectively.

(A) Corporate Information :

The Company was established in 2003 & started its manufacturing unit in an area around four acres situated at Metoda, G.I. D. C., Rajkot, Gujarat and is engaged in manufacturing of CNC Turning Centers, Vertical Machining Centers, Horizontal Machining Centers, Cylindrical Grinder, Vertical Turret Lathe, Turn Mill Centers, Drill Tap Center, Twin Spindle VMC and also Multi Tasking 5-axis along with sub spindle. Adding to the solution capabilities, Macpower has also offered Robotic Automation integrated with CNC machines to cope up the demand of technology driven machining excellence. CNC Machining is a process used in the manufacturing sector that involves the use of computers to control machine tools. Tools that can be controlled in this manner include lathes, mills, routers and grinders. The CNC in CNC Machining stands for Computer Numerical Control. On the surface, it may look like a normal PC control the machines, but the computer's unique software and control console are what really sets the system apart for use in CNC machining. Under CNC Machining, machine tools function through numerical control. A computer program is customized for an object and the machines are programmed with CNC machining language (called G-code) that essentially controls all features like feed rate, coordination, Position and RPM. With CNC machining, the computer can control exact positioning and SPEED.

The company is importing various components and parts i.e. Spindle, Ball Screw, Linear Guide ways, Linear Glass Scale, Live Tool Turret, Live Tool Holder, Probe, CNC System from Taiwan, Germany, Japan, Italy etc. Macpower CNC has strong research and development approach that allows the company to offer customized solutions to its customers. MacPower is registered to ISO 9001(Design), a universally accepted quality assurance designation by Tuv Suddeutchland India Private Limited (Germany) and also ISO 9001: 2008 by BSCIC, India. The Company is well equipped with the latest infrastructure and equipments, well qualified skilled intellectual capital to support the manufacturing of high END technology driven machines.

(B) Basis of Preparation :

The Restated Summary Statements of Assets and Liabilities of the Company as at Septemebr 30, 2017, March 31, 2017, March 31, 2016, March 31, 2015, March 31, 2014, March 31, 2013 and the related Restated Summary Statements of Profits and Losses and Cash Flows Statement for the period / years ended Septemebr 30, 2017, March 31, 2017, March 31, 2016, March 31, 2015, March 31, 2014, March 31, 2013, have been complied by management from the financial statements of the company for the period ended on Septemebr 30, 2017, March 31, 2017, March 31, 2016, March 31, 2015, March 31, 2014, March 31, 2013.

"The financial statements are prepared and presented under the historical cost convention and evaluated on a going-concern basis using the accrual system of accounting in accordance with the accounting principles generally accepted in India (Indian GAAP) and the requirements of the Companies Act, 1956 (up to March 31, 2014), and notified sections, schedules and rules of the Companies Act 2013 (with effect from April 01, 2014), including the Accounting Standards as prescribed by the Companies (Accounting Standards) Rules, 2006 as per section 211(3C) of the Companies Act, 1956 (which are deemed to be applicable as Section 133 of the Companies Act, 2013 ("the Act") read with Rule 7 of Companies (Accounts) Rules, 2014).

The presentation of financial statements requires estimates and assumption to be made that affect the reported amount of assets & Liabilities on the date of financial statements and the reported amount of revenue and expenses during the reporting period. Difference between the actual result and estimates are recognized in the period in which results are known/materialized."

(C) Significant Accounting Policies :

(a) Use of Estimates :

The preparation of financial statements in conformity with Indian GAAP requires management to make judgments, estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities on the date of financial statements and the reported amounts of revenue and expenses during the reported period. Although these estimates are based on management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the Carrying amounts of Assets or Liabilities in future periods.

(b) Fixed Assets :

Fixed assets are stated at cost of acquisition, including any attributable cost for bringing the asset to its working condition for its intended use, less accumulated depreciation. CENVAT credit availed but not adjusted against excise duty payment is treated as CENVAT credit receivable and shown under 'Loans and Advances'. Fixed assets on which CENVAT credit is not availed is shown at full value. Considering the nature of the Business and Financial Reporting of the Company, Segment Reporting is not applicable to The Company.

(c) Depreciation:

Up to March 31st, 2014 depreciation on fixed assets is provided on Written Down Value Method (WDV) at the rate and manner prescribed in schedule XIV of the Companies Act, 1956 over their useful life. w.e.f April 1st, 2014 depreciation is provided based on useful life of asset as prescribed in schedule II of Companies Act 2013 except non charging of 100% depreciation on assets costing below Rs. 5000/-. The carrying amount as on April 1st, 2014 is depreciated over the balance useful life of asset.

Depreciation on additions to the assets and the assets sold or disposed off, during the year is provided on prorata basis, at their respective useful life or rate of depreciation as prescribed with reference to the date of acquisition / installation or date of sale / disposal.

(d) Revenue Recognition:

Revenue is recognized when it is earned and no significant uncertainty exists as to its realization or collection. Revenue from sale of goods is recognized on delivery of the products, when all significant contractual obligations have been satisfied, the property in the goods is transferred for price, significant risk and rewards of ownership are transferred to the customers and no effective ownership is retained. Sales comprises sale of goods and services, net of trade discounts and include exchange differences arising on sales transactions.

(D) Foreign Currency Transactions :

Foreign currency transactions are recorded at the exchange rates prevailing on the date of the transaction. Monetary foreign currency assets and liabilities are translated into Rupees at the exchange rate prevailing at the Balance Sheet Date. All exchange differences are dealt with in Profit and Loss Account.

(E) Investments:

Investments, which are readily realizable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long-term investments.

On initial recognition, all investments are measured at cost. The cost comprises price and directly attributable acquisition charges such as brokerage, fees and duties.

Current investments are carried in the financial statements at lower of cost and fair value determined on an individual investment basis. Long term investments are carried at cost. However, provision for diminution in value is made to recognize a decline other than temporary in the value of Investments.

On disposal of investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the statement of profit and loss.

(F) Employee Benefits:

All employee benefits payable within twelve months of rendering of services are classified as short term benefits. Benefits include salaries, wages, awards, ex-gratia, performance pay, etc. and are recognized in the period in which the employee renders the related service. Liability on account of encashment of leave, Bonus to employee is considered as short term compensated expense provided on actual.

As per Accounting Standard- 15: Employee Benefits issued by the Institute of Chartered Accountants of India, Company is required to assess its gratuity liability each year on the basis of actuarial valuation and make provision for gratuity liability. However, company has not obtained the actuarial valuation and not provided for gratuity liability in the financial Statement. The company has booked the Gratuity Expenses on the basis of the payment made.

(G) Taxation :

Tax expenses comprises of current and deferred tax. Current income tax is measured at the amount expected to be paid to the Tax Authorities in accordance with the Income Tax Act'1961 enacted or substantively enacted at the reporting date.

Deferred Tax Assets or Deferred Tax Liability is recognized on timing difference being the difference between taxable income and accounting income. Deferred Tax Assets or Differed Tax Liability is measured using the tax rates and tax laws that have been enacted or substantively enacted at the Balance Sheet date. Deferred Tax Assets arising from timing differences are recognized to the extent there is a reasonable certainty that the assets can be realized in future.

(H) Borrowing Cost :

Borrowing Cost includes interest and amortization of ancillary costs incurred in connection with the arrangement of borrowings. Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the period they occur.

(I) Segment Reporting :

The company is engaged in the business of manufacturing of CNC Turning Centers, Vertical Machining Centers, Horizontal Machining Centers, Cylindrical Grinder, Vertical Turret Lathe, Turn Mill Centers, Drill Tap Center, Twin Spindle VMC and also Multi Tasking 5-axis along with sub spindle. Considering the nature of the Business and Financial Reporting of the Comapny, the segment reporting is not applicable to company.

(J) Provisions and Contigent Liabilities :

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

Contingent Liabilities are not recognized but are disclosed in the notes. Contingent Assets are neither recognized nor disclosed in the financial statements.

(Amount in Lakhs)

| | Sept 30 th , 2017 | March 31 st , 2017 | March 31 st , 2016 | March 31 st , 2015 | March 31 st , 2014 | March 31 st , 2013 |
|---|------------------------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|
| (a) Bills Discounted from Bank | - | - | - | - | - | - |
| (b) Bank Guarantee issued by Bank | 257.23 | 195.39 | 133.77 | 155.99 | 79.46 | - |
| (c) Letter of Credit Outstanding | - | - | - | - | - | - |
| (d) Duty saved against Advanced Authorization/EPCG. | | | | | | |
| (e) Claim against company not acknowledge as debt. | | | | | | |

(K) Earnings per share :

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

**RECONCILIATION OF RESTATED PROFIT
ANNEXURE IV(B)**

(Amount in Lakhs)

| Adjustments for | As at September 30, 2017 | As at March 31, 2017 | As at March 31, 2016 | As at March 31, 2015 | As at March 31, 2014 | As at March 31, 2013 |
|---|--------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| Net profit/(loss) after tax as per audited statement of profit & loss | 253.06 | 78.40 | 63.14 | 67.92 | 38.79 | (169.83) |
| Adjustments for: | | | | | | |
| Prior Period Adjustment (Note1) | - | 3.36 | 3.61 | 1.18 | (3.36) | (6.18) |
| Difference in Depreciation(Note-2) | 2.23 | 6.93 | 41.38 | (53.74) | - | - |
| Deferred Tax Liability/Asset Adjustment(Note-3) | (5.05) | 2.02 | (47.05) | 5.38 | (13.35) | 53.60 |
| Difference in Tax Provision(Note-4) | 0.17 | (11.33) | (12.13) | 8.00 | 5.50 | - |
| Net profit/ (loss) after tax as restated | 250.41 | 79.39 | 48.95 | 28.74 | 27.57 | (122.41) |

Explanatory Notes to the above restatements made in Audited Financial Statements of the Company for the respective years / period.

Adjustments having impact on Profit:

Note: 1

Amounts relating to the prior period & Other incomes/Exp have been adjusted in the year to which the same relates to & Under which head the same relates to.

Note: 2

The Company Had not Complied with SCH-II of Companies Act, 2013 in FY 2014-15 & There for Depreciation have been recalculated in accordance with Sch-II of Companies Act, 2013.

Note: 3

There is change in Deffered Tax Assets / Liabilities as per Audited Books of Accounts and as per Restated Books and the same has been given effect in the year to which the same relates.

Note: 4

The company has provided Excess or Short Provision in the year in which the income tax return has been filled. But in restated account, the company has provided Excess or Short Provision in the year to which it relates.

To give Explanatory Notes regarding Adjustments

Appropriate adjustments have been made in the restated financial statements, wherever required, by reclassification of the corresponding items of income, expenses, assets and liabilities, in order to bring them in line with the groupings as per the audited financials of the Company for all the years and the requirements of the Securities and Exchange Board of India (Issue of Capital & Disclosure Requirements) Regulations 2009.

DETAILS OF SHARE CAPITAL AS RESTATED ANNEXURE-V

(Amount in Lakhs)

1. Statement of Share Capital

| Particulars | As at September 30, 2017 | As at March 31, 2017 | As at March 31, 2016 | As at March 31, 2015 | As at March 31, 2014 | As at March 31, 2013 |
|---|--------------------------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|
| Authorised | | | | | | |
| Equity shares of Rs. 10/- each | 72.00 | 60.00 | 60.00 | 50.00 | 50.00 | 50.00 |
| Issued | | | | | | |
| Equity Shares of Rs.10 each | 72.00 | 60.00 | 60.00 | 50.00 | 50.00 | 50.00 |
| Subscribed & Paid up | | | | | | |
| Equity Shares of Rs.10 each fully paid up | 72.00 | 60.00 | 60.00 | 50.00 | 50.00 | 50.00 |

Terms/rights attached to equity shares :

1. During the Financial Year 2015-16 the Company has increased its Authorised Share Capital from Rs. 50,00,000 to Rs. 60,00,000 by passing Resolution in the Annual General Meeting held on 5th August,2015.
2. During the Financial Year 2015-16 the Company has issued and allotted 1,00,000 Equity Shares of Rs. 10 by passing resolution at the board meeting held on 24th August 2015.
3. During the Stub Period the Company has increased its authorized share capital from Rs.6000000 to Rs.100000000 by passing as resolution in the Annual General Meeting held on 21st September, 2017.
4. During the Stub Period the company has issued & Allotted 1,20,000 Equity Shares of Rs.10 by Passing resolution at the board meeting held on 29th September, 2017 .

Terms/rights attached to equity shares :

1. The company was having only one class of Equity Shares with par value of Rs. 10.00 per share. Each holder of Equity shares was entitled to one Vote per share.
2. In the Liquidation of the company, the holders of Equity Shares shall be entitled to receive any of the remaining assets of the Company, after distribution of all preferential amounts. The amount distributed will be in proportion to the number of equity shares held by the shareholders.

2. Reconciliation of Shares outstanding at the beginning and at the end of the Period

| Particulars | As at September 30, 2017 | As at March 31, 2017 | As at March 31, 2016 | As at March 31, 2015 | As at March 31, 2014 | As at March 31, 2013 |
|--------------------------------------|--------------------------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|
| At the beginning of the period | 600000 | 600000 | 500000 | 500000 | 500000 | 500000 |
| Shares allotted during the year | 120000 | - | 100000 | - | - | - |
| Issued during the year | - | - | - | - | - | - |
| Outstanding at the end of the Period | 720000 | 600000 | 600000 | 500000 | 500000 | 500000 |

3. For the period of five years immediately preceding the date as at which the Balance Sheet is prepared:

| Particulars | As at September 30, 2017 | As at March 31, 2017 | As at March 31, 2016 | As at March 31, 2015 | As at March 31, 2014 | As at March 31, 2013 |
|--|--------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| Aggregate number and class of shares allotted as fully paid up pursuant to contract(s) without payment being received in cash. | - | - | - | - | - | - |
| Aggregate number and class of shares allotted as fully paid up by way of bonus shares. | - | - | - | - | - | - |
| Aggregate number and class of shares bought back. | - | - | - | - | - | - |

a.Details of Shareholders holding more than 5% shares in the company (In terms of No. of Shares Holding)

| Particulars | As at September 30, 2017 | As at March 31, 2017 | As at March 31, 2016 | As at March 31, 2015 | As at March 31, 2014 | As at March 31, 2013 |
|-------------------------|--------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| Name of Shareholders | No. of Shares | No. of Shares | No. of Shares | No. of Shares | No. of Shares | No. of Shares |
| NikeshBhai J. Mehta | 126000 | 125000 | 125000 | 125000 | 125000 | 125000 |
| RupeshBhai J. Mehta | 335000 | 225000 | 225000 | 225000 | 225000 | 225000 |
| RiyaBen R. Mehta | 189000 | 180000 | 180000 | 100000 | 100000 | 100000 |
| Nimisha Nikesh Mehta | 30000 | 30000 | 30000 | 30000 | 30000 | 30000 |
| RaxaBen J. Mehta | 39800 | - | - | - | - | - |
| RupeshBhai J. Mehta-HUF | 100 | 20000 | 20000 | - | - | - |
| PritiBen J. Mehta | 100 | - | - | - | - | - |
| JagdishChandra Mehta | - | 20000 | 20000 | 20000 | 20000 | 20000 |
| Total | 720000 | 600000 | 600000 | 500000 | 500000 | 500000 |

b. Details of Shareholders holding more than 5% shares in the company (In terms of % Holding)

| Particulars | As at September 30, 2017 | As at March 31, 2017 | As at March 31, 2016 | As at March 31, 2015 | As at March 31, 2014 | As at March 31, 2013 |
|----------------------|--------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| Name of Shareholders | % holding | % holding | % holding | % holding | % holding | % holding |
| NikeshBhai J. Mehta | 17.50 | 20.83 | 20.83 | 25.00 | 25.00 | 25.00 |
| RupeshBhai J. Mehta | 46.53 | 37.50 | 37.50 | 45.00 | 45.00 | 45.00 |
| RiyaBen R. Mehta | 26.25 | 30.00 | 30.00 | 20.00 | 20.00 | 20.00 |
| Nimisha Nikesh Mehta | 4.17 | 5.00 | 5.00 | 6.00 | 6.00 | 6.00 |
| RaxaBen J. Mehta | 5.53 | - | - | - | - | - |
| RupeshBhai J. | 0.01 | 3.33 | 3.33 | - | - | - |

| Particlaur | As at September 30, 2017 | As at March 31, 2017 | As at March 31, 2016 | As at March 31, 2015 | As at March 31, 2014 | As at March 31, 2013 |
|----------------------|--------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| Mehta-HUF | | | | | | |
| PritiBen J. Mehta | 0.01 | - | - | - | - | - |
| JagdishChandra Mehta | - | 3.33 | 3.33 | 4.00 | 4.00 | 4.00 |
| Total | 100 | 100 | 100 | 100 | 100 | 100 |

**DETAILS OF RESERVES AND SURPLUS AS RESTATED
ANNEXURE-VI**

(Amount in Lakhs)

| Particlaur | As at September 30, 2017 | As at March 31, 2017 | As at March 31, 2016 | As at March 31, 2015 | As at March 31, 2014 | As at March 31, 2013 |
|--|--------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| A. Securities Premium Account | | | | | | |
| Opening Balance | 164.20 | 164.20 | 124.20 | 124.20 | 124.20 | 124.20 |
| Add : Securities premium credited on Share issue | 52.80 | - | 40.00 | - | - | - |
| Closing Balance | 217.00 | 164.20 | 164.20 | 124.20 | 124.20 | 124.20 |
| B. Surplus | | | | | | |
| Opening Balance | 141.62 | 62.23 | 13.28 | 27.42 | (0.16) | 120.28 |
| Add: Net Profit/(Loss) for the year | 250.41 | 79.39 | 48.95 | 28.74 | 27.57 | (122.41) |
| Add: Opening Balance of MAT Credit | - | - | - | - | - | 1.98 |
| Add: Adjustment in F.A as per Companies Act,2013 | - | - | - | 42.88 | - | - |
| Closing Balance | 392.03 | 141.62 | 62.23 | 13.28 | 27.42 | (0.16) |
| Total | 609.03 | 305.82 | 226.43 | 137.48 | 151.62 | 124.04 |

Notes:

- The figures disclosed above are based on the Unconsolidated restated summary statement of assets and liabilities of the Company
- The above statement should be read with the notes to Unconsolidated restated summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexure I,II and III.
- Pursuant to the Enactment of the Companies Act, 2013, the Company has applied the estimated useful lives as specified in the Schedule II. The Written Down Value of the Fixed Assets whose lives have expired as at 01st April, 2015 have been adjusted, in the Opening balance of Profit and Loss Account.

**DETAILS OF LONG TERM BORROWINGS AS RESTATED
ANNEXUREVII**

(Amount in Lakhs)

| Particlaur | As at September 30, 2017 | As at March 31, 2017 | As at March 31, 2016 | As at March 31, 2015 | As at March 31, 2014 | As at March 31, 2013 |
|--|--------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| Secured | | | | | | |
| (a) Term Loans From Bank and Financial Institutes | | | | | | |
| Term Loan | - | - | - | - | - | - |

| Particlours | As at Septem ber 30, 2017 | As at Mar ch 31, 2017 | As at Mar ch 31, 2016 | As at Mar ch 31, 2015 | As at Mar ch 31, 2014 | As at Mar ch 31, 2013 |
|---|------------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|
| HDFC BANK -1 | - | - | - | - | - | - |
| -Vehicle Loan | | | | | | |
| AXIS BANK LOAN-EICHER STAFF BUS | | | | 3.13 | 8.08 | |
| BMW FINANCIAL SERVICE LOAN-BMW CAR | - | - | 4.41 | 19.33 | | - |
| ICICI BANK LOAN-ERTIGA CAR | - | - | - | 2.89 | - | - |
| CHOLAMANDALAM INVESTMENT AND FINANCE CO LTD | 0.55 | 2.15 | 5.13 | | - | - |
| AXIS BANK LOAN-MARUTI DIAZ | 4.27 | 5.11 | - | - | - | - |
| SBI-DISCOVERY CAR LOAN | 30.07 | - | - | - | - | - |
| FROM OTHERS | | | | | | |
| Sub-total (a) | 34.89 | 7.27 | 9.55 | 25.35 | 8.08 | - |
| Unsecured (b) Loan and advances From related Parties | | | | | | |
| From promoters and Promoters Group | | | | | | |
| Riyaben R. Mehta | 0.42 | 1.28 | 1.21 | 84.00 | 104.0 0 | - |
| Macpower Industries | 0.02 | 3.21 | 6.07 | 2.43 | 18.93 | 0.93 |
| Nikeshbhai J. Mehta | 26.89 | 0.91 | 47.79 | 76.41 | 48.31 | 53.76 |
| From Group Companies | - | - | - | - | - | - |
| From Members & Relative of Director | | | | | | |
| Pritiben J. Mehta | 2.92 | 20.07 | 153.7 9 | 130.0 5 | 80.95 | 2.85 |
| Nimishaben Mehta | 34.95 | 36.95 | 90.39 | 72.05 | 132.0 5 | |
| Raxaben J. Mehta | 0.33 | 1.58 | 38.00 | 84.50 | 184.5 0 | |
| Jagdishchandra N Mehta (Prop. of Modern Machine) | 0.53 | 0.54 | 49.69 | 85.00 | 90.00 | |
| Modern Machine Tools | | - | - | - | - | - |
| (c) Loans and Advances from Bank & Financial Institutions | | | | | | |
| - Business Loans from Banks | - | - | - | - | - | - |
| - Business Loans from Financial Institutions | - | - | - | - | - | - |
| Sub-total (b) + (c) | 66.07 | 64.54 | 386.9 4 | 534.4 4 | 658.7 4 | 57.54 |
| Total | 100.95 | 71.81 | 396.4 9 | 559.7 9 | 666.8 1 | 57.54 |

ANNEXURE VIII

NATURE OF SECURITY AND TERMS OF REPAYMENT FOR LONG TERM BORROWINGS INCLUDING CURRENT MATURITIES

| Sr. No | Lender | Nature of facility | Loan | Amount outstanding as at September 30, 2017 | Rate of interest (%) | Repayment terms | Security/Principal terms and conditions |
|--------|--|--------------------------------|--------------|---|---------------------------------------|--|---|
| 1 | State Bank of India | Car Loan of Rs.49.22/- Lacs | Car Loan | Rs.45.39/- Lacs | 0.75% Above MCLA i.e. Currently 8.75% | Repayable in 36 EMIs Out of which first 35 EMIs are of Rs.1,55,947 /- & Last EMIs of Rs.1,38,244 / | 1. Hypothication of Land Rover Car Purchased Through Loan having registration number GJ 03 JR7134 |
| 2. | Axis Bank | Car Loan of Rs.8.00/- Lacs | Car Loan | Rs.6.81/- Lacs | 8.90% P.a. | Repayable in 36 EMIs Out of which first 35 EMIs are of Rs.25,403/- & Last EMIs of Rs.25,404/- | 1. Hypothication of Maruti Ciaz Car Purchased Through Loan MH 14 GA 2455 |
| 3. | Cholamandalam Investment & Finance Ltd | Vehicle loan of Rs.8.70/- Lacs | Vehicle Loan | Rs.3.68/- Lacs | 9.5% P.a | Repayable in 36 EMIs of Rs.27,850/- Each | 1. Hypothication of Eicher Truck Purchased Through loan GJ 03 BT 6080 |

(Amount in

Lakhs)

| RiyaBen Mehta | | | |
|----------------------------|---------------------|-------------------|-------------------|
| Particulars | As at | | |
| | 30 th Sept, 2017 | 31 st March, 2017 | 31 st March, 2016 |
| Rate of Interest | Nil | 6.00% | 6.00% |
| Opening Balance Cr/(Dr) | 1.28 | 1.21 | 84.00 |
| Amount Received / Credited | 4.00 | | 7.00 |
| Interest on Loan | - | 0.07 | 1.13 |
| Amount Repaid / Adjusted | 4.86 | 0.01 | 90.91 |
| Outstanding Amount | 0.42 | 1.28 | 1.21 |
| Terms of Repayment: | Repayable On Demand | | |

| Macpower Industries | | | |
|----------------------------|---------------------|-------------------|-------------------|
| Particulars | As at | | |
| | 30 th Sept, 2017 | 31 st March, 2017 | 31 st March, 2016 |
| Rate of Interest | Nil | 6.00% | 6.00% |
| Opening Balance Cr/(Dr) | 3.21 | 6.07 | 2.43 |
| Amount Received / Credited | 87.00 | 16.55 | 42.18 |
| Interest on Loan | - | 0.26 | 0.47 |
| Amount Repaid / Adjusted | 90.18 | 19.67 | 39.02 |
| Outstanding Amount | 0.02 | 3.21 | 6.07 |
| Terms of Repayment: | Repayable On Demand | | |

| NikeshBhai J. Mehta | | | |
|----------------------------|---------------------|-------------------|-------------------|
| Particulars | As at | | |
| | 30 th Sept, 2017 | 31 st March, 2017 | 31 st March, 2016 |
| Rate of Interest | Nil | 6.00% | 6.00% |
| Opening Balance Cr/(Dr) | 0.91 | 47.79 | 76.41 |
| Amount Received / Credited | 27.05 | | 54.25 |
| Interest on Loan | - | 0.11 | 3.31 |
| Amount Repaid / Adjusted | 1.07 | 46.99 | 86.18 |
| Outstanding Amount | 26.89 | 0.91 | 47.79 |
| Terms of Repayment: | Repayable On Demand | | |

| Pritiben J Mehta | | | |
|----------------------------|---------------------|-------------------|-------------------|
| Particulars | As at | | |
| | 30 th Sept, 2017 | 31 st March, 2017 | 31 st March, 2016 |
| Rate of Interest | Nil | 6.00% | 6.00% |
| Opening Balance Cr/(Dr) | 20.07 | 153.79 | 130.05 |
| Amount Received / Credited | 3.70 | 250.00 | 128.76 |
| Interest on Loan | - | 2.71 | 8.70 |
| Amount Repaid / Adjusted | 20.85 | 386.43 | 113.72 |
| Outstanding Amount | 2.92 | 20.07 | 153.79 |
| Terms of Repayment: | Repayable On Demand | | |

| Nimishaben Mehta | | | |
|----------------------------|---------------------|-------------------|-------------------|
| Particulars | As at | | |
| | 30 th Sept, 2017 | 31 st March, 2017 | 31 st March, 2016 |
| Rate of Interest | Nil | 6.00% | 6.00% |
| Opening Balance Cr/(Dr) | 36.95 | 90.39 | 72.05 |
| Amount Received / Credited | - | 85.50 | 47.00 |
| Interest on Loan | - | 3.51 | 5.77 |
| Amount Repaid / Adjusted | 2.00 | 142.45 | 34.43 |
| Outstanding Amount | 34.95 | 36.95 | 90.39 |
| Terms of Repayment: | Repayable On Demand | | |

| Raxaben J. Mehta | | | |
|----------------------------|------------------|-------------------|-------------------|
| Particulars | As at | | |
| | 30 th Sept, 2017 | 31 st March, 2017 | 31 st March, 2016 |
| Rate of Interest | Nil | 6.00% | 6.00% |
| Opening Balance Cr/(Dr) | 1.58 | 38.00 | 84.50 |
| Amount Received / Credited | - | 13.30 | 48.55 |
| Interest on Loan | | 0.26 | 3.44 |
| Amount Repaid / Adjusted | 1.25 | 49.98 | 98.49 |
| Outstanding Amount | 0.33 | 1.58 | 38.00 |

| | |
|----------------------------|---------------------|
| Terms of Repayment: | Repayable On Demand |
|----------------------------|---------------------|

**DETAILS OF DEFERRED TAX LIABILITIES (NET) AS RESTATED
ANNEXURE IX**

(Amount in Lakhs)

| Particulars | As at September 31, 2017 | As at March 31, 2017 | As at March 31, 2016 | As at March 31, 2015 | As at March 31, 2014 | As at March 31, 2013 |
|---|--------------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|
| WDV as per Books | 468.05 | 302.55 | 281.90 | 348.15 | 383.92 | 407.68 |
| WDV as per IT | 594.35 | 431.57 | 412.63 | 458.68 | 396.50 | 419.10 |
| | | | | | | |
| Time Difference | 126.29 | 129.01 | 130.73 | 110.53 | 12.58 | 11.43 |
| Gratuity Provision | - | - | - | - | - | - |
| Disallowance u/s 43B | - | - | - | - | - | 2.38 |
| Brough forward Unabsorbed Loss & Depreciation | - | - | - | 51.02 | 130.23 | 173.44 |
| Net | 126.29 | 129.01 | 130.73 | 161.55 | 142.82 | 187.25 |
| Rates of Tax | 33.06% | 33.06% | 30.90% | 30.90% | 30.90% | 30.90% |
| Closing Balance | 41.76 | 42.66 | 40.39 | 49.92 | 44.13 | 57.86 |
| | | | | | | |
| As per B/s Opening | 42.66 | 40.39 | 49.92 | 44.13 | 57.86 | 2.84 |
| Deferred Tax Asset/(Liab.)for the year | (0.90) | 2.26 | (9.52) | 5.79 | (13.73) | 55.02 |

**DETAILS OF SHORT TERM BORROWINGS AS RESTATED
ANNEXURE X**

(Amount in Lakhs)

| Particulars | As at September 30, 2017 | As at March 31, 2017 | As at March 31, 2016 | As at March 31, 2015 | As at March 31, 2014 | As at March 31, 2013 |
|--------------------------------------|--------------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|
| (a) Working Capital Loans | | | | | | |
| Bank of India CC | - | - | - | (10.13) | 252.45 | 145.32 |
| Axis Bank CC A/c | - | 319.50 | - | 126.31 | - | - |
| Citizen Co- operative bank CC | - | - | - | 85.75 | - | - |
| b) Buyer's credit Limit | - | - | - | - | - | - |
| Total | - | 319.50 | - | 201.93 | 252.45 | 145.32 |

NATURE OF SECURITY AND TERMS OF REPAYMENT FOR SHORT TERM BORROWINGS

ANNEXURE XI

| Sr. No. | Lender | Nature of facility | Loan | Amount outstanding as at Septemebr 30, 2017 | Rate of interest (%) | Repayment Terms | Security / Principal terms and conditions |
|---------|-----------|--|-------------------------|---|---|---------------------|---|
| 1 | Axis Bank | Cash Credit Facility of Rs.500.00 Lacs having fully interchangeable EPC/PSCFC , LER, LC facility having limit of Rs.500.00/- Lacs, Rs.40.00/Lacs, & Rs.250.00/- Lacs Respectively & Bank Guarantee of Rs.600.00/- Lacs | Working Capital Finance | Nil | For CC:- 11.10% P.a. For EPC/PSCFC, LER & LC:- i.Up to 180 Days-3 M MCLR+1.25 % i.e.10.35% ii. Over due:- 3 M MCLR+6%- 15.10% For Bank Guarantee:- There will be 50 % Concession on Card Rate & in case BG Arranged from other bank cost is to be born by company | Repayable on demand | i Hypothecation charge on Current Assets Both Present & Future of the company ii Hopothication/ Mortgage of Industrial Property Situated at Plot no.2234, GIDC Lodhika Industrail Estate , Kalawad Road, Village : Methoda , Taluka : Lodhika , Rajkot iii. Residentail property situated at Panchratna Park, Street no.1, Opp. Jalaram Hospital Street , B/h Panchvati Hall, Rajkot iv Personal Guarantee of Mr. Rupeshkumar Mehta , Mr. Nikesh |

| Sr. No. | Lender | Nature of facility | Loan | Amount outstanding as at September 30, 2017 | Rate of interest (%) | Repayment Terms | Security / Principal terms and conditions |
|---------|--------|--------------------|------|---|----------------------|-----------------|--|
| | | | | | | | Mehta, Mrs, Riyaben Mehta & Mrs. simaben Mehta |

DETAILS OF TRADE PAYABLES AS RESTATED
ANNEXURE XII

(Amount in Lakhs)

| Particulars | As at September 30, 2017 | As at March 31, 2017 | As at March 31, 2016 | As at March 31, 2015 | As at March 31, 2014 | As at March 31, 2013 |
|---|--------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| (a) Micro, Small and Medium Enterprise | | | | | | |
| For Goods | 1039.62 | 1548.66 | 1031.26 | 1143.46 | 717.16 | 657.88 |
| | | | | | | |
| (b) Others | | | | | | |
| For Goods | 643.81 | 436.71 | 467.50 | 299.09 | 399.73 | 146.15 |
| For Exp | 38.44 | 66.94 | 42.37 | 35.97 | 17.04 | 21.37 |
| Total | 1721.87 | 2052.30 | 1541.13 | 1478.51 | 1133.93 | 825.39 |

Notes

- Outstanding against Purchase / Acquisition of Capital Goods / Assets have been shown under "Sundry Creditors for Capital Goods / Fixed Assets"
- Trade Payables as on September 30, 2017 has been taken as certified by the management of the company

DETAILS OF OTHER CURRENT LIABILITIES AS RESTATED
ANNEXURE XIII

(Amount in Lakhs)

| Particulars | As at September 30, 2017 | As at March 31, 2017 | As at March 31, 2016 | As at March 31, 2015 | As at March 31, 2014 | As at March 31, 2013 |
|---|--------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| Current maturities of Long Term Debt | | | | | | |
| HDFC Loan -1- | - | - | - | - | - | 0.95 |
| AXIS BANK LOAN -EICHER STAFF BUS | - | - | 3.13 | 4.94 | 4.45 | - |
| BMW FINANCIAL SERVICE LOAN - BMW CAR | - | 2.90 | 14.92 | 14.92 | - | - |
| ICICI BANK LOAN - ERTIGA CAR | - | - | 2.89 | 2.64 | - | - |
| CHOLAMANDALAM INVESTMENT AND FINANCE CO LTD | 2.54 | 2.98 | 2.72 | - | - | - |
| AXIS BANK LOAN - MARUTI DIAZ | 3.13 | 2.89 | - | - | - | - |
| SBI-Discovery Car Loan | 15.32 | - | - | - | - | - |
| Statutory Remittance | - | - | - | - | - | - |
| Due against Capital Expenditure | - | - | - | - | - | - |
| Other Payables (Specify Nature) | | | | | | |
| Advance From Customers | 384.26 | 349.26 | 211.33 | 186.35 | 294.97 | 220.23 |

| | | | | | | |
|--------------|---------------|---------------|---------------|---------------|---------------|---------------|
| Total | 405.25 | 358.03 | 234.99 | 208.85 | 299.42 | 221.19 |
|--------------|---------------|---------------|---------------|---------------|---------------|---------------|

Notes:

-Advances Received from Customers have been taken as certified by the management of the company and no security has been offered by the company against the same.

DETAILS OF SHORT TERM PROVISIONS AS RESTATED

ANNEXURE XIV

(Amount in Lakhs)

| Particlaurs | As at September 30, 2017 | As at March 31, 2017 | As at March 31, 2016 | As at March 31, 2015 | As at March 31, 2014 | As at March 31, 2013 |
|------------------------------------|--------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| Provision For | | | | | | |
| (a) Employee benefits | | | | | | |
| (i) Contribution to PF | - | 6.77 | 5.76 | 5.39 | 2.89 | 2.18 |
| (ii) Salary Payable | 32.70 | - | - | - | - | - |
| (b) Others (Specify nature) | | | | | | |
| (i) Income Tax | 91.58 | 3.83 | - | - | - | - |
| (ii) Indirect Taxes | 312.35 | 50.59 | 14.55 | 20.12 | 12.79 | 7.46 |
| (ii) Other Expenses | 3.96 | 12.26 | 20.07 | 9.28 | 8.28 | 4.68 |
| Total | 440.59 | 73.45 | 40.38 | 34.78 | 23.97 | 14.32 |

Notes:

- Provision for Direct Tax have been adjusted against the Advance Tax and TDS Receivables, if any
- Provision for Audit Fees for the Period ended on Septemebr 30, 2017 have not been made

DETAILS OF FIXED ASSETS AS RESTATED

ANNEXURE XV

(Amount in Lakhs)

| Particlaurs | Buildi ng | Lan d | Office Equipme nts | Plant & Machin ery | Furnit ure & Fixture s | Motor Vehicl es | Compu ter | Intangi ble | Total |
|-----------------------------|---------------|--------------|--------------------|--------------------|------------------------|-----------------|--------------|-------------|---------------|
| Gross Block : | | | | | | | | | |
| As at April 1, 2012 | 271.75 | 33.46 | 35.78 | 379.83 | 41.81 | 59.94 | 29.59 | - | 852.16 |
| Additions / (Deletion) | - | - | 0.12 | 13.86 | - | - | - | - | 13.98 |
| As at March 31, 2013 | 271.75 | 33.46 | 35.89 | 393.69 | 41.81 | 59.94 | 29.59 | - | 866.13 |
| As at April 1, 2013 | 271.75 | 33.46 | 35.89 | 393.69 | 41.81 | 59.94 | 29.59 | - | 866.13 |
| Additions | - | - | 1.83 | 10.31 | - | 18.35 | 1.20 | 0.97 | 32.66 |
| (Deletion) | - | - | - | - | - | (6.60) | - | - | (6.60) |
| As at March 31, 2014 | 271.75 | 33.46 | 37.73 | 404.00 | 41.81 | 71.68 | 30.80 | 0.97 | 892.18 |

| Particlaurs | Buildi ng | Lan d | Office Equipme nts | Plant & Machin ery | Furnit ure & Fixture s | Motor Vehicl es | Compu ter | Intangi ble | Total |
|---------------------------------|---------------|--------------|--------------------|--------------------|------------------------|-----------------|--------------|--------------|---------------|
| As at April 1, 2014 | 271.75 | 33.46 | 37.73 | 404.00 | 41.81 | 71.68 | 30.80 | 0.97 | 892.18 |
| Additions | - | - | 7.65 | 42.52 | 1.98 | 67.48 | 6.72 | 9.45 | 135.80 |
| (Deletion) | - | - | (8.22) | (146.37) | - | (16.13) | (29.59) | - | (200.32) |
| As at March 31, 2015 | 271.75 | 33.46 | 37.1 | 300.14 | 43.78 | 123.03 | 7.93 | 10.42 | 827.67 |
| As at April 1, 2015 | 271.75 | 33.46 | 37.1 | 300.14 | 43.78 | 123.03 | 7.93 | 10.42 | 827.67 |
| Additions | - | - | 2.8 | 3.28 | 0.11 | 11.83 | 1.00 | 1.30 | 20.35 |
| (Deletion) | - | - | (7.2) | (182.3) | (3.92) | (9.97) | - | - | 203.46 |
| As at March 31, 2016 | 271.75 | 33.46 | 32.7 | 121.0 | 39.98 | 124.88 | 8.93 | 11.72 | 644.56 |
| As at April 1, 2016 | 271.75 | 33.46 | 32.7 | 121.0 | 39.98 | 124.88 | 8.93 | 11.72 | 644.56 |
| Additions | 10.99 | - | 18.3 | 20.5 | 5.96 | 10.37 | 6.88 | 8.70 | 82.37 |
| (Deletion) | (4.09) | - | (1.87) | (6.16) | (5.17) | - | - | (0.97) | (18.25) |
| As at March 31, 2017 | 278.65 | 33.46 | 49.48 | 135.79 | 40.77 | 135.26 | 15.81 | 19.45 | 708.67 |
| As at April 1, 2017 | 278.65 | 33.46 | 49.48 | 135.79 | 40.77 | 135.26 | 15.81 | 19.45 | 708.67 |
| Additions | 33.53 | - | 35.18 | 78.51 | 3.19 | 55.75 | 2.16 | - | 208.32 |
| (Deletion) | - | - | (15.21) | (4.61) | - | (20.37) | (5.18) | (0.45) | 45.82 |
| As at September 30, 2017 | 312.19 | 33.46 | 69.45 | 209.69 | 43.97 | 170.64 | 12.79 | 19.00 | 871.18 |
| Accumla ted Dep : | | | | | | | | | |
| As at April 1, 2012 | 95.06 | - | 17.20 | 200.57 | 24.86 | 35.10 | 27.24 | - | 400.02 |
| Charge for the year | 17.67 | - | 2.60 | 27.66 | 3.07 | 6.50 | 0.94 | - | 58.43 |
| As at March 31, 2013 | 112.73 | - | 19.80 | 228.23 | 27.93 | 41.59 | 28.18 | - | 458.46 |
| As at April 1, 2013 | 112.73 | - | 19.80 | 228.23 | 27.93 | 41.59 | 28.18 | - | 458.46 |

| Particulars | Building | Land | Office Equipments | Plant & Machinery | Furniture & Fixtures | Motor Vehicles | Computer | Intangible | Total |
|---|---------------|----------|-------------------|-------------------|----------------------|----------------|--------------|--------------|---------------|
| Charge for the year | 15.90 | - | 2.39 | 25.35 | 2.51 | 6.58 | 0.78 | 0.34 | 53.86 |
| Deductions | - | - | - | - | - | (4.05) | - | - | (4.05) |
| As at March 31, 2014 | 128.63 | - | 22.19 | 253.58 | 30.44 | 44.13 | 28.96 | 0.34 | 508.27 |
| As at April 1, 2014 | 128.63 | - | 22.19 | 253.58 | 30.44 | 44.13 | 28.96 | 0.34 | 508.27 |
| Charge for the year | 13.71 | - | 8.73 | 68.12 | 4.92 | 24.57 | 3.36 | 3.66 | 127.07 |
| Deductions | - | - | (4.71) | (107.17) | - | (15.20) | (28.75) | - | (155.82) |
| As at March 31, 2015 | 142.35 | - | 26.21 | 214.53 | 35.36 | 53.50 | 3.58 | 4.00 | 479.52 |
| As at April 1, 2015 | 142.35 | - | 26.21 | 214.53 | 35.36 | 53.50 | 3.58 | 4.00 | 479.52 |
| Charge for the year | 12.42 | - | 5.43 | 36.46 | 2.89 | 23.82 | 3.04 | 2.53 | 86.59 |
| Deductions | - | - | (6.89) | (183.30) | (3.72) | (9.54) | - | - | (203.46) |
| Adj in Dep. under the Companies Act ' 2013 | - | - | - | - | - | - | - | - | - |
| As at March 31, 2016 | 154.77 | - | 24.75 | 67.69 | 34.53 | 67.77 | 6.61 | 6.53 | 362.65 |
| As at April 1, 2016 | 154.77 | - | 24.75 | 67.69 | 34.53 | 67.77 | 6.61 | 6.53 | 362.65 |
| Charge for the period | 11.05 | - | 6.32 | 14.16 | 2.41 | 18.19 | 2.72 | 4.41 | 59.25 |
| (Deletion) | (1.41) | - | (1.78) | (6.77) | (4.91) | - | - | (0.92) | (15.79) |
| As at March 31, 2017 | 164.41 | - | 29.29 | 75.08 | 32.03 | 85.96 | 9.33 | 10.01 | 406.12 |
| As at April 1, 2017 | 164.41 | - | 29.29 | 75.08 | 32.03 | 85.96 | 9.33 | 10.01 | 406.12 |
| Charge for the period | 6.29 | - | 3.68 | 15.40 | 1.38 | 11.58 | 0.73 | 1.77 | 40.83 |
| (Deletion) | - | - | (14.45) | (3.86) | (18.92) | (6.16) | - | (0.43) | (43.82) |

| Particlaurs | Buildi ng | Lan d | Office Equipme nts | Plant & Machin ery | Furnit ure & Fixtue s | Motor Vehicl es | Compu ter | Intangi ble | Total |
|--|---------------|----------|--------------------------|--------------------------|--------------------------------|-----------------------|--------------|----------------|---------------|
|) | | | | | | | | | |
| As at Sept. 30, 2017 | 170.70 | - | 18.52 | 86.62 | 33.41 | 78.63 | 3.89 | 11.36 | 403.12 |
| Net Block : | | | | | | | | | |
| As at March 31, 2013 | 159.02 | 33.46 | 16.10 | 165.46 | 13.88 | 18.34 | 1.41 | - | 407.68 |
| As at March 31, 2014 | 143.12 | 33.46 | 15.54 | 150.42 | 11.37 | 27.55 | 1.84 | 0.63 | 383.92 |
| As at March 31, 2015 | 129.41 | 33.46 | 10.95 | 85.61 | 8.42 | 69.53 | 4.35 | 6.42 | 348.15 |
| As at March 31, 2016 | 116.98 | 33.46 | 8.02 | 53.38 | 5.45 | 57.11 | 2.32 | 5.19 | 281.90 |
| As at March 31, 2017 | 114.24 | 33.46 | 20.19 | 60.71 | 8.74 | 49.29 | 6.48 | 9.44 | 302.55 |
| As at Septemb er 30, 2017 | 141.49 | 33.46 | 50.93 | 123.07 | 10.56 | 92.01 | 8.89 | 7.64 | 468.05 |

**DETAILS OF NON-CURRENT INVESTMENTS AS RESTATED
ANNEXURE XVI**

(Amount in Lakhs)

| Particlaurs | As at September 30, 2017 | As at March 31, 2017 | As at March 31, 2016 | As at March 31, 2015 | As at March 31, 2014 | As at March 31, 2013 |
|---|--------------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|
| (a) Investment in Equity instruments | - | - | - | - | - | - |
| (b) Investments in preference shares | - | - | - | - | - | - |
| (c) Investments in Government or Trust securities | - | - | - | - | - | - |
| (d) Investments in Debentures or Bonds | - | - | - | - | - | - |
| (e) Investments in Mutual Funds | - | - | - | - | - | - |
| (f) Investments in partnership firms* | - | - | - | - | - | - |
| (g) Other non- current investments | | | | | | |
| Citizens Bank Share | - | - | - | - | 103.75 | 103.75 |
| Aggregate | - | - | - | - | 103.75 | 103.75 |

| Particlaurs | As at September 30, 2017 | As at March 31, 2017 | As at March 31, 2016 | As at March 31, 2015 | As at March 31, 2014 | As at March 31, 2013 |
|---|--------------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|
| Amount of Unquoted Investments | | | | | | |
| Aggregate Cost of Quoted Investments | - | - | - | - | - | - |
| Aggregate Market Value of Quoted Investments | - | - | - | - | - | - |

DETAILS OF LONG TERM LOANS & ADVANCES AS RESTATED
ANNEXURE XVII

(Amount in Lakhs)

| Particlaurs | As at September 30, 2017 | As at March 31, 2017 | As at March 31, 2016 | As at March 31, 2015 | As at March 31, 2014 | As at March 31, 2013 |
|--|--------------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|
| Unsecured & Considered Good | | | | | | |
| Loans and advances to related parties | | | | | | |
| Security Deposits | - | - | - | - | - | - |
| Total | - | - | - | - | - | - |

DETAILS OF INVENTORIES AS RESTATED

ANNEXURE XVIII
(Amount in Lakhs)

| Particlaurs | As at September 30, 2017 | As at March 31, 2017 | As at March 31, 2016 | As at March 31, 2015 | As at March 31, 2014 | As at March 31, 2013 |
|---|--------------------------------|----------------------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|
| a. Raw Materials and components (Valued at Cost or NRV unless otherwise stated) | - | 827.10 | 508.24 | 893.20 | 445.88 | 278.51 |
| | - | 827.10 | 508.24 | 893.20 | 445.88 | 278.51 |

| | | | | | | |
|---|----------------|----------------|----------------|----------------|----------------|---------------|
| b. Consumables (Valued at Cost or NRV unless otherwise stated) | - | - | - | - | - | - |
| | - | - | - | - | - | - |
| c. Finished goods (Valued at Cost or NRV unless otherwise stated) | 1261.02 | 903.82 | 500.35 | 730.22 | 818.67 | 275.96 |
| | 1261.02 | 903.82 | 500.35 | 730.22 | 818.67 | 275.96 |
| d. d. Stores and spares & Packing Materials (Valued at Lower of Cost or NRV as per FIFO Method) | - | - | - | - | - | - |
| | - | - | - | - | - | - |
| e. Trading Inventory | - | - | - | - | - | - |
| Total | 1261.02 | 1730.92 | 1008.59 | 1623.42 | 1264.55 | 554.47 |

Notes: Value of Inventories as on 30th September, 2017 has been taken as certified by the management of the company

DETAILS OF TRADE RECEIVABLES AS RESTATED
ANNEXURE XIX

(Amount in Lakhs)

| Particlours | As at September 30, 2017 | As at March 31, 2017 | As at March 31, 2016 | As at March 31, 2015 | As at March 31, 2014 | As at March 31, 2013 |
|---|--------------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|
| (Unsecured and Considered Good) | | | | | | |
| a. From Directors/Promoters/ Promoter Group/Associates/ Relatives of Directors / Group Companies | | | | | | |
| Over Six Months | | | | | | |
| Others | | | | | | |
| | | | | | | |
| a. From Others | | | | | | |
| More then six months | 90.56 | 114.85 | 69.62 | 19.84 | 10.14 | 4.46 |
| Less than Six Months | 518.40 | 922.96 | 259.43 | 215.44 | 152.77 | 3.40 |
| Total | 608.96 | 1037.82 | 329.06 | 235.28 | 162.91 | 7.86 |

Notes:

- Trade Receivables as on 30th September, 2017 has been taken as certified by the management of the company
- As per the view of the management of the company there is no doubtful debt and hence provision for doubtful debts have not been made

DETAILS OF CASH AND CASH EQUIVALENTS AS RESTATED

ANNEXURE XX
(Amount in Lakhs)

| Particlours | As at September 30, 2017 | As at March 31, 2017 | As at March 31, 2016 | As at March 31, 2015 | As at March 31, 2014 | As at March 31, 2013 |
|--|--------------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|
| Balances with banks- Current Accounts | 73.63 | 5.12 | 614.70 | 45.36 | 142.31 | 24.45 |
| Cash on hand | 0.18 | 0.81 | 8.49 | 10.66 | 1.54 | 14.71 |
| Balances with banks in fixed deposit | - | - | - | - | - | - |
| Total | 73.81 | 5.93 | 623.19 | 56.02 | 143.85 | 39.16 |

DETAILS OF SHORT TERM LOANS & ADVANCES AS RESTATED
ANNEXURE XXI

(Amount in Lakhs)

| Particulars | As at September 30, 2017 | As at March 31, 2017 | As at March 31, 2016 | As at March 31, 2015 | As at March 31, 2014 | As at March 31, 2013 |
|--|--------------------------------|----------------------------|-------------------------------|----------------------------|----------------------------|----------------------------|
| a. Loans and advances to Directors/Promoters/Promoter Group/ Associates/ Relatives of Directors/Group Company | - | - | - | - | - | - |
| b. Balance with Government Authorities | | | | | | |
| (i) VAT / CENVAT credit | 304.01 | 10.64 | 10.01 | 4.85 | 4.39 | 3.59 |

| Particulars | As at September 30, 2017 | As at March 31, 2017 | As at March 31, 2016 | As at March 31, 2015 | As at March 31, 2014 | As at March 31, 2013 |
|---|--------------------------------|----------------------------|-------------------------------|----------------------------|----------------------------|----------------------------|
| receivable/GST Credit Receivable | | | | | | |
| (ii) TDS / TCS Receivables | - | - | 1.68 | 2.06 | 0.35 | - |
| (iii) Advance / Self Assessment Tax/Incometax Refund | - | - | 21.17 | 16.05 | 0.32 | 12.79 |
| (iv) Service Tax Paid | 1.26 | 6.05 | 8.01 | 4.61 | 4.45 | 1.13 |
| (v) MAT Credit Entitlement | - | - | - | 1.98 | 1.98 | 1.98 |
| c. Others (specify nature) | | | | | | |
| Deposits | | | | | | |
| Other Deposits | 13.00 | 11.62 | 8.79 | 8.33 | 8.13 | 7.98 |
| Tender Deposits | 66.05 | 74.45 | 154.19 | 166.33 | 181.29 | 48.07 |
| Prepaid Expenses | 0.85 | 3.14 | 2.09 | 3.22 | 6.79 | 0.14 |
| Advance to Employees | 20.05 | 14.99 | 9.18 | 9.09 | 12.28 | 5.67 |
| Advances to others | 0.70 | - | - | - | 0.08 | 0.09 |
| Advance to Suppliers | 86.38 | - | - | 33.03 | 45.29 | 36.62 |
| Total A+B+C | 492.31 | 120.90 | 215.12 | 249.54 | 265.35 | 118.08 |

Notes:

- Advances Given to Suppliers have been taken as certified by the management of the company.
- No Securities have been taken by the company against the advances given to the suppliers
- Advance Tax and TDS Receivables have been adjusted against the Provision for Direct Tax

**DETAILS OF REVENUE FROM OPERATIONS AS RESTATED
ANNEXURE XXII**

| Particulars | As at September 30, 2017 | As at March 31, 2017 | As at March 31, 2016 | As at March 31, 2015 | As at March 31, 2014 | As at March 31, 2013 |
|--|--------------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|
| Sales of goods | | | | | | |
| Export | | 162.75 | 84.76 | 49.46 | 137.44 | 53.13 |
| Domestic | 4582.01 | 6714.93 | 6229.29 | 6248.76 | 3987.16 | 3621.80 |
| Revenue from sale of products | 4582.01 | 6877.68 | 6314.05 | 6298.22 | 4124.60 | 3674.93 |
| Sale of Services | 17.67 | 29.63 | 24.99 | 32.73 | 24.71 | 20.83 |
| Other operating revenues | | | | | | |
| Discount | 6.06 | 7.93 | 5.55 | 21.66 | 0.14 | 11.44 |
| Duty Drawback Income | | - | 1.68 | 1.62 | 1.06 | - |
| Erection & Commissioning Charges Income | | - | 1.50 | 9.75 | 0.50 | - |
| Loading & Unloading Income | | - | - | 0.85 | - | - |
| Kasar | 6.10 | 5.83 | 10.81 | 5.66 | 7.16 | 1.95 |
| Order Cancellation Charges | 25.36 | 11.16 | 0.63 | 2.73 | 29.25 | 7.91 |
| Turnover Discount | | - | 28.25 | - | 7.32 | - |
| Revenue from operations | 4637.21 | 6932.23 | 6387.46 | 6373.21 | 4194.75 | 3717.05 |

**DETAILS OF OTHER INCOME AS RESTATED
ANNEXURE XXIII**

(Amount in Lakhs)

| Particulars | As at September 30, 2017 | As at March 31, 2017 | As at March 31, 2016 | As at March 31, 2015 | As at March 31, 2014 | As at March 31, 2013 | Nature of Income |
|--|--------------------------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|----------------------------|---|
| <u>Other Non Operating Income</u> | | | | | | | |
| Dividend Income(Co- Operative Bank) | | - | 13.09 | 15.56 | 15.56 | 15.56 | Recurring & Not Related to Business Activity |
| Interest on deposit | 2.81 | 4.58 | 15.58 | 27.75 | 22.95 | 13.47 | Recurring & Not Related to Business Activity |
| Training Charges Income | | - | - | 0.27 | 0.25 | - | Non Recurring & Related to Business Activities |
| Bad Debts recovered | | - | - | - | - | 7.45 | Non Recurring & Related to Business Activities |
| Exchange Rate difference | 1.58 | 10.84 | - | 7.76 | 2.06 | - | Recurring & Not Related To Business |
| Excise Refund Income | 1.56 | - | - | - | - | - | Non Recurring & Related to Business Activities |
| Award Income | | 1.00 | - | 1.00 | - | 1.00 | Non Recurring & Not Related to Business Activity |
| Dividend Income(Axis Bank) | | - | - | - | - | 1.41 | Non Recurring & Not Related to Business Activity |
| Forwarding Charges Income | | - | - | 0.70 | - | - | Non Recurring & Not Related to Business Activity |

| Particulars | As at September 30, 2017 | As at March 31, 2017 | As at March 31, 2016 | As at March 31, 2015 | As at March 31, 2014 | As at March 31, 2013 | Nature of Income |
|----------------------------------|--------------------------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|----------------------------|---|
| Short Term Capital Gain | 2.03 | 1.29 | - | - | 0.31 | 1.22 | Non Recurring & Not Related to Business Activity |
| Interest on TED refund | | - | - | - | 0.01 | - | Non Recurring & Not Related to Business Activity |
| Interest on Income tax refund | | 0.71 | - | 0.01 | 0.99 | - | Non Recurring & Not Related to Business Activity |
| Profit on Sale of Fixed Asset | 0.15 | 4.26 | - | - | 0.53 | - | Non Recurring & Not Related to Business Activity |
| Total | 8.13 | 22.69 | 28.67 | 53.05 | 42.67 | 40.11 | |

DETAILS OF RELATED PARTIES TRANSACTIONS AS RESTATED

ANNEXURE XXIV

| Name of the Party | Nature Of Transaction | Nature of Relation | Amount of Transaction Debited in 2012-13 | Amount of Transaction Credited in 2012-13 | Amount Outstanding as on 31.03.13 (Payable) / Receivable | Amount of Transaction Debited in 2013-14 | Amount of Transaction Credited in 2013-14 | Amount Outstanding as on 31.03.14 (Payable) / Receivable | Amount of Transaction Debited in 2014-15 | Amount of Transaction Credited in 2014-15 | Amount Outstanding as on 31.03.15 (Payable)/ Receivable | Amount of Transaction Debited in 2015-16 | Amount of Transaction Credited in 2015-16 | Amount Outstanding as on 31.03.16 (Payable) / Receivable | Amount of Transaction Debited in 2016-17 | Amount of Transaction Credited in 2016-17 | Amount Outstanding as on 31.03.17 (Payable) / Receivable | Amount of Transaction Debited upto 30.09.17 | Amount of Transaction Credited upto 30.09.17 | Amount Outstanding as on 30.09.17 (Payable)/ Receivable |
|---------------------|-------------------------|--------------------|--|---|--|--|---|--|--|---|---|--|---|--|--|---|--|---|--|---|
| Nikeshbhai J. Mehta | Director's Remuneration | | 7.20 | 7.20 | - | 1.80 | 1.80 | - | 1.65 | 1.80 | (0.15) | 1.91 | 1.92 | (0.16) | 5.60 | 5.44 | - | 3.60 | 3.60 | - |
| Rupeshbhai J. Mehta | Director's Remuneration | | 7.20 | 7.20 | - | 1.80 | 1.80 | - | 1.61 | 1.80 | (0.19) | 1.97 | 1.92 | (0.13) | 5.57 | 5.44 | - | 18.00 | 18.00 | - |
| Riyaben R. Mehta | Director's Remuneration | | 3.20 | 3.20 | - | 1.80 | 1.80 | - | 1.65 | 1.80 | (0.15) | 1.91 | 1.92 | (0.16) | 4.00 | 3.84 | - | 2.40 | 2.40 | - |
| Nimishaben N. Mehta | Remuneration | | 3.27 | 3.27 | - | 1.80 | 1.80 | - | 3.95 | 4.31 | (0.36) | 4.42 | 4.41 | (0.35) | 4.76 | 4.41 | - | 2.10 | 2.10 | - |

| | | | | | | | | | | | | | | | | | | | | |
|--|-------------------|--|-------|--------|---------|-------|--------|----------|-------|-------|---------|-------|-------|---------|-------|-------|--------|-------|-------|---------|
| Macpower Ind. (Prop. Rupeshbhai Mehta) | Loan Taken | | 73.90 | 78.74 | (0.93) | 85.70 | 103.70 | (18.93) | 30.50 | 14.00 | (2.43) | 39.02 | 42.65 | (6.07) | 19.67 | 16.81 | (3.21) | 90.18 | 87.00 | (0.02) |
| Simaben Vora | Remuneration | | 1.27 | 1.27 | - | 1.24 | 1.24 | - | 1.93 | 1.93 | - | 2.08 | 2.08 | - | 0.08 | 0.08 | - | - | - | - |
| Shashikantbhai Vora | Remuneration | | 2.07 | 2.07 | - | 2.07 | 1.24 | 0.82 | 3.08 | 3.08 | 0.82 | 3.16 | 3.16 | 0.82 | 3.16 | 3.16 | 0.82 | 1.25 | 1.50 | 0.58 |
| Morden Machine Tools | Purchase of Goods | | 1.30 | 1.27 | (0.31) | 1.43 | 1.22 | (0.09) | 2.93 | 2.95 | (0.12) | 2.82 | 3.27 | (0.56) | 6.19 | 6.46 | (0.83) | 5.23 | 4.56 | (0.17) |
| Morden Machine Tools | Loan Taken | | - | 0.21 | - | 10.00 | 100.00 | (90.00) | 5.00 | - | (85.00) | 96.63 | 61.31 | (49.69) | 63.74 | 14.60 | (0.54) | 0.01 | - | (0.53) |
| Macpower Ind. (Prop. Rupeshbhai Mehta) | Purchase of Goods | | - | - | - | - | - | - | - | - | - | 0.16 | 0.16 | - | 0.28 | 0.28 | - | - | 3.94 | (3.94) |
| Nikeshbhai J. Mehta | Loan Taken | | 55.00 | 107.50 | (53.76) | 32.00 | 26.55 | (48.31) | 40.00 | 68.10 | (76.41) | 86.18 | 57.56 | (47.79) | 46.99 | 0.11 | (0.91) | 1.07 | 27.05 | (26.89) |
| Riyaben R. Mehta | Loan Taken | | 76.03 | 76.00 | - | 10.00 | 114.00 | (104.00) | 20.00 | - | (84.00) | 90.91 | 8.13 | (1.21) | 0.01 | 0.07 | (1.28) | 4.86 | 4.00 | (0.42) |

| | | | | | | | | | | | | | | | | | | | | |
|---------------------|------------|--|-------|-------|--------|-------|--------|----------|--------|-------|----------|--------|--------|----------|--------|--------|---------|-------|------|---------|
| Nimishaben N. Mehta | Loan Taken | | 25.83 | 25.00 | - | 10.00 | 142.05 | (132.05) | 65.00 | 5.00 | (72.05) | 34.43 | 52.77 | (90.39) | 142.45 | 89.01 | (36.95) | 2.00 | - | (34.95) |
| Pritiben J. Mehta | Loan Taken | | 66.75 | 67.85 | (2.85) | 20.00 | 98.10 | (80.95) | 40.00 | 89.10 | (130.05) | 113.72 | 137.46 | (153.79) | 386.43 | 252.71 | (20.07) | 20.85 | 3.70 | (2.92) |
| Raxaben J. Mehta | Loan Taken | | 26.29 | 25.00 | - | 10.00 | 194.50 | (184.50) | 100.00 | - | (84.50) | 98.49 | 51.99 | (38.00) | 49.98 | 13.56 | (1.58) | 1.25 | - | (0.33) |

**DETAILS OF SUMMARY OF ACCOUNTING RATIOS AS RESTATED
ANNEXURE XXV**

(Amount in Lakhs)

| Ratio | As at September 30, 2017 | As at March 31, 2017 | As at March 31, 2016 | As at March 31, 2015 | As at March 31, 2014 | As at March 31, 2013 |
|--|--------------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|
| Restated PAT as per statement of profit and loss | 250.41 | 79.39 | 48.95 | 28.74 | 27.57 | (122.41) |
| Weighted average number of equity shares at the end of the year/period | 601311 | 600000 | 560383 | 500000 | 500000 | 500000 |
| Impact of issue of Bonus Shares after stub period | 6048000 | 6048000 | 6048000 | 6048000 | 6048000 | 6048000 |
| Weighted average number of equity shares at the end of the year/period After Adjusting For Bonus Issue | 6649311 | 6648000 | 6608383 | 6548000 | 6548000 | 6548000 |
| No. of equity shares at the end of the year/period(Weighted Avg) | 6649311 | 6648000 | 6608383 | 6548000 | 6548000 | 6548000 |
| No. of equity shares at the end of the year/period(Actual) | 720000 | 600000 | 600000 | 500000 | 500000 | 500000 |
| No. of equity shares at the end of the year/period(Actual With bonus) | 6768000 | 6648000 | 6648000 | 6548000 | 6548000 | 6548000 |
| No. of equity shares at the end of the year/period after adjustment for issue of bonus shares | 14137311 | 13896000 | 13856383 | 13596000 | 13596000 | 13596000 |
| Net Worth , as Restated | 681.03 | 365.82 | 286.43 | 187.48 | 201.62 | 174.04 |
| Earnings Per Share | | | | | | |
| Basic & Diluted - before bonus | 41.64 | 13.23 | 8.74 | 5.75 | 5.51 | (24.48) |
| Basic & Diluted - after bonus | 3.77 | 1.19 | 0.74 | 0.44 | 0.42 | (1.87) |
| Return on net worth (%) | 0.37 | 0.22 | 0.17 | 0.15 | 0.14 | (0.70) |
| Net Asset value per Equity Share –Before Bonus | 94.59 | 60.97 | 47.74 | 37.50 | 40.32 | 34.81 |
| Net Asset value per Equity Share –After Bonus | 10.06 | 5.50 | 4.31 | 2.86 | 3.08 | 2.66 |
| Nominal value per equity share (Rs.) | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 |

Notes:

2. The ratios have been Computed as per the following formulas

- (i) Basic Earning per Share

$$\frac{\text{Restated Profit after Tax available to equity shareholders}}{\text{Weighted average number of equity shares outstanding at the end of the year / period}}$$
- (ii) Net Asset Value (NAV) per Equity Share

$$\frac{\text{Restated Networth of Equity Share Holders}}{\text{Number of equity shares outstanding at the end of the year / period}}$$
- (iii) Return on Net Worth (%)

$$\frac{\text{Restated Profit after Tax available to equity shareholders}}{\text{Restated Networth of Equity Share Holders}}$$
3. Net Profit as restated, as appearing in the statement of profit and losses, has been considered for the purpose of computing the above ratios. These ratios are computed on the basis of the restated financial information of the Company.
4. Earning per share calculations are done in accordance with Accounting Standard 20 "Earning Per Share", issued by the Institute of Chartered Accountants of India.
5. Prior to Septemebr 30, 2017, the company has made the following changes in its capital structure, the effects of which have been considered in computing the above accounting ratios
- During the Financial Year 2015-16 the Company has increased its Authorised Share Capital from Rs. 50,00,000 to Rs. 60,00,000 by passing Resolution in the Annual General Meeting held on 5th August,2015.
 - During the Financial Year 2015-16 the Company has issued and allotted 1,00,000 Equity Shares of Rs. 10 by pasing resolution at the board meeting held on 24th August 2015.
 - During the Stub Perios the Company has has increased its authorized share capital from Rs.6000000 to Rs.100000000 by passing as resolution in the Annual General Meeting held on 21st September, 2017.
 - During the Stub Period the company has issued & Allotted 1,20,000 Equity Shares of Rs.10 by Passing resolution at the board meeting held on 29th September, 2017

CAPITALIZATION STATEMENT AS RESTATED AS AT 30th September 2017
ANNEXURE XXVI

| Particulars | (Amount in Lakhs) | |
|---|-------------------|---------------|
| | Pre Issue | Post Issue |
| Borrowings: | | |
| Short-term Debt (A) | - | - |
| Long-term Debt (B) | 121.95 | 121.95 |
| Total debts (C) | 121.95 | 121.95 |
| | | |
| Shareholders' funds | | |
| Share capital | 676.80 | [•] |
| Reserve and surplus | 4.22 | [•] |
| Total shareholders' funds (D) | 681.03 | [•] |
| Long term debt / shareholders' funds (B/D) | 0.18 | [•] |
| Total debt / shareholders' funds (C/D) | 0.18 | [•] |

- Short term debts represent debts which are due within 12 months from Septemebr 30, 2017.
- Long term debts represent debts other than short term debts, as defined above but includes current maturities of long term debt.
- The figures disclosed above are based on restated statement of Assets and Liabilities of the Company as at September 30, 2017

**STATEMENT OF TAX SHELTERS AS RESTATED
ANNEXURE XXVII**

(Amount in Lakhs)

| Particulars | As at September 30, 2017 | As at March 31, 2017 | As at March 31, 2016 | As at March 31, 2015 | As at March 31, 2014 | As at March 31, 2013 |
|--|--------------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|
| Profit before tax, as restated (A) | 374.08 | 106.96 | 74.44 | 22.95 | 41.30 | (177.43) |
| Tax Rate Incometax (%) | 33.06% | 33.06% | 30.90% | 30.90% | 30.90% | 30.90% |
| Tax at notional rate on profits | 123.68 | 35.36 | 23.00 | 7.09 | 12.76 | (54.83) |
| Adjustments : | | | | | | |
| Permanent differences | | | | | | |
| Expenses disallowed under Income Tax Act, 1961 | - | 0.04 | 4.06 | 2.20 | 0.47 | 0.42 |
| Expnses disallowed under Assessment Order | - | - | - | - | 0.28 | 1.37 |
| Exempted Income /Allowable Deduction | (0.15) | (5.26) | - | (1.00) | (0.53) | (2.41) |
| Total permanent differences(B) | (0.15) | (5.22) | 4.06 | 1.20 | 0.22 | (0.62) |
| Income considered separately (C.) | 2.03 | 1.29 | 13.09 | 15.56 | 15.87 | 16.79 |
| Total Income considered separately (C) | 2.03 | 1.29 | 13.09 | 15.56 | 15.87 | 16.79 |
| Timing differences | | | | | | |
| Difference between tax depreciation and book depreciation | (2.57) | (5.20) | 24.19 | 55.07 | 1.68 | 2.23 |
| Difference due to any other items of addition u/s 28 to 44DA/43B | - | - | - | - | - | 2.38 |
| Total timing differences (D) | (2.57) | (5.20) | 24.19 | 55.07 | 1.68 | 4.61 |
| Net adjustments E = (B+C+D) | (4.76) | (11.71) | 15.16 | 40.70 | (13.97) | (12.80) |
| Tax expense / (saving) thereon | (1.57) | (3.87) | 4.69 | 12.58 | (4.32) | (3.96) |
| Income From Business & Professions (F) | 369.32 | 95.25 | 89.61 | 63.65 | 27.34 | (190.23) |
| Income from other sources (G) | - | - | 13.09 | 15.56 | 15.56 | 15.56 |
| Income From Capital Gain (H) | 2.03 | 1.29 | - | - | 0.31 | 1.22 |
| Braught Forward Loss Set Off (I) | | | | | | |

| | | | | | | |
|---|------------------|------------------|------------------|-------|--------|--------|
| Unabsorbed Depreciation Adjusted | | | | | | |
| Brought Forward | - | - | 51.02 | 54.67 | 54.98 | - |
| Addition During the Year | - | - | - | - | - | 56.21 |
| Set off During the Year | - | - | 51.02 | 3.65 | 0.31 | 1.22 |
| Carried Forward | - | - | - | 51.02 | 54.67 | 54.98 |
| Unabsorbed Business Income Adjusted | | | | | | |
| Brought Forward | - | - | - | 75.56 | 118.46 | - |
| Addition During the Year | - | - | - | - | - | 134.03 |
| Set off During the Year | - | - | - | 75.56 | 42.90 | 15.56 |
| Carried Forward | - | - | - | - | 75.56 | 118.46 |
| Taxable income/(loss) (A+E+F+G-H) | 371.36 | 96.54 | 51.68 | - | - | - |
| Taxable Income/(Loss) as per MAT | 374.08 | 106.96 | 19.70 | - | - | - |
| Tax as per MAT (I) | 76.27 | 21.81 | 3.75 | - | - | - |
| Tax as per Normal Calculation.....(II) | 122.77 | 29.83 | 15.97 | - | - | - |
| MAT credit entitlement | | | | | | |
| Opening Balance | - | - | 1.98 | 1.98 | 1.98 | 1.98 |
| Availed during the year | - | - | - | - | - | - |
| Credit Utilised | - | - | 1.98 | - | - | - |
| Closing Balance Of MAT | - | - | - | 1.98 | 1.98 | 1.98 |
| Tax paid (Higher of (I) or (II)) | 122.77 | 29.83 | 15.97 | - | - | - |
| Tax paid as per "MAT" or "Normal Provisions" | Normal Provision | Normal Provision | Normal Provision | - | - | - |

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

You should read the following discussion of our financial condition and results of operations together with our Restated Financial Statements which have been included in this Red Herring Prospectus. The following discussion and analysis of our financial condition and results of operations is based on our Restated Financial Statements for the years ended March 31, 2017, 2016, 2015, and period ended September 30, 2017 including the related notes and reports, included in this Red Herring Prospectus prepared in accordance with requirements of the Companies Act and restated in accordance with the SEBI Regulations, which differ in certain material respects from IFRS, U.S. GAAP and GAAP in other countries. Our Financial Statements, as restated have been derived from our audited financial statements for the respective years and period ended September 30, 2017. Accordingly, the degree to which our Restated Financial Statements will provide meaningful information to a prospective investor in countries other than India is entirely dependent on the reader's level of familiarity with Indian GAAP, Companies Act, SEBI Regulations and other relevant accounting practices in India.

This discussion contains forward-looking statements and reflects our current views with respect to future events and financial performance. Actual results may differ materially from those anticipated in these forward-looking statements as a result of certain factors such as those described under "Risk Factors" and "Forward Looking Statements" beginning on pages 21 and 20 respectively, and elsewhere in this Red Herring Prospectus.

Our FY ends on March 31 of each year. Accordingly, all references to a particular FY are to the 12 months ended March 31 of that year.

OVERVIEW

Established in 2003 our Company is engaged in manufacturing of CNC Turning Centers, Vertical Machining Centers, Horizontal Machining Centers, Cylindrical Grinder, Vertical Turret Lathe, Turn Mill Centers, Drill Tap Center, Twin Spindle VMC and also Multi Tasking 5-axis along with sub spindle. Adding to the solution capabilities, Macpower has also offered Robotic Automation integrated with CNC machines to cope up the demand of technology driven machining excellence. CNC Machining is a process used in the manufacturing sector that involves the use of computers to control machine tools. Tools that can be controlled in this manner include lathes, mills, routers and grinders. The CNC in CNC Machining stands for Computer Numerical Control. On the surface, it may look like a normal PC that control the machines, but the computer's unique software and control console are what really sets the system apart for use in CNC machining. Under CNC Machining, machine tools function through numerical control. A computer program is customized for an object and the machines are programmed with CNC machining language (called G-code) that essentially controls all features like feed rate, coordination, Position and RPM. With CNC machining, the computer can control exact positioning and speed.

Our company is importing various components and parts i.e. Spindle, Ball Screw, Linear Guide ways, Linear Glass Scale, Live Tool Turret, Live Tool Holder, Probe, CNC System from Taiwan, Germany, Japan, Italy etc. Our in house research and development approach allows the company to offer customized solutions to our customers. Macpower is registered to ISO 9001(Design), a universally accepted quality assurance designation by Tuv Suddeutcland India Private Limited (Germany) and also ISO 9001: 2008 by BSCIC, India. Our Company is well equipped with the latest infrastructure and equipments, well qualified skilled intellectual capital to support the manufacturing of high end technology driven machines.

Our Company was founded by Mr. Rupesh Mehta. Who has experience of more tha 25 years in the Machine Tool Industry. He was the Former President of Rajkot Machine Tools, Former Treasury of the Chamber of Commerce, Former Director of Rajkot Engineering Association and presently Executive Director of Indian

Machine Tools Manufacturers Association. He is the guiding force behind all the corporate decision and is responsible for the entire business operation of the Company. Our Promoter Nikesh Mehta, aged 39 years, is the Promoter and Director of our Company. He has been on the Board of our Company since December 31, 2003. He has experience of around 14 years of experience in Machine Tool Industry. He holds a degree in Bachelor of Commerce from Saurashtra University. His scope of work includes looking after Machine Shop, Application and Purchase department of the Company.

Few Awards and Recognitions of the Company are listed below:

1. FIE Foundation Award at IMTEX 2017 for Designing Excellence of Twin Spindle VMC V855 Twin Head
2. FIE Foundation Award at IMTEX 2015 for Designing Excellence of Multitasking Machine Turn O' Mill Y S
3. FIE Foundation Award at IMTEX 2013, Bangalore for designing excellence for model TURN 'O' Mill 200
4. Ranked 4th in highest excise tax pay in the year 2010-11
5. Best Design award for LX 200 Super at Engineering Expo in 2004

Our total Income were Rs. 4645.32 lakhs, Rs.6954.92 lakhs, Rs. 6416.13 lakhs and Rs. 6426.26 Lakhs and our profit for the period was Rs. 250.41 lakhs , Rs. 79.39 lakhs, Rs. 48.95 lakhs and Rs. 28.74 lakhs for the period ended September 2017 and Financial year ended 2017, 2016 and 2015, respectively.

SIGNIFICANT DEVELOPMENTS SUBSEQUENT TO THE LAST FINANCIAL YEAR

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

FACTORS AFFECTING OUR RESULTS OF OPERATIONS

Our business is subjected to various risks and uncertainties, including those discussed in the section titled —Risk Factor beginning on page 21 of this Red Herring Prospectus.

OVERVIEW OF REVENUE AND EXPENSES

Revenue and Expenses

Our revenue and expenses are reported in the following manner:

Total Revenue

Our Total Revenue comprises of revenue from operations and other income.

Revenue from operations: Our revenue from operations comprises of revenue from domestic and export sale of manufactured Turning Center, Twin Spindle, Turnmill Center, Vertical Machining Center, Vertical Turret Lathe, HMC, Drill Tap Center and Cyclical Grinder. It also includes operating income from Order Cancellation Charges, Kasar, Turnover and other discount and duty drawback income.

Other Income: Our other income comprises of income from exchange rate difference, bad debts recovered, interest on term deposits, dividend, excise duty refund, awards, short term capital gain, interest in income tax refund and profit on sale of assets.

Expenses

Our expenses comprise of cost of material consumed, purchase of stock in trade, changes in inventories of work-in-progress and finished goods, employee benefit expenses, finance costs, depreciation and amortisation expenses and other expenses.

Cost of material consumed: Cost of material consumed consists of consumption of MS steel, spindle (turning), turret, ATC, chuck, rotary cylinder, hydraulic power oack, steady rest, lubrication unit, coolant

pump, conveyor, telescopic cover, and pneumatic. It also includes consumption of imported spindle, ball screw, linear guide ways, linear glass scale, live tool holder, probe, auto tool changer, auto pallet changer and CNC system.

Changes in inventories of work-in-progress and finished goods: It includes changes in inventories of work-in-progress and finished goods.

Employee benefit expense: Our employee benefit expenses include salary & wages, directors' remuneration, bonus and incentives, contribution to statutory funds, gratuity expenses and staff welfare expenses.

Finance costs: Our finance costs comprise of interest on short & long term loans, interest on unsecured loan, bank commission on Non Fund based facilities and other borrowing costs.

Depreciation and amortisation expenses: Depreciation and amortisation expenses comprise of depreciation on tangible fixed assets and amortisation of intangible assets.

Other expenses: Our other expenses majorly consist of advertisement expenses, after sale service, expenses, bonus, brokerage & commission expense, electricity expense, exhibition expense, factory repair & maintenance expense, import expense, job work expense, machinery spare parts and tools expense, machine repairs & maintenance expense, communication expense, professional fees expense, rent expense, sales promotion expense, security service expense, stationery expense, transportation expense, travelling expense, staff uniform expense, vehicle fuel and other expense and office expense among others.

Our Results of Operations

The following table sets forth select financial data from our restated financial statement of profit and loss for the financial years 2017, 2016, 2015 and for the period ended September 30, 2017 the components of which are also expressed as a percentage of total revenue for such periods:

(Rs. in Lakhs)

| Particulars` | For the period ended September 30, 2017 | For the Year ended March 31, | | |
|---|---|------------------------------|----------------|----------------|
| | | 2017 | 2016 | 2015 |
| Total Revenue: | | | | |
| Revenue from operations | 4637.20 | 6932.24 | 6387.46 | 6373.21 |
| As a % of Total Revenue | 99.83% | 99.67% | 99.55% | 99.17% |
| Other income | 8.12 | 22.69 | 28.67 | 53.05 |
| As a % of Total Revenue | 0.17% | 0.33% | 0.45% | 0.83% |
| Total Revenue | 4645.32 | 6954.92 | 6416.13 | 6426.26 |
| Expenses: | | | | |
| Cost of material consumed | 2304.64 | 5368.89 | 4483.33 | 4656.21 |
| As a % of Total Revenue | 49.61% | 77.20% | 69.88% | 72.46% |
| Changes in inventories of work-in-progress, finished goods and stock in trade | 903.82 | (403.47) | 229.87 | 88.45 |
| As a % of Total Revenue | 19.46% | (5.80)% | 3.58% | 1.38% |
| Employee benefit expenses | 536.04 | 854.04 | 718.75 | 658.90 |
| As a % of Total Revenue | 11.54% | 12.28% | 11.20% | 10.25% |
| Finance costs | 21.06 | 40.28 | 83.28 | 62.75 |
| As a % of Total Revenue | 0.45% | 0.58% | 1.30% | 0.98% |
| Depreciation and amortization expense | 40.83 | 59.25 | 86.59 | 127.07 |
| As a % of Total Revenue | 0.88% | 0.85% | 1.35% | 1.98% |
| Other expenses | 464.86 | 928.97 | 739.87 | 809.93 |
| As a % of Total Revenue | 10.01% | 13.36% | 11.53% | 12.60% |
| Total Expenses | 4271.25 | 6847.96 | 6341.69 | 6403.32 |

| Particulars` | For the period ended September 30, 2017 | For the Year ended March 31, | | |
|---|---|------------------------------|--------------|---------------|
| | | 2017 | 2016 | 2015 |
| As a % of Total Revenue | 91.95% | 98.46% | 98.84% | 99.64% |
| Profit before exceptional, extraordinary items and tax | 374.08 | 106.96 | 74.44 | 22.95 |
| As a % of Total Revenue | 8.05% | 1.54% | 1.16% | 0.36% |
| Exceptional items | - | - | - | - |
| Profit before extraordinary items and tax | 374.08 | 106.96 | 74.44 | 22.95 |
| As a % of Total Revenue | 8.05% | 1.54% | 1.16% | 0.36% |
| Extraordinary items | - | - | - | - |
| Profit before tax | 374.08 | 106.96 | 74.44 | 22.95 |
| PBT Margin | 8.05% | 1.54% | 1.16% | 0.36% |
| Tax expense : | | | | |
| (i) Current tax | 122.77 | 29.83 | 15.97 | - |
| (ii) Deferred tax | 0.90 | (2.26) | 9.52 | (5.79) |
| (iii) MAT Credit | - | - | - | - |
| Total Tax Expense | 123.67 | 27.57 | 27.47 | (5.79) |
| % of total income | 2.66% | 0.40% | 0.40% | (0.09)% |
| Profit for the year/ period | 250.41 | 79.39 | 48.95 | 28.74 |
| PAT Margin | 5.39% | 1.14% | 0.76% | 0.45% |

Review of Operation For the Period Ended September 30, 2017.

Total Revenue

Revenue from operations

Revenue from operations for the period ended September 30, 2017 amounted to Rs. 4637.20 lakhs which was primarily on account of revenue from domestic and export sales of manufactured goods, income from order cancellation charges, kasar and discount income.

Other income

Other income of Rs. 8.12 lakhs for the period ended September 30, 2017 comprised of income from foreign exchange gain, interest on term deposits, refund of excise duty, short term capital gains and profit on sale of fixed assets.

Total Expenses

Total expenses, excluding tax amounted to Rs. 4271.25 lakhs for the period ended September 30, 2017

Cost of material consumed

Cost of material consumed for the period ended September 30, 2017 was Rs. 2304.64 lakhs which comprised of consumption of MS steel, spindle (turning), turret, ATC, chuck, rotary cylinder, hydraulic power oack, steady rest, lubrication unit, coolant pump, conveyor, telescopic cover, and pneumatic. It also includes consumption of imported spindle, ball screw, linear guide ways, linear glass scale, live tool holder, probe, auto tool changer, auto pallet changer and CNC system.

Changes in inventories of work-in-progress, finished goods and stock in trade

Changes in inventories of stock in trade amounted to Rs. 903.82 lakhs for the period ended September 30, 2017.

Employee Benefit Expenses

Our employee benefit expenses for the period ended September 30, 2017 were Rs. 536.04 lakhs which primarily comprised of salary and wages, directors' remuneration, bonus & incentives to employees, contribution to statutory funds, provision for gratuity and staff welfare expenses.

Finance Cost

Our Finance costs for the period ended September 30, 2017 were Rs. 21.06 lakhs primarily consisting of interest on short & long term loans, interest on unsecured loan, bank commission on Non Fund based facilities, and other borrowing costs.

Depreciation and Amortization Expenses

Depreciation charged on fixed assets was Rs. 40.83 lakhs and amortization of intangible assets was Rs. 1.77 lakhs for the period ended September 30, 2017.

Other expenses

Our other expenses for the period ended September 30, 2017 were Rs. 464.86 lakhs which majorly comprised of job work expense, transportation expense, tools expense, travelling expense, brokerage & commission expense, electricity expense, professional charges, after-sales service expense, vehicle expense, insurance expense, rent expense, import expense, exhibition expense, customs duty payment, repairs & maintenance expense, communication expense, security service expense, erection & commissioning charges and printing & stationery expense among others.

Profit before Tax

Our Profit before tax for the period ended September 30, 2017 was Rs. 374.08 lakhs.

Tax Expenses

Our tax expenses for the period ended September 30, 2017 were Rs. 123.67 lakhs.

Profit after Tax

Our profit after tax for the period ended September 30, 2017 was Rs. 250.41 lakhs.

FINANCIAL YEAR 2016-17 COMPARED WITH FINANCIAL YEAR 2015-16

Total Revenue

Our total revenue increased by 8.40% to Rs. 6954.92 lakhs for the financial year 2016-17 from Rs. 6416.13 lakhs for the financial year 2015-16 due to the factors described below:

Revenue from operations: Our revenue from operations increased by 8.53% to Rs. 6932.24 lakhs from the financial year 2016-17 from Rs. 6387.46 lakhs for the financial year 2015-16 mainly due to increase in our revenue from domestic sale by Rs. 485.64 lakhs, export sale by Rs. 77.99 lakhs and service revenue by Rs. 4.64 lakhs in the financial year 2016-17. It also increased due to increase in order cancellation charges by Rs. 10.53 lakhs and discount income by Rs. 2.40 lakhs in the financial year 2016-17. However, the increase was partially offset by decrease in turnover discount income by Rs. 28.25 lakhs, kasar income by Rs. 4.99 lakhs, duty drawback income by Rs. 1.68 lakhs and erection & commissioning charges income by Rs. 1.50 lakhs in the financial year 2016-17.

Other income: Our other income decreased by 20.87% to Rs. 22.69 lakhs for the financial year 2016-17 from Rs. 28.67 lakhs for the financial year 2015-16 mainly due to decrease in dividend income by Rs. 13.09 lakhs and interest on deposit by Rs. 11.00 lakhs in the financial year 2016-17. However, the decrease was partially offset by increase in foreign exchange rate difference income by Rs. 10.84 lakhs, profit on sale of fixed assets by Rs. 4.26 lakhs, short term capital gain by Rs. 1.29 lakhs, award income by Rs. 1.00 lakhs and interest on income tax refund by Rs. 0.71 lakhs in the financial year 2016-17.

Total Expenses

Our total expenses increased by 7.98% to Rs. 6847.96 lakhs for the financial year 2016-17 from Rs. 6341.69 lakhs for the financial year 2015-16, due to the factors described below:

Cost of material consumed: Our cost of material consumed increased by 19.75% to Rs. 5368.89 lakhs for the financial year 2016-17 from Rs. 4483.33 lakhs for the financial year 2015-16 mainly due to increase in our revenue from operations in the financial year 2016-17.

Changes in inventories of work-in-progress, finished goods and stock in trade: The amount of changes in inventories of work-in-progress and finished goods was (Rs. 403.47) lakhs for the financial year 2016-17 as against Rs. 229.87 lakhs for the financial year 2015-16.

Employee benefits expenses: Our employee benefit expenses increased by 18.82% to Rs. 854.04 lakhs for the financial year 2016-17 from Rs. 718.75 lakhs for the financial year 2015-16. The increase was mainly due to increase in salary & wages by Rs. 63.71 lakhs, staff welfare expense by Rs. 52.71 lakhs, directors' remuneration by Rs. 8.96 lakhs, bonus & incentives by Rs. 4.58 lakhs, contribution to statutory funds by Rs. 3.55 lakhs and provision for gratuity by Rs. 1.79 lakhs in the financial year 2016-17.

Finance costs: Our finance costs decreased by 51.64% to Rs. 40.28 lakhs for the financial year 2016-17 from Rs. 83.28 lakhs for the financial year 2015-16. The decrease was mainly due to decrease in our long term borrowings by Rs. 339.56 lakhs in the financial year 2016-17. Our interest on unsecured loans decreased by Rs. 18.06 lakhs, other borrowing costs decreased by Rs. 8.40 lakhs, interest on long term loans decreased by Rs. 8.31 lakhs and interest on short term loans decreased by Rs. 8.23 lakhs in the financial year 2016-17.

Depreciation and amortisation expense: Our depreciation and amortisation expense decreased by 31.57% to Rs. 59.25 lakhs for the financial year 2016-17 from Rs. 86.59 lakhs for the financial year 2015-16. Depreciation in the financial year 2016-17 decreased by Rs. 29.21 lakhs while amortisation expense increased by Rs. 1.87 lakhs in the financial year 2016-17.

Other expenses: Our other expenses increased by 25.56% to Rs. 928.97 lakhs for the financial year 2016-17 from Rs. 739.87 lakhs for the financial year 2015-16. The increase was mainly due to increase in transportation expense by Rs. 147.74 lakhs, exhibition expense by Rs. 138.25 lakhs, job work charges by Rs. 82.25 lakhs, brokerage & commission expense by Rs. 13.31 lakhs, professional fees expense by Rs. 10.87 lakhs, traveling expense by Rs. 7.89 lakhs, after sale service expense by Rs. 5.93 lakhs, machinery spares parts expense by Rs. 4.92 lakhs, office expense by Rs. 4.54 lakhs, catalogue and brochure expense by Rs. 3.75 lakhs, rent expense by Rs. 3.57 lakhs, repairs & maintenance expense by Rs. 2.40 lakhs and stationery expense by Rs. 2.10 lakhs among others. However, the increase was partially offset by decrease in inward transportation expense by Rs. 69.20 lakhs, repairs & maintenance expense by Rs. 54.66 lakhs, tools expense by Rs. 41.02 lakhs, tools expense by Rs. 30.64 lakhs, tender expense by Rs. 17.56 lakhs, sales promotion expense by Rs. 14.15 lakhs, foreign exchange rate difference expense by Rs. 6.43 lakhs and import expense by Rs. 4.10 lakhs in the financial year 2016-17.

Profit before tax: Our profit before tax increased by 43.68% to Rs. 374.08 lakhs for the financial year 2016-17 from Rs. 106.96 lakhs for the financial year 2015-16. The increase was mainly due to increase in our total revenue by 8.40%, decrease in finance costs by 51.64% and depreciation & amortisation expenses by 31.57%. However, it was partially offset by increase in cost of material consumed by 19.75%, changes in inventories of work-in-progress and finished goods by 275.52%, employee benefit expenses by 18.82% and other expenses by 25.56%.

Tax expenses: Our tax expenses increased by 8.14% to Rs. 27.57 lakhs for the financial year 2016-17 from Rs. 25.49 lakhs for the financial year 2015-16 mainly due to increase in our current tax by Rs. 13.86 lakhs which was partially offset by decrease in deferred tax expense by Rs. 11.79 lakhs in the

financial year 2016-17.

Profit after tax: Our profit after tax increased by 62.18% to Rs. 79.39 lakhs for the financial year 2016-17 from Rs. 48.95 lakhs for the financial year 2015-16.

FINANCIAL YEAR 2015-16 COMPARED WITH FINANCIAL YEAR 2014-15

Total Revenue

Our total revenue decreased by 0.16% to Rs. 6416.13 lakhs for the financial year 2015-16 from Rs. 6426.26 lakhs for the financial year 2014-15 due to the factors described below:

Revenue from operations: Our revenue from operations increased by 0.22% to Rs. 6387.46 lakhs for the financial year 2015-16 from Rs. 6373.21 lakhs for the financial year 2014-15 mainly due to increase in our revenue from export sale by Rs. 35.30 lakhs. It also increased due to increase turnover discount by Rs. 28.25 lakhs and kasar income by Rs. 5.16 lakhs in the financial year 2015-16. However, the increase was partially offset by decrease in revenue from domestic sales by Rs. 19.47 lakhs, service revenue by Rs. 7.74 lakhs, discount income by Rs. 16.11 lakhs, erection & commissioning charges income by Rs. 8.25 lakhs, order cancellation charges income by Rs. 2.09 lakhs and loading & unloading income by Rs. 0.85 lakhs in the financial year 2015-16.

Other income: Our other income decreased by 45.96% to Rs. 28.67 lakhs for the financial year 2015-16 from Rs. 53.05 lakhs for the financial year 2014-15. The decrease was mainly due to decrease in interest on term deposits by Rs. 12.17 lakhs, foreign exchange rate difference income by Rs. 7.76 lakhs, dividend income by Rs. 2.47 lakhs, award income by Rs. 1.00 lakhs, forwarding charges income by Rs. 0.70 lakhs and training charges income by Rs. 0.27 lakhs in the financial year 2015-16.

Total Expenses

Our total expenses decreased by 0.96% to Rs. 6341.69 lakhs for the financial year 2015-16 from Rs. 6403.32 lakhs for the financial year 2014-15, due to the factors described below:

Cost of material consumed: Our cost of material consumed increased by 3.71% to Rs. 4483.33 lakhs for the financial year 2015-16 from Rs. 4656.21 lakhs for the financial year 2014-15. The decrease was mainly due to stability in our operations in the financial year 2015-16.

Changes in inventories of work-in-progress, finished goods and stock in trade: Our inventories decreased by Rs. 229.87 lakhs in the financial year 2015-16 as against a decrease of Rs. 88.45 lakhs for the financial year 2014-15.

Employee benefits expense: Our employee benefits expense increased by 9.08% to Rs. 718.75 lakhs for the financial year 2015-16 from Rs. 658.90 lakhs for the financial year 2014-15. The increase was mainly due to increase in salary & wages by Rs. 83.18 lakhs, bonus and incentives by Rs. 9.24 lakhs, contribution to statutory fund by Rs. 7.16 lakhs, provision for gratuity by Rs. 3.21 lakhs and directors' remuneration by Rs. 0.36 lakhs. However, the increase was partially offset by decrease in staff welfare expenses by Rs. 43.31 lakhs.

Finance costs: Our finance costs increased by 32.71% to Rs. 83.28 lakhs for the financial year 2015-16 from Rs. 62.75 lakhs for the financial year 2014-15. The increase was mainly due to increase in interest on unsecured loan by Rs. 25.58 lakhs and other borrowing costs by Rs. 3.38 lakhs. However, the increase was partially offset by decrease in interest on short term loan by Rs. 7.26 lakhs and short term loans by Rs. 1.18 lakhs.

Depreciation and amortisation expense: Our depreciation and amortisation expense decreased by 31.86% to Rs. 86.59 lakhs for the financial year 2015-16 from Rs. 127.07 lakhs for the financial year

2014-15. Depreciation in the financial year 2015-16 decreased by Rs. 39.36 lakhs while amortisation expense decreased by Rs. 1.12 lakhs in the financial year 2016-17.

Other expenses: Our other expenses decreased by 8.65% to Rs. 739.87 lakhs for the financial year 2015-16 from Rs. 809.93 lakhs for the financial year 2014-15. The decrease was mainly due to decrease in exhibition expense by Rs. 101.89 lakhs, jobwork expense by Rs. 35.41 lakhs, transportation expense by Rs. 15.68 lakhs, excise related expense by Rs. 12.81 lakhs, VAT disallowance expense by Rs. 12.19 lakhs, travelling expense by Rs. 11.30 lakhs, brokerage & commission expense by Rs. 5.16 lakhs, uniform expense by Rs. 4.01 lakhs and stationery expense by Rs. 1.93 lakhs in the financial year 2015-16. However, the decrease was partially offset by increase in repairs & maintenance expense by Rs. 66.46 lakhs, sales promotion expense by Rs. 18.50 lakhs, tools expense by Rs. 13.24 lakhs, tender expense by Rs. 12.63 lakhs, after sales service expense by Rs. 6.96 lakhs and exchange difference expense by Rs. 6.43 lakhs among others in the financial year 2015-16.

Profit before tax: Our profit before tax increased by 224.39% to Rs. 74.44 lakhs for the financial year 2015-16 from Rs. 22.95 lakhs for the financial year 2014-15. The increase was mainly due to increase in our total revenue by 0.16%, decrease in cost of material consumed by 3.71%, depreciation & amortisation expenses by 31.86% and other expenses by 8.65% in the financial year 2015-16. However, it was partially offset by increase in changes in inventories of work-in-progress and finished goods by 159.89%, employee benefit expenses by 9.08% and finance costs by 32.71% in the financial year 2015-16.

Tax expenses: Our tax expenses increased by 540.42% to Rs. 25.49 lakhs for the financial year 2015-16 from benefit of Rs. 5.79 lakhs for the financial year 2014-15 mainly due to increase in our current tax by Rs. 15.97 lakhs and deferred tax expense by Rs. 15.31 lakhs in the financial year 2015-16.

Profit after tax: Our profit after tax increased by 70.34% to Rs. 48.95 lakhs for the financial year 2015-16 from Rs. 28.74 lakhs for the financial year 2014-15.

Other Key Ratios

The table below summaries key ratios in our Restated Financial Statements for the financial years ended March 31, 2017, 2016, 2015 and for the period ended September 30, 2017:

| Particulars | For the period ended September 30, 2017 | For the year ended March 31, | | |
|----------------------------|---|------------------------------|-------|-------|
| | | 2017 | 2016 | 2015 |
| Fixed Asset Turnover Ratio | 9.91 | 22.91 | 22.66 | 18.31 |
| Debt Equity Ratio | 0.18 | 1.09 | 1.47 | 4.18 |
| Current Ratio | 1.11 | 1.03 | 1.20 | 1.18 |

Fixed Asset Turnover Ratio: This is defined as revenue from operations divided by total fixed assets, based on Restated Financial Statements.

Debt Equity Ratio: This is defined as total debt divided by total shareholder funds. Total debt is the sum of long-term borrowings, short-term borrowings and current maturity of long term debt, based on Restated Financial Statements.

Current Ratio: This is defined as current assets divided by current liabilities, based on Restated Financial Statements.

Cash Flow

The table below summaries our cash flows from our Restated Financial Information for the financial years 2017, 2016, 2015 and for the period ended September 30, 2017:

(Rs. in lakhs)

| Particulars | For the period ended September 30, 2017 | For the year ended March 31, | | |
|--|---|------------------------------|----------|----------|
| | | 2017 | 2016 | 2015 |
| Net cash (used in)/ generated from operating activities | 601.94 | (179.16) | 647.59 | (31.68) |
| Net cash (used in)/ generated from investing activities | (606.94) | (73.14) | 116.16 | 113.62 |
| Net cash (used in)/ generated from financing activities | 72.88 | (364.95) | (196.58) | (169.77) |
| Net increase/ (decrease) in cash and cash equivalents | 67.88 | (617.26) | 567.17 | (87.83) |
| Cash and Cash Equivalents at the beginning of the period | 5.93 | 623.19 | 56.02 | 143.85 |
| Cash and Cash Equivalents at the end of the period | 73.81 | 5.93 | 623.19 | 56.02 |

Operating Activities

Period Ended September 30, 2017

Our net cash generated from operating activities was Rs. 601.94 lakhs for period ended September 30, 2017. Our operating profit before working capital changes was Rs. 433.01 lakhs for the period ended September 30, 2017 which was primarily adjusted by payment of income tax of Rs. 122.77 lakhs, decrease in trade receivables by Rs. 428.78 lakhs, increase in loans and advances receivable by Rs. 371.41 lakhs, decrease in inventories of raw materials, work-in-progress and finished goods by Rs. 469.90 lakhs, decrease in trade payables by Rs. 330.43 lakhs, increase in other current liabilities by Rs. 47.22 lakhs, decrease in short term borrowings by Rs. 319.50 lakhs and increase in short term provisions by Rs. 86.56 lakhs.

Financial year 2016-17

Our net cash used in operating activities was Rs. 179.16 lakhs for the financial year 2016-17. Our operating profit before working capital changes was Rs. 200.68 lakhs for the financial year 2016-17 which was primarily adjusted by payment of income tax of Rs. 29.83 lakhs, increase in trade receivables by Rs. 708.68 lakhs, increase in loans and advances receivable by Rs. 94.22 lakhs, increase in inventories of raw materials, work-in-progress and finished goods by Rs. 722.33 lakhs, increase in trade payables by Rs. 511.16 lakhs, increase in other current liabilities by Rs. 123.04 lakhs, increase in short term borrowings by Rs. 319.50 lakhs and increase in short term provisions by Rs. 33.07 lakhs.

Financial year 2015-16

Our net cash generated from operating activities was Rs. 647.59 lakhs for the financial year 2015-16. Our operating profit before working capital changes was Rs. 215.65 lakhs for the financial year 2015-16, which was primarily adjusted by payment of income tax of Rs. 15.97 lakhs, increase in trade receivables by Rs. 93.78 lakhs, decrease in loans and advances receivable by Rs. 34.42 lakhs, decrease in inventories of raw materials, work-in-progress and finished goods by Rs. 614.83 lakhs, increase in trade payables by Rs. 62.63 lakhs, increase in other current liabilities by Rs. 26.14 lakhs, decrease in short term borrowings by Rs. 201.93 lakhs and increase in short term provisions by Rs. 5.60 lakhs.

Financial year 2014-15

Our net cash used in operating activities was Rs. 31.68 lakhs for the financial year 2014-15. Our operating profit before working capital changes was Rs. 169.45 lakhs for the financial year 2014-15, which was primarily adjusted by increase in trade receivables by Rs. 72.36 lakhs, decrease in loans and advances receivable by Rs. 15.81 lakhs, increase in inventories of raw materials, work-in-progress and finished goods by Rs. 358.88 lakhs, increase in trade payables by Rs. 344.58 lakhs, decrease in other current liabilities by Rs. 90.57 lakhs, decrease in short term borrowings by Rs. 90.57 lakhs and increase in short term provisions by Rs. 10.81 lakhs.

Investing Activities

Period Ended September 30, 2017

Net cash used in investing activities was Rs. 606.94 lakhs for the period ended September 30, 2017. This was primarily on account of purchase of fixed assets of Rs. 208.32 lakhs, purchase of investment of Rs. 403.57 lakhs and interest income of Rs. 2.81 lakhs which was partially offset by sale of fixed assets of Rs. 2.15 lakhs.

Financial year 2016-17

Net cash used in investing activities was Rs. 73.14 lakhs for the financial year 2016-17. This was primarily on account of purchase of fixed assets of Rs. 82.37 lakhs which was partially offset by interest income of Rs. 5.29 lakhs, sale of fixed assets of Rs. 2.97 lakhs and sale/ redemption of investment of Rs. 0.96 lakhs.

Financial year 2015-16

Net cash generated from investing activities was Rs. 116.16 lakhs for the financial year 2015-16. This was primarily on account of sale/ redemption of investments of Rs. 107.84 lakhs, interest income of Rs. 15.58 lakhs and dividend income of Rs. 13.09 lakhs which was partially offset by purchase of fixed assets of Rs. 20.35 lakhs.

Financial year 2014-15

Net cash generated from investing activities was Rs. 113.62 lakhs for the financial year 2014-15. This was primarily on account of sale/ redemption of investments of Rs. 204.48 lakhs, interest income of Rs. 27.76 lakhs, dividend income of Rs. 15.56 lakhs and sale of fixed assets of Rs. 1.62 lakhs which was partially offset by purchase of fixed assets of Rs. 135.80 lakhs.

Financing Activities

Period Ended September 30, 2017

Net cash generated from financing activities for period ended September 30, 2017 was Rs. 72.88 lakhs primarily consisting of proceeds from issuance of share capital of Rs. 64.80 lakhs, increase in unsecured loans of Rs. 29.14 lakhs which was partially offset by payment of interest of Rs. 21.06 lakhs.

Financial year 2016-17

Net cash used in financing activities for the financial year 2016-17 was Rs. 364.95 lakhs primarily consisting of increase in unsecured loans of Rs. 324.68 lakhs and payment of interest of Rs. 40.28 lakhs.

Financial year 2015-16

Net cash used in financing activities for the financial year 2015-16 was Rs. 196.58 lakhs primarily consisting of increase in unsecured loan of Rs. 163.30 lakhs and payment of interest of Rs. 83.28 lakhs which was partially offset by proceeds from issuance of share capital of Rs. 50.00 lakhs.

Financial year 2014-15

Net cash used in financing activities for the financial year 2014-15 was Rs. 169.77 lakhs primarily consisting of increase in unsecured loans of Rs. 107.02 lakhs and payment of interest of Rs. 62.75 lakhs.

Financial Indebtedness

As on September 30, 2017, the total outstanding borrowings of our Company included long-term borrowings of Rs. 100.95 lakhs and current maturities of long term debt of Rs. 20.99 lakhs. For further details, refer chapter titled “*Financial Indebtedness*” beginning on page 178 of this Red Herring Prospectus.

(Rs. in lakhs)

| Particulars | As at September 30, 2017 |
|---|--------------------------|
| Secured Loans | |
| <i>Long Term Borrowings (From Banks and Financial Institutions)</i> | |
| - Term Loans | - |
| - Vehicle, Machinery and Equipment Loans | 34.89 |
| <i>Short Term Borrowings</i> | - |
| Sub Total (A) | 34.89 |
| Unsecured Loans | |
| <i>Long Term Borrowings</i> | |
| - From Promoter and Promoter Group | 27.33 |
| - From Directors, their relatives and Shareholders | 38.73 |
| Sub Total (B) | 66.06 |
| Current Maturities of Long Term Borrowings (C) | 20.99 |
| Total (A)+(B)+(C) | 121.94 |

In the event, any of our lenders declare an event of default, such current and any future defaults could lead to acceleration of our repayment obligations, termination of one or more of our financing agreements or force us to sell our assets, any of which could adversely affect our business, results of operations and financial condition.

Related Party Transactions

Related party transactions with certain of our promoters, directors and their entities and relatives primarily relates to remuneration payable, loans & advances given and taken and Issue of Equity Shares. For further details of such related parties under AS18, refer chapter titled “*Financial Statements*” beginning on page 164 of this Red Herring Prospectus.

Contingent Liabilities

The following table sets forth our contingent liabilities as of September 30, 2017 and March 31, 2017:

| Particulars | As of September 30, 2017 | As of March 31, 2017 |
|-----------------|--------------------------|----------------------|
| Bank Guarantees | 257.23 | 195.39 |
| Total | 257.23 | 195.39 |

It is not practical for our Company to estimate the timings of cash outflow, if any in respect of above mentioned bank guarantees. For further details, refer chapter titled “*Financial Statements*” beginning on page 164 of this Red Herring Prospectus.

Off-Balance Sheet Items

We do not have any other off-balance sheet arrangements, derivative instruments or other relationships with any entity that have been established for the purposes of facilitating off-balance sheet arrangements.

Qualitative Disclosure about Market Risk

Financial Market Risks

Market risk is the risk of loss related to adverse changes in market prices, including interest rate risk. We are exposed to interest rate risk, inflation and credit risk in the normal course of our business.

Interest Rate Risk

Our financial results are subject to changes in interest rates, which may affect our debt service obligations and our access to funds.

Effect of Inflation

We are affected by inflation as it has an impact on the raw material cost, wages, etc. In line with changing inflation rates, we rework our margins so as to absorb the inflationary impact.

Credit Risk

We are exposed to credit risk on monies owed to us by our customers. If our customers do not pay us promptly, or at all, we may have to make provisions for or write-off such amounts.

Reservations, Qualifications and Adverse Remarks

Except as disclosed in chapter titled “*Financial Statements*” beginning on page 164 of this Red Herring Prospectus, there have been no reservations, qualifications and adverse remarks.

Details of Default, if any, Including Therein the Amount Involved, Duration of Default and Present Status, in Repayment of Statutory Dues or Repayment of Debentures or Repayment of Deposits or Repayment of Loans from any Bank or Financial Institution

Except as disclosed in chapter titled “*Financial Statements*” beginning on page 164 of this Red Herring Prospectus, there have been no defaults in payment of statutory dues or repayment of debentures and interest thereon or repayment of deposits and interest thereon or repayment of loans from any bank or financial institution and interest thereon by the Company during the period April 1, 2015 up to September 30, 2017.

Material Frauds

There are no material frauds, as reported by our statutory auditor, committed against our Company, in the last five Fiscals.

Unusual or Infrequent Events or Transactions

As on date, there have been no unusual or infrequent events or transactions including unusual trends on account of business activity, unusual items of income, change of accounting policies and discretionary reduction of expenses.

Significant Economic Changes that Materially Affected or are Likely to Affect Income from Continuing Operations

Indian rules and regulations as well as the overall growth of the Indian economy have a significant bearing on our operations. Major changes in these factors can significantly impact income from continuing operations.

There are no significant economic changes that materially affected our Company’s operations or are likely to affect income from continuing operations except as described in chapter titled “*Risk Factors*” beginning on page 21 of this Red Herring Prospectus.

Known Trends or Uncertainties that have had or are expected to have a Material Adverse Impact on Sales, Revenue or Income from Continuing Operations

Other than as described in the section titled “*Risk Factors*” beginning on page 21 of this Red Herring Prospectus and in this chapter, to our knowledge there are no known trends or uncertainties that are expected to have a material adverse impact on revenues or income of our Company from continuing operations.

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

Other than as described in chapter titled “*Risk Factors*” beginning on page 21 of this Red Herring Prospectus and in this section, to our knowledge there are no known factors that might affect the future relationship between cost and revenue.

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

Changes in revenue in the last three financial year’s are as explained in the part “*Financial Year 2016-17 compared with financial year 2015-17 and Financial Year 2015-16 Compared With Financial Year 2014-15*” above.

Total Turnover of Each Major Industry Segment in Which the Issuer Operates

Our business is limited to a single reportable segment.

Competitive Conditions

We have competition with Indian and international manufacturers and our results of operations could be affected by competition in the engineering industry in India and international market in the future. We expect competition to intensify due to possible new entrants in the market, existing competitors further expanding their operations and our entry into new markets where we may compete with well-established unorganized companies / entities. This we believe may impact our financial condition and operations. For details, please refer to the chapter titled “*Risk Factors*” beginning on page 21 of this Red Herring Prospectus.

Increase in income

Increases in our income are due to the factors described above in in this chapter under “*Significant Factors Affecting Our Results of Operations*” and chapter titled “*Risk Factors*” beginning on page 21 of this Red Herring Prospectus.

Status of any Publicly Announced New Products or Business Segments

Except as disclosed elsewhere in the Red Herring Prospectus, we have not announced and do not expect to announce in the near future any new products or business segments.

Significant Dependence on a Single or Few Suppliers or Customers

Significant proportion of our revenues have historically been derived from a limited number of customers The % of Contribution of our Company’s customer and supplier vis a vis the total revenue from operations respectively as March 31, 2017 is as follows:

| | Customers | Suppliers |
|------------|-----------|-----------|
| Top 5 (%) | 70.19% | 41.76% |
| Top 10 (%) | 89.82% | 56.26% |

Seasonality of Business

The nature of business is not seasonal.

Significant Developments after September 30, 2017 that May Affect Our Results of Operations

Except as set out in this Red Herring Prospectus, in the opinion of the Board of Directors of our Company and to our knowledge, no circumstances have arisen since the date of the last financial statements as disclosed in this Red Herring Prospectus which materially or adversely affect or are likely to affect, our operations or profitability, or the value of our assets or our ability to pay our material liabilities within the next 12 months.

FINANCIAL INDEBTNESS

Our Company utilizes various credit facilities from banks and others for conducting its business. Set forth is a brief summary of our Company's secured and unsecured borrowings together with a brief description of certain significant terms of such financing arrangements.

SECURED BORROWINGS

1. Loan of Rs.1100.00 Lakhs from Axis Bank Limited as per sanction letter dated September 29, 2016

(Rs. in lakhs)

| Facility | Amount Rs. in Lakhs | Purpose | Interest | Tenor/ Usance Period |
|---------------------------------------|---------------------|--|---|---|
| Fund Based | | | | |
| Cash Credit | 5.00 | Working Capital | Existing Rate: 11.10% p.a. | 12 months |
| EPC/ PSC/ PCFC/ PSFC (Sublimit of CC) | (5.00) | Working Capital | Upto 180 days 10.35% p.a. Overdue EPC/ Bills 15.10% p.a. | Up to 180 days |
| LER (Sublimit of CC) | (0.40) | To cover Forex exposure of borrower towards foreign remittances. | | As per schedule of shipment & tenor but not exceeding 13 months |
| LC (Inland/ Import) (Sublimit) | (2.50) | To purchase/ import raw material, packing material and stores required for day to day operations | | Inland- 90 days Import- 120 days |
| Non Fund Based | | | | |
| Bank Guarantee | 6.00 | Financial/ Performance in lieu of advance/ security deposit | | Maximum period up to 60 Months inclusive of claim period |
| Total | 11.00 | | | |

Security

Primary: Hypothecation of entire current assets (both present and future) of the Company

Collateral: Mortgage of

Industrial Property

Plot No. 2234, GIDC Lodhika Industrial Estate, Kalawad Road, Village: Metoda, Taluka, Lodhika District, Rajkot.

Residential Property;

Panchratna Park, Street No. 1, Opp. Jalaram Hospital Hospital Street, B/h Panchvati Hall, Off. Panchvati Main Road, Rajkot

Personal Guarantee:

- Rupeshkumar Jagdishchandra Mehta'

2. Nikesh Jagdishchandra Mehta
3. Riyaben Rupeshkumar Mehta
4. Simaben Shashikantbhai Vora

Restrictive Covenants

During the currency of the Bank's credit facility(s), the borrower will not without the Bank's prior permission in writing:

- i. Conclude any fresh borrowing arrangement either secured or unsecured with any other Bank or Financial Institutions, borrower or otherwise, not create any further charge over their fixed assets.
- ii. Undertake any expansion or fresh project or acquire fixed assets, while normal capital expenditure, e.g. replacement of parts, can be incurred
- iii. Invest by way of share capital in or lend or advance to or place deposits with any other concern (normal trade credit or security deposit in the routine course of business or advances to employees can, however be extended)
- iv. Formulate any scheme of amalgamation with any other borrower or reconstruction, acquire any borrower
- v. Undertake guarantee obligations on behalf of any other borrower or any third party
- vi. Declare dividend for any year except out of profits relating to that year after making all the due and necessary provisions provided that no default had occurred in any repayment obligation and Bank's permission is obtained
- vii. Make any repayment of the loans and deposits and discharge other liabilities except those shown in the funds flow statement submitted from time to time.
- viii. Make any change in their management set-up

2. Vehicle Loan of Rs. 14.25 Lakhs from Axis Bank Limited as per sanction letter dated October 24, 2013

| Particulars | |
|--------------------------------------|--|
| Loan Amount | 14.25 Lakhs |
| Interest Rate | 10.51 p.a. (on a monthly reducing basis) |
| EMI Amount | 0.46 Lakhs |
| No. of Installments | 36 |
| Outstanding as on September 30, 2017 | 4.27 |

3. Vehicle Loan of Rs. 8.70 Lakhs from Cholamandalam Investment and Finance Company Limited as per sanction letter dated December 10, 2015

| Particulars | |
|--------------------------------------|------------|
| Loan Amount | 8.70 Lkajs |
| Interest Rate | 5.08% |
| EMI Amount | 0.28 Lakhs |
| No. of Installments | 36 |
| Outstanding as on September 30, 2017 | 0.55 |

4. Vehicle Loan of Rs. 49.22 Lakhs from State Bank of India

| Particulars | |
|--------------------------------------|-------------|
| Loan Amount | 49.22 Lakhs |
| Interest Rate | 8.75% |
| EMI Amount | 1.56 Lakhs |
| No. of Installments | 36 |
| Outstanding as on September 30, 2017 | 30.07 |

UNSECURED BORROWINGS

In addition to the secured borrowings availed by us from banks, we have also availed certain Unsecured loans.

Set forth below is a brief summary of Unsecured Loans as of September 30, 2017:

a) From Related parties

| Name of the lender | Outstanding Amount as on September 30, 2017(Rs. in lakhs) |
|---|---|
| From Promoter & Promoter Group | |
| Riyaben R Mehta | 0.42 |
| Macpower industries | 0.02 |
| Nikeshbhai J. Mehta | 26.89 |
| From Members & Relatives of Director | |
| Pritiben J. Mehta | 2.92 |
| Nimishaben Mehta | 34.95 |
| Raxaben J. Mehta | 0.33 |
| Modern Machine Tools | 0.53 |

SECTION VI- LEGAL AND OTHER INFORMATION OUTSTANDING LITIGATION AND MATERIAL DEVELOPMENT

Except, as stated in this section and mentioned elsewhere in this Red Herring Prospectus there are no litigations including, but not limited to suits, criminal proceedings, civil proceedings, actions taken by regulatory or statutory authorities or legal proceedings, including those for economic offences, tax liabilities, show cause notice or legal notices pending against our Company, Directors, Promoters or against any other company or person/s whose outcomes could have a material adverse effect on the business, operations or financial position of the Company and there are no proceedings initiated for economic, civil or any other offences (including past cases where penalties may or may not have been awarded and irrespective of whether they are specified under paragraph (a) of Part I of Schedule V of the Companies Act, 2013) other than unclaimed liabilities of our Company, and no disciplinary action has been taken by SEBI or any stock exchange against the Company, Directors or Promoters.

Except as disclosed below there are no i) litigation or legal actions, pending or taken, by any Ministry or department of the Government or a statutory authority against our Promoters during the last five years; (ii) direction issued by such Ministry or Department or statutory authority upon conclusion of such litigation or legal action; (iii) pending proceedings initiated against our Company for economic offences; (iv) default and non-payment of statutory dues by our Company; (v) inquiries, inspections or investigations initiated or conducted under the Companies Act, 2013 or any previous companies law in the last five years against our Company including fines imposed or compounding of offences done in those five years; or (vi) material frauds committed against our Company in the last five years.

Except as stated below there are no Outstanding Material Dues (as defined below) to creditors; or (ii) outstanding dues to small scale undertakings and other creditors.

Our Board, in its meeting held on December 11, 2017 determined that outstanding dues to creditors in excess of Rs. 50.00 lakhs as per last audited financial statements shall be considered as material dues (“Material Dues”).

Pursuant to SEBI ICDR Regulations, all other pending litigations except criminal proceedings, statutory or regulatory actions and taxation matters involving our Company, Promoters, Directors and Group Companies, would be considered ‘material’ for the purposes of disclosure if the monetary amount of claim by or against the entity or person in any such pending matter exceeds Rs.2.00 lakhs as determined by our Board, in its meeting held on December 11, 2017.

Accordingly, we have disclosed all outstanding litigations involving our Company, Promoters and Directors which are considered to be material. In case of pending civil litigation proceedings wherein the monetary amount involved is not quantifiable, such litigation has been considered ‘material’ only in the event that the outcome of such litigation has an adverse effect on the operations or performance of our Company.

Unless otherwise stated to the contrary, the information provided is as of the date of this Red Herring Prospectus.

LITIGATIONS INVOLVING OUR COMPANY

LITIGATIONS AGAINST OUR COMPANY

Criminal Litigations

Nil

Civil Proceedings

1. M/s Sam Flowtech Private Limited v. Macpower CNC Machines Private Limited

M/s Sam Flowtech Private Limited (hereinafter referred to as the “**Complainant**”) filed a consumer complaint bearing consumer complaint no. **1194/2017** before the Hon’ble State Consumer Redressal Commission Maharashtra, Mumbai, Circuit Bench at Kolhapur against Macpower CNC Machines Private Limited (hereinafter referred to as the “**Opponent No. 1**”) and Shri Rupesh Mehta

(hereinafter referred to as “**Opponent No. 2**”) (hereinafter collectively referred to as “**Opponents**”) on September 13, 2017 under Section 17 (a) of the Consumer Protection Act, 1986. The Complainant was in need of a machine to perform machining activities for finishing of all types of castings with accuracy application in all its sectors. The Complainant came to know about the Opponent’s Lathe Machine known as CNC Vertical Turret Lathe Machine model VTX 600 specially designed for finishing of castings with accuracy. Pursuant to purchase orders placed by the Complainant, the Opponent supplied 2 machines vide invoice no. 503 dated February 18, 2015 and invoice no. 214 dated September 02, 2015 with warranty of 12 months from the date of supply and received by the Complainant on February 21, 2015 and September 02, 2015 respectively. The machines did not work properly from December 05, 2015 and several faults occurred in them. One of the authorized persons of the Opponent was present at the time of commissioning of the machine who assured rectification of all the shortcomings. The Complainant complied with all the terms and conditions of the purchase order and paid Rs.38,96,645/- and Rs.39,01,500/- .. The Opponent sent an e-mail to the Complainant on January 12, 2016 accepting the defects in the machines and requesting the machines to be sent back with an assurance of rectifying the defects. Even after this, the machines did not work properly resulting in harassment to the Complainant along with huge loss of time and money. Therefore, the Complainant sent a letter to the opponent to take back the defective machines and return the paid amount of **Rs.77,98,145/-** along with an interest of 18% from the date of purchase. The Opponent failed to provide its service to the Complainant or to rectify the defects in the machines. Therefore the present consumer complaint has been filed. The Complainant has also prayed that Rs.5,00,000/- be paid as compensation. The matter is currently pending.

Taxation Matters:

CENTRAL EXCISE TAX

1. Assistant Commissioner of Central Excise Division I, Rajkot v. Macpower CNC Machines Private Limited

The Assistant Commissioner of Central Excise Division I, Rajkot (hereinafter referred to as the “**Authority**”) issued a show cause notice bearing reference no. **V.84(18)2082/2009-Ref** dated December 04, 2009 to Macpower CNC Machines Private Limited (hereinafter referred to as the “**Company**”). The Company was required to show cause as to why the refund claim of Rs. 1,17,834/- should not be rejected as ineligible under Rule 18 of the Central Excise Rules, 2004 read with Section 11B of the Central Excise Act, 1944 (hereinafter referred to as the “**Act**”) and Section 11A(2b) of the Act. The matter is currently pending.

Pursuant to this, a notice bearing reference no. **V. 84(18)1516/2009-Ref. Rajkot** dated January 01, 2010 was issued to the Company regarding appearance for personal hearing before the Authority. The Company has made necessary submissions vide letter bearing reference no. **VBS/C.Ex./Submit/0001/2009-2010** dated April 02, 2010. The matter is currently pending.

2. Superintendent of Service Tax, AR-III, S. Tax Division, Rajkot v. Macpower CNC Machines Private Limited

The Superintendent of Service Tax, AR-III, S. Tax Division, Rajkot (hereinafter referred to as the “**Authority**”) issued a letter bearing reference no. FAR No. 1-273/2013-14 dated October 08, 2013 to Macpower CNC Machines Private Limited (hereinafter referred to as the “**Company**”). The Company was hereby directed to inform freight amount paid up to the month of September, 2013 and pay service tax credit of Rs. 1,98,378/- along with interest. Moreover, the Company was also directed to inform the service tax credit availed on commission paid to commission agent up to the month of September, 2013 and add in the amount of Rs. 1,98,378 and pay the wrongly availed input service tax credit along with interest. The Company replied to this vide letter dated October 28, 2013 stating that they had been directed to pay the service tax on differential amount of transportation charges by foregoing the benefit available under Notification No. 26/2012 – ST. It was further prayed that the issue be kept alive. The matter is currently pending.

Recent Development/Proceeding under Finance Act, 2016 in respect of Income Declaration Scheme, 2016 and The Income Declaration Scheme Rules, 2016

Nil

Proceedings against Our Company for economic offences/securities laws/ or any other law

Nil

Penalties in Last Five Years

The Supplies & Disposals Department, Haryana (hereinafter referred to as the “**Department**”) vide its letter bearing memo no. 13/HR/E-1/2013-2014/7634 dated September 05, 2017 intimated Macpower CNC Machines Private Limited (hereinafter referred to as the “**Company**”) that the earnest money amounting to Rs. 2,00,000/- had been forfeited to the Government account vide office order no. **4849-52** dated August 03, 2017. The Department had invited tender for the purchase of workshop machinery which were opened on September 04, 2013. In response, the Company submitted bid no. MCMPL/TENDER/DS&D2013-2014 dated August 26, 2013 with authority letter from Macpower Industries for trading purpose. One of the eligibility criteria of tender was that the manufacturer should have annual manufacturing turnover of Rs. 3 crores or more in the field of quoted items in any of the last three financial years i.e., 2010-11, 2011-12, and 2012-13. As per annual turnover certificate, the annual manufacturing turnover of the Company had been Rs. 3.25 crores, Rs. 3.28 crores and Rs. 1.92 crores during the financial years 2010-11, 2011-12, and 2012-13 respectively. The Company’s annual turnover exceeded Rs. 1.5 crores in a year. Therefore, as per the Excise norms it should have been registered with the excise department. Clarification was sought on this matter by the Department from the Company. The Company responded vide letter dated October 11, 2013. The matter was referred to the office of Commissioners of Customs & Central Excise, Rajkot and they clarified the issue vide letter no. IV/16-61/MP/2011/1614 dated August 25, 2014 that the Company wrongly claimed that they were manufacturers of lathe machines in their bid. Show cause notice dated September 17, 2014 was issued to the Company in response to which the Company contended that the provisions of the Central Excise Act had been overlooked by the Commissioner of Central Excise. Another show cause notice dated August 24, 2015 was issued to the Company to explain as to why penal actions as per the conditions of law which is forfeiture of earnest money and debarment of the Company should not be taken.

Pending Notices against our Company

Nil

Past Notices to our Company

Nil

Disciplinary Actions taken by SEBI or stock exchanges against Our Company

Nil

Defaults including non-payment or statutory dues to banks or financial institutions

Nil

Details of material frauds against the Company in last five years and action taken by the Companies.

Nil

LITIGATIONS FILED BY OUR COMPANY

Criminal Litigations

1. Macpower CNC Machines Private Limited vs. Iman Engineers

Macpower CNC Machines Private Limited (hereinafter referred to as the “**Complainant**”) filed a complaint bearing criminal complaint no. **866 /2014** against M/s Iman Engineers (hereinafter referred to as the “**Accused**”) before the Hon’ble Court of Chief Judicial Magistrate, at Gondal (hereinafter referred to as the “**Court**”) under Section 138 of the Negotiable Instruments Act, 1988 (hereinafter referred to as the “**Act**”) on April 03, 2014. The Accused contacted the Complainant for

purchase of two VX 200 “SPEED” CNC Lathe Machines, initially in the name of M/s Iman Engineers and thereafter informed the Complainant to deliver the machines in changed name of the firm and new address and also raise the bill in the changed name viz., M/s N.B. Engineers, the proprietor of which was Mr. Mohammad Basil. This purchase was as per the order and requirement placed by the Accused and the Accused also undertook to pay the price of both machines and all outstanding dues payable to the Complainant, even though the billing was made in the name of M/s. N. B. Engineers. Thus, there was a mutual liability of payment of dues to the Complainant by both, the Accused and M/s. N. B. Engineers. As per the said invoice raised by the Complainant, the Accused was required to pay Rs. 4,00,000/- as on July 31, 2013. The Accused Mr. I. A. Khan had issued cheques of **Rs. 50,000 each** in favour of the Complainant along with other cheques and the said cheques bearing no. **232642** and **232643** dated January 15, 2014 and February 15, 2014 both drawn on Oriental Bank of Commerce, Faridabad. The said cheque no. 232642 was returned and dishonoured with the remark “**Funds Insufficient**” on February 11, 2014 and the cheque no. 232643 was returned and dishonoured with the remark “**Funds Insufficient**” on February 18, 2014. The Accused had been issued and served with legal demand notice dated March 01, 2014 and sent on March 07, 2014. The Accused has failed to repay the legal dues and liability despite being issued and served with legal notice. Hence, the aforesaid complaint was filed by the Complainant against the Accused for recovery of its dues. The matter is currently pending.

2. Macpower CNC Machines Private Limited vs. Iman Engineers

Macpower CNC Machines Private Limited (hereinafter referred to as the “**Complainant**”) filed a complaint bearing criminal complaint no. **1072 /2014** against M/s Iman Engineers (hereinafter referred to as the “**Accused**”) before the Court of Chief Judicial Magistrate, at Gondal (hereinafter referred to as the “**Court**”) under Section 138 of the Negotiable Instruments Act, 1988 (hereinafter referred to as the “**Act**”) on May 20, 2014. The Accused contacted the Complainant for purchase of two VX 200 “SPEED” CNC Lathe Machines, initially in the name of M/s Iman Engineers and thereafter informed the Complainant to deliver the machines in changed name of the firm and new address and also raise the bill in the changed name viz., M/s N.B. Engineers, the proprietor of which was Mr. Mohammad Basil. As per the said invoice raised by the Complainant, the Accused was required to pay Rs. 4,00,000/- as on July 31, 2013. The Accused Mr. I. A. Khan had issued a cheque of **Rs. 50,000/-** bearing no. 232644 dated March 15, 2014 in favour of the Complainant drawn on Oriental Bank of Commerce, Faridabad. The said cheque no. **232644** was returned and dishonoured with the remark “**Funds Insufficient**” on March 20, 2014. The Accused had been issued and served with legal demand notice dated April 07, 2014 and sent on April 09, 2014. The Accused has failed to repay the legal dues and liability despite being issued and served with legal notice. Hence, the aforesaid complaint was filed by the Complainant against the Accused for recovery of its dues. The matter is currently pending.

3. Macpower CNC Machines Private Limited vs M/s. Sun Technocraft, Mr. Raju Salve and Mr. Mangesh Salve

Macpower CNC Machines Private Limited (hereinafter referred to as the “**Complainant**”) filed a complaint bearing criminal complaint of 2014 against M/s. Sun Technocraft (hereinafter referred to as “**Accused No. 1**”), Mr. Raju Salve (hereinafter referred to as “**Accused No. 2**”) and Mr. Mangesh Salve (hereinafter referred to as “**Accused No. 3**”) (hereinafter collectively referred to as “**Accused**”) in the Hon’ble Court of Chief Judicial Magistrate, at Gondal on July 24, 2014. Accused No. 2 and Accused No. 3, on behalf of Accused No. 1 contacted the Complainant for purchase of CNC Turning Machine, along with accessory for the invoice bearing no. 193 dated March 14, 2010 which was submitted to the Accused along with the supply of the said machine. Accused No.2 and Accused No.3 on behalf of Accused No.1, are in receipt of and have acknowledged the same. Thereafter Accused No.2 and Accused No.3 on behalf of Accused No.1 were required to send ‘C’ Form, as per the required law and as their obligatory duty. In absence of the ‘C’ Form, the Complainant would be required to pay taxes to VAT authorities, which the Accused were quite aware of. The machine was checked and approved by Accused No.2 and Accused No.3 on behalf of Accused No.1, after delivery of the same. The Complainant repeatedly requested Accused No.2 and Accused No.3 to send the said ‘C’ Form in the Complainant’s name. Accused No.2 and Accused No.3 on behalf of

Accused No.1, agreed to pay the tax amount of Rs.57,263/- and issued a cheque of the said amount of **Rs.57,263/-**, in the Complainant's favour dated May 15, 2014, drawn on State Bank of Hyderabad, Ahmednagar, bearing cheque no. **007581** with the promise and assurance that, the same will be realized, and the Complainant will receive the tax dues payable by Accused No.2 and Accused No.3 on behalf of Accused No.1. The said cheque bearing cheque no. 007581 was returned and dishonored with the remark '**Funds Insufficient**' on May 16, 2014. The Accused have been issued and served with legal demand notice dated June 13, 2014 at their given address as per statutory requirement, and the Accused have refused to accept the said legal notices and have been returned with remark by Postal Authority 'Not Claimed Return to Sender'. Thus, Accused has been deemed to be served with the notice. The Accused have also failed to repay the legal dues and liability to the Complainant, despite being issued and served with legal notice, nor has any reply been given by any of the accused. Hence, the present complaint has been filed. The matter is currently pending.

Civil Proceedings

1. Macpower CNC Machines Private Limited vs. Pooja Forge Limited

Macpower CNC Machines Private Limited (hereinafter referred to as the "**Plaintiff**") has filed a summary suit under Order 37 of the Code of Civil Procedure and bearing summary suit number **6/2009** in the Hon'ble Court of Principal Senior Civil Judge, at Gondal on July 20, 2009 against M/s. Pooja Forge Limited (hereinafter referred to as the "**Defendant**"). Around December 2007, the Defendant had approached the Plaintiff through its authorised person for purchase of precision "SPEED" CNC Turning Centre with FANUC Oi-mate TC Control System machine and accessories on credit and promised and assured the Plaintiff that the outstanding amount as per the terms and conditions of the Plaintiff would be repaid by the Defendant. The Defendant placed a written contract with terms, conditions and specification for the said machine and accessories through purchase order dated December 28, 2007 and the Plaintiff opened an account in the name of the Defendant in the books and accounts of the Plaintiff on receipt of the said purchase order. The Plaintiff supplied the said machine and accessories to the Defendant on January 22, 2008. Along with this, original invoice bearing no. 314 and 315 respectively were submitted on the same date for Rs. 13,79,706/-. The Defendant further placed an oral order as per the terms of the purchase order dated December 28, 2007 for purchase of machines and accessories from the Plaintiff. The Plaintiff supplied the said machines and accessories to the Defendant by invoice bearing no. 334 dated February 07, 2008 amounting to Rs. 27,59,411/-. The Plaintiff as per the agreed terms on opening an account in the name of the Defendant, duly debited and credited all amounts in the regular course of business against the purchase of the said machine and accessories by the Defendant and a statement of account in the name of the Defendant maintained in the books of the Plaintiff was supplied to the Defendant and at the foot of the account, the Defendant was liable to pay the legal outstanding dues of Rs. 3,00,001/- as on May 17, 2008 in respect of the purchase of the abovementioned machine. The Defendants were served with a notice dated May 15, 2009 by the Plaintiff for payment of outstanding amount due by the Defendant. The Defendant failed to reply and clear the Plaintiff's dues. Hence, the abovementioned suit has been filed by the Plaintiff. The Plaintiff has prayed for the payment of outstanding dues along with commercial interest @ 18% from May 17, 2008 to July 17, 2009 together amounting to **Rs. 3,63,001/-**. The matter is currently pending.

2. Macpower CNC Machines Private Limited vs. Goyal Press Components

Macpower CNC Machines Private Limited (hereinafter referred to as the "**Plaintiff**") has filed a summary suit under Order 37 of the Code of Civil Procedure and bearing summary suit number **7/2009** in the Hon'ble Court of Principal Senior Civil Judge, at Gondal on July 20, 2009 against M/s. Goyal Press Components (hereinafter referred to as the "**Defendant**"). Around December 2006, the Defendant had approached the Plaintiff through its authorised person for purchase of precision "SPEED" CNC Turning Centre with FANUC Oi-mate TC Control System machine and accessories on credit and promised and assured the Plaintiff that the outstanding amount as per the terms and conditions of the Plaintiff would be repaid by the Defendant. The Defendant placed a written contract with terms, conditions and specification for the said machine and accessories through purchase order dated December 11, 2006 and the Plaintiff opened an account in the name of the Defendant in the

books and accounts of the Plaintiff on receipt of the said purchase order. The Plaintiff supplied the said machine and accessories to the Defendant on October 18, 2007 by transportation bearing LR No. 463. Along with this, original invoice bearing no. 195 dated October 18, 2007 was submitted for Rs. 15,92,060/-. The Plaintiff as per the agreed terms on opening an account in the name of the Defendant, duly debited and credited all amounts in the regular course of business against the purchase of the said machine and accessories by the Defendant and a statement of account in the name of the Defendant maintained in the books of the Plaintiff was supplied to the Defendant and at the foot of the account, the Defendant was liable to pay the legal outstanding dues of Rs. 41,606/- as on October 18, 2007 in respect of the purchase of the abovementioned machine. The Defendants were served with a notice dated April 28, 2009 by the Plaintiff for payment of outstanding amount due by the Defendant. The Defendant failed to reply and clear the Plaintiff's dues. Hence, the abovementioned suit has been filed by the Plaintiff. The Plaintiff has prayed for the payment of outstanding dues along with commercial interest @ 18% from October 19, 2007 to July 18, 2009 together amounting to **Rs. 54,610/-**. The matter is currently pending.

3. Macpower CNC Machines Private Limited vs. Mr. Raj M. Vadukul

Macpower CNC Machines Private Limited (hereinafter referred to as the "**Plaintiff**") has filed a civil suit bearing R.C.S. No. **119/2014** in the Hon'ble Court of Principal Senior Civil Judge, at Gondal against Mr. Raj M. Vadukul (hereinafter referred to as the "**Defendant**"). The Defendant was appointed and employed for the post of a design engineer with the Plaintiff with effect from September 01, 2013 vide an appointment letter dated September 01, 2013 on certain terms and the salary was fixed at Rs. 10,000/- per month. The Defendant had agreed and consented to abide with the terms of the appointment letter and duly signed and acknowledged the same. Along with the acceptance of terms of appointment, the Defendant had also voluntarily accepted the terms of contract of employment with its rules and regulation of the Plaintiff and since then the Defendant was employed and working as sales engineer with the Plaintiff. It was agreed that the Defendant's probation from the date of joining would be for 6 months and the Defendant agreed that no leave would be taken by him. Further, it was agreed that if the defendant leaves the service of the company without giving notice then the Defendant would be liable to pay one month salary to the Plaintiff. Further, as per the "Agreement between employer and employee" executed between the Plaintiff and the Defendant on September 01, 2013, the Defendant had undertaken to remain in employment of the Plaintiff for a period of 2 years and in the event the Defendant left the employment without any just cause and without giving 30 day prior notice of termination of employment, the Defendant would be liable to pay liquidated damages of two months gross salary to the Plaintiff. The Defendant resigned from the employment of the Plaintiff from March 25, 2014 stating vague personal reasons through his letter/email dated March 19, 2014 given/sent to the company. The Plaintiff served a legal notice on April 24, 2014 calling upon the Defendant to pay the damages amounting to **Rs. 21,800/-** (i.e., Rs. 20,000 as per the "Agreement between employer and employee" and Rs. 1,800 as interest at 12% on Rs. 20,000 from September 01, 2013 to June 01, 2014) in lieu of breach of terms of the employment. The Defendant neither replied to the notice nor paid the damages. The Plaintiff has therefore, filed this suit. The matter is currently pending.

Taxation Matters

CENTRAL EXCISE TAX

1. Macpower CNC Machines Private Limited v. C.C.E. & S.T.- Rajkot (Appeal No. E/11114/2015-EX[SM])

Macpower CNC Machines Private Limited (hereinafter referred to as the "**Company**") has filed an appeal bearing Appeal No. **E/11114/2015-EX[SM]** before CESTAT- Ahmedabad on July 13, 2015. During the course of audit of the financial records of the Company) and as called for details by the jurisdictional Range Officer, it was observed that the Company had availed service of certain selling agents. The service provider was charging service tax on the amount of commission and the Company had been availing CENVAT Credit of the Service Tax (hereinafter referred to as "**Credit**") as 'Input Service Credit'. The Company availed Credit paid on the commission amounting to Rs. 3,50,406/- for the period from July, 2012 to March, 2014. However, it was established that the

Company was not entitled to avail Credit paid by them to commission agents. Thus, it appeared that the Company had wrongly availed Credit amounting to Rs. 3,50,406/-. Accordingly, a show cause notice bearing number **V.84(4)-05/MP/2013-14** (hereinafter referred to as “**SCN**”) dated June 26, 2014 was issued to the Company by the Assistant Commissioner, Central Excise Division-I, Rajkot (hereinafter referred to as the “**Authority**”) requiring them to show cause as to why wrongly availed credit amounting to Rs. 3,50,406/- should not be recovered from them alongwith interest under Rule 14 of CENVAT Credit Rules, 2004 (hereinafter referred to as the “**Rules**”) read with Section 11 A (5) of the Central Excise Act, 1944 (hereinafter referred to as the “**Act**”). Penal action on the Company was also proposed. The Company, vide their letter dated July 16, 2014 filed a written submission to the above SCN. The said Authority passed an **Order in Original (“OIO”)** bearing number **7/D/AC/2014-2015** dated September 18, 2014 wherein the demand of Rs. 3,50,406/- was confirmed alongwith interest under Rule 14 of the Rules read with Section 11A of the Act and imposed a penalty of Rs. 1,75,203 under Rule 15 of the Rules read with Section 11AC of the Act. Being aggrieved by the above OIO, the Company filed an appeal before the Superintendent (Appeals), Central Excise & Customs, Rajkot (hereinafter referred to as the “**Appellate Authority**”) which was registered on January 15, 2015 and bearing Appeal No. **4/RAJ/2015**. The Commissioner (Appeals-III) passed an **Order in Appeal (“OIA”)** bearing number **RAJ-EXCUS-000-APP-019-15-16** dated May 29, 2015 wherein the demand of wrongfully availed Credit, interest thereon and penalty equivalent to the Credit involved for a past period of one year from the date of issue of SCN was upheld and the remaining part was set aside. Being further aggrieved by the OIA, the present appeal has been filed. The matter is currently pending.

During the pendency of the matter before the Appellate Authority, in order to avoid future liability of interest and the penalty, the Company decided to take credit within the stipulated time and reverse the same under protest as well as claim refund of such reversal and accordingly filed an application for refund of Rs. 1,26,072 on May 13, 2015. The said refund claim of Rs. 1,26,072 was returned vide letter no. V/18-32/ST/Ref/2015-16 dated July 07, 2015. The Company vide its letter dated August 07, 2015 requested to process the same or keep in abeyance till the matter gets settled by the Appellate Authority. The Authority passed an Order in Original bearing no. **184/ST/REF/2015** on December 29, 2015 rejecting the refund amounting to Rs. 1,26,072/- under Section 11B of the Act as made applicable to service tax matters under Section 83 of the Finance Act, 1994. Being aggrieved by the Order no. 184/ST/REF/2015, the Company filed an appeal bearing Appeal No. **25/RAJ/2016** before the Superintendent (Appeals-III) which was registered on February 26, 2016. The matter is currently pending.

2. Macpower CNC Machines Private Limited v. Assistant Commissioner, Central Excise, Div-I, Rajkot (Appeal No. 67/RAJ/2017)

Macpower CNC Machines Private Limited (hereinafter referred to as the “**Company**”) has filed an appeal bearing Appeal No. **67/RAJ/2017** on February 20, 2017 before the Superintendent (Appeals-III). The Company, vide their letter dated December 21, 2015 filed a refund claim of **Rs. 2,85,320/-** on account of reversal of Cenvat Credit. The subject refund claim was forwarded to the JRS for verification to which they replied vide letter F. No. C.Ex. /AR-III/Rebate claims/2014-15 dated January 01, 2016. Assistant Commissioner, Central Excise, Div-I, Rajkot (hereinafter referred to as the “**Authority**”) issued a show cause notice bearing reference no. F.No. V.(18)-3568/2015-16/Ref dated February 15, 2016 asking the Company to show cause as to why the claim for Rs. 2,85,320/- for refunding an amount equal to six percent of the value of the goods exempted paid by the Company for availing an option not to maintain separate accounts for goods exempted under Notification No. 33/2012-CE dated July 09, 2012 should not be rejected. The Authority passed an Order bearing Refund (Rebate) Order No. **52/R/AC/2016-17** dated December 30, 2016 rejecting the refund claim of Rs. 2,85,320/- filed by the Company. Being aggrieved by this, the present appeal has been filed. The matter is currently pending.

Recent Development/Proceeding under Finance Act, 2016 in respect of Income Declaration Scheme, 2016 and the Income Declaration Scheme Rules, 2016

Nil

Details of any enquiry, inspection or investigation initiated under Companies Act, 2013 or any previous Company Law

Nil

LITIGATIONS INVOLVING DIRECTOR/S OF OUR COMPANY

LITIGATIONS AGAINST DIRECTOR/S OF OUR COMPANY

Criminal Litigations

Nil

Civil Proceedings

Nil

Taxation Matters

Nil

Recent Development/Proceeding under Finance Act, 2016 in respect of Income Declaration Scheme, 2016 and The Income Declaration Scheme Rules, 2016

Nil

Past Penalties imposed on our Directors

Nil

Proceedings initiated against our directors for Economic Offences/securities laws/ or any other law

Nil

Directors on list of wilful defaulters of RBI

Nil

LITIGATIONS FILED BY DIRECTOR/S OF OUR COMPANY

Criminal Litigations

Nil

Civil Proceedings

Nil

Taxation Matters

Nil

Recent Development/Proceeding under Finance Act, 2016 in respect of Income Declaration Scheme, 2016 and The Income Declaration Scheme Rules, 2016

Nil

LITIGATIONS INVOLVING PROMOTER/S OF OUR COMPANY

LITIGATIONS AGAINST OUR PROMOTER/S

Criminal Litigations

Nil

Civil Proceedings

Nil

Taxation Matters

Nil

Recent Development/Proceeding under Finance Act, 2016 in respect of Income Declaration Scheme, 2016 and the Income Declaration Scheme Rules, 2016

Nil

Past Penalties imposed on our Promoters

Nil

Proceedings initiated against our Promoters for Economic Offences/securities laws/ or any other law

Nil

Litigation /Legal Action pending or taken by Any Ministry or any statutory authority against any Promoter in last five years

Nil

Penalties in Last Five Years

Nil

Litigation /defaults in respect of the companies/Firms/ventures/ with which our promoter was associated in the past.

Nil

Adverse finding against Promoter for violation of Securities laws or any other laws

Nil

LITIGATIONS FILED BY OUR PROMOTER/S

Criminal Litigations

Nil

Civil Proceedings

Nil

Taxation Matters

Nil

Recent Development/Proceeding under Finance Act, 2016 in respect of Income Declaration Scheme, 2016 and The Income Declaration Scheme Rules, 2016

Nil

As on Date of this Red Herring Prospectus, Our Company does not have any group Company or Subsidiaries.

OTHER MATTERS

Nil

DETAILS OF ANY INQUIRY, INSPECTION OR INVESTIGATION INITIATED UNDER PRESENT OR PREVIOUS COMPANIES LAWS IN LAST FIVE YEARS AGAINST THE COMPANY OR ITS SUBSIDIARIES

Nil

OUTSTANDING LITIGATION AGAINST OTHER COMPANIES OR ANY OTHER PERSON WHOSE OUTCOME COULD HAVE AN ADVERSE EFFECT ON OUR COMPANY

Nil

MATERIAL DEVELOPMENTS SINCE THE LAST BALANCE SHEET

Except as mentioned under the chapter — “Management Discussion and Analysis of Financial Condition and Result of Operation” on page 165 of this Prospectus, there have been no material developments, since the date of the last audited balance sheet.

OUTSTANDING DUES TO SMALL SCALE UNDERTAKINGS OR ANY OTHER CREDITORS

As of March 31, 2017, our Company had 177 creditors, to whom a total amount of Rs. 1537.86 lakhs was outstanding. As per the requirements of SEBI Regulations, our Company, pursuant to a resolution of our Board dated December 11, 2017, considered creditors to whom the amount due exceeds Rs. 50.00 lakhs as per our Company’s restated financials for the purpose of identification of material creditors. Based on the above, the following are the material creditors of our Company.

| Creditors | Amount (Rs. in Lakhs) |
|-------------------------------------|------------------------------|
| FANUC INDIA PRIVATE LIMITED | 410.52 |
| MITSUBISHI ELECTRIC INDIA PVT. LTD. | 101.67 |
| RAJASTHAN UDYOG AND TOOLS PVT LTD | 84.83 |
| PRAGATI AUTOMATION PVT LTD | 82.49 |
| SHIVANAND TECHNOCAST | 77.69 |
| SIEMENS LTD | 76.16 |
| A KISHORE INDUSTRIES | 50.83 |
| TOTAL | 884.19 |

Further, none of our creditors have been identified as micro enterprises and small scale undertakings by our Company based on available information. For complete details about outstanding dues to creditors of our Company, please see the website of our Company www.macpowercnc.com

Information provided on the website of our Company is not a part of this Red Herring Prospectus and should not be deemed to be incorporated by reference. Anyone placing reliance on any other source of information, including our Company’s website, www.macpowercnc.com, would be doing so at their own risk.

GOVERNMENT AND OTHER STATUTORY APPROVALS

Our Company has received the necessary consents, licenses, permissions, registrations and approvals from the Government/RBI, various Government agencies and other statutory and/ or regulatory authorities required for carrying on our present business activities and except as mentioned under this heading, no further material approvals are required for carrying on our present business activities. Our Company undertakes to obtain all material approvals and licenses and permissions required to operate our present business activities. Unless otherwise stated, these approvals or licenses are valid as of the date of this Red Herring Prospectus and in case of licenses and approvals which have expired; we have either made an application for renewal or are in the process of making an application for renewal. In order to operate our business of manufacturing of CNC machines, vertical machining centers, HMC, VTL, twin spindle, vertical turret lathe, cylindrical grinder, multi-tasking machine, five axis machine, DTC, robotic automation, SPM [Special Purpose Machines] for Hindustan Aeronautics Limited, DRDO, Ordnance Factory for Defense we require various approvals and/ or licenses under various laws, rules and regulations. For further details in connection with the applicable regulatory and legal framework, please refer to the chapter titled “Key Industry Regulations and Policies” on page 124 of this Red Herring Prospectus.

The Company has its business located at:

Registered Office and factory: Plot No. 2234, Near Kranti Gate, GIDC, Metoda- 360 021, Taluka-Lodhika, District- Rajkot, Gujarat, India.

Branch Offices/Sales Offices:

Branch 1.Pune: Plot No. 71/1B/2,Khira Industrial Co-Operative Society, T-Block, Bhosari, Nr. Indrani Corner, Telco Road, Pune - 411026, Maharashtra, India.

Branch 2. New Delhi: Patparganj Industrial Area, C-23, 2nd Floor,New Delhi-110092, Delhi, India.

Branch 3. Jaipur: F-134, First Floor, Dhan Shree Tower –I, Central Spine, Vidhyadhar Nagar, Jaipur - 302023, Rajasthan, India.

Branch 4. Ahmedabad: E-1, Sumel -7, Near Soni Chali Cross Road, Rakhial, Ahmedabad – 380 023, Gujarat, India.

Warehouse and raw material storage: Same as registered office and factory

The objects clause of the Memorandum of Association enables our Company to undertake its present business activities. The approvals required to be obtained by our Company include the following:

APPROVALS FOR THE ISSUE

Corporate Approvals:

1. The Board of Directors have, pursuant to Section 62(1)(c) of the Companies Act 2013, by a resolution passed at its meeting held on November 17, 2017, authorized the Issue, subject to the approval of the shareholders and such other authorities as may be necessary.
2. The shareholders of the Company have, pursuant to Section 62(1)(c) of the Companies Act 2013, by a special resolution passed in the Extra-Ordinary General Meeting/Annual General Meeting held on November 28, 2017 authorized the Issue.

In- principle approval from the Stock Exchange

We have received in-principle approvals from the stock exchange for the listing of our Equity Shares pursuant to letter dated February 22, 2018 bearing reference no. NSE/LIST/38096.

Agreements with NSDL and CDSL

1. The Company has entered into an agreement dated January 08, 2018 with the Central Depository Services (India) Limited (“CDSL”) and the Registrar and Transfer Agent, who in this case is, Link Intime India Private Limited for the dematerialization of its shares.

2. Similarly, the Company has also entered into an agreement dated January 11, 2018 with the National Securities Depository Limited (“NSDL”) and the Registrar and Transfer Agent, who in this case is Link Intime India Private Limited for the dematerialization of its shares.
3. The Company's International Securities Identification Number (“ISIN”) is INE155Z01011.

INCORPORATION AND OTHER DETAILS

1. The Certificate of Incorporation dated December 31, 2003 issued by the Registrar of Companies, Gujarat, Dadra and Nagar Haveli, in the name of “MACPOWER CNC MACHINES PRIVATE LIMITED”.
2. Fresh Certificate of Incorporation Consequent upon Conversion from Private Company to Public company issued on November 16, 2017 by the Registrar of Companies, Ahmedabad in the name of “MACPOWER CNC MACHINES LIMITED”.
3. The Corporate Identification Number (CIN) of the Company is U30009GJ2003PLC043419

APPROVALS/LICENSES RELATED TO OUR BUSINESS ACTIVITIES

We require various approvals and/ or licenses under various rules and regulations to conduct our business. Some of the material approvals required by us to undertake our business activities are set out below:

| Sr. No | Description | Authority | Registration No./ Reference No./ License No. | Date of Issue | Date of Expiry |
|--------|---|--|--|------------------------------|---|
| 1 | Certificate of Importer-Exporter Code (IEC) | Foreign Trade Development Officer, Ministry of Commerce, Government of India | 2404001582 | Date of Issue: June 11, 2004 | In case of change in name/address or constitution of IEC holder, the IEC holder shall cease to be eligible to Import or Export against the IEC after the expiry of 90 days from the date of such a change unless in the meantime, the consequential changes are effected in the IEC by the concerned licensing authority. |

| | | | | | |
|---|--|--|--|--------------------------------------|-------------------|
| 2 | Registration Certificate of Establishment (under the Maharashtra Shops and Establishments Act, 1948 under Rule 6 of Maharashtra Shops and Establishments Rules, 1961) Branch 1 | Officer, Maharashtra Shops and Establishments Act, 1948 | 1631000310738251 | December 27, 2016 | December 27, 2019 |
| 3 | Registration Certificate of Establishment (under Section 5 of Delhi Shops and Establishments Act, 1954) Branch 2 | Department of Labour, Government of National Capital Territory of Delhi | 2017089043 | November 07, 2017 | NA |
| 4 | Udyog Aadhar Memorandum | Ministry of Micro, Small and Medium Enterprises, Government of India | UAN: GJ20B0024586 Aadhar Number: 350187959761 | Date of Commencement: April 23, 2005 | NA |
| 5 | Entrepreneurs Memorandum for setting micro, small and medium Enterprises Unit | Joint Commissioner of Industries & General Manager, District Industries Center, Rajkot | 24-009-12-01046 | November 20, 2007 | NA |
| 6 | License to work a factory (under Factories Act, 1948 and Rules made thereunder) | Joint Director, Industrial Safety and Health, Rajkot Region, Gujarat. | Registration No: 1435/29299/2005 License No: 6161 | Date of Issue: May 11, 2016 | December 31, 2019 |

TAX RELATED APPROVALS/LICENSES/REGISTRATIONS

| Sr. No. | Authorisation granted | Issuing Authority | Registration No./Reference No./License No. | Date of Issue | Validity |
|---------|--------------------------------|--|--|---------------|-----------|
| 1 | Permanent Account Number (PAN) | Income Tax Department, Government of India | AADCM8237H | June 17, 2013 | Perpetual |

| Sr. No | Authorisation granted | Issuing Authority | Registration No./Reference No./License No. | Date of Issue | Validity |
|--------|---|---|--|--|-----------|
| 2 | Tax Deduction Account Number (TAN) | Income Tax Department through National Securities Depository Limited (NSDL), Ministry of Finance, Government of India | RKTM01401B | December 11, 2004 | Perpetual |
| 3 | Goods and Service Tax Identification Number (GSTIN) Registration Certificate | Government of India | 24AADCM8237H1Z G | Date of Issue of Certificate: September 19, 2017 Valid from: July 01, 2017 | NA |
| 4 | Goods and Service Tax Identification Number (GSTIN) Registration Certificate (Branch 1) | Government of India | 27AADCM8237H1Z A | Date of Issue of certificate: October 06, 2017 Valid from: October 06, 2017 | NA |
| 5 | Goods and Service Tax Identification Number (GSTIN) Registration Certificate (Branch 2) | Sales Tax Officer Class II/AVATO Government of India | 07AADCM8237H1Z C | Date of Issue of certificate: October 04, 2017 Valid from: October 04, 2017 | NA |
| 6 | Goods and Service Tax Identification Number (GSTIN) Registration Certificate (Branch 3) | Government of India | 08AADCM8237H1Z A | Date of Issue of certificate: October 06, 2017 Valid from: October 06, 2017 | NA |
| 7 | Certificate of Registration (under Gujarat Sales Tax Act, | Sales Tax Officer – 1, Class – 1, Constitution – 5, Rajkot, | 24091802454 | Execution Date: March 04, 2004 | NA |

| Sr. No | Authorisation granted | Issuing Authority | Registration No./Reference No./License No. | Date of Issue | Validity |
|--------|--|---|--|---|---|
| | 1969, read with Rule 9 of the Gujarat Sales Tax Rules, 1970) | Sales Tax Department, Gujarat | | Date of Issue: April 05, 2004 | |
| 8 | Certificate of Registration of Service Tax (under Chapter V of the Finance Act, 1994 read with the Service Tax Rules, 1994) | Superintendent Service Tax Range III Rajkot Central Board of Excise and Customs, Ministry of Finance, Department of Revenue | AADCM8237HST001 | Date of Issue of Original ST-2: August 03, 2005 Date of Last Amendment of ST-2: September 05, 2013 | NA |
| 9 | Certificate of Registration Central Sales Tax (under Rule 5(1) of Central Sales Tax (Registration and Turnover) Rules, 1957) | Sales Tax Officer, Unit – 1, Constitution – 5, Rajkot. | 24591802454 | Valid from: March 04, 2004 Date of issue: April 05, 2004 | Until cancelled |
| 10 | Central Excise Registration Certificate (under Rule 9 of the Central Excise Rules, 2002) | Assistant Commissioner, Central Excise Division I, Rajkot. | AADCM8237HXM001 | June 29, 2005 | Until surrendered, revoked or suspended |
| 11 | Professional Tax Registration Certificate (PTRC) (under sub section (1) of section 5 of the Gujarat State Tax on Professions, Trades, Calling and Employments Act, 1976) | Assistant Sales Tax Commissioner, Unit 94, Constitution 5, Rajkot | 0918000056 | September 29, 2005 | NA |
| 12 | Professional Tax Enrolment Certificate (PTEC) | Assistant Sales Tax Commissioner, | 0918000085 | Not Traceable | NA |

| Sr. No. | Authorisation granted | Issuing Authority | Registration No./Reference No./License No. | Date of Issue | Validity |
|---------|--|-------------------|--|---------------|----------|
| | (under section 5 of the Gujarat State Tax on Professions, Trades, Calling and Employments Act, 1976) | | | | |

LABOUR RELATED APPROVALS/REGISTRATIONS

| Sr. No. | Description | Authority | Registration No./Reference No./License No. | Date of Issue |
|---------|--|--|--|-----------------|
| 1. | Employees Provident Fund Registration (under Employees' Provident Funds and Miscellaneous Provisions Act, 1952) | Assistant Provident Fund Commissioner, Sub Regional Office, Rajkot, Employees Provident Fund Organisation, Ministry of Labour, Government of India | GJ/RJT/42340 | August 29, 2005 |

ENVIRONMENT RELATED LICENSES /APPROVALS/ REGISTRATIONS

| Sr No. | Description | Authority | Registration Number | Date of Certificate | Date of Expiry |
|--------|---|---|--|-----------------------------|----------------|
| 1 | Consent to Operate issued by Gujarat Pollution Control Board for use of outlet for the discharge of trade effluent and emission due to operation of industrial plant for manufacture of 42 CNC Machines per month under Section 25 of the Water (Prevention &Control of Pollution) Act, 1974 &under Section 21 of the Air (Prevention & Control of Pollution) Act, 1981 and Authorization / | Gujarat Pollution Control Board, Rajkot | Consolidated Consent and Authorization Order Number: AWH-24103 | Date of Issue: July13, 2017 | March31 , 2024 |

| | | | | | |
|--|--|--|--|--|--|
| | Renewal of Authorisation under Rule 5 of the Hazardous Wastes (Management, handling & Transboundary movement) Rules 2008 | | | | |
|--|--|--|--|--|--|

OTHER BUSINESS RELATED APPROVALS

| Sr No. | Description | Authority | Registration Number | Date of Certificate | Date of Expiry |
|--------|--|--|---|--|-------------------|
| 1 | Certificate of Registration, Quality Management System | SGI Management Private Limited | ISO 9001:2008 Certificate No: 10QVDE1230B | May 28, 2015 | May 27, 2018 |
| 2 | Registration cum Membership Certificate, EEPC India | Regional Director, EEPC India, sponsored by Ministry of Commerce and Industry, Government of India | 201/M17729 | Date of Issue: October 01, 2012 | March 31, 2018 |
| 3 | Government Purchase Enlistment Certificate | The National Small Industries Corporation Limited Technical Services Centre, Rajkot | NSIC/GP/NTG/2016 /0027489 | Date of Issue: August 02, 2017 Valid from July 23, 2017 | July 22, 2019 |
| 4 | Membership Certificate, Rajkot Engineering Association | President and Honorary Secretary, Rajkot Engineering Association | Membership No: 1581 | Year: 2016-2017 | December 31, 2017 |

Company has confirmed that no applications have been made by the Company nor has it registered any type of intellectual property including trademarks/copyrights/patents etc.

PENDING APPROVALS:

1. Application for change of name of all the above mentioned approvals is not made by the Company.

MATERIAL LICENSES / APPROVALS FOR WHICH THE COMPANY IS YET TO APPLY

1. Registration of contract labour under Contract Labour (Regulation and Abolition) Act, 1970

2. Registration of the trademark used by the Company in the normal course of business under the Trade Marks Act, 1999.

Kindly note that during the applicability of the Central Sales Tax Act and Value Added Tax Act, the Company had not registered the branch offices under the said Acts. However, the branch offices have the necessary registration under the Goods and Services Act as applicable

OTHER REGULATORY AND STATUTORY DISCLOSURES

AUTHORITY FOR THE ISSUE

The Issue has been authorized by the Board of Directors vide a resolution passed at its meeting held , on November 17, 2017 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 Extra-Ordinary General Meeting held on November 28, 2017.

PROHIBITION BY SEBI, RBI OR OTHER GOVERNMENTAL AUTHORITIES

Neither Company, nor our Directors, our Promoters or the relatives (as defined under the Companies Act) of Promoters, our Promoter Group, and our Group Companies have been declared as wilful defaulter(s) by the RBI or any other governmental authority. Further, there has been no violation of any securities law committed by any of them in the past and no such proceedings are currently pending against any of them.

We confirm that our Company, Promoters, Promoter Group, Directors or Group Companies have not been prohibited from accessing or operating in the capital markets under any order or direction passed by SEBI or any other regulatory or Governmental Authority.

Neither our Promoters, nor any of our Directors or persons in control of our Company are / were associated as promoter, directors or persons in control of any other company which is debarred from accessing or operating in the capital markets under any order or directions made by the SEBI or any other regulatory or Governmental Authorities.

None of our Directors are in any manner associated with the securities market. There has been no action taken by SEBI against any of our Directors or any entity our Directors are associated with as directors.

ELIGIBILITY FOR THIS ISSUE

Our Company is eligible for the Issue in accordance with Regulation 106(M) (1) and other provisions of Chapter XB of the SEBI (ICDR) Regulations, as our post-issue face value capital is more than ten crore and upto twenty five crore and we shall hence issue shares to the public and propose to list the same on the Small and Medium Enterprise Exchange (in this case being the “EMERGE Platform of National Stock Exchange of India Limited for listing of our Equity Shares

We confirm that:

1. In accordance with regulation 106(P) of the SEBI (ICDR) Regulations, this Issue will be hundred percent underwritten and that the BRLM will underwrite at least 15% of the total issue size. For further details pertaining to underwriting please refer to chapter titled “General Information” beginning on page 54 of this Red Herring Prospectus.
2. In accordance with Regulation 106(R) of the SEBI (ICDR) Regulations, we shall ensure that the total number of proposed allottees in the Issue is greater than or equal to fifty, otherwise, the entire application money will be refunded forthwith. If such money is not repaid within eight working days from the date our company becomes liable to repay it, then our company and every officer in default shall, on and from eight working days, be liable to repay such application money, with interest as prescribed under section 40 of Companies Act, 2013.
3. In accordance with Regulation 106(O) the SEBI (ICDR) Regulations, we have not filed any Offer Document with SEBI nor has SEBI issued any observations on our Offer Document. Also, we shall ensure that our Book Running Lead Manager submits the copy of Red Herring Prospectus along with a Due Diligence Certificate including additional confirmations as required to SEBI at the time of filing the Red Herring Prospectus with Stock Exchange and the Registrar of Companies.
4. In accordance with Regulation 106(V) of the SEBI (ICDR) Regulations, the BRLM will ensure compulsory market making for a minimum period of three years from the date of listing of Equity Shares offered in the Issue. For further details of the market making arrangement see chapter titled “General Information” beginning on page 54 of this Red Herring Prospectus.

5. The Company has track record of 3 Years and positive cash accruals (earnings before depreciation and tax) from operations for at least 2 financial years preceding the application and
6. Net-worth of the company is positive.
7. The Company has not been referred to Board for Industrial and Financial Reconstruction.
8. No petition for winding up is admitted by a court or a liquidator has not been appointed of competent jurisdiction against the Company.
9. No material regulatory or disciplinary action has been taken by any stock exchange or regulatory authority in the past three years against the Company.
10. The Company has a website: www.macpowercnc.com

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 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.

DISCLAIMER CLAUSE OF SEBI

IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF THE OFFER DOCUMENT TO SECURITIES AND EXCHANGE BOARD OF INDIA 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 BOOK RUNNING LEAD MANAGER, PANTOMATH CAPITAL ADVISORS PRIVATE LIMITED HAS CERTIFIED THAT THE DISCLOSURES MADE IN THE OFFER DOCUMENT ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE SEBI (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, AS FOR THE TIME BEING IN FORCE. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING AN INVESTMENT IN THE PROPOSED ISSUE.

IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE COMPANY IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THIS RED HERRING PROSPECTUS, THE BOOK RUNNING LEAD MANAGER, PANTOMATH CAPITAL ADVISORS PRIVATE LIMITED, IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE COMPANY DISCHARGES ITS RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE BOOK RUNNING LEAD MANAGER, PANTOMATH CAPITAL ADVISORS PRIVATE LIMITED, HAS FURNISHED TO STOCK EXCHANGE A DUE DILIGENCE CERTIFICATE AND WHICH SHALL ALSO BE SUBMITTED TO SEBI AFTER REGISTERING THE RED HERRING PROSPECTUS WITH ROC AND BEFORE OPENING OF THE ISSUE IN ACCORDANCE WITH THE SEBI (MERCHANT BANKERS) REGULATIONS, 1992“WE, THE UNDER NOTED BOOK RUNNING 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, CIVIL LITIGATIONS, DISPUTES WITH COLLABORATORS, CRIMINAL LITIGATIONS ETC. AND OTHER MATERIAL IN CONNECTION WITH THE FINALISATION OF THE RED HERRING PROSPECTUS PERTAINING TO THE SAID ISSUE;**

- 2. ON THE BASIS OF SUCH EXAMINATION AND THE DISCUSSIONS WITH THE ISSUER, ITS DIRECTORS AND OTHER OFFICERS, OTHER AGENCIES, AND INDEPENDENT VERIFICATION OF THE STATEMENTS CONCERNING THE OBJECTS OF THE ISSUE, PRICE JUSTIFICATION AND THE CONTENTS OF THE DOCUMENTS AND OTHER PAPERS FURNISHED BY THE ISSUER, WE CONFIRM THAT:**
- A. THE RED HERRING PROSPECTUS FILED WITH THE EXCHANGE / BOARD IS IN CONFORMITY WITH THE DOCUMENTS, MATERIALS AND PAPERS RELEVANT TO THE ISSUE;**
- B. ALL THE LEGAL REQUIREMENTS RELATING TO THE ISSUE AS ALSO THE REGULATIONS, GUIDELINES, INSTRUCTIONS, ETC. FRAMED/ISSUED BY THE BOARD, THE CENTRAL GOVERNMENT AND ANY OTHER COMPETENT AUTHORITY IN THIS BEHALF HAVE BEEN DULY COMPLIED WITH; AND**
- C. THE DISCLOSURES MADE IN THE RED HERRING PROSPECTUS ARE TRUE, FAIR AND ADEQUATE TO ENABLE THE INVESTORS TO MAKE A WELL INFORMED DECISION AS TO THE INVESTMENT IN THE PROPOSED ISSUE AND SUCH DISCLOSURES ARE IN ACCORDANCE WITH THE REQUIREMENTS OF COMPANIES ACT, 1956, APPLICABLE PROVISIONS OF THE COMPANIES ACT, 2013, THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 AND OTHER APPLICABLE LEGAL REQUIREMENTS.**
- 3. WE CONFIRM THAT BESIDES OURSELVES, ALL THE INTERMEDIARIES NAMED IN THE RED HERRING PROSPECTUS ARE REGISTERED WITH THE BOARD AND THAT TILL DATE SUCH REGISTRATION IS VALID.**
- 4. WE HAVE SATISFIED OURSELVES ABOUT THE CAPABILITY OF THE UNDERWRITERS TO FULFILL THEIR UNDERWRITING COMMITMENTS – NOTED FOR COMPLIANCE**
- 5. WE CERTIFY THAT WRITTEN CONSENTS FROM PROMOTERS HAVE BEEN OBTAINED FOR INCLUSION OF THEIR SPECIFIED SECURITIES AS PART OF PROMOTERS’ CONTRIBUTION SUBJECT TO LOCK-IN AND THE SPECIFIED SECURITIES PROPOSED TO FORM PART OF PROMOTERS’ CONTRIBUTION SUBJECT TO LOCK-IN SHALL NOT BE DISPOSED / SOLD / TRANSFERRED BY THE PROMOTERS DURING THE PERIOD STARTING FROM THE DATE OF FILING THE RED HERRING PROSPECTUS WITH THE BOARD TILL THE DATE OF COMMENCEMENT OF LOCK-IN PERIOD AS STATED IN THE RED HERRING PROSPECTUS.**
- 6. WE CERTIFY THAT REGULATION 33 OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, WHICH RELATES TO SPECIFIED SECURITIES INELIGIBLE FOR COMPUTATION OF PROMOTERS’ CONTRIBUTION, HAS BEEN DULY COMPLIED WITH AND APPROPRIATE DISCLOSURES AS TO COMPLIANCE WITH THE SAID REGULATION HAVE BEEN MADE IN THE RED HERRING PROSPECTUS. – DULY COMPLIED AND NOTED FOR COMPLIANCE**
- 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 THE BOARD. 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 ISSUER ALONG WITH THE**

PROCEEDS OF THE PUBLIC ISSUE. – NOT APPLICABLE

- 8. WE CERTIFY THAT THE PROPOSED ACTIVITIES OF THE ISSUER FOR WHICH THE FUNDS ARE BEING RAISED IN THE PRESENT ISSUE FALL WITHIN THE ‘MAIN OBJECTS’ LISTED IN THE OBJECT CLAUSE OF THE MEMORANDUM OF ASSOCIATION OR OTHER CHARTER OF THE ISSUER AND THAT THE ACTIVITIES WHICH HAVE BEEN CARRIED OUT UNTIL NOW ARE VALID IN TERMS OF THE OBJECT CLAUSE OF ITS MEMORANDUM OF ASSOCIATION. – COMPLIED TO THE EXTENT APPLICABLE.**
- 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 RED HERRING PROSPECTUS. WE FURTHER CONFIRM THAT THE AGREEMENT ENTERED INTO BETWEEN THE BANKERS TO THE ISSUE AND THE ISSUER SPECIFICALLY CONTAINS THIS CONDITION – NOTED FOR COMPLIANCE**
- 10. WE CERTIFY THAT A DISCLOSURE HAS BEEN MADE IN THE RED HERRING PROSPECTUS THAT THE INVESTORS SHALL BE GIVEN AN OPTION TO GET THE SHARES IN DEMAT OR PHYSICAL MODE. - NOT APPLICABLE. UNDER SECTION 29 OF THE COMPANIES ACT, 2013 EQUITY SHARES IN THE ISSUE WILL BE ISSUED IN DEMATERIALIZED FORM ONLY.**
- 11. WE CERTIFY THAT ALL THE APPLICABLE DISCLOSURES MANDATED IN THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 HAVE BEEN MADE IN ADDITION TO DISCLOSURES WHICH, IN OUR VIEW, ARE FAIR AND ADEQUATE TO ENABLE THE INVESTOR TO MAKE A WELL INFORMED DECISION.**
- 12. WE CERTIFY THAT THE FOLLOWING DISCLOSURES HAVE BEEN MADE IN THE RED HERRING PROSPECTUS:**
 - A. AN UNDERTAKING FROM THE ISSUER THAT AT ANY GIVEN TIME, THERE SHALL BE ONLY ONE DENOMINATION FOR THE EQUITY SHARES OF THE ISSUER AND**
 - B. AN UNDERTAKING FROM THE ISSUER THAT IT SHALL COMPLY WITH SUCH DISCLOSURE AND ACCOUNTING NORMS SPECIFIED BY THE BOARD FROM TIME TO TIME.**
- 13. WE UNDERTAKE TO COMPLY WITH THE REGULATIONS PERTAINING TO ADVERTISEMENT IN TERMS OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 WHILE MAKING THE ISSUE. – NOTED FOR COMPLIANCE**
- 14. WE ENCLOSE A NOTE EXPLAINING HOW THE PROCESS OF DUE DILIGENCE THAT HAS BEEN EXERCISED BY US IN VIEW OF THE NATURE OF CURRENT BUSINESS BACKGROUND OF THE ISSUER, SITUATION AT WHICH THE PROPOSED BUSINESS STANDS, THE RISK FACTORS, PROMOTERS 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 RED HERRING PROSPECTUS WHERE THE REGULATION HAS BEEN COMPLIED WITH AND OUR COMMENTS, IF ANY (CHECKLIST ENCLOSED)**

16. WE ENCLOSE STATEMENT ON ‘PRICE INFORMATION OF PAST ISSUES HANDLED BY MERCHANT BANKER’ AS PER FORMAT SPECIFIED BY THE BOARD (SEBI) THROUGH CIRCULAR – *DETAILS ARE ENCLOSED IN “ANNEXURE A”*

17. WE CERTIFY THAT PROFITS FROM RELATED PARTY TRANSACTIONS HAVE ARISEN FROM LEGITIMATE BUSINESS TRANSACTIONS.” COMPLIED WITH TO THE EXTENT OF THE RELATED PARTY TRANSACTIONS REPORTED IN ACCORDANCE WITH ACCOUNTING STANDARD 18 IN THE FINANCIAL STATEMENTS OF THE COMPANY INCLUDED IN THE RED HERRING PROSPECTUS

ADDITIONAL CONFIRMATIONS/ CERTIFICATION TO BE GIVEN BY MERCHANT BANKER IN DUE DILIGENCE CERTIFICATE TO BE GIVEN ALONG WITH OFFER DOCUMENT REGARDING SME EXCHANGE

- (1) “WE CONFIRM THAT NONE OF THE INTERMEDIARIES NAMED IN THE RED HERRING PROSPECTUS HAVE BEEN DEBARRED FROM FUNCTIONING BY ANY REGULATORY AUTHORITY.**
- (2) WE CONFIRM THAT ALL THE MATERIAL DISCLOSURES IN RESPECT OF THE ISSUER HAVE BEEN MADE IN RED HERRING 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. – *NOTED FOR COMPLIANCE***
- (4) WE CONFIRM THAT AGREEMENTS HAVE BEEN ENTERED INTO WITH THE DEPOSITORIES FOR DEMATERIALIZATION OF THE EQUITY SHARES OF THE ISSUER. – *NOTED FOR COMPLIANCE***
- (5) WE CERTIFY THAT AS PER THE REQUIREMENTS OF FIRST PROVISIO TO SUB-REGULATION (4) OF REGULATION 32 OF SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009; CASH FLOW STATEMENT HAS BEEN PREPARED AND DISCLOSED IN THE RED HERRING PROSPECTUS.**
- (6) WE CONFIRM THAT UNDERWRITING ARRANGEMENTS AS PER REQUIREMENTS OF REGULATION 106P AND 106V OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 HAVE BEEN MADE.**
- (7) WE CONFIRM THAT MARKET MAKING ARRANGEMENTS AS PER REQUIREMENTS OF REGULATION 106P AND 106V OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 HAVE BEEN MADE.**

Note:

The filing of this Red Herring Prospectus does not, however, absolve our Company from any liabilities under section 34 and 36 of the Companies Act, 2013 or from the requirement of obtaining such statutory and other clearances as may be required for the purpose of the proposed Issue. SEBI further reserves the right to take up at any point of time, with the Book Running Lead Manager any irregularities or lapses in this Red Herring Prospectus.

All legal requirements pertaining to the Issue will be complied with at the time of registration of

the Red Herring Prospectus with the Registrar of Companies, Mumbai in terms of Section 32 of the Companies Act, 2013.

DISCLAIMER STATEMENT FROM OUR COMPANY AND THE BOOK RUNNING LEAD MANAGER

Our Company, our Directors and the Book Running Lead Manager accept no responsibility for statements made otherwise than in this Red Herring 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.macpowercnc.com, would be doing so at his or her own risk.

Caution

The Book Running Lead Manager accepts no responsibility, save to the limited extent as provided in the Agreement for Issue management entered into among the Book Running Lead Manager and our Company dated February 02, 2018, the Underwriting Agreement dated February 02, 2018 entered into among the Underwriter and our Company and the Market Making Agreement dated February 02, 2018 entered into among the Market Maker(s), Book Running Lead Manager and our Company.

Our Company and the Book Running Lead Manager shall make all information available to the public and investors at large and no selective or additional information would be available for a section of the investors in any manner whatsoever including at road show presentations, in research or sales reports or at collection centres, *etc.*

The Book Running Lead Manager and its associates and affiliates may engage in transactions with and perform services for, our Company and associates of our Company in the ordinary course of business and may in future engage in the provision of services for which they may in future receive compensation. Pantomath Capital Advisors Private Limited is not an 'associate' of the Company and is eligible to Book Running Lead Manager this Issue, under the SEBI (Merchant Bankers) Regulations, 1992.

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 Book Running 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 BOOK RUNNING LEAD MANAGER

For details regarding the price information and track record of the past issue handled by Pantomath Capital Advisors Private Limited, as specified in Circular reference CIR/CFD/DIL/7/2015 dated October 30, 2015 issued by SEBI, please refer "Annexure A" to this Red Herring Prospectus and the website of Book Running Lead Manager at www.pantomathgroup.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 authorized to invest in shares, Indian Mutual Funds registered with SEBI, Indian financial institutions, commercial banks, regional rural banks, co-operative banks (subject to RBI permission), or trusts under applicable trust law and who are authorized under their constitution to hold and invest in shares, public financial institutions as specified in Section 2(72) of the Companies Act, 2013, VCFs, state industrial development corporations, insurance companies registered with Insurance Regulatory and Development Authority, provident funds (subject to applicable law) with minimum corpus of Rs. 2,500 Lakhs, pension funds with minimum corpus of Rs. 2,500 Lakhs and the

National Investment Fund, and permitted non-residents including FPIs, Eligible NRIs, multilateral and bilateral development financial institutions, FVCIs and eligible foreign investors, provided that they are eligible under all applicable laws and regulations to hold Equity Shares of the Company. The Red Herring Prospectus does not, however, constitute an invitation to purchase shares offered hereby in any jurisdiction other than India to any person to whom it is unlawful to make an offer or invitation in such jurisdiction. Any person into whose possession this Red Herring 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 Mumbai, Maharashtra only.

No action has been, or will be, taken to permit a public offering in any jurisdiction where action would be required for that purpose, except that this Red Herring Prospectus has been filed with EMERGE Platform of National Stock Exchange of India Limited for its observations and NSE shall give its observations in due course. Accordingly, the Equity Shares represented hereby may not be offered or sold, directly or indirectly, and this Red Herring Prospectus may not be distributed, in any jurisdiction, except in accordance with the legal requirements applicable in such jurisdiction. Neither the delivery of this Red Herring 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, legislations and Red Herring Prospectus in each jurisdiction, including India.

DISCLAIMER CLAUSE OF THE EMERGE PLATFORM OF NATIONAL STOCK EXCHANGE OF INDIA LIMITED

“As required, a copy of this Issue Document has been submitted to National Stock Exchange of India Limited (hereinafter referred to as NSE). NSE has given vide its letter Ref.:NSE/LIST/38096 dated February 22, 2018 permission to the Issuer to use the Exchange’s name in this Offer Document as one of the stock exchanges on which this Issuer’s securities are proposed to be listed. The Exchange has scrutinized this draft offer document for its limited internal purpose of deciding on the matter of granting the aforesaid permission to this Issuer. It is to be distinctly understood that the aforesaid permission given by NSE should not in any way be deemed or construed that the offer document has been cleared or approved by NSE; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this offer document; nor does it warrant that the Issuer’s securities will be listed or will continue to be listed on the Exchange; nor does it take any responsibility for the financial or other soundness of this Issuer, its promoters, its management or any scheme or project of this Issuer.

Every person who desires to apply for or otherwise acquire any securities of this Issuer may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the Exchange whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription / acquisition whether by reason of anything stated or omitted to be stated herein or any other reason whatsoever”

FILING

The Red Herring Prospectus has not been filed with SEBI, nor SEBI has issued any observation on the Offer Document in terms of Regulation 106(M) (3). However, a copy of the Red Herring Prospectus

shall be filed with SEBI at the SEBI Western Regional Office, Unit No:002, Ground Floor SAKAR I, Near Gandhigram Railway Station Opp. Nehru Bridge Ashram Road, Ahmedabad – 380 009. A copy of the Red Herring Prospectus and Prospectus, along with the documents required to be filed under Section 32 and 26 of the Companies Act, 2013, respectively, will be delivered to the RoC situated at ROC Bhavan, Opp. Rupal Park Society, Behind Ankur Bus Stop, Naranpura, Ahmedabad – 380013 Gujarat, India.

LISTING

In terms of Chapter XB of the SEBI (ICDR) Regulations, there is no requirement of obtaining in-principle approval from EMERGE Platform of National Stock Exchange of India Limited. However application will be made to the EMERGE Platform of National Stock Exchange of India Limited for obtaining permission to deal in and for an official quotation of our Equity Shares. National Stock Exchange of India Limited will be the Designated Stock Exchange, with which the Basis of Allotment will be finalized.

The EMERGE Platform of National Stock Exchange of India Limited has given its in-principal approval for using its name in our Prospectus vide its letter dated February 22, 2018.

If the permissions to deal in and for an official quotation of our Equity Shares are not granted by the EMERGE Platform of National Stock Exchange of India Limited, our Company will forthwith repay, without interest, all moneys received from the bidders in pursuance of the Red Herring Prospectus. If such money is not repaid within 8 working days after our Company becomes liable to repay it (i.e. from the date of refusal or within 15 working days from the Issue Closing Date), then our Company and every Director of our Company who is an officer in default shall, on and from such expiry of 8 working days, be liable to repay the money, with interest at the rate of 15 per cent per annum on application money, as prescribed under section 40 of the Companies Act, 2013.

Our Company shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at the EMERGE Platform of the National Stock Exchange of India Limited mentioned above are taken within six Working Days from the Issue Closing Date.

CONSENTS

Consents in writing of: (a) the Directors, the Promoters, the Company Secretary & Compliance Officer, Chief Financial Officer, the Statutory Auditors, the Peer Reviewed Auditors; Bankers of the Company, Lenders of the Company and (b) Book Running Lead Manager, Underwriters, Market Makers, Registrar to the Issue, Public Issue Bank / Banker to the Issue and Refund Banker to the Issue, Legal Advisor to the Issue, Syndicate Member to the Issue to act in their respective capacities have been obtained and is filed along with a copy of the Red Herring Prospectus/ Prospectus with the RoC, as required under sections 32 and 26 of the Companies Act, 2013 and such consents shall not be withdrawn up to the time of delivery of the Red Herring Prospectus/ Prospectus for registration with the RoC. Our Peer Reviewed Auditors have given their written consent to the inclusion of their report in the form and context in which it appears in this Red Herring Prospectus / Prospectus and such consent and report shall not be withdrawn up to the time of delivery of the Red Herring Prospectus/ Prospectus for filing with the RoC.

EXPERT TO THE ISSUE

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

- Report of the Peer Reviewed Auditor on Statement of Tax Benefits.
- Report of the Peer Reviewed Auditor on the Restated Financial Statements for the period ended September 30, 2017 and for the financial years ended on March 31, 2017, 2016, 2015, 2014 and 2013 of our Company.

EXPENSES OF THE ISSUE

The expenses of this Issue include, among others, underwriting and management fees, printing and distribution expenses, legal fees, statutory advertisement expenses. For details of total expenses of the Issue, refer to chapter “Objects of the Issue” beginning on page 78 of this Red Herring Prospectus.

DETAILS OF FEES PAYABLE

Fees Payable to the Book Running Lead Manager

The total fees payable to the Book Running Lead Manager will be as per the Mandate Letter issued by our Company to the Book Running 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 February 02, 2018 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 if any.

UNDERWRITING COMMISSION, BROKERAGE AND SELLING COMMISSION

The underwriting commission and selling commission for this Issue is as set out in the Underwriting Agreement entered into between our Company and the Book Running Lead Manager. Payment of underwriting commission, brokerage and selling commission would be in accordance with Section 40 of Companies Act, 2013 and the Companies (Prospectus and Allotment of Securities) Rules, 2014.

PREVIOUS RIGHTS AND PUBLIC ISSUES SINCE THE INCORPORATION

We have not made any previous rights and/or public issues since Incorporation, and are an “Unlisted Issuer” in terms of the SEBI (ICDR) Regulations and this Issue is an “Initial Public Offering” in terms of the SEBI (ICDR) Regulations.

PREVIOUS ISSUES OF SHARES OTHERWISE THAN FOR CASH

Except as stated in the chapter titled “*Capital Structure*” beginning on page 64 of this Red Herring Prospectus, our Company has not issued any Equity Shares for consideration otherwise than for cash.

COMMISSION AND BROKERAGE ON PREVIOUS ISSUES

Since this is the initial public offer of the Equity Shares by our Company, no sum has been paid or has been payable as commission or brokerage for subscribing to or procuring or agreeing to procure subscription for any of our Equity Shares 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, 1956 WHICH MADE ANY CAPITAL ISSUE DURING THE LAST THREE YEARS

None of the equity shares of our Group Companies are listed on any recognized stock exchange. None of the above companies have raised any capital during the past three years.

PROMISE VERSUS PERFORMANCE FOR OUR COMPANY

Our Company is an “Unlisted Issuer” in terms of the SEBI (ICDR) Regulations, and this Issue is an “Initial Public Offering” in terms of the SEBI (ICDR) Regulations. Therefore, data regarding promise versus performance is not applicable to us.

OUTSTANDING DEBENTURES, BONDS, REDEEMABLE PREFERENCE SHARES AND OTHER INSTRUMENTS ISSUED BY OUR COMPANY

As on the date of this Red Herring Prospectus, our Company has no outstanding debentures, bonds or redeemable preference shares.

STOCK MARKET DATA FOR OUR EQUITY SHARES

Our Company is an “Unlisted Issuer” in terms of the SEBI (ICDR) Regulations, and this Issue is an “Initial Public Offering” in terms of the SEBI (ICDR) Regulations. Thus there is no stock market data available for the Equity Shares of our Company.

MECHANISM FOR REDRESSAL OF INVESTOR GRIEVANCES

The Agreement between the Registrar and Our Company provides for retention of records with the Registrar for a period of at least three year from the last date of dispatch of the letters of allotment, demat credit and unblocking of funds 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 Compliance Officer, giving full details such as the name, address of the bidder, 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 / Bidder, number of Equity Shares applied for, amount paid on application and the Designated Branch or the collection centre of the SCSB where the Application Form was submitted by the ASBA applicants / bidders. Anchor Investors are required to address all grievances in relation to the Issue to the BRLM

DISPOSAL OF INVESTOR GRIEVANCES BY OUR COMPANY

Our Company or the Registrar to the Issue or the SCSB in case of ASBA Bidders shall redress routine investor grievances within 15 working days from the date of receipt of the complaint. In case of non-routine complaints and complaints where external agencies are involved, our Company will seek to redress these complaints as expeditiously as possible.

We have constituted the Stakeholders Relationship Committee/ Investor Grievance Committee of the Board *vide* resolution passed at the Board Meeting held on December 1, 2017. For further details, please refer to the chapter titled “*Our Management*” beginning on page 141 of this Red Herring Prospectus.

Our Company has appointed Ekta Shukla as Company Secretary & Compliance Officer and she may be contacted at the following address:

Ekta Shukla

Macpower CNC Machines Limited

Plot No.2234, Nr. Krnati Gate,

GIDC Metoda, Tal Lodhika Dist Rajkot

Gujarat 360021 India.

Tel: 02827-287932

Fax: +91 2827 287933

Email: cs@macpowercnc.com

Website: www.macpowercnc.com

Investors can contact the Company Secretary & 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 unblocking of funds, *etc.*

CHANGES IN AUDITORS DURING THE LAST THREE FINANCIAL YEARS

There has been no change in the auditors of the Company in the last 3 years.

CAPITALISATION OF RESERVES OR PROFITS

Save and except as stated in the chapter titled “*Capital Structure*” beginning on page 64 of this Red Herring Prospectus, our Company has not capitalized its reserves or profits during the last five years.

REVALUATION OF ASSETS

Our Company has not revalued its assets since incorporation.

PURCHASE OF PROPERTY

Except as disclosed in this Red Herring Prospectus, there is no property which has been purchased or acquired or is proposed to be purchased or acquired which is to be paid for wholly or partly from the proceeds of the present Issue or the purchase or acquisition of which has not been completed on the date of this Red Herring Prospectus.

Except as stated elsewhere in this Red Herring Prospectus, Our Company has not purchased any property in which the Promoters and / or Directors have any direct or indirect interest in any payment made there under.

SERVICING BEHAVIOR

There has been no default in payment of statutory dues or of interest or principal in respect of our borrowings or deposits.

SECTION VII- ISSUE INFORMATION TERMS OF THE ISSUE

The Equity Shares being issued and transferred pursuant to this Issue shall be subject to the provisions of the Companies Act, 2013, SEBI ICDR Regulations, SCRA, SCRR, the Memorandum and Articles of Association, the SEBI Listing Regulations, the terms of the Red Herring Prospectus, the Abridged Prospectus, Bid cum Application Form, the Revision Form, the CAN/ the Allotment Advice 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, rules, 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 FIPB, the Stock Exchanges, the RBI, RoC and/or other authorities, as in force on the date of the Issue and to the extent applicable or such other conditions as may be prescribed by SEBI, the RBI, the Government of India, the FIPB, the Stock Exchanges, the RoC and any other authorities while granting their approval for the Issue. SEBI has notified the SEBI Listing Regulations on September 2, 2015, which among other things governs the obligations applicable to a listed company which were earlier prescribed under the Equity Listing Agreement. The Listing Regulations have become effective from December 1, 2015.

Please note that, in terms of SEBI Circular No. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015. All the investors applying in a public issue shall use only Application Supported by Blocked Amount (ASBA) facility for making payment.

Further vide the said circular Registrar to the Issue and Depository Participants have been also authorised to collect the Application forms. Investors may visit the official website of the concerned stock exchange for any information on operationalization of this facility of form collection by Registrar to the Issue and DPs as and when the same is made available.

RANKING OF EQUITY SHARES

The Equity Shares being issued and transferred in the Issue shall be subject to the provisions of the Companies Act, 2013 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 upon 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 in accordance with Companies Act, 1956 and Companies Act, 2013 and the Articles. For further details, please refer to the section titled “*Main Provisions of Articles of Association*” beginning on page number 279 of this Red herring Prospectus.

MODE OF PAYMENT OF DIVIDEND

The declaration and payment of dividend will be as per the provisions of Companies Act, SEBI Listing Regulations and recommended by the Board of Directors at their discretion and approved by the shareholders and will depend on a number of factors, including but not limited to earnings, capital requirements and overall financial condition of our Company. We shall pay dividend, if declared, to our Shareholders as per the provisions of the Companies Act, SEBI Listing Regulations and our Articles of Association. For further details, please refer to the chapter titled “*Dividend Policy*” on page 163 of this Red Herring Prospectus.

FACE VALUE AND ISSUE PRICE PER SHARE

The face value of the Equity Shares is Rs. 10 each and the Issue Price at the lower end of Price Band is Rs. [●] per Equity Share and at the higher end of the Price Band is Rs. [●] per Equity Share.

Anchor Investor Allocation Price is Rs. [●] per Equity Share.

The Price Band and the minimum Bid Lot size for the Issue will be decided by our Company in consultation with the BRLM and advertised in all edition of the English national newspaper Business Standard, all edition of the Hindi national newspaper Business Standard and the Regional newspaper Western Times, each with wide circulation, at least five Working Days prior to the Bid/Issue Opening Date and shall be made available to the Stock Exchanges for the purpose of uploading the same on their websites. The Price Band, along with the relevant financial ratios calculated at the Floor Price and at the Cap Price, shall be prefilled in the Bid cum Application Forms available on the websites of the Stock Exchanges.

At any given point of time there shall be only one denomination of 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 receive Annual Reports & notices to members;
- 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 issue 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, 2013 Act, the terms of the SEBI Listing Regulations 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 number 279 of this Red herring Prospectus.

MINIMUM APPLICATION VALUE, MARKET LOT AND TRADING LOT

Pursuant to Section 29 of the Companies Act, 2013 the Equity Shares shall be allotted only in dematerialised form. As per the SEBI ICDR Regulations, the trading of the Equity Shares shall only be in dematerialised form. In this context, two agreements have been signed amongst our Company, the respective Depositories and the Registrar to the Issue:

- Agreement dated January 11, 2018 amongst NSDL, our Company and the Registrar to the Issue; and
- Agreement dated January 08, 2018 amongst CDSL, our Company and the Registrar to the Issue.

Since trading of the Equity Shares is in dematerialised form, the tradable lot is [●] Equity Share. Allotment in this Issue will be only in electronic form in multiples of one Equity Share subject to a minimum Allotment of [●] 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 Issue will be done in multiples of [●] Equity

Share subject to a minimum allotment of [●] Equity Shares to the successful applicants.

MINIMUM NUMBER OF ALLOTTEES

Further in accordance with the Regulation 106R of SEBI (ICDR) Regulations, 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 blocked by the SCSBs shall be unblocked within 4 working days of closure of issue.

JURISDICTION

Exclusive jurisdiction for the purpose of this Issue is with the competent courts / authorities in Mumbai, Maharashtra, India.

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

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be issued or sold, and applications may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

JOINT HOLDER

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 BIDDERS

In accordance with Section 72 of the Companies Act, 2013 the sole Bidder, or the first Bidder along with other joint Bidders, may nominate any one person in whom, in the event of the death of sole Bidder or in case of joint Bidders, death of all the Bidders, 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 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/transfer/alienation of equity share(s) by the person nominating. A buyer will be entitled to make a fresh nomination in the manner prescribed. Fresh nomination can be made only on the prescribed form available on request at our Registered Office or to the registrar and transfer agents of our Company

Any person who becomes a nominee by virtue of 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.

WITHDRAWAL OF THE ISSUE

Our Company in consultation with the BRLM, reserve the right to not to proceed with the Issue after the Bid/Issue Opening Date but before the Allotment. In such an event, our Company would issue a public notice in the newspapers in which the pre-Issue advertisements were published, within two days of the Bid/Issue Closing Date or such other time as may be prescribed by SEBI, providing reasons for not proceeding with the Issue. The Book Running Lead Manager through, the Registrar to the Issue, shall notify the SCSBs to unblock the bank accounts of the ASBA Bidders within one Working Day from the date of receipt of such notification. Our Company shall also inform the same to the Stock Exchanges on which Equity Shares are proposed to be listed.

Notwithstanding the foregoing, this Issue is also subject to obtaining (i) the final listing and trading approvals of the Stock Exchange, which our Company shall apply for after Allotment, and (ii) the final RoC approval of the Prospectus after it is filed with the RoC. If our Company withdraws the Issue after the Bid/ Issue Closing Date and thereafter determines that it will proceed with an issue/issue for sale of the Equity Shares, our Company shall file a fresh Red Herring Prospectus with Stock Exchange.

BID/ ISSUE OPENING DATE

| | |
|---|------------------------------|
| Bid / Issue Opening Date | March 12, 2018 |
| Bid / Issue Closing Date | March 14, 2018 |
| Finalisation of Basis of Allotment with the Designated Stock Exchange | March 19, 2018 |
| Initiation of Refunds | On or before March 20 , 2018 |
| Credit of Equity Shares to demat accounts of Allotees | On or before March 21, 2018 |
| Commencement of trading of the Equity Shares on the Stock Exchange | On or before March 22, 2018 |

**Our Company may, in consultation with the BRLM, consider participation by Anchor Investors. The Anchor Investor Bid/Issue Period shall be one Working Day prior to the Bid/Issue Opening Date in accordance with the SEBI Regulations.*

The above timetable is indicative and does not constitute any obligation on our Company, and the BRLM. Whilst our Company shall ensure that all steps for the completion of the necessary formalities for the listing and the commencement of trading of the Equity Shares on the Stock Exchange are taken within 6 Working Days of the Bid/Issue Closing Date, the timetable may change due to various factors, such as extension of the Bid/Issue Period by our Company, revision of the Price Band or any delays in receiving the final listing and trading approval from the Stock Exchange. The Commencement of trading of the Equity Shares will be entirely at the discretion of the Stock Exchange and in accordance with the applicable laws.

Bids and any revision to the same shall be accepted **only between 10.00 a.m. and 5.00 p.m. (IST)** during the Bid/Issue Period. On the Bid/Issue Closing Date, the Bids and any revision to the same shall be accepted between **10.00 a.m. and 5.00 p.m. (IST)** or such extended time as permitted by the Stock

Exchanges, in case of Bids by Retail Individual Bidders after taking into account the total number of Bids received up to the closure of timings and reported by the Book Running Lead Manager to the Stock Exchanges. It is clarified that Bids not uploaded on the electronic system would be rejected. Bids will be accepted only on Working Days, i.e., Monday to Friday (excluding any public holiday).

Due to limitation of time available for uploading the Bids on the Bid/Issue Closing Date, the Bidders are advised to submit their Bids one day prior to the Bid/Issue Closing Date and, in any case, no later than 5.00 p.m. (IST) on the Bid/Issue Closing Date. All times mentioned in this Red Herring Prospectus are Indian Standard Times. Bidders are cautioned that in the event a large number of Bids are received on the Bid/Issue Closing Date, as is typically experienced in public issue, some Bids may not get uploaded due to lack of sufficient time. Such Bids that cannot be uploaded will not be considered for allocation under the Issue. Bids will be accepted only on Business Days. Neither our Company nor the Book Running Lead Manager is liable for any failure in uploading the Bids due to faults in any software/hardware system or otherwise. Any time mentioned in this Red Herring Prospectus is Indian Standard Time.

Our Company in consultation with the BRLM, reserves the right to revise the Price Band during the Bid/ Issue Period, provided that the Cap Price shall be less than or equal to 120% of the Floor Price and the Floor Price shall not be less than the face value of the Equity Shares. The revision in Price Band shall not exceed 20% on the either side i.e. the floor price can move up or down to the extent of 20% of the Floor Price and the Cap Price will be revised accordingly.

In case of revision of the Price Band, the Bid/Issue Period will be extended for at least three additional working days after revision of Price Band subject to the Bid/ Issue Period not exceeding 10 working days. Any revision in the Price Band and the revised Bid/ Issue Period, if applicable, will be widely disseminated by notification to the Stock Exchange, by issuing a press release and also by indicating the changes on the websites of the Book Running Lead Manager and at the terminals of the Syndicate Member.

In case of any discrepancy in the data entered in the electronic book vis-à-vis the data contained in the Bid cum Application Form, for a particular Bidder, the Registrar to the Issue shall ask for rectified data

MINIMUM SUBSCRIPTION

This Issue is not restricted to any minimum subscription level and is 100% underwritten.

As per Section 39 of the Companies Act, 2013, if the “stated minimum amount” has not be subscribed and the sum payable on application is not received within a period of 30 days from the date of the Red Herring Prospectus, the application money has to be returned within such period as may be prescribed. If our Company does not receive the 100% subscription of the issue through the Issue 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.

In accordance with Regulation 106 P (1) of the SEBI (ICDR) Regulations, our Issue shall be hundred percent underwritten. Thus, the underwriting obligations shall be for the entire hundred percent of the issue through the Red Herring Prospectus and shall not be restricted to the minimum subscription level.

Further, in accordance with Regulation 106(R) of the SEBI (ICDR) Regulations, our Company shall ensure that the number of prospective allottees to whom the Equity Shares will be allotted will not be less than 50 (Fifty)

Further, in accordance with Regulation 106(Q) of the SEBI (ICDR) Regulations, our Company shall ensure that the minimum application size in terms of number of specified securities shall not be less than Rs.1,00,000/- (Rupees One Lakh) per application.

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 issued or sold, and applications may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

MIGRATION TO MAIN BOARD

Our company may migrate to the Main board of NSE from SME Exchange on a later date subject to the following:

- If the Paid up Capital of our Company is likely to increase above Rs. 2,500 lakhs by virtue of any further issue of capital by way of rights issue, 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 Promoter in favour of the proposal amount to at least two times the number of votes cast by shareholders other than promoter shareholders against the proposal and for which the company has obtained in-principal approval from the Main Board), our Company shall apply to NSE for listing of its shares on its Main Board subject to the fulfilment of the eligibility criteria for listing of specified securities laid down by the Main Board.

OR

- If the Paid up Capital of our company is more than Rs. 1,000 lakhs but below Rs. 2,500 lakhs, our Company may still apply for migration to the Main Board and if the Company fulfils the eligible criteria for listing laid by the Main Board and if the same has been approved by a special resolution through postal ballot wherein the votes cast by the shareholders other than the Promoter in favour of the proposal amount to at least two times the number of votes cast by shareholders other than promoter shareholders against the proposal.

MARKET MAKING

The shares issued and transferred through this Issue are proposed to be listed on the EMERGE Platform of NSE with compulsory market making through the registered Market Maker of the SME Exchange for a minimum period of three years or such other time as may be prescribed by the Stock Exchange, from the date of listing on NSE EMERGE. For further details of the market making arrangement please refer to chapter titled “*General Information*” beginning on page 54 of this Red herring Prospectus.

ARRANGEMENT FOR DISPOSAL OF ODD LOT

The trading of the equity shares will happen in the minimum contract size of [●] shares in terms of the SEBI circular no. CIR/MRD/DSA/06/2012 dated February 21, 2012. However, the market maker shall buy the entire shareholding of a shareholder in one lot, where value of such shareholding is less than the minimum contract size allowed for trading on NSE EMERGE.

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.

OPTION TO RECEIVE SECURITIES IN DEMATERIALIZED FORM

In accordance with the SEBI ICDR Regulations, Allotment of Equity Shares to successful applicants will only be in the dematerialized form. Applicants will not have the option of Allotment of the Equity Shares in physical form. The Equity Shares on Allotment will be traded only on the dematerialized segment of the Stock Exchange. Allottees shall have the option to re-materialise the Equity Shares, if they so desire, as per the provisions of the Companies Act and the Depositories Act.

NEW FINANCIAL INSTRUMENTS

There are no new financial instruments such as deep discounted bonds, debenture, warrants, secured premium notes, etc. issued by our Company.

APPLICATION BY ELIGIBLE NRIs, FPI'S REGISTERED WITH SEBI, VCF'S, AIF'S REGISTERED WITH SEBI AND QFI'S

It is to be understood that there is no reservation for Eligible NRIs or FPIs or QFIs or VCFs or AIFs registered with SEBI. Such Eligible NRIs, QFIs, FPIs, VCFs or AIFs registered with SEBI will be treated on the same basis with other categories for the purpose of Allocation.

RESTRICTIONS, IF ANY ON TRANSFER AND TRANSMISSION OF EQUITY SHARES

Except for lock-in of the pre-Issue Equity Shares and Promoter's minimum contribution and the Anchor Investor in the Issue as detailed in the chapter "*Capital Structure*" beginning on page 64 of this Red herring 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 279 of this Red herring Prospectus.

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 Book Running Lead Manager do not accept any responsibility for the completeness and accuracy of the information stated hereinabove. Our Company and the Book Running 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 Red herring 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)(1) of Chapter XB of SEBI (ICDR) Regulations, 2009, as amended from time to time, whereby, our post issue face value capital exceeds ten crore rupees but does not exceed twenty five crores. The Company shall 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 EMERGE Platform of NSE). 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 210 and 222 of this Red Herring Prospectus.

The Company has undertaken in consultation with the BRLM, a private placement of 4,25,000 Equity Shares for cash consideration aggregating to Rs. 535.50 lakhs ("Pre IPO Placement"). The size of the issue as disclosed in the Draft Red Herring Prospectus dated February 06, 2018 has been reduced from 30,40,000 Equity Shares to 26,15,000 Equity Shares accordingly. **Following is the issue structure:**

Initial Public Issue of Up to 26,15,000 Equity Shares of face value of Rs. 10/- each fully paid (the 'Equity Shares') for cash at a price of Rs. [●] (including a premium of Rs. [●]) aggregating to Rs. [●]. The Issue comprises a Net Issue to the public of up to 24,62,000 Equity Shares (the "Net Issue"). The Issue and Net Issue will constitute [●] and [●] of the post-Issue paid-up Equity Share capital of our Company.

The issue comprises a reservation of upto 1,53,000 Equity Shares of Rs. 10 each for subscription by the designated Market Maker ("the Market Maker Reservation Portion").

| Particulars | Net issue to Public* | Market Maker Reservation Portion | Non Institutional Bidders | Retail Individual Bidders |
|--|--|----------------------------------|--|---|
| Number of Equity Shares | Upto 24,62,000 Equity Shares | Upto 1,53,000 Equity Shares | Up to [●] Equity Shares | Up to [●] Equity Shares |
| Percentage of Issue Size available for allocation | 49.96% of Net the Issue size shall be available for allocation to QIBs. However, up to 5% of net QIB Portion (excluding the Anchor Investor Portion) will be available for allocation proportionately to Mutual Fund only. Upto 60% of the QIB Portion may be available for allocation to Anchor Investors and one-third of the Anchor Investors Portion shall be available for allocation to domestic mutual funds only* | [●] of Issue Size | [●] % of the net Issue shall be available for allocation | [●] % of Issue Size |
| Basis of Allotment / Allocation if respective | Proportionate as follows (excluding the Anchor Investor Portion:- | Firm allotment | Proportionate | Proportionate subject to minimum allotment of [●] |

| Particulars | Net issue to Public* | Market Maker Reservation Portion | Non Institutional Bidders | Retail Individual Bidders |
|------------------------------------|--|---|--|---|
| category is oversubscribed | <p>a) upto [●] Equity Shares, shall be available for allocation on a proportionate basis to Mutual Funds only and;</p> <p>b) [●] Equity shares shall be allotted on a proportionate basis to all QIBs including Mutual Funds receiving allocation as per (a) above</p> <p>[●] Equity Shares may be allocated on a discretionary basis to Anchor Investors</p> <p>For further details please refer to the section titled “<i>Issue Procedure</i>” beginning on page 222 of the Red Herring Prospectus</p> | | | equity shares and further allotment in multiples of [●] equity shares each. For further details please refer to the section titled “ <i>Issue Procedure</i> ” beginning on page 222 of this Red Herring |
| Mode of Bid cum Application | Online or Physical through ASBA Process only (except Anchor Investors) | Through ASBA Process only | Through the ASBA Process only | Through ASBA Process only |
| Minimum Bid Size | <p><i>For QIB and NII</i> Such number of Equity Shares in multiples of [●] Equity Shares such that the Application size exceeds Rs 2,00,000</p> <p><i>For Retail Individuals</i> [●] Equity shares</p> | [●] Equity Shares of Face Value of Rs. 10.00 each | Such number of Equity shares in multiple of [●] Equity shares that Application size exceeds Rs. 2,00,000 | Up to [●] Equity Shares in multiple of [●] Equity shares |
| Maximum Bid Size | <p><i>For Other than Retail Individual Investors:</i> For all other investors the maximum application size is the Net Issue to public subject to limits as the investor has to adhere under the relevant laws</p> | [●] Equity Shares of Face Value of Rs 10 each | Such number of Equity Shares in multiples of [●] Equity Shares not exceeding the size of the Issue, subject to limits as | Such number of Equity Shares in multiples of [●] Equity Shares so that the Bid Amount does not exceed Rs. 2,00,000 |

| Particulars | Net issue to Public* | Market Maker Reservation Portion | Non Institutional Bidders | Retail Individual Bidders |
|--------------------------|--|--|--|--|
| | and regulations as applicable. For Retail Individuals: [●]Equity Shares | | applicable to the Bidder | |
| Mode of Allotment | Compulsorily in Dematerialised mode | Compulsorily in Dematerialised mode | Compulsorily in Dematerialised mode | Compulsorily in Dematerialised mode |
| Trading Lot | [●] Equity Shares | [●] Equity Shares, however the Market Maker may accept odd lots if any in the market as required under the SEBI ICDR Regulations | [●] Equity Shares and in multiples thereof | [●] Equity Shares and in multiples thereof |
| Terms of payment | The entire Bid Amount will be payable at the time of submission of the Bid Form | | | |

- 1) *Our Company, in consultation with the BRLM may allocate upto 60% of the QIB Portion to Anchor Investors on a discretionary basis, in accordance with the SEBI (ICDR) Regulations, 2009, as amended. One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Price. For further details please refer to the section titled "Issue Procedure" beginning on page 222 of the Red Herring Prospectus;*
- 2) *Bid Amount shall be payable by the Anchor Investors at the time of submission of the Anchor Investor Application Form*
- 3) *Subject to valid Bids being received at or above the Issue Price, under-subscription, if any, in any category other than the QIB Category would be allowed to be met with spill-over from other categories or a combination of categories at the discretion of our Company, in consultation with the BRLM and the Designated Stock Exchange. However, under-subscription, if any, in the QIB Portion will not be allowed to be met with spill-over from other categories or a combination of categories.*
- 4) *The QIB Portion includes Anchor Investor Portion, as per the SEBI Regulations. Anchor Investor shall pay the entire Bid Amount at the time of submission of the Anchor Investor Bid. Provided that any difference between the Anchor Investor Allocation Price and Anchor Investor Allocation Price, shall be payable by Anchor Investor Pay-in Date*
- 5) *The Issue is being made through the Book Building Process, wherein not more than 49.96% of the Net Issue shall be available for allocation on a proportionate basis to QIBs, provided that our Company, in consultation with the BRLM may allocate upto 60% of the QIB Portion to Anchor Investors on a discretionary basis. One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price. In the event of undersubscription in the Anchor Investor Portion, the remaining Equity Shares shall be added to the QIB Portion. 5% of the QIB*

Portion (excluding the Anchor Investor Portion) shall be available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the QIB Portion (excluding Anchor Investor Portion) shall be available for allocation on a proportionate basis to all QIB Bidders, including Mutual Funds, subject to valid Bids being received at or above the Issue Price. In the event the aggregate demand from Mutual Funds is less than as specified above, the balance Equity Shares available for Allotment in the Mutual Fund Portion will be added to the QIB Portion and allocated proportionately to the QIB Bidders (other than Anchor Investors) in proportion to their Bids. Further not less than 15% of the Net Issue shall be available for allocation on a proportionate basis to Non Institutional Bidders and not less than 35% of the Net Issue shall be available for allocation on a proportionate basis to Retail Individual Bidders, subject to valid Bids being received at or above the Issue Price.

In case of joint Bids, the Bid cum Application Form should contain only the name of the first Bidder whose name should also appear as the first holder of the beneficiary account held in joint names. The signature of only such first Bidder would be required in the Bid cum Application Form and such first Bidder would be deemed to have signed on behalf of the joint holders.

WITHDRAWAL OF THE ISSUE

Our Company in consultation with the BRLM, reserve the right to not to proceed with the Issue after the Bid/Issue Opening Date but before the Allotment. In such an event, our Company would issue a public notice in the newspapers in which the pre-Issue advertisements were published, within two days of the Bid/Issue Closing Date or such other time as may be prescribed by SEBI, providing reasons for not proceeding with the Issue. The Book Running Lead Manager through, the Registrar to the Issue, shall notify the SCSBs to unblock the bank accounts of the ASBA Bidders within one Working Day from the date of receipt of such notification. Our Company shall also inform the same to the Stock Exchanges on which Equity Shares are proposed to be listed.

Notwithstanding the foregoing, this Issue is also subject to obtaining (i) the final listing and trading approvals of the Stock Exchanges, which our Company shall apply for after Allotment, and (ii) the final RoC approval of the Prospectus after it is filed with the RoC. If our Company withdraws the Issue after the Bid/ Issue Closing Date and thereafter determines that it will proceed with an issue for sale of the Equity Shares, our Company shall file a fresh Red Herring Prospectus with Stock Exchange. In terms of the SEBI Regulations, Non retail applicants shall not be allowed to withdraw their Application after the Issue Closing Date.

BID/ ISSUE OPENING DATE

| | |
|---|-----------------------------|
| Bid / Issue Opening Date* | March 12, 2018 |
| Bid / Issue Closing Date | March 14, 2018 |
| Finalisation of Basis of Allotment with the Designated Stock Exchange | March 19, 2018 |
| Initiation of Refunds | On or before March 20, 2018 |
| Credit of Equity Shares to demat accounts of Allottees | On or before March 21, 2018 |
| Commencement of trading of the Equity Shares on the Stock Exchange | On or before March 22, 2018 |

**Our Company may, in consultation with the BRLM and Selling Shareholder, consider participation by Anchor Investors. The Anchor Investor shall Bid in the Anchor Investor Bid/Offer Period i.e. one Working Day prior to the Bid/Offer Opening Date*

Applications and any revisions to the same will be accepted only between 10.00 a.m. and 5.00 p.m. (Indian Standard Time) during the Issue Period at the Application Centres mentioned in the Application Form, 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., all trading days of stock exchanges excluding Sundays and bank holidays

ISSUE PROCEDURE

All Bidders should review the General Information Document for Investing in public issues prepared and issued in accordance with the circular (CIR/CFD/DIL/12/2013) dated October 23, 2013 notified by SEBI (“General Information Document”), and including SEBI circular bearing number CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 and SEBI circular bearing number SEBI/HO/CFD/DIL/CIR/P/2016/26 dated January 21, 2016 included below under “Part B – General Information Document”, which highlights the key rules, processes and procedures applicable to public issues in general in accordance with the provisions of the Companies Act, 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 reflect the enactments and regulations, to the extent applicable to a public issue. The General Information Document is also available on the websites of the Stock Exchanges and the BRLM. Please refer to the relevant provisions of the General Information Document which are applicable to the Issue.

Our Company and the BRLM do not accept any responsibility for the completeness and accuracy of the information stated in this section and are not liable for any amendment, modification or change in the applicable law which may occur after the date of this Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that their Bids are submitted in accordance with applicable laws and do not exceed the investment limits or maximum number of the Equity Shares that can be held by them under applicable law or as specified in this Red Herring Prospectus.

Please note that all the Bidders can participate in the Issue only through the ASBA process. All Bidders shall ensure that the ASBA Account has sufficient credit balance such that the full Bid Amount can be blocked by the SCSB at the time of submitting the Bid. Please note that all Bidders are required to make payment of the full Bid Amount along with the Bid cum Application Form.

Bidders are required to submit Bids to the Selected Branches / Offices of the RTAs, DPs, Designated Bank Branches of SCSBs or to the Syndicate Members. The lists of banks that have been notified by SEBI to act as SCSB (Self Certified Syndicate Banks) for the ASBA Process are provided on <http://www.sebi.gov.in>. For details on designated branches of SCSB collecting the Bid cum Application Form, please refer the above mentioned SEBI link. The list of Stock Brokers, Depository Participants (“DP”), Registrar to an Issue and Share Transfer Agent (“RTA”) that have been notified by National Stock Exchange of India Ltd. to act as intermediaries for submitting Bid cum Application Forms are provided on <http://www.nseindia.com> For details on their designated branches for submitting Bid cum Application Forms, please see the above mentioned NSE website.

Pursuant to the SEBI (Issue of Capital and Disclosure Requirements) (Fifth Amendment) Regulations, 2015, the ASBA process become mandatory for all investors w.e.f. January 1, 2016 and it allows the registrar, share transfer agents, depository participants and stock brokers to accept Bid cum Application Forms.

BOOK BUILDING PROCEDURE

The Issue is being made through the Book Building Process wherein 49.96% of the Net Issue shall be available for allocation to Qualified Institutional Buyers on a proportionate basis provided that Our Company in consultation with the BRLM may allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis in accordance with SEBI Regulation. One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price. In the event of under-subscription in the Anchor Investor Portion, the remaining Equity Shares shall be added to the QIB Portion. 5% of the QIB Portion (excluding Anchor Investor Portion) shall be available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the QIB Portion (excluding Anchor Investor Portion) shall be available for allocation on a proportionate basis to all QIB Bidders, including Mutual Funds, subject to valid Bids being received at or above the Issue Price. In the event the aggregate demand from Mutual Funds is less than as specified above, the balance Equity Shares available for Allotment in the Mutual Fund Portion will be added to the QIB Portion and allocated proportionately to the QIB Bidders (other than Anchor Investors) in proportion to their Bids.

Further not less than 15% of the Net Issue shall be available for allocation on a proportionate basis to Non Institutional Bidders and not less than 35% of the Net Issue shall be available for allocation on a proportionate basis to Retail Individual Bidders, subject to valid Bids being received at or above the Issue Price.

Subject to the valid Bids being received at or above the Issue Price, allocation to all categories in the Net Issue, shall be made on a proportionate basis, except for the Retail Portion where Allotment to each Retail Individual Bidders shall not be less than the minimum Bid lot, subject to availability of Equity Shares in Retail Portion, and the remaining available Equity Shares, if any, shall be allotted on a proportionate basis. Under subscription, if any, in any category, would be allowed to be met with spill over from any other category or a combination of categories at the discretion of our Company in consultation with the BRLM and the Stock Exchange.

Investors should note that according to section 29(1) of the Companies Act, 2013, allotment of Equity Shares to all successful Bidders will only be in the dematerialised form. The Bid cum Application Forms which do not have the details of the Bidder's depository account including DP ID, PAN and Beneficiary Account Number shall be treated as incomplete and rejected. In case DP ID, Client ID and PAN mentioned in the Bid cum Application Form and entered into the electronic system of the stock exchanges, do not match with the DP ID, Client ID and PAN available in the depository database, the bid is liable to be rejected. Bidders will not have the option of getting allotment of the Equity Shares in physical form. The Equity Shares on allotment shall be traded only in the dematerialised segment of the Stock Exchanges.

BID CUM APPLICATION FORM

Copies of the Bid cum Application Form and the abridged prospectus will be available at the offices of the BRLM, the Designated Intermediaries at Bidding Centres, and Registered Office of our Company. An electronic copy of the Bid cum Application Form will also be available for download on the websites of the NSE (www.nseindia.com), the SCSBs, the Registered Brokers, the RTAs and the CDPs at least one day prior to the Bid/Issue Opening Date. Physical Bid cum Application Forms for Anchor Investors shall be made available at the offices of the BRLM

All Bidders (other than Anchor investor) shall mandatorily participate in the Offer only through the ASBA process. ASBA Bidders must provide bank account details and authorisation to block funds in the relevant space provided in the Bid cum Application Form and the Bid cum Application Forms that do not contain such details are liable to be rejected.

ASBA Bidders shall ensure that the Bids are made on Bid cum Application Forms bearing the stamp of the Designated Intermediary, submitted at the Collection Centres only (except in case of electronic Bid cum Application Forms) and the Bid cum Application Forms not bearing such specified stamp are liable to be rejected.

The prescribed colour of the Bid cum Application Form for various categories is as follows:

| Category | Colour of Bid cum Application Form* |
|---|--|
| Resident Indians and Eligible NRIs applying on a non-repatriation basis | White |
| Non-Residents and Eligible NRIs, FIIs, FVCIs, etc. applying on a repatriation basis | Blue |
| Anchor Investors** | As prescribed by the Issuer |

**excluding electronic Bid cum Application Form*

*** Bid cum Application Forms for Anchor Investors shall be available at the offices of the BRLM*

Designated Intermediaries (other than SCSBs) shall submit/deliver the Bid cum Application Forms to respective SCSBs where the Bidder has a bank account and shall not submit it to any non-SCSB Bank.

WHO CAN BID?

In addition to the category of Bidders set forth under “***General Information Document for Investing in Public Issues – Category of Investors Eligible to participate in an Issue***”, the following persons are also eligible to invest in the Equity Shares under all applicable laws, regulations and guidelines, including:

- FPIs and sub-accounts registered with SEBI other than Category III foreign portfolio investor;
- Category III foreign portfolio investors, which are foreign corporates or foreign individuals only under the Non Institutional Investors (NIIs) category;
- Scientific and/ or industrial research organisations authorised in India to invest in the Equity Shares.

MAXIMUM AND MINIMUM APPLICATION SIZE

a) For Retail Individual Bidders:

The Bid must be for a minimum of [●] Equity Shares and in multiples of [●] Equity Shares thereafter, so as to ensure that the Bid Amount payable by the Bidder does not exceed Rs 2,00,000. In case of revision of Bid, the Retail Individual Bidders have to ensure that the Bid Amount does not exceed Rs. 2,00,000.

b) For Other Bidders (Non-Institutional Bidders and QIBs):

The Bid cum Application must be for a minimum of such number of Equity Shares such that the Bid Amount exceeds Rs.2,00,000 and in multiples of [●] Equity Shares thereafter. A Bid cannot be submitted for more than the Issue Size. However, the maximum Bid by a QIB investor should not exceed the investment limits prescribed for them by applicable laws. **A QIB and a Non-Institutional Bidder cannot withdraw or lower the size of their Bid at any stage and are required to pay the entire Bid Amount upon submission of the Bid.** The identity of QIBs applying in the Net Issue shall not be made public during the Issue Period. In case of revision in Bid, the Non-Institutional Bidders, who are individuals, have to ensure that the Bid Amount is greater than Rs 2,00,000 for being considered for allocation in the Non-Institutional Portion.

INFORMATION FOR THE BIDDERS

- a. **Our Company shall file the Red Herring Prospectus with the RoC at least three working days before the Bid / Issue Opening Date.**
- b. **Our Company shall, after registering the Red Herring Prospectus with the RoC, make a pre-Issue advertisement, in the form prescribed under the ICDR Regulations, in English and Hindi national newspapers and one regional newspaper with wide circulation. In the pre-Issue advertisement, our Company and the Book Running Lead Manager shall advertise the Issue Opening Date, the Issue Closing Date. This advertisement, subject to the provisions of the Companies Act, shall be in the format prescribed in Part A of Schedule XIII of the ICDR Regulations.**
- c. **The Price Band as decided by our Company in consultation with the Book Running Lead Manager is Rs. [●] per Equity Share. The Floor Price of Equity Shares is Rs. [●] per Equity Share and the Cap Price is Rs. [●] per Equity Share and the minimum bid lot is of [●] Equity Shares. Our Company shall also announce the Price Band at least five Working Days before the Issue Opening Date in English and Hindi national newspapers and one regional newspaper with wide circulation.**
- d. **This announcement shall contain relevant financial ratios computed for both upper and lower end of the Price Band. Further, this announcement shall be disclosed on the websites of the Stock Exchanges where the Equity Shares are proposed to be listed and shall also be pre-filled in the Bid cum Application Forms available on the websites of the stock exchanges.**
- e. **The Issue Period shall be for a minimum of three Working Days. In case the Price Band is revised, the Issue Period shall be extended, by an additional three Working Days, subject to the total Issue Period not exceeding ten Working Days. The revised Price Band and Issue Period will be widely disseminated by notification to the SCSBs and Stock Exchanges, and by publishing in English and Hindi national newspapers and one regional newspaper with wide circulation and also by indicating the change on the websites of the Book Running Lead Manager and at the terminals of the members of the Syndicate.**

The Bidders should note that in case the PAN, the DP ID and Client ID mentioned in the Bid cum Application Form and entered into the electronic bidding system of the Stock Exchanges by the

Syndicate Member does not match with the PAN, DP ID and Client ID available in the database of Depositories, the Bid cum Application Form is liable to be rejected.

OPTION TO SUBSCRIBE IN THE ISSUE

- a. As per Section 29(1) of the Companies Act, 2013 allotment of Equity Shares shall be in dematerialised form only.**
- b. The Equity Shares, on allotment, shall be traded on the Stock Exchange in demat segment only.**

A single Bid cum 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 and applicable law

AVAILABILITY OF RED HERRING PROSPECTUS AND BID CUM APPLICATION FORM

Copies of the Bid cum Application Form and the abridged prospectus will be available at the offices of the BRLM, the Designated Intermediaries at Bidding Centres, and Registered Office of our Company. An electronic copy of the Bid cum Application Form will also be available for download on the websites of SCSBs (via Internet Banking) and NSE (www.nseindia.com) at least one day prior to the Bid/Issue Opening Date.

APPLICATIONS BY ELIGIBLE NRI'S/ RFPI's ON REPATRIATION BASIS

Copies of the Bid cum Application Form and the abridged prospectus will be available at the offices of the BRLM, the Designated Intermediaries at Bidding Centres, and Registered Office of our Company. An electronic copy of the Bid cum Application Form will also be available for download on the websites of SCSBs (via Internet Banking) and NSE (www.nseindia.com) at least one day prior to the Bid/Issue Opening Date.

PARTICIPATION BY ASSOCIATED/ AFFILIATES OF BOOK RUNNING LEAD MANAGER AND SYNDICATE MEMBERS

The BRLM and the Syndicate Members, if any, shall not be allowed to purchase in this Issue in any manner, except towards fulfilling their underwriting obligations. However, the associates and affiliates of the BRLM and the Syndicate Members, if any, may subscribe the Equity Shares in the Issue, either in the QIB Category or in the Non-Institutional Category as may be applicable to such Bidders, where the allocation is on a proportionate basis and such subscription may be on their own account or on behalf of their clients.

APPLICATIONS BY ELIGIBLE NRI'S

NRIs may obtain copies of Bid cum Application Form from the offices of the BRLM and the Designated Intermediaries. Eligible NRI Bidders bidding on a repatriation basis by using the Non-Resident Forms should authorize their SCSB to block their Non-Resident External ("NRE") accounts, or Foreign Currency Non-Resident ("FCNR") ASBA Accounts, and eligible NRI Bidders bidding on a non-repatriation basis by using Resident Forms should authorize their SCSB to block their Non-Resident Ordinary ("NRO") accounts for the full Bid Amount, at the time of the submission of the Bid cum Application Form.

Eligible NRIs bidding on non-repatriation basis are advised to use the Bid cum Application Form for residents (white in colour).

Eligible NRIs bidding on a repatriation basis are advised to use the Bid cum Application Form meant for Non-Residents (blue in colour)

BIDS BY FPI INCLUDING FIIs

In terms of the SEBI FPI Regulations, any qualified foreign investor or FII who holds a valid certificate of registration from SEBI shall be deemed to be an FPI until the expiry of the block of three years for which fees have been paid as per the SEBI FII Regulations. An FII or a sub-account may participate in this Issue, in accordance with Schedule 2 of the FEMA Regulations, until the expiry of its registration with SEBI as an FII or a sub-account. An FII shall not be eligible to invest as an FII after registering as an FPI under the SEBI FPI Regulations.

In case of Bids made by FPIs, a certified copy of the certificate of registration issued by the designated depository participant under the FPI Regulations is required to be attached to the Bid cum Application Form, failing which our Company reserves the right to reject any Bid without assigning any reason. An FII or subaccount may, subject to payment of conversion fees under the SEBI FPI Regulations, participate in the Issue, until the expiry of its registration as a FII or sub-account, or until it obtains a certificate of registration as FPI, whichever is earlier. Further, in case of Bids made by SEBI-registered FIIs or sub-accounts, which are not registered as FPIs, a certified copy of the certificate of registration as an FII issued by SEBI is required to be attached to the Bid cum Application Form, failing which our Company reserves the right to reject any Bid without assigning any reason.

In terms of the SEBI FPI Regulations, the issue of Equity Shares to a single FPI or an investor group (which means the same set of ultimate beneficial owner(s) investing through multiple entities) must be below 10.00% of our post-Issue Equity Share capital. Further, in terms of the FEMA Regulations, the total holding by each FPI shall be below 10.00% of the total paid-up Equity Share capital of our Company and the total holdings of all FPIs put together shall not exceed 24% of the paid-up Equity Share capital of our Company. The aggregate limit of 24% may be increased up to the sectorial cap by way of a resolution passed by the Board of Directors followed by a special resolution passed by the Shareholders of our Company and subject to prior intimation to RBI. In terms of the FEMA Regulations, for calculating the aggregate holding of FPIs in a company, holding of all registered FPIs as well as holding of FIIs (being deemed FPIs) shall be included. The existing individual and aggregate investment limits an FII or sub account in our Company is 10.00% and 24% of the total paid-up Equity Share capital of our Company, respectively.

FPIs are permitted to participate in the Issue subject to compliance with conditions and restrictions which may be specified by the Government from time to time.

Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of Regulation 22 of the SEBI FPI Regulations, an FPI, other than Category III foreign portfolio and unregulated broad based funds, which are classified as Category II foreign portfolio investor by virtue of their investment manager being appropriately regulated, may issue or otherwise deal in offshore derivative instruments (as defined under the SEBI FPI Regulations as any instrument, by whatever name called, which is issued overseas by an FPI against securities held by it that are listed or proposed to be listed on any recognized stock exchange in India, as its underlying) directly or indirectly, only in the event (i) such offshore derivative instruments are issued only to persons who are regulated by an appropriate regulatory authority; and (ii) such offshore derivative instruments are issued after compliance with know your client' norms. An FPI is also required to ensure that no further issue or transfer of any offshore derivative instrument is made by or on behalf of it to any persons that are not regulated by an appropriate foreign regulatory authority.

FPIs who wish to participate in the Issue are advised to use the Bid cum Application Form for Non-Residents (blue in colour).

BIDS BY SEBI REGISTERED VCFs, AIFs and FVCIs

The SEBI FVCI Regulations and the SEBI AIF Regulations inter-alia prescribe the investment restrictions on the VCFs, FVCIs and AIFs registered with SEBI. Further, the SEBI AIF Regulations prescribe, among others, the investment restrictions on AIFs.

The holding by any individual VCF registered with SEBI in one venture capital undertaking should not exceed 25% of the corpus of the VCF. Further, VCFs and FVCIs can invest only up to 33.33% of the investible funds by way of subscription to an initial public offering.

The category I and II AIFs cannot invest more than 25% of the corpus in one Investee Company. A category III AIF cannot invest more than 10% of the corpus in one Investee Company. A venture capital fund registered as a category I AIF, as defined in the SEBI AIF Regulations, cannot invest more than 1/3rd of its corpus by way of subscription to an initial public offering of a venture capital undertaking. Additionally, the VCFs which have not re-registered as an AIF under the SEBI AIF Regulations shall continue to be regulated by the VCF Regulation until the existing fund or scheme managed by the fund is wound up and such funds shall not launch any new scheme after the notification of the SEBI AIF Regulations.

All FIIs and FVCIs should note that refunds, dividends and other distributions, if any, will be payable in Indian Rupees only and net of Bank charges and commission.

Our Company or the BRLM will not be responsible for loss, if any, incurred by the Bidder on account of conversion of foreign currency.

There is no reservation for Eligible NRIs, FPIs and FVCIs and all Bidders will be treated on the same basis with other categories for the purpose of allocation.

BIDS BY ANCHOR INVESTORS

Our Company, in consultation with the BRLM, may consider participation by Anchor Investors in the Issue for upto 60% of the QIB Portion in accordance with the SEBI Regulations. Only QIBs as defined in Regulation 2(1)(zd) of the SEBI Regulations and not otherwise excluded pursuant to Schedule XI of the SEBI Regulations are eligible to invest. The QIB Portion will be reduced in proportion to allocation under the Anchor Investor Portion. In the event of under-subscription in the Anchor Investor Portion, the balance Equity Shares will be added to the QIB Portion. In accordance with the SEBI Regulations, the key terms for participation in the Anchor Investor Portion are provided below.

1. Anchor Investor Bid cum Application Forms will be made available for the Anchor Investors at the offices of the BRLM.
2. The Bid must be for a minimum of such number of Equity Shares so that the Bid Amount is atleast 100 million. A Bid cannot be submitted for over 60% of the QIB Portion. In case of a Mutual Fund, separate Bids by individual schemes of a Mutual Fund will be aggregated to determine the minimum application size of ` 100 million.
3. One-third of the Anchor Investor Portion will be reserved for allocation to domestic Mutual Funds.
4. Bidding for Anchor Investors will open one Working Day before the Bid/ Issue Opening Date and be completed on the same day.
5. Our Company, in consultation with the BRLM, will finalize allocation to the Anchor Investors on a discretionary basis, provided that the minimum and maximum number of Allottees in the Anchor Investor Portion will be, as mentioned below:

- a. where allocation in the Anchor Investor Portion is upto Rs. 1000.00 Lakhs, maximum of 2 (two) Anchor Investors;
 - b. where the allocation under the Anchor Investor Portion is more than Rs. 1000.00 Lakhs but upto Rs. 25,000 Lakhs, minimum of 2 (two) and maximum of 15 (fifteen) Anchor Investors, subject to a minimum Allotment of Rs. 500 Lakhs per Anchor Investor; and
 - c. where the allocation under the Anchor Investor portion is more than Rs. 25,000 Lakhs: (i) minimum of 5 (five) and maximum of 15 (fifteen) Anchor Investors for allocation upto Rs. 25,000 Lakhs; and (ii) an additional 10 Anchor Investors for every additional allocation of Rs. 25,000 Lakhs or part thereof in the Anchor Investor Portion; subject to a minimum Allotment of Rs. 500 Lakhs per Anchor Investor.
6. Allocation to Anchor Investors will be completed on the Anchor Investor Bid/ Issue Period. The number of Equity Shares allocated to Anchor Investors and the price at which the allocation is made will be made available in the public domain by the BRLM before the Bid/ Issue Opening Date, through intimation to the Stock Exchange.
 7. Anchor Investors cannot withdraw or lower the size of their Bids at any stage after submission of the Bid.
 8. If the Offer Price is greater than the Anchor Investor Allocation Price, the additional amount being the difference between the Offer Price and the Anchor Investor Allocation Price will be payable by the Anchor Investors within 2 (two) Working Days from the Bid/Offer Closing Date. If the Offer Price is lower than the Anchor Investor Allocation Price, Allotment to successful Anchor Investors will be at the higher price, i.e., the Anchor Investor offer Price.
 9. At the end of each day of the bidding period, the demand including allocation made to anchor investors, shall be shown graphically on the bidding terminals of syndicate members and website of stock exchange offering electronically linked transparent bidding facility, for information of public.
 10. Equity Shares Allotted in the Anchor Investor Portion will be locked in for a period of 30 days from the date of Allotment.
 11. The BRLM, our Promoters, Promoter Group or any person related to them (except for Mutual Funds sponsored by entities related to the BRLM) will not participate in the Anchor Investor Portion. The parameters for selection of Anchor Investors will be clearly identified by the BRLM and made available as part of the records of the BRLM for inspection by SEBI.
 12. Bids made by QIBs under both the Anchor Investor Portion and the QIB Portion will not be considered multiple Bids.
 13. Anchor Investors are not permitted to Bid in the Offer through the ASBA process

BIDS BY MUTUAL FUNDS

No Mutual Fund scheme shall invest more than 10% of its net asset value in equity shares or equity related instruments of any single company provided that the limit of 10% shall not be applicable for investments in 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.

With respect to Bids by Mutual Funds, a certified copy of their SEBI registration certificate must be lodged with the Bid cum Application Form. Failing this, our Company reserves the right to accept or reject any Bid cum Application in whole or in part, in either case, without assigning any reason thereof.

In case of a mutual fund, a separate Bid cum 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 Bids clearly indicate the scheme concerned for which the Bids has been made.

The Bids made by the asset management companies or custodians of Mutual Funds shall specifically state the names of the concerned schemes for which the Applications are made.

BIDS BY LIMITED LIABILITY PARTNERSHIPS

In case of Bids made by limited liability partnerships registered under the Limited Liability Partnership Act, 2008, a certified copy of certificate of registration issued under the Limited Liability Partnership Act, 2008, must be attached to the Bid cum Application Form. Failing this, our Company reserves the right to reject any bid without assigning any reason thereof. Limited liability partnerships can participate in the Issue only through the ASBA process.

BIDS BY INSURANCE COMPANIES

In case of Bids made by insurance companies registered with the IRDA, a certified copy of certificate of registration issued by IRDA must be attached to the Bid cum Application Form. Failing this, our Company reserves the right to reject any Bid by Insurance Companies without assigning any reason thereof. The exposure norms for insurers, prescribed under the Insurance Regulatory and Development Authority (Investment) Regulations, 2000, as amended, are broadly set forth below:

- 1) equity shares of a company: the least of 10.00% of the investee company's subscribed capital (face value) or 10.00% of the respective fund in case of life insurer or 10.00% of investment assets in case of general insurer or reinsurer;
- 2) the entire group of the investee company: not more than 15% of the respective fund in case of a life insurer or 15% of investment assets in case of a general insurer or reinsurer or 15% of the investment assets in all companies belonging to the group, whichever is lower; and
- 3) the industry sector in which the investee company belong to: not more than 15% of the fund of a life insurer or a general insurer or a reinsurer or 15% of the investment asset, whichever is lower

The maximum exposure limit, in the case of an investment in equity shares, cannot exceed the lower of an amount of 10% of the investment assets of a life insurer or general insurer and the amount calculated under (a), (b) and (c) above, as the case may be. Insurance companies participating in this Issue shall comply with all applicable regulations, guidelines and circulars issued by IRDAI from time to time.

BIDS UNDER POWER OF ATTORNEY

In case of Bids made pursuant to a power of attorney or by limited companies, corporate bodies, registered societies, FIIs, Mutual Funds, insurance companies and provident funds with a minimum corpus of Rs. 2500 Lakhs (subject to applicable law) and pension funds with a minimum corpus of Rs. 2500 Lakhs, a certified copy of the power of attorney or the relevant resolution or authority, as the case may be, along with a certified copy of the memorandum of association and articles of association and/or bye laws must be lodged along with the Bid cum Application Form. Failing this, our Company reserves the right to accept or reject any Bid in whole or in part, in either case, without assigning any reasons thereof. In addition to the above, certain additional documents are required to be submitted by the following entities:

- a) With respect to Bids by FIIs and Mutual Funds, a certified copy of their SEBI registration certificate must be lodged along with the Bid cum Application Form.
- b) With respect to Bids by insurance companies registered with the Insurance Regulatory and Development Authority, in addition to the above, a certified copy of the certificate of registration issued

by the Insurance Regulatory and Development Authority must be lodged along with the Bid cum Application Form.

c) With respect to Bids made by provident funds with a minimum corpus of Rs. 2500 Lakhs (subject to applicable law) and pension funds with a minimum corpus of Rs. 2500 Lakhs, a certified copy of a certificate from a chartered accountant certifying the corpus of the provident fund/pension fund must be lodged along with the Bid cum Application Form.

d) With respect to Bids made by limited liability partnerships registered under the Limited Liability Partnership Act, 2008, a certified copy of certificate of registration issued under the Limited Liability Partnership Act, 2008, must be attached to the Bid cum Application Form

e) Our Company in its absolute discretion, reserves the right to relax the above condition of simultaneous lodging of the power of attorney along with the Bid cum Application Form, subject to such terms and conditions that our Company and the BRLM may deem fit.

The above information is given for the benefit of the Bidders. Our Company, the Book Running Lead Manager and the Syndicate Members are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of the Red Herring Prospectus. Bidders are advised to make their independent investigations and Bidders are advised to ensure that any single Bid from them does not exceed the applicable investment limits or maximum number of Equity Shares that can be held by them under applicable law or regulation or as specified in the Red Herring Prospectus.

BIDS BY PROVIDENT FUNDS/PENSION FUNDS

In case of Bids made by provident funds with minimum corpus of Rs. 25 Crore (subject to applicable law) and pension funds with minimum corpus of Rs. 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 Bid Cum Application Form. Failing this, the Company reserves the right to accept or reject any bid in whole or in part, in either case, without assigning any reason thereof.

BIDS BY BANKING COMPANY

In case of Bids made by banking companies registered with RBI, certified copies of: (i) the certificate of registration issued by RBI, and (ii) the approval of such banking company's investment committee are required to be attached to the Bid cum application Form, failing which our Company reserve the right to reject any Bid by a banking company without assigning any reason.

Bid cum Application Form, failing which our Company reserve the right to reject any Bid by a banking company without assigning any reason.

The investment limit for banking companies in non-financial services companies as per the Banking Regulation Act, 1949, as amended (the "Banking Regulation Act"), and the Reserve Bank of India (Financial Services provided by Banks) Directions, 2016, is 10% of the paid-up share capital of the investee company not being its subsidiary engaged in non-financial services or 10% of the banks' own paid-up share capital and reserves, whichever is lower. However, a banking company would be permitted to invest in excess of 10% but not exceeding 30% of the paid up share capital of such investee company if (i) the investee company is engaged in non-financial activities permitted for banks in terms of Section 6(1) of the Banking Regulation Act, or (ii) the additional acquisition is through restructuring of debt / corporate debt restructuring / strategic debt restructuring, or to protect the banks' interest on loans / investments made to a company. The bank is required to submit a time bound action plan for disposal of such shares within a specified period to RBI. A banking company would require a prior

approval of RBI to make (i) investment in a subsidiary and a financial services company that is not a subsidiary (with certain exception prescribed), and (ii) investment in a non-financial services company in excess of 10% of such investee company's paid up share capital as stated in 5(a)(v)(c)(i) of the Reserve Bank of India (Financial Services provided by Banks) Directions, 2016.

BIDS BY SCSBs

SCSBs participating in the Issue are required to comply with the terms of the SEBI circulars dated September 13, 2012 and January 2, 2013. Such SCSBs are required to ensure that for making Bid cum applications on their own account using ASBA, they should have a separate account in their own name with any other SEBI registered SCSBs. Further, such account shall be used solely for the purpose of making Bid cum application in public issues and clear demarcated funds should be available in such account for such Bid cum applications.

ISSUANCE OF A CONFIRMATION NOTE ("CAN") AND ALLOTMENT IN THE ISSUE

1. Upon approval of the basis of allotment by the Designated Stock Exchange, the BRLM or Registrar to the Issue shall send to the SCSBs a list of their Bidders who have been allocated Equity Shares in the Issue.
2. The Registrar will then dispatch a CAN to their Bidders who have been allocated Equity Shares in the Issue. The dispatch of a CAN shall be deemed a valid, binding and irrevocable contract for the Bidder

TERMS OF PAYMENT

Terms of Payment

The entire Issue price of Rs. [●] per share is payable on Bid cum application. In case of allotment of lesser number of Equity Shares than the number applied, the Registrar to the issue shall instruct the SCSBs to unblock the excess amount blocked.

SCSBs will transfer the amount as per the instruction received by the Registrar to the Public Issue Bank Account, post finalisation of basis of Allotment. The balance amount after transfer to the Public Issue Account shall be unblocked by the SCSBs.

The Bidders should note that the arrangement with Bankers to the issue or the Registrar is not prescribed by SEBI and has been established as an arrangement between our Company, the Bankers to the Issue and the Registrar to the Issue to facilitate collections from the Bidders.

Payment mechanism for Bidders

The Bidders shall specify the bank account number in the Bid cum Application Form and the SCSBs shall block an amount equivalent to the Bid cum Application Amount in the bank account specified in the Bid cum Application Form. The SCSB shall keep the Application Amount in the relevant bank account blocked until withdrawal/ rejection of the bid cum application or receipt of instructions from the Registrar to unblock the Application Amount. However, Non Retail Bidders shall neither withdraw nor lower the size of their bid cum applications at any stage. In the event of withdrawal or rejection of the Bid cum Application Form or for unsuccessful Application Forms, the Registrar to the Issue shall give instructions to the SCSBs to unblock the application money in the relevant bank account within one day of receipt of such instruction. The Application Amount shall remain blocked in the ASBA Account until finalisation of the Basis of Allotment in the Issue and consequent transfer of the Application Amount to the Public Issue Account, or until withdrawal/ failure of the Issue or until rejection of the bid cum application by the ASBA Applicant, as the case may be.

Please note that pursuant to the applicability of the directions issued by SEBI vide its circular bearing number CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015, all Investors are applying in this Issue shall mandatorily make use of ASBA facility.

PAYMENT INTO ESCROW ACCOUNT FOR ANCHOR INVESTORS

All the investors other than Anchor Investors are required to bid through ASBA Mode. Anchor Investors are requested to note the following:

Our Company in consultation with the BRLM, in its absolute discretion, will decide the list of Anchor Investors to whom the CAN will be sent, pursuant to which the details of the Equity Shares allocated to them in their respective names will be notified to such Anchor Investors. For Anchor Investors, the payment instruments for payment into the Escrow Account should be drawn in favour of:

- a. In case of resident Anchor Investors: — Macpower CNC Machines Limited Anchor Account – R”
- b. In case of Non-Resident Anchor Investors: — Macpower CNC Machines Limited Anchor Account –NR”
- c. Bidders should note that the escrow mechanism is not prescribed by SEBI and has been established as an arrangement between our Company, the Syndicate, the Escrow Collection Bank and the Registrar to the Issue to facilitate collections from the Anchor Investors.

SIGNING OF UNDERWRITING AGREEMENT AND FILING OF PROSPECTUS WITH ROC

- a) Our Company has entered into an Underwriting agreement dated February 02, 2018.
- b) A copy of the Red Herring Prospectus and Prospectus will be filed with the RoC in terms of Section 32 of the Companies Act.

PRE- ISSUE ADVERTISEMENT

Subject to Section 30 of the Companies Act, 2013, our Company shall, after registering the Red Herring Prospectus with the RoC, publish a pre-Issue advertisement, in the form prescribed by the SEBI Regulations, in: (i) English National Newspaper; (ii) Hindi National Newspaper; and (iii) Regional Newspaper, each with wide circulation. In the pre-Issue advertisement, we shall state the Bid Opening Date and the Bid Closing Date. This advertisement, subject to the provisions of Section 30 of the Companies Act, 2013, shall be in the format prescribed in Part A of Schedule XIII of the SEBI Regulations.

ADVERTISEMENT REGARDING ISSUE PRICE AND PROSPECTUS

Our Company will issue a statutory advertisement after the filing of the Prospectus with the RoC. This advertisement, in addition to the information that has to be set out in the statutory advertisement, shall indicate the final derived Issue Price. Any material updates between the date of the Red Herring Prospectus and the date of Prospectus will be included in such statutory advertisement.

GENERAL INSTRUCTIONS

Do's:

1. Check if you are eligible to apply as per the terms of the Red Herring Prospectus and under applicable law, rules, regulations, guidelines and approvals;
2. Ensure that you have Bid within the Price Band;
3. Read all the instructions carefully and complete the Bid cum Application Form in the prescribed form;

4. Ensure that the details about the PAN, DP ID and Client ID are correct and the Bidders depository account is active, as Allotment of the Equity Shares will be in the dematerialised form only;
5. Ensure that your Bid cum Application Form bearing the stamp of a Designated Intermediary is submitted to the Designated Intermediary at the Bidding Centre;
6. If the first applicant is not the account holder, ensure that the Bid cum Application Form is signed by the account holder. Ensure that you have mentioned the correct bank account number in the Bid cum Application Form;
7. Ensure that the signature of the First Bidder in case of joint Bids, is included in the Bid cum Application Forms;
8. Ensure that the name(s) given in the Bid cum Application Form is/are exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant. In case of joint Bids, the Bid cum Application Form should contain only the name of the First Bidder whose name should also appear as the first holder of the beneficiary account held in joint names;
9. Ensure that you request for and receive a stamped acknowledgement of the Bid cum Application Form for all your Bid options;
10. Ensure that you have funds equal to the Bid Amount in the ASBA Account maintained with the SCSB before submitting the Bid cum Application Form under the ASBA process to the respective member of the Syndicate (in the Specified Locations), the SCSBs, the Registered Broker (at the Broker Centres), the RTA (at the Designated RTA Locations) or CDP (at the Designated CDP Locations);
11. Submit revised Bids to the same Designated Intermediary, through whom the original Bid was placed and obtain a revised acknowledgment;
12. Except for Bids (i) on behalf of the Central or State Governments and the officials appointed by the courts, who, in terms of a SEBI circular dated June 30, 2008, may be exempt from specifying their PAN for transacting in the securities market, and (ii) Bids by persons resident in the state of Sikkim, who, in terms of a SEBI circular dated July 20, 2006, may be exempted from specifying their PAN for transacting in the securities market, all Bidders should mention their PAN allotted under the IT Act. The exemption for the Central or the State Government and officials appointed by the courts and for investors residing in the State of Sikkim is subject to (a) the Demographic Details received from the respective depositories confirming the exemption granted to the beneficiary owner by a suitable description in the PAN field and the beneficiary account remaining in "active status"; and (b) in the case of residents of Sikkim, the address as per the Demographic Details evidencing the same. All other applications in which PAN is not mentioned will be rejected;
13. Ensure that the Demographic Details are updated, true and correct in all respects;
14. Ensure that thumb impressions and signatures other than in the languages specified in the Eighth Schedule to the Constitution of India are attested by a Magistrate or a Notary Public or a Special Executive Magistrate under official seal;
15. Ensure that the category and the investor status is indicated;
16. Ensure that in case of Bids under power of attorney or by limited companies, corporates, trust etc., relevant documents are submitted;
17. Ensure that Bids submitted by any person outside India should be in compliance with applicable foreign and Indian laws;
18. Bidders should note that in case the DP ID, Client ID and the PAN mentioned in their Bid cum Application Form and entered into the online IPO system of the Stock Exchanges by the relevant Designated Intermediary, as the case may be, do not match with the DP ID, Client ID and PAN available in the Depository database, then such Bids are liable to be rejected. Where the Bid cum Application Form is submitted in joint names, ensure that the beneficiary account is also held in the

same joint names and such names are in the same sequence in which they appear in the Bid cum Application Form;

19. Ensure that the Bid cum Application Forms are delivered by the Bidders within the time prescribed as per the Bid cum Application Form and the Red Herring Prospectus;
20. Ensure that you have mentioned the correct ASBA Account number in the Bid cum Application Form;
21. Ensure that you have correctly signed the authorization/undertaking box in the Bid cum Application Form, or have otherwise provided an authorization to the SCSB via the electronic mode, for blocking funds in the ASBA Account equivalent to the Bid Amount mentioned in the Bid cum Application Form at the time of submission of the Bid;
22. Ensure that you receive an acknowledgement from the concerned Designated Intermediary, for the submission of your Bid cum Application Form; and

The Bid cum Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.

Dont's:

1. Do not Bid for lower than the minimum Bid size;
2. Do not Bid/revise Bid Amount to less than the Floor Price or higher than the Cap Price;
3. Do not pay the Bid Amount in cash, by money order, cheques or demand drafts or by postal order or by stock invest;
4. Do not send Bid cum Application Forms by post; instead submit the same to the Designated Intermediary only;
5. Do not submit the Bid cum Application Forms to any non-SCSB bank or our Company;
6. Do not Bid on a Bid cum Application Form that does not have the stamp of the relevant Designated Intermediary;
7. Do not Bid at Cut-off Price (for Bids by QIBs and Non-Institutional Bidders);
8. Do not instruct your respective Banks to release the funds blocked in the ASBA Account under the ASBA process;
9. Anchor Investors should not Bid through the ASBA Process
10. Do not Bid for a Bid Amount exceeding Rs. 200,000 (for Bids by Retail Individual Bidders);
11. Do not fill up the Bid cum Application Form such that the Equity Shares Bid for exceeds the Issue size and / or investment limit or maximum number of the Equity Shares that can be held under the applicable laws or regulations or maximum amount permissible under the applicable regulations or under the terms of the Red Herring Prospectus;
12. Do not submit the General Index Register number instead of the PAN;
13. Do not submit the Bid without ensuring that funds equivalent to the entire Bid Amount are blocked in the relevant ASBA Account;
14. Do not submit Bids on plain paper or on incomplete or illegible Bid cum Application Forms or on Bid cum Application Forms in a colour prescribed for another category of Bidder;
15. Do not submit a Bid in case you are not eligible to acquire Equity Shares under applicable law or your relevant constitutional documents or otherwise;
16. Do not Bid if you are not competent to contract under the Indian Contract Act, 1872 (other than minors having valid depository accounts as per Demographic Details provided by the depository);

17. Do not submit more than five Bid cum Application Forms per ASBA Account;

The Bid cum Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.

BIDS AT DIFFERENT PRICE LEVELS AND REVISION OF BIDS

a) Our Company in consultation with the BRLM, and without the prior approval of, or intimation, to the Bidders, reserves the right to revise the Price Band during the Bid/ Issue Period, provided that the Cap Price shall be less than or equal to 120% of the Floor Price and the Floor Price shall not be less than the face value of the Equity Shares. The revision in Price Band shall not exceed 20% on the either side i.e. the floor price can move up or down to the extent of 20% of the floor price disclosed. If the revised price band decided, falls within two different price bands than the minimum application lot size shall be decided based on the price band in which the higher price falls into.

b) Our Company in consultation with the BRLM, will finalize the Issue Price within the Price Band, without the prior approval of, or intimation, to the Bidders

c) The Bidders can Bid at any price within the Price Band. The Bidder has to Bid for the desired number of Equity Shares at a specific price. Retail Individual Bidders may Bid at the Cut-off Price. However, bidding at Cut-off Price is prohibited for QIB and Non-Institutional Bidders and such Bids from QIB and Non-Institutional Bidders shall be rejected.

d) Retail Individual Bidders, who Bid at Cut-off Price agree that they shall purchase the Equity Shares at any price within the Price Band. Retail Individual Bidders shall submit the Bid cum Application Form along with a cheque/demand draft for the Bid Amount based on the Cap Price with the Syndicate. In case of ASBA Bidders (excluding Non-Institutional Bidders and QIB Bidders) bidding at Cut-off Price, the ASBA Bidders shall instruct the SCSBs to block an amount based on the Cap Price.

e) the price of the specified securities offered to an anchor investor shall not be lower than the price offered to other applicants

COMMUNICATIONS

All future communications in connection with Bids made in this Issue should be addressed to the Registrar quoting the full name of the sole or First Bidder, Bid cum Application Form number, Bidders Depository Account Details, number of Equity Shares applied for, date of Bid cum Application Form, name and address of the Application Collecting Intermediary where the Application was submitted thereof and a copy of the acknowledgement slip.

Bidders can contact the Compliance Officer or the Registrar in case of any pre Issue or post Issue related problems such as non-receipt of letters of allotment, credit of allotted shares in the respective beneficiary accounts, etc.

IMPERSONATION

Attention of the Bidders 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.”

UNDERTAKINGS BY THE COMPANY

Our Company undertake as follows:

1. That the complaints received in respect of the Issue shall be attended expeditiously and satisfactorily;
2. That all steps will be taken for the completion of the necessary formalities for listing and commencement of trading at EMERGE Platform of National Stock Exchange of India Limited where the Equity Shares are proposed to be listed within six working days from Issue Closure date.
3. That the funds required for making refunds as per the modes disclosed or dispatch of allotment advice by registered post or speed post shall be made available to the Registrar and Share Transfer Agent to the Issue by our Company;
4. Completion of Allotment and dispatch of the Allotment Advice and Anchor Investor CAN, including any revisions, if required, and refund orders to the Anchor Investor Bidders shall be done within the time prescribed under Applicable Law, and in the event of failure to do so, the Company shall ensure payment of interest to the Bidders in respect of which there was such a failure, as required under Applicable Law.
5. That our Promoter's contribution in full has already been brought in;
6. That no further issue of Equity Shares shall be made till the Equity Shares issued through the Prospectus are listed or until the Application monies are refunded on account of non-listing, under-subscription etc.; and
7. That adequate arrangement shall be made to collect all Applications Supported by Blocked Amount while finalizing the Basis of Allotment.
8. If our Company does not proceed with the Issue after the Bid/Issue Opening Date but before allotment, then the reason thereof shall be given as a public notice to be issued by our Company within two days of the Bid/Issue Closing Date. The public notice shall be issued in the same newspapers where the Pre-Issue advertisements were published. The stock exchanges on which the Equity Shares are proposed to be listed shall also be informed promptly;
9. If our Company withdraw the Issue after the Bid/Issue Closing Date, our Company shall be required to file a fresh Red Herring Prospectus with the Stock exchange/RoC/SEBI, in the event our Company subsequently decides to proceed with the Issue;
10. Allotment is not made within the prescribed time period under applicable law, the entire subscription amount received will be refunded/unblocked within the time prescribed under applicable law. If there is delay beyond the prescribed time, our Company shall pay interest prescribed under the Companies Act, 2013, the SEBI Regulations and applicable law for the delayed period

UTILIZATION OF THE ISSUE PROCEEDS

The Board of Directors of our Company certifies that:

1. all monies received out of the issue shall be transferred to a separate Bank Account other than the bank account referred to in Sub-Section (3) of Section 40 of the Companies Act, 2013;
2. details of all monies utilized out of the issue referred above shall be disclosed and continue to be disclosed till the time any part of the Issue Proceeds remains unutilised, under an appropriate separate head in the balance sheet of our Company indicating the purpose for which such monies have been utilized;
3. details of all unutilized monies out of the issue, if any, shall be disclosed under an appropriate separate head in the balance sheet of our Company indicating the form in which such unutilized

monies have been invested; and

4. Our Company shall comply with the requirements of the SEBI Listing Regulations in relation to the disclosure and monitoring of the utilisation of the proceeds of the Issue.
5. Our Company shall not have recourse to the Issue Proceeds until the approval for listing and trading of the Equity Shares from all the Stock Exchanges where listing is sought has been received.
6. The Book Running Lead Manager undertakes that the complaints or comments received in respect of the Issue shall be attended by our Company expeditiously and satisfactorily.

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 is in the process of signing the following tripartite agreements with the Depositories and the Registrar and Share Transfer Agent:

- a. Agreement dated January 11, 2018 among NSDL, the Company and the Registrar to the Issue;
- b. Agreement dated January 08, 2018 among CDSL, the Company and the Registrar to the Issue;

The Company's shares bear ISIN no INE155Z01011.

PART B

GENERAL INFORMATION DOCUMENT FOR INVESTING IN PUBLIC ISSUES

This General Information Document highlights the key rules, processes and procedures applicable to public issues in accordance with the provisions of the Companies Act, 2013 (to the extent notified and in effect), the Companies Act, 1956 (without reference to the provisions thereof that have ceased to have effect upon the notification of the Companies Act, 2013), the Securities Contracts (Regulation) Act, 1956, the Securities Contracts (Regulation) Rules, 1957 and the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009. Bidders should not construe the contents of this General Information Document as legal advice and should consult their own legal counsel and other advisors in relation to the legal matters concerning the Issue. For taking an investment decision, the Bidders should rely on their own examination of the Issue and the Issuer, and should carefully read the Red Herring prospectus before investing in the Issue.

SECTION 1: PURPOSE OF THE GENERAL INFORMATION DOCUMENT (GID)

This document is applicable to the public issues undertaken *inter-alia* through the Book-Building Process as well as to the Fixed Price Issue. The purpose of the “General Information Document for Investing in Public Issues” is to provide general guidance to potential Bidders in IPOs, on the processes and procedures governing IPOs and FPOs, undertaken in accordance with the provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (“SEBI ICDR Regulations, 2009”).

Bidders should note that investment in equity and equity related securities involves risk and Bidder should not invest any funds in the Issue unless they can afford to take the risk of losing their investment. The specific terms relating to securities and/or for subscribing to securities in an Issue and the relevant information about the Issuer undertaking the Issue are set out in the Red Herring Prospectus (“RHP”)/Prospectus filed by the Issuer with the Registrar of Companies (“RoC”). Bidders should carefully read the entire RHP/Prospectus and the Bid cum Application Form/Application Form and the Abridged Prospectus of the Issuer in which they are proposing to invest through the Issue. In case of any difference in interpretation or conflict and/or overlap between the disclosure included in this document and the RHP/Prospectus, the disclosures in the RHP/Prospectus shall prevail. The RHP/Prospectus of the Issuer is available on the websites of stock exchanges, on the website(s) of the BRLM to the Issue and on the website of Securities and Exchange Board of India (“SEBI”) at www.sebi.gov.in.

For the definitions of capitalized terms and abbreviations used herein Bidders may refer to the section “Glossary and Abbreviations” beginning on page 03 of this Red Herring Prospectus.

SECTION 2: BRIEF INTRODUCTION TO IPOs ON SME EXCHANGE

2.1 Initial public offer (IPO)

An IPO means an offer of specified securities by an unlisted Issuer to the public for subscription and may include an Offer for Sale of specified securities to the public by any existing holder of such securities in an unlisted Issuer.

For undertaking an IPO, an Issuer is *inter-alia* required to comply with the eligibility requirements of in terms of either Regulation 26(1) or Regulation 26(2) of the SEBI ICDR Regulations, 2009. For details of compliance with the eligibility requirements by the Issuer, Bidders/Applicants may refer to the DRHP.

2.2 Further public offer (FPO)

An FPO means an offer of specified securities by a listed Issuer to the public for subscription and may include Offer for Sale of specified securities to the public by any existing holder of such securities in a listed Issuer. For undertaking an FPO, the Issuer is *inter-alia* required to comply with the eligibility requirements in terms of Regulation 26/ Regulation 27 of the SEBI ICDR Regulations, 2009. For details of compliance with the eligibility requirements by the Issuer,

Bidders/Applicants may refer to the RHP/Prospectus.

The Issuer may also undertake IPO under of chapter XB of the SEBI (ICDR) Regulations, wherein as per,

- Regulation 106M (1): An issuer whose post- issue face value capital does not exceed ten crore rupees shall issue its specified securities in accordance with provisions of this Chapter.
- Regulation 106M (2): An issuer, whose post issue face value capital, is more than ten crore rupees and up to twenty five crore rupees, may also issue specified securities in accordance with provisions of this Chapter.

The present Issue being made under Regulation 106M (1) of Chapter XB of SEBI (ICDR) Regulation.

2.3 OTHER ELIGIBILITY REQUIREMENTS

In addition to the eligibility requirements specified in paragraphs 2.1 and 2.2, an Issuer proposing to undertake an IPO or an FPO is required to comply with various other requirements as specified in the SEBI ICDR Regulations, 2009, the Companies Act, 1956 and the Companies Act, 2013 (the “Companies Act”), The Securities Contracts (Regulation) Rules, 1957 (the “SCRR”), industry-specific regulations, if any, and other applicable laws for the time being in force. Following are the eligibility requirements for making an SME IPO under Regulation 106M (2) of Chapter XB of SEBI (ICDR) Regulation:

- (a) In accordance with regulation 106(P) of the SEBI (ICDR) Regulations, issue has to be 100% underwritten and the BRLM has to underwrite at least 15% of the total issue size.
- (b) In accordance with Regulation 106(R) of the SEBI (ICDR) Regulations, total number of proposed allottees in the issue shall be greater than or equal to fifty, otherwise, the entire application money will be refunded forthwith. If such money is not repaid within eight days from the date the company becomes liable to repay it, than the Company and every officer in default shall, on and from expiry of eight days, be liable to repay such application money, with interest as prescribed under section 40 of the Companies Act, 2013.
- (c) In accordance with Regulation 106(O) the SEBI (ICDR) Regulations, Company is not required to file any Offer Document with SEBI nor has SEBI issue any observations on the Offer Document. The Book Running Lead Manager shall submit the copy of Red Herring Prospectus and Prospectus along with a Due Diligence Certificate including additional confirmations as required to SEBI at the time of filing the Red Herring Prospectus and Prospectus with the Registrar of Companies.
- (d) In accordance with Regulation 106(V) of the SEBI ICDR Regulations, the BRLM has to ensure compulsory market making for a minimum period of three years from the date of listing of Equity Shares offered in the issue.
- (e) The company should have track record of at least 3 years
- (f) The company should have positive cash accruals (earnings before depreciation and tax) from operations for at least 2 financial years preceding the application and its net-worth should be positive
- (g) The post issue paid up capital of the company (face value) shall not be more than Rs. 25 crore.
- (h) The issuer shall mandatorily facilitate trading in demat securities.
- (i) The issuer should not been referred to Board for Industrial and Financial Reconstruction.
- (j) No petition for winding up is admitted by a court or a liquidator has not been appointed of competent jurisdiction against the Company
- (k) No material regulatory or disciplinary action should have been taken by any stock exchange or regulatory authority in the past three years against the issuer

- (1) The Company should have a website. Issuer shall also comply with all the other requirements as laid down for such an Issue under Chapter XB of SEBI (ICDR) Regulations 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 this issue.

Thus Company is eligible for the issue in accordance with regulation 106M (1) and other provisions of chapter XB of the SEBI (ICDR) Regulations as the post issue face value capital does not exceed Rs. 1000 Lakhs. Company also complies with the eligibility conditions laid by the EMERGE Platform of NSE for listing of our Equity Shares.

2.4 TYPES OF PUBLIC ISSUES – FIXED PRICE ISSUES AND BOOK BUILT ISSUES

In accordance with the provisions of the SEBI ICDR Regulations, 2009, an Issuer can either determine the Issue Price through the Book Building Process (“**Book Built issues**”) or undertake a Fixed Price Issue (“**Fixed Price Issues**”). An issuer may mention Price or Price Band in the Red Herring Prospectus (in case of a fixed price Issue) and Floor price or price band in the Red Herring prospectus (in case of a book built issue) and determine the price at a later date before registering the prospectus with the Registrar of Companies.

The cap on the Price Band should be less than or equal to 120% of the Floor Price. The issuer shall announce the Price or the Floor Price or the Price Band through advertisement in all newspapers in which the pre-issue advertisement was given at least five Working Days before the Bid/ Issue Opening Date, in case of an IPO and at least one Working Day before the Bid/Issue Opening Date, in case of an FPO.

The Floor Price or the Issue price cannot be lesser than the face value of the securities. Bidders should refer to the RHP/ Prospectus or Issue advertisements to check whether the Issue is a Book Built Issue or a Fixed Price Issue.

2.5 ISSUE PERIOD

The Issue may be kept open for a minimum of three Working Days (for all category of Bidders/Applicants) and not more than ten Working Days. Bidders/Applicants are advised to refer to the Bid cum Application Form and Abridged Prospectus or RHP/Prospectus for details of the Bid/Issue Period. Details of Bid/Issue Period are also available on the website of the Stock Exchange(s).

In case of a Book Built Issue, the Issuer may close the Bid/Issue Period for QIBs one Working Day prior to the Bid/Issue Closing Date if disclosures to that effect are made in the RHP. In case of revision of the Floor Price or Price Band in Book Built Issues the Bid/Issue Period may be extended by at least three Working Days, subject to the total Bid/Issue Period not exceeding 10 Working Days. For details of any revision of the Floor Price or Price Band, Bidders/Applicants may check the announcements made by the Issuer on the websites of the Stock Exchanges and the BRLM and the advertisement in the newspaper(s) issued in this regard

2.6 MIGRATION TO MAIN BOARD

SME Issuer may migrate to the Main Board of SE from the SME Exchange at a later date subject to the following:

- (a) **If the Paid up Capital of the Company is likely to increase above Rs. 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 Promoter in favor of the proposal amount to at least two times the number of votes cast by shareholders other than promoter shareholders against the proposal and for which the company has obtained in-principal approval from the main board), the Company shall apply to SE for listing of its shares on its Main Board subject to**

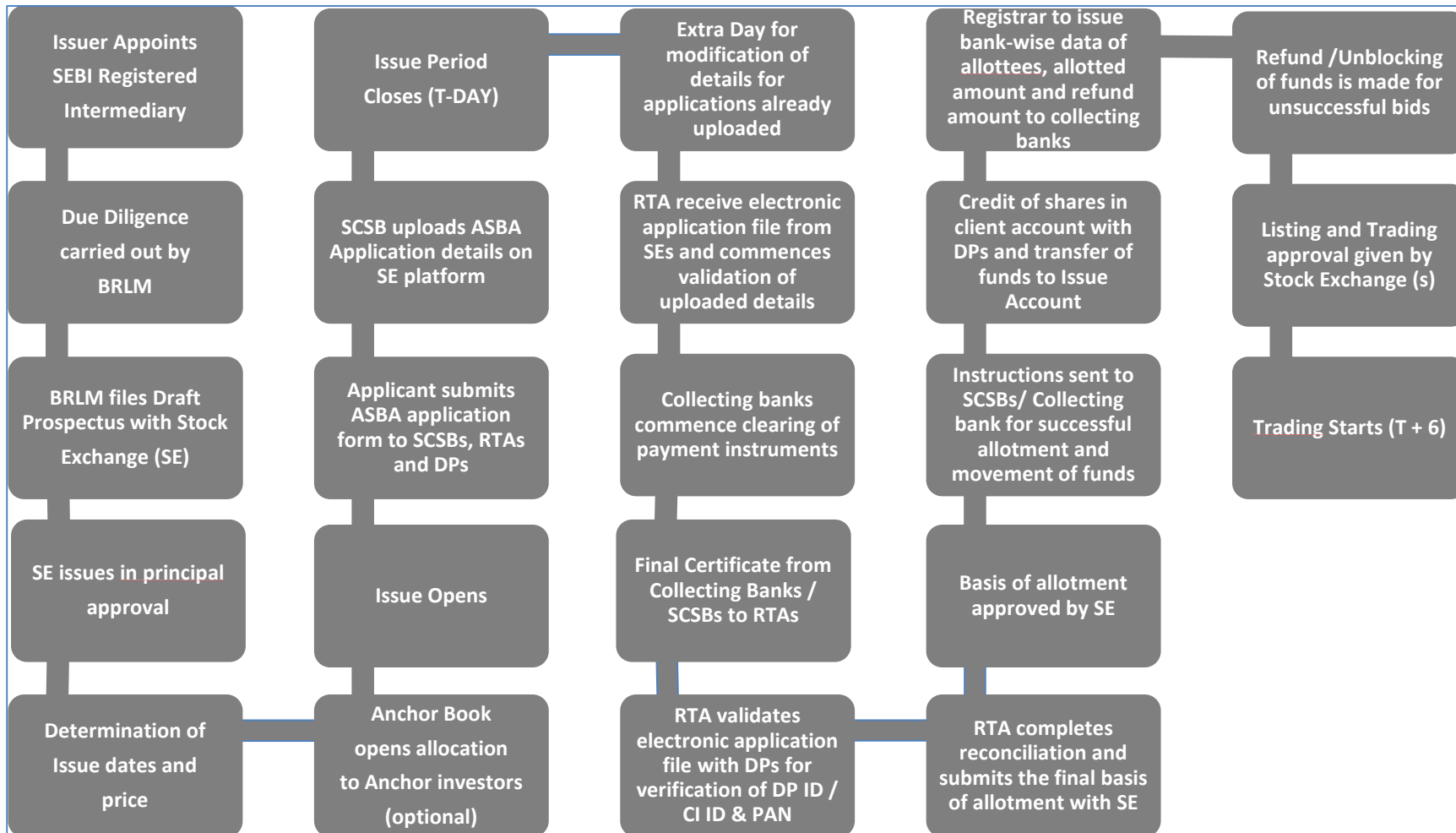
the fulfillment of the eligibility criteria for listing of specified securities laid down by the Main Board.

OR

- (b) If the Paid up Capital of the company is more than 10 crores but below Rs. 25 crores, the Company may still apply for migration to the main board if the same has been approved by a special resolution through postal ballot wherein the votes cast by the shareholders other than the Promoter in favour of the proposal amount to at least two times the number of votes cast by shareholders other than promoter shareholders against the proposal.**

2.7 FLOWCHART OF TIMELINES

A flow chart of process flow in Fixed Price and Book Built Issues is as follows



SECTION 3: CATEGORY OF INVESTORS ELIGIBLE TO PARTICIPATE IN AN ISSUE

Each Bidder should check whether it is eligible to apply under applicable law. Furthermore, certain categories of Bidders, such as NRIs, FPIs and FVCIs may not be allowed to apply in the Issue or to hold Equity Shares, in excess of certain limits specified under applicable law. Bidders are requested to refer to the DRHP for more details.

Subject to the above, an illustrative list of Bidders is as follows:

1. Indian nationals resident in India who are not incompetent to contract in single or joint names (not more than three) or in the names of minors through natural/legal guardian;
2. Hindu Undivided Families or HUFs, in the individual name of the Karta. The Bidders should specify that the Bid is being made in the name of the HUF in the Bid cum Application Form as follows: Name of Sole or First Bidder: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the Karta. Bids by HUFs would be considered at par with those from individuals;
3. Companies, Corporate Bodies and Societies registered under the applicable laws in India and authorized to invest in the Equity Shares under their respective constitutional and charter documents;
4. Mutual Funds registered with SEBI;
5. Eligible NRIs on a repatriation basis or on a non-repatriation basis, subject to applicable laws. NRIs other than Eligible NRIs are not eligible to participate in this Issue;
6. Indian Financial Institutions, scheduled commercial banks, regional rural banks, co-operative banks (subject to RBI permission, and the SEBI Regulations and other laws, as applicable);
7. FPIs other than Category III FPI; VCFs and FVCIs registered with SEBI
8. Limited Liability Partnerships (LLPs) registered in India and authorized to invest in equity shares;
9. State Industrial Development Corporations;
10. Trusts/societies registered under the Societies Registration Act, 1860, as amended, or under any other law relating to Trusts and who are authorized under their constitution to hold and invest in equity shares;
11. Scientific and/or Industrial Research Organizations authorized to invest in equity shares;
12. Insurance Companies registered with IRDA;
13. Provident Funds and Pension Funds with minimum corpus of Rs. 2,500 Lakhs and who are authorized under their constitution to hold and invest in equity shares;
14. Multilateral and Bilateral Development Financial Institutions;
15. National Investment Fund set up by resolution no. F. No. 2/3/2005-DDII dated November 23, 2005 of Government of India published in the Gazette of India;
16. Insurance funds set up and managed by army, navy or air force of the Union of India or by Department of Posts, India;
17. Any other person eligible to apply in this Issue, under the laws, rules, regulations, guidelines and policies applicable to them and under Indian laws

As per the existing regulations, OCBs cannot participate in this Issue.

SECTION 4: APPLYING IN THE ISSUE

Book Built Issue: Bidders should only use the specified Bid cum Application Form (or in case of Anchor Investors, the Anchor Investor Application Form) either bearing the stamp of a member of the Syndicate or any other Designated Intermediary, bearing a stamp of the Registered Broker or stamp of SCSBs as available or downloaded from the websites of the Stock Exchanges.

Bid cum Application Forms are available with the Book Running Lead Manager, members of the Syndicate, Registered Brokers, Designated Intermediaries at Branches of the Bidding Centres, SCSBs and at the registered office of the Issuer. Electronic Bid cum Application Forms will be available on the websites of the Stock Exchanges at least one day prior to the Bid/Offer Opening Date. For further details, regarding availability of Bid cum Application Forms, Bidders may refer to the DRHP/RHP.

Fixed Price Issue: Applicants should only use the specified cum Application Form bearing the stamp of an SCSB as available or downloaded from the websites of the Stock Exchanges. Application Forms are available with the Designated Branches of the SCSBs and at the Registered and Corporate Office of the Issuer. For further details, regarding availability of Application Forms, Applicants may refer to the Prospectus.

Bidders/Applicants should ensure that they apply in the appropriate category. The prescribed colour of the Bid cum Application Form for various categories of Bidders/Applicants is as follows:

| Category | Colour of the Bid cum Application Form (Excluding downloaded forms from SE website) |
|---|---|
| Resident Indian, Eligible NRIs applying on a non repatriation basis | White |
| Non-Residents and Eligible NRIs, FIIs, FVCIs, etc. applying on a repatriation basis | Blue |
| Anchor Investors (where applicable) & Bidders applying in the reserved category | As specified by the Issuer |

Securities issued in an IPO can only be in dematerialized form in compliance with Section 29 of the Companies Act, 2013. Bidders will not have the option of getting the allotment of specified securities in physical form. However, they may get the specified securities rematerialized subsequent to allotment.

4.1 INSTRUCTIONS FOR FILING THE BID CUM APPLICATION FORM/ ASBA FORM

Bidders may note that forms not filled completely or correctly as per instructions provided in this GUID, the RHP and the Bid cum Application Form/ Application Form are liable to be rejected.

Instructions to fill each field of the Bid cum Application Form can be found on the reverse side of the Bid cum Application Form. Specific instructions for filling various fields of the Resident Bid cum Application Form and Non-Resident Bid cum Application Form and samples are provided below.

The samples of the Bid cum Application Form for resident Bidders and the Bid cum Application Form for non- resident Bidders are reproduced below:

R Bid cum Application Form

| X YEAR HERE X | MACPOWER CNC MACHINES LIMITED - INITIAL PUBLIC ISSUE - R Registered Office: Plot No.2274, No.1st Main Gate, Gidc, Morva, Tal. Lakhda, Dist. Rajkot 360007, Gujarat, India. CIN: U30096GJ2802PLC043419; Tel. No.: 8282723793; Fax No.: 8282723793 E-mail: info@macpowercnc.com; Website: www.macpowercnc.com | FOR BRIDGESTOCK INVESTOR INCLUDING BRIDGESTOCK QIBs/MSI ELIGIBLE FOR APPLICATION ON A FULLY AUTOMATIC BASIS | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
|----------------------|---|--|--|--|---|---|-----------------------------|---|-------------------------|---|-----------|----------|--|------------------------------------|--|--|--------------------------|---------------|--|--|--|--|--------------------------|---------------|--|--|--|--|--------------------------|---|
| | To, The Board of Directors MACPOWER CNC MACHINES LIMITED | BOOK BUILD ISSUE ISBN - INE | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | Bid Cum Application Form No. _____ | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | SYNDICATE MEMBER'S STAMP & CODE BOOKER'S / SCSD / CDP / BTA STAMP & CODE | E. NAME & CONTACT DETAILS OF SOLE FIRST BIDDER | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | SEB-DEALER'S / SUB-AGENT'S STAMP & CODE ESCROW DATE / ACSD/BSR STAMP & CODE | Mr./Ms./M/s. _____ Address _____ _____ _____ Email _____ Tel. No./Fax / O/Coastal / Mobile _____ | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | BASE BRANCH SERIAL NO. MSR SERIAL NO. | 3. PAN OF SOLE / FIRST BIDDER | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | 1. BIDDER'S DEPOSITORY ACCOUNT DETAILS <input type="checkbox"/> NSDL <input type="checkbox"/> CDSL | 4. INVESTOR STATUS | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | For NSDL enter 8 Digit EP ID followed by 8 Digit Client ID - For CDSL enter 16 Digit Client ID. | <input type="checkbox"/> In Control <input type="checkbox"/> Individual Family* <input type="checkbox"/> Non Resident Indian <input type="checkbox"/> Non Resident Foreign <input type="checkbox"/> Indian Corporate <input type="checkbox"/> Foreign Corporate <input type="checkbox"/> Mutual Funds <input type="checkbox"/> National / Global Fund <input type="checkbox"/> Insurance Funds <input type="checkbox"/> Venture Capital Funds <input type="checkbox"/> Alternative Investment Funds <input type="checkbox"/> Other (Please specify) | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | A. BID OPTIONS (Only Retail Individual Bidders can BID at "Cat Off", Price band Rs. [p]- to Rs. [q]) | 5. CATEGORY | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | <table border="1" style="width:100%; border-collapse: collapse;"> <thead> <tr> <th rowspan="2">Bid Option</th> <th rowspan="2">No. of Equity Shares Bid (in Figures) (Subsequent to knowledge of [p] equity shares)</th> <th colspan="3">Price per Equity Share (Rs.) / "Cat off"</th> <th rowspan="2">"Cat Off" (Price) (Rs.)</th> <th rowspan="2"> <input type="checkbox"/> Retail Individual Bidder <input type="checkbox"/> Non Resident Indian <input type="checkbox"/> QIB </th> </tr> <tr> <th>Bid Price</th> <th>Price Band</th> <th>Bid Price</th> </tr> </thead> <tbody> <tr> <td>Option 1</td> <td></td> <td></td> <td></td> <td></td> <td><input type="checkbox"/></td> </tr> <tr> <td>(CD) Option 2</td> <td></td> <td></td> <td></td> <td></td> <td><input type="checkbox"/></td> </tr> <tr> <td>(CD) Option 3</td> <td></td> <td></td> <td></td> <td></td> <td><input type="checkbox"/></td> </tr> </tbody> </table> | Bid Option | No. of Equity Shares Bid (in Figures) (Subsequent to knowledge of [p] equity shares) | Price per Equity Share (Rs.) / "Cat off" | | | "Cat Off" (Price) (Rs.) | <input type="checkbox"/> Retail Individual Bidder <input type="checkbox"/> Non Resident Indian <input type="checkbox"/> QIB | Bid Price | Price Band | Bid Price | Option 1 | | | | | <input type="checkbox"/> | (CD) Option 2 | | | | | <input type="checkbox"/> | (CD) Option 3 | | | | | <input type="checkbox"/> | <input type="checkbox"/> Retail Individual Bidder <input type="checkbox"/> Non Resident Indian <input type="checkbox"/> QIB |
| Bid Option | No. of Equity Shares Bid (in Figures) (Subsequent to knowledge of [p] equity shares) | | | Price per Equity Share (Rs.) / "Cat off" | | | | | "Cat Off" (Price) (Rs.) | <input type="checkbox"/> Retail Individual Bidder <input type="checkbox"/> Non Resident Indian <input type="checkbox"/> QIB | | | | | | | | | | | | | | | | | | | | |
| | | Bid Price | Price Band | Bid Price | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Option 1 | | | | | <input type="checkbox"/> | | | | | | | | | | | | | | | | | | | | | | | | | |
| (CD) Option 2 | | | | | <input type="checkbox"/> | | | | | | | | | | | | | | | | | | | | | | | | | |
| (CD) Option 3 | | | | | <input type="checkbox"/> | | | | | | | | | | | | | | | | | | | | | | | | | |
| | 7. PAYMENT DETAILS | PAYMENT OPTION: Full Payment <input type="checkbox"/> | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | Amount of Rs.200 T.S.F. figure | (In words) _____ | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | ASBA Bank A/c No. _____ Bank Name & Branch _____ | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | WITH HOLDING OF THIS APPLICATION, THE APPLICANT/ BIDDER SHALL BE DEEMED TO HAVE ACCEPTED THE TERMS AND CONDITIONS OF THE COMPANY'S PROSPECTUS AND TO HAVE AGREED TO ACCEPT THE OFFER AND TO BE BOUND BY THE TERMS AND CONDITIONS OF THE COMPANY'S PROSPECTUS AND TO HAVE AGREED TO ACCEPT THE OFFER AND TO BE BOUND BY THE TERMS AND CONDITIONS OF THE COMPANY'S PROSPECTUS. | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | 8A. SIGNATURE OF SOLE - FIRST BIDDER | 8B. SIGNATURE OF ASBA BANK ACCOUNT HOLDER(S) (AS PER BANK RECORDS) (This section for QIBs is not applicable and should be left blank) | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | Date: _____, 2017 | SYNDICATE MEMBER/BROKER / SCSD / CDP / BTA / SEB/MSF / sub-agent/agent of Bid in Stock Exchange system. | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | YEAR HERE | YEAR HERE | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | MACPOWER CNC MACHINES LIMITED - INITIAL PUBLIC ISSUE - R | Acknowledgement slip for Syndicate Member/Broker/SCSD/CP/BTA | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | Bid Cum Application Form No. _____ | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | PAN of Sole / First Bidder | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | Amount Blocked (if in figure) Bank & Branch | ASBA A/c No. _____ Stamp & Signature of SCSD Branch | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | Received from Mr./Ms./M/s. Telephone / Mobile _____ Email _____ | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | YEAR HERE | YEAR HERE | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | MACPOWER CNC MACHINES LIMITED - INITIAL PUBLIC ISSUE - R | Acknowledgement slip for Bidder | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | <table border="1" style="width:100%; border-collapse: collapse;"> <thead> <tr> <th rowspan="2">No. of Equity Shares</th> <th>Option 1</th> <th>Option 2</th> <th>Option 3</th> <th rowspan="2">Total No. of Equity Shares (Sum of Option 1, 2 & 3)</th> <th rowspan="2">Name of Sole / First Bidder</th> </tr> </thead> <tbody> <tr> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> </tbody> </table> | No. of Equity Shares | Option 1 | Option 2 | Option 3 | Total No. of Equity Shares (Sum of Option 1, 2 & 3) | Name of Sole / First Bidder | | | | | | | Bid Cum Application Form No. _____ | | | | | | | | | | | | | | | | |
| No. of Equity Shares | Option 1 | | Option 2 | Option 3 | Total No. of Equity Shares (Sum of Option 1, 2 & 3) | | | Name of Sole / First Bidder | | | | | | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | ASBA Bank A/c No. _____ Bank & Branch _____ | Acknowledgement slip for Bidder | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | Bid Cum Application Form No. _____ | | | | | | | | | | | | | | | | | | | | | | | | | | | | |

NR Bid cum Application ASBA Form

| | | | | | |
|---|---|---|----------|--|------------------------------------|
| COMMON BID REVISION FORM | MACPOWER CNC MACHINES LIMITED - INITIAL PUBLIC ISSUE - REVISION - NR Registered Office: Plot No.2274, 5 th , Kewal Ganga, Gurgaon, Gurgaon, Haryana, India. CIN: U16609GJ2006PL0043493; Tel. No.: 82827-287996; Fax No.: 82827-287933 E-mail: info@macpowercnc.com; Website: www.macpowercnc.com | FOR NON-RESIDENTS, INCLUDING INDIAN NRIs, FPIs OR FVCIs, ETC. APPLYING ON A BYPASS BASIS | | | |
| To, The Board of Directors MACPOWER CNC MACHINES LIMITED | | BROOK HULL ISSUE ISIN - INE- | | | |
| | | Bid Cum Application Form No. _____ | | | |
| SYNDICATE MEMBER'S NAME & CODE | BROKER'S NAME (IF/STA NAME & CODE) | 1. NAME & CONTACT DETAILS OF SOLE FIRST BIDDER | | | |
| SCD BROKER'S CODE & CODE | THE PNB BANK (CIN: 190001) BRANCH NAME & CODE | Mr./Ms./Mlle. _____ | | | |
| BANK BRANCH SERIAL NO. | ACCOUNT NO. | Address _____ | | | |
| | | _____ | | | |
| | | City _____ | | | |
| | | State _____ | | | |
| | | Pin Code (PIN) _____ | | | |
| | | 2. PAN OF SOLE / FIRST BIDDER | | | |
| | | _____ | | | |
| | | 3. BIDDING DEPOSIT ACCOUNT DETAILS (BID) (CIN) | | | |
| | | _____ | | | |
| | | For NRI and FPIs (FVCIs) Bidder's Designation (DD) (For NRI, use 'NR' and 'FPI') | | | |
| PLEASE CHANGE MY BID | | | | | |
| 4. FROM (AS PER LAST BID OR REVISION) | | | | | |
| Bid Option | No. of Equity Shares Bid (In Figures) (This must be in multiples of 6) equity shares) | Price per Equity Share (₹) "Cut-off" (In Figures) | | | |
| | | Bid Price Total Demand, if any Not Demanded "Cut-off" (Price / ₹) | | | |
| Option 1 | | | | | |
| (C/D) Option 2 | | | | | |
| (C/D) Option 3 | | | | | |
| 5. TO (REVISED BIDS) (Only Retail Individual Bidders can BID at "Cut-off") | | | | | |
| Bid Option | No. of Equity Shares Bid (In Figures) (This must be in multiples of 6) equity shares) | Price per Equity Share (₹) "Cut-off" (In Figures) | | | |
| | | Bid Price Total Demand, if any Not Demanded "Cut-off" (Price / ₹) | | | |
| Option 1 | | | | | |
| (C/D) Option 2 | | | | | |
| (C/D) Option 3 | | | | | |
| 6. PAYMENT DETAILS | | | | | |
| | | PAYMENT OPTION: Full Payment <input checked="" type="checkbox"/> | | | |
| Additional Amount Hacked (₹ in Figures) _____ (₹ in words) | | | | | |
| ASBA A/c No. _____ | | | | | |
| Bank Name & Branch _____ | | | | | |
| _____ | | | | | |
| I/WE HEREBY DEEM TO ACCEPT THE TERMS AND CONDITIONS OF THE BIDDING PROCESS AND THE BIDDING INFORMATION DOCUMENT FOR PUBLIC ISSUE OF EQUITY SHARES OF THE COMPANY AND I/WE HEREBY AUTHORISE THE BROKER TO ACT AS MY/OUR AGENT FOR THE PURPOSES OF THE BIDDING PROCESS AND TO SIGN ALL NECESSARY DOCUMENTS ON MY/OUR BEHALF AND TO SIGN ALL NECESSARY DOCUMENTS ON MY/OUR BEHALF AND TO SIGN ALL NECESSARY DOCUMENTS ON MY/OUR BEHALF AND TO SIGN ALL NECESSARY DOCUMENTS ON MY/OUR BEHALF. | | | | | |
| 7. SIGNATURE OF SOLE / FIRST BIDDER | 8. SIGNATURE OF ASBA BANK ACCOUNT HOLDER (FOR AS PER BANK REQUIREMENTS) | 9. SYNDICATE MEMBER/BROKER / SCB / C/D/ FPI/ FVCIA (As required by the issuer) | | | |
| Date: _____, 2017 | _____ | _____ | | | |
| TEAR HERE | | | | | |
| MACPOWER CNC MACHINES LIMITED INITIAL PUBLIC ISSUE - REVISION - NR | | Bid Cum Application Form No. _____ PAN of Sole / First Bidder _____ | | | |
| Additional Amount Hacked (₹ in Figures) _____ ASBA A/c No. _____ | | Stamp & Signature of SCB Branch | | | |
| Bank & Branch _____ | | | | | |
| Received from Mr./Ms. _____ | | | | | |
| Telephone / Mobile _____ Email _____ | | | | | |
| TEAR HERE | | | | | |
| NO. OF EQUITY SHARES TO BE ALLOTTED TO THE BIDDERS | Option 1 | Option 2 | Option 3 | Stamp & Signature of Applicant/Issuer (Required for NRI, FPI, FVCIA) | Name of Sole / First Bidder |
| No. of Equity Shares | | | | | |
| Bid Price | | | | | |
| Additional Amount Hacked (₹) | | | | | |
| ASBA Bank A/c No. _____ | | | | | Acknowledgement by Bid Bidder |
| Bank & Branch _____ | | | | | Bid Cum Application Form No. _____ |

4.1.1 NAME AND CONTACT DETAILS OF THE SOLE/ FIRST BIDDER

Bidders should ensure that the name provided in this field is exactly the same as the name in which the Depository Account is held.

- (a) **Mandatory Fields:** Bidders should note that the name and address fields are compulsory and e-mail and/or telephone number/ mobile number fields are optional. Bidders should note that the contact details mentioned in the Bid cum Application Form/ Application Form may be used to dispatch communications) in case the communication sent to the address available with the Depositories are returned undelivered or are not available. The contact details provided in the Bid cum Application Form may be used by the Issuer, the members of the Syndicate, the Registered Broker and the Registrar to the Issue only for correspondence(s) related to an Issue and for no other purposes.
- (b) **Joint Bids:** In the case of Joint Bids, the Bids should be made in the name of the Bidder whose name appears first in the Depository account. The name so entered should be the same as it appears in the Depository records. The signature of only such first Bidder would be required in the Bid cum Application Form/ Application Form and such first Bidder would be deemed to have signed on behalf of the joint holders. All payments may be made out in favour of the Bidder whose name appears in the Bid cum Application Form/ Application Form or the Revision Form and all communications may be addressed to such Bidder and may be dispatched to his or her address as per the Demographic Details received from the Depositories.
- (c) **Impersonation:** Attention of the Bidders 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:

- *makes or abets making of an application in a fictitious name to a Company for acquiring, or subscribing for, its securities; or*
- *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*
- *otherwise induces directly or indirectly a Company to allot, or register any transfer of securities to him, or to any other person in a fictitious name,*

Shall be liable for action under section 447 of the said Act.

- (d) **Nomination Facility to Bidder:** Nomination facility is available in accordance with the provisions of Section 72 of the Companies Act, 2013. In case of allotment of the Equity Shares in dematerialized form, there is no need to make a separate nomination as the nomination registered with the Depository may prevail. For changing nominations, the Bidders should inform their respective DP.

4.1.2 PAN NUMBER OF SOLE /FIRST BIDDER

- a) PAN (of the sole/first Bidder) provided in the Bid cum Application Form/Application Form should be exactly the same as the PAN of the person in whose sole or first name the relevant beneficiary account is held as per the Depositories' records.
- b) PAN is the sole identification number for participants transacting in the securities market irrespective of the amount of transaction except for Bids on behalf of the Central or State Government, Bids by officials appointed by the courts and Bids by Bidders residing in Sikkim ("PAN Exempted Bidders"). Consequently, all Bidders, other than the PAN Exempted Bidders, are required to disclose their PAN in the Bid cum Application Form, irrespective of the Bid Amount. Bids by the Bidders whose PAN is not available as per the Demographic Details available in their Depository records, are liable to be rejected.
- c) The exemption for the PAN Exempted Bidders is subject to (a) the Demographic Details

received from the respective Depositories confirming the exemption granted to the beneficiary owner by a suitable description in the PAN field and the beneficiary account remaining in “active status”; and (b) in the case of residents of Sikkim, the address as per the Demographic Details evidencing the same.

- d) Bid cum Application Forms which provide the GIR Number instead of PAN may be rejected.
- e) Bids by Bidders whose demat accounts have been ‘suspended for credit’ are liable to be rejected pursuant to the circular issued by SEBI on July 29, 2010, bearing number CIR/MRD/DP/22/2010. Such accounts are classified as “Inactive demat accounts” and Demographic Details are not provided by depositories.

4.1.3 BIDDERS DEPOSITORY ACCOUNT DETAILS

- a) Bidder should ensure that DP ID and the Client ID are correctly filled in the Bid cum Application Form. The DP ID and Client ID provided in the Bid cum Application Form should match with the DP ID and Client ID available in the Depository database, otherwise, the **Bid cum Application Form is liable to be rejected.**
- b) Bidder should ensure that the beneficiary account provided in the Bid cum Application Form is active.
- c) Bidder should note that on the basis of DP ID and Client ID as provided in the Bid cum Application Form, the Bidder may be deemed to have authorized the Depositories to provide to the Registrar to the Issue, any requested Demographic Details of the as available on the records of the depositories. These Demographic Details may be used, among other things, for sending allocation advice and for other correspondence(s) related to the Issue.
- d) Bidders are, advised to update any changes to their Demographic Details as available in the records of the Depository Participant to ensure accuracy of records. Any delay resulting from failure to update the Demographic Details would be at the Bidders’ sole risk.

4.1.4 : BID OPTIONS

- a) Price or Floor Price or Price Band, minimum Bid Lot and Discount (if applicable) may be disclosed in the RHP by the Issuer. The Issuer is required to announce the Floor Price or Price Band, minimum Bid Lot and Discount (if applicable) by way of an advertisement in at least one English, one Hindi and one regional newspaper, with wide circulation, at least five Working Days before Bid/Issue Opening Date in case of an IPO, and at least one Working Day before Bid/Issue Opening Date in case of an FPO.
- b) The Bidders may Bid at or above Floor Price or within the Price Band for IPOs undertaken through the Book Building Process. Cut-Off Price: Retail Individual Investors or Employees or Retail Individual Shareholders can Bid at the Cut off Price indicating their agreement to Bid for and purchase the Equity Shares at the Offer Price as determined at the end of the Book Building Process. Bidding at the Cut-off Price is prohibited for QIBs and NIIs and such Bids from QIBs and NIIs may be rejected.
- c) **Cut-Off Price: Retail Individual Investors or Employees or Retail Individual Shareholders can Bid at the Cut-off Price indicating their agreement to Bid for and purchase the Equity Shares at the Offer Price as determined at the end of the Book Building Process. Bidding at the Cut-off Price is prohibited for QIBs and NIIs and such Bids from QIBs and NIIs may be rejected.**
- d) **Minimum Bid Value and Bid Lot:** The Issuer in consultation with the BRLM may decide the minimum number of Equity Shares for each Bid to ensure that the minimum Bid value is within the range of above Rs.1,00,000. The minimum Bid Lot is accordingly determined by an Issuer on basis of such minimum Bid value.
- e) **Allotment:** The Allotment of specified securities to each RII shall not be less than the minimum

Bid Lot, subject to availability of shares in the RII category, and the remaining available shares, if any, shall be Allotted on a proportionate basis. For details of the Bid Lot, Bidders may refer to the RHP or the advertisement regarding the Price Band published by the Issuer.

4.1.4.1 Maximum and Minimum Bid Size

- a) The Bidder may Bid for the desired number of Equity Shares at a specific price. Bids by Retail Individual Investors, Employees and Retail Individual Shareholders must be for such number of shares so as to ensure that the Bid Amount less Discount (as applicable), payable by the Bidder does not exceed Rs. 200,000.
- b) In case the Bid Amount exceeds Rs. 200,000 due to revision of the Bid or any other reason, the Bid may be considered for allocation under the Non-Institutional Category (with it not being eligible for Discount), then such Bid may be rejected if it is at the Cut-off Price.
- c) For NRIs, a Bid Amount of up to Rs. 200,000 may be considered under the Retail Category for the purposes of allocation and a Bid Amount exceeding Rs. 200,000 may be considered under the Non-Institutional Category for the purposes of allocation.
- d) Bids by QIBs and NIIs must be for such minimum number of shares such that the Bid Amount exceeds Rs. 200,000 and in multiples of such number of Equity Shares thereafter, as may be disclosed in the Bid cum Application Form and the RHP/Prospectus, or as advertised by the Issuer, as the case may be. Non-Institutional Investors and QIBs are not allowed to Bid at Cut off Price.
- e) RII may revise or withdraw their bids until Bid/Offer Closing Date. QIBs and NII's cannot withdraw or lower their Bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage after Bidding and are required to pay the Bid Amount upon submission of the Bid.
- f) In case the Bid Amount reduces to Rs. 200,000 or less due to a revision of the Price Band, Bids by the Non-Institutional Investors who are eligible for allocation in the Retail Category would be considered for allocation under the Retail Category.
- g) For Anchor Investors, if applicable, the Bid Amount shall be least Rs 10 crores. One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the price at which allocation is being done to other Anchor Investors. Bids by various schemes of a Mutual Fund shall be aggregated to determine the Bid Amount. A Bid cannot be submitted for more than 60% of the QIB Category under the Anchor Investor Portion. Anchor Investors cannot withdraw their Bids or lower the size of their Bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage after the Anchor Investor Bid/Offer Period and are required to pay the Bid Amount at the time of submission of the Bid. In case the Anchor Investor Issue Price is lower than the Issue Price, the balance amount shall be payable as per the pay-in-date mentioned in the revised CAN. In case the Issue Price is lower than the Anchor Investor Offer Price, the amount in excess of the Issue Price paid by the Anchor Investors shall not be refunded to them.
- h) A Bid cannot be submitted for more than the issue size.
 1. The maximum Bid by any Bidder including QIB Bidder should not exceed the investment limits prescribed for them under the applicable laws.
 2. The price and quantity options submitted by the Bidder in the Bid cum Application Form may be treated as optional bids from the Bidder and may not be cumulated. After determination of the issue Price, the number of Equity Shares Bid for by a Bidder at or above the issue Price may be considered for Allotment and the rest of the Bid(s), irrespective of the Bid Amount may automatically become invalid. This is not applicable in case of FPOs undertaken through Alternate Book Building Process.

4.1.4.2 Multiple Bids

- (a) Bidder should submit only one Bid cum Application Form. Bidder shall have the option to make a maximum of Bids at three different price levels in the Bid cum Application Form and such options are not considered as multiple Bids. Submission of a second Bid cum Application Form to either the same or to another member of the Syndicate, SCSB or Registered Broker and duplicate copies of Bid cum Application Forms bearing the same application number shall be treated as multiple Bids and are liable to be rejected.
- (b) Bidders are requested to note the following procedures may be followed by the Registrar to the Issue to detect multiple Bids:
 - i. All Bids may be checked for common PAN as per the records of the Depository. For Bidders other than Mutual Funds and FII sub-accounts, Bids bearing the same PAN may be treated as multiple Bids by a Bidder and may be rejected.
 - ii. For Bids from Mutual Funds and FII sub-accounts, submitted under the same PAN, as well as Bids on behalf of the PAN Exempted Bidders, the Bid cum Application Forms may be checked for common DP ID and Client ID. Such Bids which have the same DP ID and Client ID may be treated as multiple Bids and are liable to be rejected.
- (c) The following Bids may not be treated as multiple Bids:
 - i. Bids by Reserved Categories Bidding in their respective Reservation Portion as well as bids made by them in the Offer portion in public category.
 - ii. Separate Bids by Mutual Funds in respect of more than one scheme of the Mutual Fund provided that the Bids clearly indicate the scheme for which the Bid has been made.
 - iii. Bids by Mutual Funds, and sub-accounts of FIIs (or FIIs and its sub-accounts) submitted with the same PAN but with different beneficiary account numbers, Client IDs and DP IDs.
 - iv. Bids by Anchor Investors under the Anchor Investor Portion and the QIB Portion.

4.1.5 CATEGORY OF BIDDERS

- (a) The categories of Bidders identified as per the SEBI ICDR Regulations, 2009 for the purpose of Bidding, allocation and allotment in the Issue are RIIs, NIIs and QIBs.
- (b) An Issuer can make reservation for certain categories of Bidders as permitted under the SEBI ICDR Regulations, 2009. For details of any reservations made in the Issue, Bidders may refer to the RHP.
- (c) The SEBI ICDR Regulations, 2009, specify the allocation or allotment that may be made to various categories of Bidders in an Issue depending upon compliance with the eligibility conditions. Details pertaining to allocation are disclosed on reverse side of the Revision Form. For Issue specific details in relation to allocation Bidder may refer to the DRHP.

4.1.6 INVESTOR STATUS

- (a) Each Bidder should check whether it is eligible to apply under applicable law and ensure that any prospective allotment to it in the Issue is in compliance with the investment restrictions under applicable law.
- (b) Certain categories of Bidder, such as NRIs, FPIs and FVCIs may not be allowed to Bid/apply in the Issue or hold Equity Shares exceeding certain limits specified under

applicable law. Bidders are requested to refer to the Red Herring Prospectus for more details.

- (c) Bidders should check whether they are eligible to apply on non-repatriation basis or repatriation basis and should accordingly provide the investor status. Details regarding investor status are different in the Resident Bid cum Application Form and Non-Resident Bid cum Application Form.
- (d) Bidders should ensure that their investor status is updated in the Depository records.

4.1.7 PAYMENT DETAILS

- (a) The full Bid Amount (net of any Discount, as applicable) shall be blocked in the ASBA Account based on the authorisation provided in the Bid cum Application Form. If discount is applicable in the Issue, the RIIs should indicate the full Bid Amount in the Bid cum Application Form and the funds shall be blocked for the Bid Amount net of Discount. Only in cases where the RHP indicates that part payment may be made, such an option can be exercised by the Bidder. In case of Bidders specifying more than one Bid Option in the Bid cum Application Form, the total Bid Amount may be calculated for the highest of three options at net price, i.e. Bid price less Discount offered, if any.
- (b) Bid Amount cannot be paid in cash, through money order or through postal order or through stock invest.
- (c) All Bidders except Anchor Investor can participate in the Issue only through the ASBA mechanism.
- (d) All Bidders can participate in the Offer only through the ASBA mechanism.
- (e) Please note that, providing bank account details in the space provided in the Bid cum Application Form is mandatory and Applications that do not contain such details are liable to be rejected.

4.1.7.1. Payment instructions for Bidders

- a) Bidders may submit the Bid cum Application Form either
 - i. in electronic mode through the internet banking facility offered by an SCSB authorizing blocking of funds that are available in the ASBA account specified in the Bid cum Application Form, or
 - ii. in physical mode to any Designated Intermediary.
- b) Bidders must specify the Bank Account number in the Bid cum Application Form. The Bid cum Application Form submitted by Bidder and which is accompanied by cash, demand, money order, postal order or any mode of payment other than blocked amounts in the ASBA Account maintained with an SCSB, will not be accepted.
- c) Bidders should ensure that the Bid cum Application Form is also signed by the ASBA Account holder(s) if the Bidder is not the ASBA Account holder.
- d) Bidders shall note that for the purpose of blocking funds under ASBA facility clearly demarcated funds shall be available in the account.
- e) From one ASBA Account, a maximum of five Bid cum Application Forms can be submitted.
- f) Bidders should submit the Bid cum Application Form only at the Bidding Centre i.e. to the respective member of the Syndicate at the Specified Locations, the SCSBs, the Registered Broker at the Broker Centres, the RTA at the Designated RTA Locations or CDP at the Designated CDP Locations
- g) Bidders bidding through a Designated Intermediary, other than a SCSB, should note that

Bid cum Application Forms submitted to such Designated Intermediary may not be accepted, if the SCSB where the ASBA Account, as specified in the Bid cum Application Form, is maintained has not named at least one branch at that location for such Designated Intermediary, to deposit Bid cum Application Forms.

- h) Bidders bidding directly through the SCSBs should ensure that the Bid cum Application Form is submitted to a Designated Branch of a SCSB where the ASBA Account is maintained.
- i) Upon receipt of the Bid cum Application Form, the Designated Branch of the SCSB may verify if sufficient funds equal to the Bid Amount are available in the ASBA Account, as mentioned in the Bid cum Application Form.
- j) If sufficient funds are available in the ASBA Account, the SCSB may block an amount equivalent to the Bid Amount mentioned in the Bid cum Application Form and for application directly submitted to SCSB by investor, may enter each Bid option into the electronic bidding system as a separate Bid.
- k) If sufficient funds are not available in the ASBA Account, the Designated Branch of the SCSB may not accept such Bids and such bids are liable to be rejected.
- l) Upon submission of a completed Bid cum Application Form each Bidder may be deemed to have agreed to block the entire Bid Amount and authorized the Designated Branch of the SCSB to block the Bid Amount specified in the Bid cum Application Form in the ASBA Account maintained with the SCSBs
- m) The Bid Amount may remain blocked in the aforesaid ASBA Account until finalisation of the Basis of Allotment and consequent transfer of the Bid Amount against the Allotted Equity Shares to the Public Issue Account, or until withdrawal or failure of the Issue, or until withdrawal or rejection of the Bid, as the case may be.
- n) SCSBs bidding in the Issue must apply through an Account maintained with any other SCSB; else their Bids are liable to be rejected.

4.1.7.2 Payment instructions for Anchor Investors:

- a. Anchor Investors may submit their Bids with a BRLM.
- b. Payments by Anchor Investors are required to be made through direct credit, RTGS or NEFT
- c. The Escrow Collection Bank shall maintain the monies in the Escrow Account for and on behalf of the Anchor Investors until the Designated Date.

4.1.8. Unblocking of ASBA Account

- (a) Once the Basis of Allotment is approved by the Designated Stock Exchange, the Registrar to the Issue may provide the following details to the controlling branches of each SCSB, along with instructions to unblock the relevant bank accounts and for successful Bids transfer the requisite money to the Public Issue Account designated for this purpose, within the specified timelines: (i) the number of Equity Shares to be Allotted against each Bid, (ii) the amount to be transferred from the relevant bank account to the Public Issue Account, for each Bid, (iii) the date by which funds referred to in (ii) above may be transferred to the Public Issue Account, and (iv) details of rejected Bids, if any, to enable the SCSBs to unblock the respective bank accounts.
- (b) On the basis of instructions from the Registrar to the Issue, the SCSBs may transfer the requisite amount against each successful Bidder to the Public Issue Account and may unblock the excess amount, if any, in the ASBA Account.
- (c) In the event of withdrawal or rejection of the Bid cum Application Form and for unsuccessful Bids, the Registrar to the Issue may give instructions to the SCSB to unblock

the Bid Amount in the relevant ASBA Account within six Working Days of the Bid/Issue Closing Date.

- (d) In the event of withdrawal or rejection of the Bid cum Application Form and for unsuccessful Bidders, the Registrar to the Issue may give instructions to the SCSB to unblock the Bid Amount in the relevant ASBA Account within 6 Working Days of the Bid/Issue Closing Date.

4.1.8.1. Discount (if applicable)

- (a) The Discount is stated in absolute rupee terms.
- (b) Bidders applying under RII category, Retail Individual Shareholder and employees are only eligible for discount. For Discounts offered in the Issue, Bidders may refer to the RHP/Prospectus.
- (c) The Bidders entitled to the applicable Discount in the Issue may make payment for an amount i.e. the Bid Amount less Discount (if applicable).

Bidder may note that in case the net payment (post Discount) is more than two lakh Rupees, the bidding system automatically considers such Bids for allocation under Non-Institutional Category. These Bids are neither eligible for Discount nor fall under RII category.

4.1.8.2. Additional Payment Instructions for NRIs

The Non-Resident Indians who intend to block funds through Non-Resident Ordinary (NRO) accounts shall use the form meant for Resident Indians (non-repatriation basis). In the case of Bids by NRIs applying on a repatriation basis, payment shall not be accepted out of NRO Account.

4.1.9. SIGNATURES AND OTHER AUTHORISATIONS

- (a) Only the First Bidder is required to sign the Bid cum Application Form. Bidders should ensure that signatures are in one of the languages specified in the Eighth Schedule to the Constitution of India.
- (b) If the ASBA Account is held by a person or persons other than the Bidder, then the Signature of the ASBA Account holder(s) is also required.
- (c) In relation to the Bids, signature has to be correctly affixed in the authorization/undertaking box in the Bid cum Application Form, or an authorisation has to be provided to the SCSB via the electronic mode, for blocking funds in the ASBA Account equivalent to the Bid/amount mentioned in the Bid cum Application Form.
- (d) Bidders must note that Bid cum Application Form without signature of Bidder and /or ASBA Account holder is liable to be rejected.

4.1.10. ACKNOWLEDGEMENT AND FUTURE COMMUNICATION

- (a) Bidders should ensure that they receive the acknowledgment duly signed and stamped by Bid Collecting Intermediary or SCSB, as applicable, for submission of the Bid cum Application Form.
- (b) All communications in connection with Bid made in the Offer should be addressed as under:
 - i. In case of queries related to Allotment, non-receipt of Allotment Advice, credit of allotted equity shares, the Bidders should contact the Registrar to the Issue.
 - ii. In case of ASBA Bids submitted to the Designated Branches of the SCSBs, the Bidders should contact the relevant Designated Branch of the SCSB.
 - iii. Bidders may contact the Company Secretary and Compliance Officer or BRLM in case of any other complaints in relation to the Offer.
 - iv. In case of queries relating to uploading of Bids by a Syndicate Member, the Bidders should contact the relevant Syndicate Member.

- v. In case of queries relating to uploading of Bids by a Registered Broker, the Bidders should contact the relevant Registered Broker
 - vi. In case of Bids submitted to the RTA, the Bidders should contact the relevant RTA.
 - vii. In case of Bids submitted to the DP, the Bidders should contact the relevant DP.
- (c) The following details (as applicable) should be quoted while making any queries -
- i. Full name of the sole or First Bidder, Bid cum Application Form number, Bidder' DP ID, Client ID, PAN, number of Equity Shares applied for, amount paid on Bid.
 - ii. name and address of the Designated Intermediary, where the Bid was submitted; or For further details, Bidder may refer to the Red Herring Prospectus and the Bid cum Application Form.

4.2. INSTRUCTIONS FOR FILING THE REVISION FORM

- (a) During the Bid/Offer Period, any Bidder (other than QIBs and NIIs, who can only revise their Bid amount upwards) who has registered his or her interest in the Equity Shares for a particular number of shares is free to revise number of shares applied using revision forms available separately.
- (b) RII may revise / withdraw their Bid till closure of the Bid/Offer period.
- (c) Revisions can be made only in the desired number of Equity Shares by using the Revision Form.
- (d) The Bidder can make this revision any number of times during the Bid/Offer Period. However, for any revision(s) in the Bid, the Bidders will have to use the services of the SCSB through which such Bidder had placed the original Bid.

A sample Revision form is reproduced below:

Revision Form – R

| | | |
|--|---|---|
| COMMON 2012 REVISION FORM | MACPOWER CNC MACHINES LIMITED - INITIAL PUBLIC ISSUE - REVISION - R Registered Office: Unit No.224, 1st Floor, Gate, City Centre, T. Nagar, Chennai, Tamil Nadu, India. CIN: U 28990 GJ 2005 PLC 004449; Tel: No. 044-27120700; Fax: No. 044-27120799 E-mail: ipo@macpowercnc.com; Website: www.macpowercnc.com | FOR RESIDENT INDIANS EXCLUDING RESIDENT QIB AND ELIGIBLE NRI APPLYING ON A NON-RESIDENT IAN BASIS |
| To, The Board of Directors MACPOWER CNC MACHINES LIMITED | | BOOK BUILD ISSUE ISIN - INE |
| | | Bid Date Application Form No. |
| SYNDICATE MEMBER'S STAMP & CODE | BROKER'S / SCB / CTF/IFA STAMP & CODE | 1. NAME & CONTACT DETAILS OF SOLE FIRST BIDDER Bidder's Name: _____ Address: _____ Email: _____ Pin Code / P.O. / Dist. / State: _____ |
| SCD BROKER'S / SCD / CTF/IFA STAMP & CODE | THE PNB BANK / SCB BRANCH STAMP & CODE | 2. PAN OF SOLE / FIRST BIDDER _____ |
| BANK BRANCH / SERIAL NO. | ACCOUNT NO. | 3. DETACH CATEGORY ACCOUNT DETAILS <input type="checkbox"/> IPO <input type="checkbox"/> IPO-C |
| PLEASE CHANGE MY BID | | |
| 4. FROM (AS PER LAST BID OR REVISION) | | |
| Bid Option | No. of Equity Shares Bid (in Figures) (This must be in multiples of 10 equity shares) | Price per Equity Share (₹) "Cut-off" (in Figures) Bid Price Total Discount, if any Net Price "Cut-off" (Price / ₹) |
| Option 1 | | |
| (IPO) Option 2 | | |
| (IPO) Option 3 | | |
| 5. TO (REVISED BIDDERS Only Retail Individual Bidders can BID at "Cut-off") | | |
| Bid Option | No. of Equity Shares Bid (in Figures) (This must be in multiples of 10 equity shares) | Price per Equity Share (₹) "Cut-off" (in Figures) Bid Price Total Discount, if any Net Price "Cut-off" (Price / ₹) |
| Option 1 | | |
| (IPO) Option 2 | | |
| (IPO) Option 3 | | |
| 6. PAYMENT DETAILS | | |
| Additional Amount Blocked (₹ in Figures) | | PAYMENT OPTION: Full Payment <input type="checkbox"/> |
| Blocked (₹ in words) _____ (₹ in words) | | |
| ADDRESS No. _____ | | |
| Bank Name & Branch _____ | | |
| TRAIL HERE | | |
| MACPOWER CNC MACHINES LIMITED INITIAL PUBLIC ISSUE - REVISION - R | | Acknowledgement Slip for Application Number: _____ |
| | | Bid Date Application Form No. |
| | | PAN of Sole / First Bidder |
| Additional Amount Blocked (₹ in Figures) | | ASBA A/c No. |
| Bank & Branch | | Stamp & Signature of SCB/Broker |
| Received from Mr./Ms. | | |
| Telephone / Mobile _____ Email _____ | | |
| TRAIL HERE | | |
| NO. OF EQUITY SHARES TO BE SUBMITTED FOR BOOK BUILD ISSUE | Option 1 Option 2 Option 3 | Stamp & Signature of Applicant/Issuer (Registered Broker / SCD/CTF/IFA) |
| No. of Equity Shares | | Name of Sole / First Bidder |
| Bid Price | | |
| Additional Amount Blocked (₹) | | Acknowledgement Slip for Bidder |
| ASBA Bank A/c No. | | Bid Date Application Form No. |
| Bank & Branch | | |

Revision Form – NR

| | | |
|--|---|---|
| COMMON BID REVISION FORM | MACPOWER CNC MACHINES LIMITED - INITIAL PUBLIC ISSUE - REVISION - NR Registered Office: Plot No.2274, 5 th Kewal Gate, Gole Market, Tol. Lakhota, Plot, Rajgarh 308007, Gujarat, India. CIN: U16609GJ2006PL0043499; Tel. No.: 8227 287996; Fax No.: 8227 287933 E-mail: info@macpowercnc.com; Website: www.macpowercnc.com | FOR NON-RESIDENTS INCLUDING FOREIGN NRIs, FPIs OR FVCI, ETC. APPLYING ON A BOND BY WAY OF BANK |
| To, The Board of Directors MACPOWER CNC MACHINES LIMITED | | BROOK HULL ISSUE ISIN - INE- |
| | | Bid Date Application Form No. |
| SYNDICATE MEMBER'S NAME & CODE | BROKER'S NAME (IF BY WAY OF BANK) | 1. NAME & CONTACT DETAILS OF SOLE FIRST BIDDER Mr./Ms./Mlle. _____ Address _____ _____ _____ City _____ State _____ 2. PAN OF SOLE / FIRST BIDDER _____ 3. BIDDING DEPOSITARY ACCOUNT DETAILS <input type="checkbox"/> BIDD <input type="checkbox"/> CDD For BIDD and CDD PAN No. Bidder's Designation (e.g. Bidder 1) For CDD, use Bidder ID |
| SCD BROKER'S NAME & CODE | THE PNB BANK (CIN) BRANCH NAME & CODE | |
| BANK BRANCH SERIAL NO. | ACCOUNT NO. | |
| PLEASE CHANGE MY BID | | |
| 4. FROM (AS PER LAST BID OR REVISION) | | |
| Bid Option | No. of Equity Shares Bid (in Figures) (This must be in multiples of 10 equity shares) | Price per Equity Share (₹) "Cut-off" (in Figures) Bid Price Total Discount, if any Net Price "Cut-off" (Price / ₹) |
| Option 1 | | |
| Option 2 | | |
| Option 3 | | |
| 5. TO (REVISED BIDD) (Only Retail individual Bidders can BID at "Cut-off") | | |
| Bid Option | No. of Equity Shares Bid (in Figures) (This must be in multiples of 10 equity shares) | Price per Equity Share (₹) "Cut-off" (in Figures) Bid Price Total Discount, if any Net Price "Cut-off" (Price / ₹) |
| Option 1 | | |
| Option 2 | | |
| Option 3 | | |
| 6. PAYMENT DETAILS | | |
| PAYMENT OPTION: <input type="checkbox"/> Full Payment | | |
| Additional Amount Hacked (₹ in Figures) _____ (₹ in words) _____ | | |
| ADDRESSES: _____ Bank Name & Branch _____ _____ _____ | | |
| BY SIGNING THIS BID APPLICATION, THE BIDDER HEREBY DECLARES THAT THE TERMS AND CONDITIONS OF THESE BIDDING APPLICATIONS HAVE BEEN READ AND UNDERSTOOD AND THE BIDDING INFORMATION DOCUMENT FOR PUBLIC ISSUE OF EQUITY SHARES ("BID") AND BIDDING WILL BE COMPLIED WITH AND CONFIRMED THE SUCCESS OF THE BIDDING APPLICATIONS. THE BIDDING APPLICATIONS WILL BE VALID FOR 30 DAYS FROM THE DATE OF CLOSURE OF BIDDING AND THE BIDDING APPLICATIONS WILL BE VALID FOR 30 DAYS FROM THE DATE OF CLOSURE OF BIDDING. THE BIDDING APPLICATIONS WILL BE VALID FOR 30 DAYS FROM THE DATE OF CLOSURE OF BIDDING. | | |
| SIGNATURE OF SOLE / FIRST BIDDER | TO SIGNATURE OF ASBA BANK ACCOUNT HOLDER (BY WAY OF BANK APPLICATION) (This signature is valid only when the account number is the same as the one in the Bid) | SYNDICATE MEMBER/BROKER / SCB / CTF / FPI / FVCI (As required by the regulations of SEBI) |
| Date: _____, 2017 | | |
| TRAIL HERE | | |
| MACPOWER CNC MACHINES LIMITED - INITIAL PUBLIC ISSUE - REVISION - NR | | Acknowledgement City For First Bidder Signature Bank/Account No. PAN No. |
| | | PAN of Sole / First Bidder |
| Additional Amount Hacked (₹ in Figures) _____ ASBA A/c No. _____ | | Stamp & Signature of SCB Branch |
| Bank & Branch _____ | | |
| Received from Mr./Ms. _____ Telephone / Mobile _____ Email _____ | | |
| TRAIL HERE | | |
| MACPOWER CNC MACHINES LIMITED - INITIAL PUBLIC ISSUE - REVISION - NR | No. of Equity Shares Bid Price Additional Amount Hacked (₹) ASBA Bank A/c No. Bank & Branch | Stamp & Signature of Applicant/Member/Registered Broker (SCB/CTF/FPI/FVCI) Name of Sole / First Bidder Acknowledgement City Bid Date |
| | | Bid Date Application Form No. |

4.2.1. NAME AND CONTACT DETAILS OF SOLE/FIRST BIDDER, PAN OF SOLE/FIRST BIDDER & DEPOSITORY ACCOUNT DETAILS OF THE BIDDER

Bidders should refer to instructions contained in paragraphs 4.1.1, 4.1.2 and 4.1.3.

4.2.2. BID OPTIONS REVISION 'FROM' AND 'TO'

- (a) Apart from mentioning the revised number of shares in the Revision Form, the Bidder must also mention the details of shares applied/bid for given in his or her Bid cum Application Form or earlier Revision Form. For example, if a Bidder has Bid for three options in the Bid cum Application Form and such Bidder is changing only one of the options in the Revision Form, the Bidder must still fill the details of the other two options that are not being revised, in the Revision Form. The members of the Syndicate, the Registered Brokers and the Designated Branches of the SCSBs may not accept incomplete or inaccurate Revision Form.
- (b) In case of revision, Bid options should be provided by Bidders in the same order as provided in the Bid cum Application Form.
- (c) In case of revision of Bids by RIIs, Employees and Retail Individual Shareholders, such Bidders should ensure that the Bid Amount, subsequent to revision, does not exceed Rs. 200,000. In case the Bid Amount exceeds Rs. 200,000 due to revision of the Bid or for any other reason, the Bid may be considered, subject to eligibility, for allocation under the Non-Institutional Category, not being eligible for Discount (if applicable) and such Bid may be rejected if it is at the Cut-off Price. The Cut-off Price option is given only to the RIIs, Employees and Retail Individual Shareholders indicating their agreement to Bid for and purchase the Equity Shares at the Issue Price as determined at the end of the Book Building Process.
- (d) In case the total amount (i.e., original Bid Amount plus additional payment) exceeds Rs. 200,000, the Bid will be considered for allocation under the Non-Institutional Category in terms of the RHP. If, however, the RII does not either revise the Bid or make additional payment and the Issue Price is higher than the cap of the Price Band prior to revision, the number of Equity Shares Bid for shall be adjusted downwards for the purpose of allocation, such that no additional payment would be required from the RII and the RII is deemed to have approved such revised Bid at Cut-off Price.
- (e) In case of a downward revision in the Price Band, RIIs and Bids by Employees under the Reservation Portion, who have bid at the Cut-off Price could either revise their Bid or the excess amount paid at the time of Bidding may be unblocked in case of Bidders.

4.2.3. PAYMENT DETAILS

All Bidders are required to make payment of the full Bid Amount (less Discount, if applicable) along with the Bid Revision Form. In case of Bidders specifying more than one Bid Option in the Bid cum Application Form, the total Bid Amount may be calculated for the highest of three options at net price, i.e. Bid price less discount offered, if any.

- a) Bidder may Issue instructions to block the revised amount based on cap of the revised Price Band (adjusted for the Discount (if applicable) in the ASBA Account, to the same Designated Intermediary through whom such Bidder had placed the original Bid to enable the relevant SCSB to block the additional Bid Amount, if any.
- b) In case the total amount (i.e., original Bid Amount less discount (if applicable) plus additional payment) exceeds Rs. 200,000, the Bid may be considered for allocation under the Non-Institutional Category in terms of the DRHP. If, however, the Bidder does not either revise the Bid or make additional payment and the Issue Price is higher than the cap of the Price Band prior to revision, the number of Equity Shares Bid for may be adjusted downwards for the purpose of Allotment, such that additional

amount is required blocked and the Bidder is deemed to have approved such revised Bid at the Cut-off Price.

- c) **In case of a downward revision in the Price Band, RIIs, Employees and Retail Individual Shareholders, who have bid at the Cut-off Price, could either revise their Bid or the excess amount paid at the time of Bidding may be unblocked.**

4.2.4. SIGNATURES AND ACKNOWLEDGEMENTS

Bidders may refer to instructions contained at paragraphs 4.1.8 and 4.1.9 for this purpose.

4.3. SUBMISSION OF REVISION FORM/ BID CUM APPLICATION FORM /APPLICATION FORM

4.3.1. Bidders may submit completed Bid cum Application form / Revision Form in the following manner:-

| Mode of Bid | Submission of Bid cum Application Form |
|--------------------------------|---|
| All investors Bids | To the Bid cum Application Collecting Intermediaries as mentioned in the Red herring Prospectus/ Bid cum Application Form |
| Application by Anchor Investor | To the BRLM at the location specified in the Anchor Investor Application Form |

Bidders should submit the Revision Form to the same Designated Intermediary through which such Bidders had placed the original Bid.

SECTION 5: INSTRUCTIONS FOR FILING APPLICATION FORM IN ISSUES MADE OTHER THAN THROUGH THE BOOK BUILDING PROCESS (FIXED PRICE ISSUE)

This being book built issue procedure for fixed price issue is not applicable.

SECTION 6- ISSUE PROCEDURE IN BOOK BUILT ISSUE

Book Building, in the context of the Issue, refers to the process of collection of Bids within the Price Band or above the Floor Price and determining the Issue Price based on the Bids received as detailed in Schedule XI of SEBI ICDR Regulations, 2009. The Issue Price is finalised after the Bid/Issue Closing Date. Valid Bids received at or above the Issue Price are considered for allocation in the Issue, subject to applicable regulations and other terms and conditions.

6.1 SUBMISSION OF BIDS

- a) During the Bid/Issue Period, Bidders may approach any of the Designated Intermediaries to register their Bids. Anchor Investors who are interested in subscribing for the Equity Shares should approach the Book Running Lead Manager, to register their Bid.
- b) In case of Bidders (excluding NIIs and QIBs) Bidding at Cut-off Price, the Bidders may instruct the SCSBs to block Bid Amount based on the Cap Price less Discount (if applicable).

For Details of the timing on acceptance and upload of Bids in the Stock Exchanges Platform Bidders are requested to refer to the RHP.

6.2 ELECTRONIC REGISTRATION OF BIDS

- a) **The Designated Intermediary may register the Bids using the on-line facilities of the Stock Exchanges. The Designated Intermediaries can also set up facilities for off-line electronic registration of Bids, subject to the condition that they may subsequently upload the off-line data file into the on-line facilities for Book Building on a regular basis before the closure of the issue.**
- b) **On the Bid/Issue Closing Date, the Designated Intermediaries may upload the Bids till such time as may be permitted by the Stock Exchanges.**
- c) **Only Bids that are uploaded on the Stock Exchanges Platform are considered for allocation/Allotment. The Designated Intermediaries are given till 1:00 pm on the day following the Bid/Issue Closing Date to modify select fields uploaded in the Stock Exchange Platform during the Bid/Issue Period after which the Stock Exchange(s) send the bid information to the Registrar to the Issue for further processing.**

6.3 BUILD UP OF THE BOOK

- a. **Bids received from various Bidders through the Designated Intermediaries may be electronically uploaded on the Bidding Platform of the Stock Exchanges' on a regular basis. The book gets built up at various price levels. This information may be available with the BRLM at the end of the Bid/Issue Period.**
- b. **Based on the aggregate demand and price for Bids registered on the Stock Exchanges Platform, a graphical representation of consolidated demand and price as available on the websites of the Stock Exchanges may be made available at the Bidding centres during the Bid/Issue Period.**

6.4 WITHDRAWAL OF BIDS

- a) **RIIs can withdraw their Bids until Bid/Issue Closing Date. In case a RII wishes to withdraw the Bid during the Bid/Issue Period, the same can be done by submitting a request for the same to the concerned Designated Intermediary who shall do the requisite, including unblocking of the funds by the SCSB in the ASBA Account.**
- b) **The Registrar to the Issue shall give instruction to the SCSB for unblocking the ASBA Account on the Designated Date. QIBs and NIIs can neither withdraw nor lower the size of their Bids at any stage.**

6.5 REJECTION & RESPONSIBILITY FOR UPLOAD OF BIDS

- a) **The Designated Intermediaries are individually responsible for the acts, mistakes or errors or omission in relation to:**
 - 1) the Bids accepted by the Designated Intermediaries,
 - 2) the Bids uploaded by the Designated Intermediaries, and
 - 3) the Bid cum Application Forms accepted but not uploaded by the Designated Intermediaries.

- b) The BRLM and their affiliate Syndicate Members, as the case may be, may reject Bids if all the information required is not provided and the Bid cum Application Form is incomplete in any respect.
- c) The SCSBs shall have no right to reject Bids, except in case of unavailability of adequate funds in the ASBA account or on technical grounds.
- d) In case of QIB Bidders, only the (i) SCSBs (for Bids other than the Bids by Anchor Investors); and (ii) BRLM and their affiliate Syndicate Members (only in the Specified Locations) have the right to reject bids. However, such rejection shall be made at the time of receiving the Bid and only after assigning a reason for such rejection in writing.
- e) All bids by QIBs, NIIs & RIIs Bids can be rejected on technical grounds listed herein.

GROUND OF REJECTIONS

Bidders are advised to note that Bids are liable to be rejected inter alia on the following technical grounds:

- Amount blocked does not tally with the amount payable for the Equity Shares applied for;
- In case of partnership firms, Equity Shares may be registered in the names of the individual partners and no firm as such shall be entitled to apply;
- Bid by persons not competent to contract under the Indian Contract Act, 1872 including minors, insane persons;
- PAN not mentioned in the Bid cum Application Form;
- Bids at a price less than the Floor Price and Bids at a price more than the Cap Price;
- GIR number furnished instead of PAN;
- Bid for lower number of Equity Shares than specified for that category of investors;
- Bids at Cut-off Price by NIIs and QIBs;
- Submission of more than five Bid cum Application Forms/Application Form as through a single ASBA Account
- Bids for number of Equity Shares which are not in multiples Equity Shares which are not in multiples as specified in the DRHP;
- The amounts mentioned in the Bid cum Application Form/Application Form does not tally with the amount payable for the value of the Equity Shares Bid/Applied for;
- Bids for lower number of Equity Shares than the minimum specified for that category of investors;
- Category not ticked;
- Multiple Bids as defined in the DRHP;
- In case of Bids under power of attorney or by limited companies, corporate, trust etc., where relevant documents are not submitted;
- Bid accompanied by Stock invest/ money order/ postal order/ cash/ cheque/ demand draft/ pay order;
- Signature of sole Bidder is missing;
- Bid cum Application Forms not delivered by the Bidder within the time prescribed as per the Bid cum Application Forms, Bid/Issue Opening Date advertisement, as per the instructions in the RHP and the Bid cum Application Forms;

- In case no corresponding record is available with the Depositories that matches three parameters namely, names of the Bidders (including the order of names of joint holders), the Depository Participant's identity (DP ID) and the beneficiary's account number;
- Bids for amounts greater than the maximum permissible amounts prescribed by the regulations;
- Bid by OCBs;
- Bids by US persons other than in reliance on Regulation S or "qualified institutional buyers" as defined in Rule 144A under the Securities Act;
- Inadequate funds in the bank account to block the Bid Amount specified in the Bid cum Application Form/Application Form at the time of blocking such Bid Amount in the bank account;
- Bids not uploaded on the terminals of the Stock Exchanges; and
- Where no confirmation is received from SCSB for blocking of funds
- Bids by SCSBs wherein a separate account in its own name held with any other SCSB is not mentioned as the ASBA Account in the Bid cum Application Form/Application Form. Bids not duly signed by the sole/First Bidder;
- Bids by any persons outside India if not in compliance with applicable foreign and Indian laws;
- Bids that do not comply with the securities laws of their respective jurisdictions are liable to be rejected;
- Bids by persons prohibited from buying, selling or dealing in the shares directly or indirectly by SEBI or any other regulatory authority;
- Bids by persons who are not eligible to acquire Equity Shares of the Company in terms of all applicable laws, rules, regulations, guidelines, and approvals;
- Details of ASBA Account not provided in the Bid cum Application Form

For details of instructions in relation to the Bid cum Application Form, Bidders may refer to the relevant section the GID.

BIDDERS SHOULD NOTE THAT IN CASE THE PAN, THE DP ID AND CLIENT ID MENTIONED IN THE BID CUM APPLICATION FORM AND ENTERED INTO THE ELECTRONIC APPLICATION SYSTEM OF THE STOCK EXCHANGES BY THE BIDS COLLECTING INTERMEDIARIES DO NOT MATCH WITH PAN, THE DP ID AND CLIENT ID AVAILABLE IN THE DEPOSITORY DATABASE, THE BID CUM APPLICATION FORM IS LIABLE TO BE REJECTED.

BASIS OF ALLOCATION

- a) **The SEBI ICDR Regulations, 2009 specify the allocation or Allotment that may be made to various categories of Bidders in an Issue depending on compliance with the eligibility conditions. Certain details pertaining to the percentage of Issue size available for allocation to each category is disclosed overleaf of the Bid cum Application Form and in the RHP. For details in relation to allocation, the Bidder may refer to the RHP.**
- b) **Under-subscription in any category (except QIB Category) is allowed to be met with spill over from any other category or combination of categories at the discretion of the Issuer and in consultation with the BRLM and the Designated Stock Exchange and in**

accordance with the SEBI ICDR Regulations, 2009. Unsubscribed portion in QIB Category is not available for subscription to other categories.

- c) In case of under subscription in the Issue, spill-over to the extent of such under-subscription may be permitted from the Reserved Portion to the Issue. For allocation in the event of an under-subscription applicable to the Issuer, Bidders may refer to the RHP.
- d) **Illustration of the Book Building and Price Discovery Process**

Bidders should note that this example is solely for illustrative purposes and is not specific to the Issue; it also excludes Bidding by Anchor Investors.

Bidders can bid at any price within the Price Band. For instance, assume a Price Band of Rs.20 to Rs 24 per share, Issue size of 3,000 Equity Shares and receipt of five Bids from Bidders, details of which are shown in the table below. The illustrative book given below shows the demand for the Equity Shares of the Issuer at various prices and is collated from Bids received from various investors.

| Bid Quantity | Bid Amount (Rs.) | Cumulative Quantity | Subscription |
|--------------|------------------|---------------------|--------------|
| 500 | 24 | 500 | 16.67% |
| 1,000 | 23 | 1,500 | 50.00% |
| 1,500 | 22 | 3,000 | 100.00% |
| 2,000 | 21 | 5,000 | 166.67% |
| 2,500 | 20 | 7,500 | 250.00% |

The price discovery is a function of demand at various prices. The highest price at which the Issuer is able to Offer the desired number of Equity Shares is the price at which the book cuts off, i.e., Rs. 22.00 in the above example. The Issuer, in consultation with the BRLM, may finalise the Issue Price at or below such Cut-Off Price, i.e., at or below Rs. 22.00. All Bids at or above this Issue Price and cut-off Bids are valid Bids and are considered for allocation in the respective categories.

SECTION 6: ISSUE PROCEDURE IN FIXED PRICE ISSUE

This being Book Built Issue, this section is not applicable for this Issue.

SECTION 7: ALLOTMENT PROCEDURE AND BASIS OF ALLOTMENT

The Allotment of Equity Shares to Bidders other than Retail Individual Investors and Anchor Investors may be on proportionate basis. For Basis of Allotment to Anchor Investors, Bidders may refer to DRHP. No Retail Individual Investor will be allotted less than the minimum Bid Lot subject to availability of shares in Retail Individual Investor Category and the remaining available shares, if any will be allotted on a proportionate basis. The Issuer is required to receive a minimum subscription of 90% of the Offer (excluding any Offer for Sale of specified securities). However, in case the Offer is in the nature of Offer for Sale only, then minimum subscription may not be applicable.

7.1 BASIS OF ALLOTMENT

a. For Retail Individual Bidders

Bids received from the Retail Individual Bidders at or above the Issue Price shall be grouped together to determine the total demand under this category. The Allotment to all the successful Retail Individual Bidders will be made at the Issue Price.

The Issue size less Allotment to Non-Institutional and QIB Bidders shall be available for Allotment to Retail Individual Bidders who have Bid in the Issue at a price that is equal to or greater than the Issue Price. If the aggregate demand in this category is less than or equal to [●] Equity Shares at or above the

Issue Price, full Allotment shall be made to the Retail Individual Bidders to the extent of their valid Bids.

If the aggregate demand in this category is greater than [●] Equity Shares at or above the Issue Price, the Allotment shall be made on a proportionate basis up to a minimum of [●] Equity Shares and in multiples of [●] Equity Shares thereafter. For the method of proportionate Basis of Allotment, refer below.

b. For Non-Institutional Bidders

Bids received from Non-Institutional Bidders at or above the Issue Price shall be grouped together to determine the total demand under this category. The Allotment to all successful Non- Institutional Bidders will be made at the Issue Price.

The Issue size less Allotment to QIBs and Retail shall be available for Allotment to Non- Institutional Bidders who have Bid in the Issue at a price that is equal to or greater than the Issue Price. If the aggregate demand in this category is less than or equal to [●] Equity Shares at or above the Issue Price, full Allotment shall be made to Non-Institutional Bidders to the extent of their demand.

In case the aggregate demand in this category is greater than [●] Equity Shares at or above the Issue Price, Allotment shall be made on a proportionate basis up to a minimum of [●] Equity Shares and in multiples of [●] Equity Shares thereafter. For the method of proportionate Basis of Allotment refer below.

c. For QIBs

For the Basis of Allotment to Anchor Investors, Bidders/Applicants may refer to the SEBI ICDR Regulations 2009 or RHP/Prospectus. Bids received from the QIB Category (net of Anchor Portion) at or above the Issue Price shall be grouped together to determine the total demand under this portion. The Issue size less Allotment to Non Institutional Bidders and Retail shall be available for Allotment to Non- QIB Bidders who have Bid in the Issue at a price that is equal to or greater than the Issue Price. The Allotment to all the QIB Bidders will be made at the Issue Price. The QIB Portion shall be available for Allotment to QIB Bidders who have Bid in the Issue at a price that is equal to or greater than the Issue Price.

Allotment shall be undertaken in the following manner:

(a) In the first instance allocation to Mutual Funds for 5% of the QIB Portion shall be determined as follows:

- In the event that Bids by Mutual Fund exceeds 5% of the QIB Portion, allocation to Mutual Funds shall be done on a proportionate basis for 5% of the QIB Portion.
- In the event that the aggregate demand from Mutual Funds is less than 5% of the QIB Portion then all Mutual Funds shall get full Allotment to the extent of valid Bids received above the Issue Price.
- Equity Shares remaining unsubscribed, if any, not allocated to Mutual Funds shall be available for Allotment to all QIB Bidders as set out in (b) below;

(b) In the second instance Allotment to all QIBs shall be determined as follows:

- In the event that the oversubscription in the QIB Portion, all QIB Bidders who have submitted Bids above the Issue Price shall be allotted Equity Shares on a proportionate basis, upto a minimum of [●] Equity Shares and in multiples of [●] Equity Shares thereafter for 49.96% of the QIB Portion.
- Mutual Funds, who have received allocation as per (a) above, for less than the number of Equity Shares Bid for by them, are eligible to receive Equity Shares on a proportionate basis, upto a minimum of [●] Equity Shares and in multiples of [●] Equity Shares thereafter, along with other QIB Bidders.

- Under-subscription below [●]% of the QIB Portion, if any, from Mutual Funds, would be included for allocation to the remaining QIB Bidders on a proportionate basis. The aggregate Allotment to QIB Bidders shall not be more than [●] Equity Shares.

d. ALLOTMENT TO ANCHOR INVESTOR (IF APPLICABLE)

(a). Allocation of Equity Shares to Anchor Investors at the Anchor Investor Allocation Price will be at the discretion of the Issuer, in consultation with the BRLMs, subject to compliance with the following requirements

(i) not more than 60% of the QIB Portion will be allocated to Anchor Investors;

(ii) one-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the price at which allocation is being done to other Anchor Investors; and

(iii) allocation to Anchor Investors shall be on a discretionary basis and subject to:

- a maximum number of two Anchor Investors for allocation up to Rs. 10 crores;
- a minimum number of two Anchor Investors and maximum number of 15 Anchor Investors for allocation of more than Rs. 10 crores and up to Rs. 250 crores subject to minimum allotment of Rs. 5 crores per such Anchor Investor; and
- a minimum number of five Anchor Investors and maximum number of 25 Anchor Investors for allocation of more than Rs. 250 crores subject to minimum allotment of Rs. 5 crores per such Anchor Investor

(b) A physical book is prepared by the Registrar on the basis of the Anchor Investor Application Forms received from Anchor Investors. Based on the physical book and at the discretion of the Issuer, in consultation with the BRLMs, selected Anchor Investors will be sent a CAN and if required, a revised CAN.

(c) In the event that the Issue Price is higher than the Anchor Investor Allocation Price: Anchor Investors will be sent a revised CAN within one day of the Pricing Date indicating the number of Equity Shares allocated to such Anchor Investor and the pay-in date for payment of the balance amount. Anchor Investors are then required to pay any additional amounts, being the difference between the Issue Price and the Anchor Investor Allocation Price, as indicated in the revised CAN within the pay-in date referred to in the revised CAN. Thereafter, the Allotment Advice will be issued to such Anchor Investors.

(d) In the event the Issue Price is lower than the Anchor Investor Allocation Price: Anchor Investors who have been Allotted Equity Shares will directly receive Allotment Advice.

e. Basis of Allotment for QIBs (other than Anchor Investors) and NIIs in case of Over-Subscribed Issue

In the event of the Issue being Over-Subscribed, the Issuer may finalise the Basis of Allotment in consultation with the EMERGE Platform of National Stock Exchange of India Limited (The Designated Stock Exchange). The allotment may be made in marketable lots on proportionate basis as set forth hereunder:

- 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 oversubscription ratio (number of Bidders in the category x number of Shares applied for).
- The number of Shares to be allocated to the successful Bidders 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).

- (c) For Bids where the proportionate allotment works out to less than [●] equity shares the allotment will be made as follows:
- Each successful Bidder shall be allotted [●] equity shares; and
 - The successful Bidder out of the total bidders for that category shall be determined by the drawl of lots in such a manner that the total number of Shares allotted in that category is equal to the number of Shares worked out as per (b) above.
- (d) If the proportionate allotment to a Bidder works out to a number that is not a multiple of [●] equity shares, the Bidder would be allotted Shares by rounding off to the nearest multiple of [●] equity shares subject to a minimum allotment of [●] equity shares.
- (e) If the Shares allotted on a proportionate basis to any category is more than the Shares allotted to the Bidders in that category, the balance available Shares or allocation shall be first adjusted against any category, where the allotted Shares are not sufficient for proportionate allotment to the successful Bidder in that category, the balance Shares, if any, remaining after such adjustment will be added to the category comprising Bidder applying for the minimum number of Shares. If as a result of the process of rounding off to the nearest multiple of [●] Equity Shares, results in the actual allotment being higher than the shares offered, the final allotment may be higher at the sole discretion of the Board of Directors, up to 110% of the size of the offer specified under the Capital Structure mentioned in this DRHP.

Retail Individual Investor' means an investor who applies for shares of value of not more than Rs. 2,00,000/- .Investors may note that in case of over subscription allotment shall be on proportionate basis and will be finalized in consultation with National Stock Exchange of India Limited.

The Executive Director / Managing Director of National Stock Exchange of India Limited - the Designated Stock Exchange in addition to Book Running Lead Manager and Registrar to the Public Issue shall be responsible to ensure that the basis of allotment is finalized in a fair and proper manner in accordance with the SEBI (ICDR) Regulations.

7.2 DESIGNATED DATE AND ALLOTMENT OF EQUITY SHARES

- (a) **Designated Date:** On the Designated Date, the SCSBs shall transfer the funds represented by allocation of Equity Shares to Anchor Investors from the Escrow Account, as per the terms of the Escrow Agreement, into the Public Issue Account with the Bankers to the Issue. The balance amount after transfer to the Public Issue Account shall be transferred to the Refund Account. Payments of refund to the Bidders applying in the Anchor Investor Portion shall also be made from the Refund Account as per the terms of the Escrow Agreement and the RHP. On the Designated Date, the Registrar to the Issue shall instruct the SCSBs to unblock funds represented by allocation of Equity Shares from ASBA Accounts into the Public Issue Account.
- (b) **Issuance of Allotment Advice:** Upon approval of the Basis of Allotment by the Designated Stock Exchange, the Registrar shall upload the same on its website. On the basis of the approved Basis of Allotment, the Issuer shall pass necessary corporate action to facilitate the Allotment and credit of Equity Shares. **Bidders are advised to instruct their Depository Participant to accept the Equity Shares that may be allotted to them pursuant to the Issue.**
- Pursuant to confirmation of such corporate actions, the Registrar will dispatch Allotment Advice to the Bidders who have been Allotted Equity Shares in the Issue.
- (c) The dispatch of Allotment Advice shall be deemed a valid, binding and irrevocable contract.
- (d) **Issuer will ensure that: (i) the Allotment of Equity Shares; and (ii) initiate corporate action for credit of shares to the successful Bidders Depository Account will be completed**

within 4 Working Days of the Issue Closing Date. The Issuer also ensures the credit of shares to the successful Bidder depository account is completed within one Working Day from the date of Allotment, after the funds are transferred from the Public Issue Account on the Designated Date.

SECTION 8: INTEREST AND REFUNDS

8.1 COMPLETION OF FORMALITIES FOR LISTING & COMMENCEMENT OF TRADING

The Issuer may ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges are taken within 6 Working Days of the Bid/Issue Closing Date. The Registrar to the Issue may give instructions for credit to Equity Shares the beneficiary account with DPs, and dispatch the Allotment Advice within 6 Working Days of the Bid/Issue Closing Date.

8.2 GROUNDS FOR REFUND

8.2.1 NON RECEIPT OF LISTING PERMISSION

An Issuer makes an application to the Stock Exchange(s) for permission to deal in/list and for an official quotation of the Equity Shares. All the Stock Exchanges from where such permission is sought are disclosed in Red Herring Prospectus/ Prospectus. The Designated Stock Exchange may be as disclosed in the Red Herring Prospectus/ Prospectus with which the Basis of Allotment may be finalised.

If the permissions to deal in and for an official quotation of the Equity Shares are not granted by any of the Stock Exchange(s), the Issuer may forthwith repay, without interest, all moneys received from the Bidders in pursuance of the RHP/Prospectus.

If such money is not repaid within eight days after the Issuer becomes liable to repay it, then the Issuer and every director of the Issuer who is an officer in default may, on and from such expiry of eight days, be liable to repay the money, with interest at such rate, as prescribed under Section 73 of the Companies Act, 2013 and as disclosed in the DRHP.

8.2.2 NON RECEIPT OF MINIMUM SUBSCRIPTION

This Issue is not restricted to any minimum subscription level. This Issue is 100% underwritten. As per Section 39 of the Companies Act, 2013, if the “stated minimum amount” has not be subscribed and the sum payable on application is not received within a period of 30 days from the date of the Red Herring Prospectus, the application money has to be returned within such period as may be prescribed. If the Issuer does not receive the subscription of 100% of the Issue through this offer document including devolvement of Underwriters within sixty days from the date of closure of the Issue, the Issuer shall forthwith refund the entire subscription amount received. If there is a delay beyond eight days after the Issuer becomes liable to pay the amount, the Issuer shall pay interest prescribed under section 73 of the Companies Act, 1956 (or the Company shall follow any other substitutional or additional provisions as has been or may be notified under the Companies Act, 2013).

8.2.3 MINIMUM NUMBER OF ALLOTTEES

The Issuer may ensure that the number of prospective Allottees to whom Equity Shares may be allotted may not be less than 50 failing which the entire application monies may be refunded forthwith.

8.3 MODE OF REFUND

(a) In case of ASBA Bids: Within six Working Days of the Bid/ Issue Closing Date, the Registrar to the Issue may give instructions to SCSBs for unblocking the amount in ASBA Accounts of unsuccessful Bidders and also for any excess amount blocked on Bidding/Application.

(b) In case of Anchor Investors: Within six Working Days of the Bid/ Issue Closing Date may dispatch refunds for all amounts payable to unsuccessful Anchor Investors.

(c) In case of Anchor Investors, the Registrar to the Issue may obtain from the Depositories the Bidders/Applicants' bank account details, including the MICR code, on the basis of the DP ID, Client ID and PAN provided by the Anchor Investors in their Anchor Investor Application Forms for refunds. Accordingly, Anchor Investors are advised to immediately update their details as appearing on the records of their DPs. Failure to do so may result in delays in dispatch of refunds through electronic transfer of funds, as applicable, and any such delay may be at the Anchor Investors' sole risk and neither the Issuer, the Registrar to the Issue, the Escrow Collection Bank, or the Syndicate, may be liable to compensate the Anchor Investors for any losses caused to them due to any such delay, or liable to pay any interest for such delay.

8.3.1 Mode of making refunds

The Registrar to the Issue may instruct the controlling branch of the SCSB to unblock the funds in the relevant ASBA Account for any withdrawn, rejected or unsuccessful ASBA Bids or in the event of withdrawal or failure of the Issue.

8.4 INTEREST IN CASE OF DELAY IN ALLOTMENT OR REFUND

The Issuer may pay interest at the rate of 15% per annum /or demat credits are not made to Bidders or instructions for unblocking of funds in the ASBA Account are not dispatched within the 4 Working days of the Bid/Issue Closing Date.

The Issuer may pay interest at 15% per annum for any delay beyond 6 days from the Bid/Issue Closing Date, if Allotment is not made.

SECTION 9: GLOSSARY AND ABBREVIATIONS

Unless the context otherwise indicates or implies, certain definitions and abbreviations used in this document may have the meaning as provided below. References to any legislation, act or regulation may be to such legislation, act or regulation as amended from time to time.

| Term | Description |
|--|---|
| Acknowledgement Slip | The slip or document issued by the Designated Intermediary to a Bidder as proof of registration of the Bid. |
| Allotment Advice | Note or advice or intimation of Allotment sent to the successful Bidders who have been or are to be Allotted the Equity Shares after the Basis of Allotment has been approved by the Designated Stock Exchange. |
| Allotment/ Allot/ Allotted | Unless the context otherwise requires, issue / allotment of Equity Shares pursuant to the Issue to successful Applicants. |
| Anchor Investor | A Qualified Institutional Buyer, applying under the Anchor Investor Portion, who has Bid for an amount of at least Rs. 1000 Lakhs, in accordance with the requirements specified in the SEBI ICDR Regulations |
| Anchor Investor Application Form | The form used by an Anchor Investor to make a Bid in the Anchor Investor Portion and which will be considered as an application for Allotment in terms of the Red Herring Prospectus and Prospectus |
| Anchor Investor Portion | Upto 60% of the QIB Portion, which may be allocated by our Company, in consultation with the BRLM to Anchor Investors on a discretionary basis, out of which one-third shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price. |
| Allottee(s) | Successful Bidders(s) to whom Equity Shares have been allotted/transferred. |
| Application Supported by Blocked Amount Form/ASBA Form | An application from, whether physical or electronic, used by ASBA Bidders/Applicants, which will be considered as the application for Allotment in terms of the Red Herring Prospectus. |
| ASBA / Application Supported by Blocked Amount | An application, whether physical or electronic, used by Bidders, to make a Bid authorising an SCSB to block the Bid Amount in the ASBA Account |
| ASBA Account | An account maintained with an SCSB and specified in the Bid cum Application Form submitted by Bidders for blocking the Bid Amount mentioned in the Bid cum Application Form |
| ASBA Application Location(s) / Specified Cities | Locations at which ASBA Applications can be uploaded by the SCSBs, namely Mumbai, New Delhi, Chennai, Kolkata and Ahmedabad |
| ASBA form | An application form, whether physical or electronic, used by Bidders which will be considered as the application for Allotment in terms of the Red Herring Prospectus. |
| Banker(s) to the Issue | The banks which are clearing members and registered with SEBI as Banker to an Issue with whom the Public offer Account will be opened and in this case being ICICI Bank Limited |
| Basis of Allotment | The basis on which Equity Shares will be Allotted to the successful Bidders under the Offer and which is described under chapter titled “ <i>Issue Procedure</i> ” beginning on page 222 of this Red Herring Prospectus. |

| Term | Description |
|--|---|
| Bid | An indication to make an offer during the Bid/Issue Period by a Bidder (other than an Anchor Investor) or on Anchor Investor Bidding Date by an Anchor Investor, pursuant to submission of the Bid cum Application Form, to subscribe to or purchase the Equity Shares at a price within the Price Band, including all revisions and modifications thereto as permitted under the SEBI ICDR Regulations in accordance with the Red Herring Prospectus and Bid cum Application Form |
| Bid Amount | The highest value of optional Bids indicated in the Bid cum Application Form and in the case of Retail Individual Bidders Bidding at Cut Off Price, the Cap Price multiplied by the number of Equity Shares Bid for by such Retail Individual Bidder and mentioned in the Bid cum Application Form and payable by the Retail Individual Bidder or blocked in the ASBA Account upon submission of the Bid in the Issue |
| Bid cum Application Form | An application form, whether physical or electronic, used by Bidders, other than Anchor Investors, to make a Bid and which will be considered as the application for Allotment in terms of the Red Herring Prospectus and the Prospectus |
| Bid/ Issue Opening Date | Except in relation to Anchor Investor, the date on which the Syndicate, the Designated Branches and the Registered Brokers shall start accepting Bids, which shall be notified in all edition of the English national newspaper Business Standard, all edition of the Hindi national newspaper Business Standard, and all edition of the regional newspaper Western Times, each with wide circulation, and in case of any revision, the extended Bid/Offer Opening Date also to be notified on the website and terminals of the Syndicate and SCSBs, as required under the SEBI ICDR Regulations. |
| Bid/ Issue Period | The period between the Bid/Issue Opening Date and the Bid/Issue Closing Date, inclusive of both days, during which Bidders other than Anchor Investor can submit their Bids, including any revisions thereof. Provided however that the Bidding/Issue Period shall be kept open for a minimum of three Working Days for all categories of Bidders, other than Anchor Investors. |
| Bidder | Any prospective investor who makes a Bid/Application pursuant to the terms of the DRHP/RHP/Prospectus and the Bid cum Application Form. In case of issues undertaken through the fixed price process, all references to a Bidder/Applicants should be construed to mean an Applicant |
| Book Building Process | Book building process, as provided in Schedule XI of the SEBI ICDR Regulations, in terms of which the Offer is being made |
| Book Running Lead Managers or BRLM | The Book Running Lead Manager to the Issue namely Pantomath capital Advisors Private Limited |
| Broker Centres | Broker centres notified by the Stock Exchanges, where the Bidders can submit the Bid cum application forms to a Registered Broker. The details of such broker centres, along with the names and contact details of the Registered Brokers, are available on the website of National Stock Exchange of India Limited. |
| Business Day | Monday to Friday (except public holiday) |
| CAN or Confirmation of Allocation Note | In the case of Anchor Investors, CAN shall mean the note or advice or intimation of Allotment of Equity Shares sent to the Anchor Investors to whom Equity Shares have been Allotted |

| Term | Description |
|---|--|
| Cap Price | The higher end of the Price Band, above which the Offer Price will not be finalised and above which no Bids will be accepted |
| Client ID | Client Identification Number maintained with one of the Depositories in relation to demat account. |
| Collecting Depository Participant or CDPs | A depository participant as defined under the Depositories Act, 1996, registered with SEBI and who is eligible to procure Bids at the Designated CDP Locations in terms of circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI |
| Controlling Branch/Designated Branch | Such branch of the SCSBs which coordinate Bid cum Applications under this Offer by the ASBA Applicants with the Registrar to the Offer and the Stock Exchanges and a list of which is available at http://www.sebi.gov.in or at such other website as may be prescribed by SEBI from time to time |
| Cut-off Price | Offer Price, which shall be any price within the Price Band finalised by our Company and the Selling Shareholders in consultation with the BRLM. Only Retail Individual Bidders are entitled to Bid at the Cut-off Price. QIBs and Non Institutional Bidders are not entitled to Bid at the Cut-off Price. |
| Demographic Details | The demographic details of the Bidders such as their address, PAN, occupation and bank account details |
| Depositories | Depositories registered with SEBI under the Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996, as amended from time to time, being NSDL and CDSL |
| Designated Branches | Such branches of the SCSBs which may collect the Bid cum Application Forms used by Bidders/Applicants (except Anchor Investor) and a list of which is available on http://www.sebi.gov.in/cms/sebi_data/attachdocs/1316087201341.html |
| Designated CDP Locations | Such centres of the CDPs where Bidders can submit the Bid Cum Application Forms. The details of such Designated CDP Locations, along with names and contact details of the Collecting Depository Participants eligible to accept Bid cum Application Forms are available on the website of the Stock Exchange (www.nseindia.com) and updated from time to time |
| Designated Date | The date on which the Collection Banks transfer funds from the public issue Accounts, and the SCSBs issue instructions for transfer of funds from the ASBA Accounts, to the Public Issue Account or the Refund Account, as appropriate, in terms of the Red Herring Prospectus following which the Board of Directors may Allot Equity Shares to successful Bidders in the Issue. |
| Designated Intermediary(ies) | Syndicate, Sub-Syndicate Members/agents, SCSBs, Registered Brokers, CDPs and RTAs, who are authorized to collect ASBA Forms from the Bidders, in relation to the Offer |
| Designated RTA Locations | Such centres of the RTAs where Bidder can submit the Bud cum Application Forms. The details of such Designated RTA Locations, along with the names and contact details of the RTAs are available on the respective websites of the Stock Exchange (www.nseindia.com) and updated from time to time |
| Designated Stock Exchange | The designated stock exchange as disclosed in the Red herring Prospectus/ Red herring Prospectus/ Prospectus of the issuer |

| Term | Description |
|--|---|
| Discount | Discount to the Offer Price that may be provided to Bidders/Applicants in accordance with the SEBI ICDR Regulations, 2009. |
| DP | Depository Participant |
| DP ID | Depository Participant's Identification Number |
| Draft Red Herring Prospectus or DRHP | This Draft Red Herring Prospectus dated February 06, 2018 issued in accordance with the SEBI ICDR Regulations, which does not contain complete particulars of the price at which the Equity Shares will be Allotted and the size of the Offer |
| Employees | Employees of an Issuer as defined under SEBI ICDR Regulations, 2009 and including, in case of a new company, persons in the permanent and full time employment of the promoting companies excluding the promoters and immediate relatives of the promoters. For further details, Bidder/Applicant may refer to the DRHP |
| Equity Shares | Equity Shares of the Issuer |
| FCNR Account | Foreign Currency Non-Resident Account |
| FII(s) | Foreign Institutional Investors as defined under the SEBI (Foreign Institutional Investors) Regulations, 1995 and registered with SEBI under applicable laws in India |
| First/sole Bidder | Bidder whose name shall be mentioned in the Bid cum Application Form or the Revision Form and in case of joint Bids, whose name shall also appear as the first holder of the beneficiary account held in joint names |
| Floor Price | The lower end of the Price Band, subject to any revision thereto, at or above which the Offer Price will be finalised and below which no Bids will be accepted |
| Foreign Venture Capital Investors or FVCIs | Foreign Venture Capital Investors as defined and registered with SEBI under the SEBI (Foreign Venture Capital Investors) Regulations, 2000 |
| FPIs | Foreign Portfolio Investors as defined under the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014 |
| FPO | Further public offering |
| Issue | The Initial Public Issue of up to 26,15,000 Equity Shares of face value of Rs.10 each for cash at a price of Rs. [●] each, aggregating up to Rs.[●] |
| Issuer/Company | The Issuer proposing the initial public offering/further public offering as applicable |
| Maximum RII Allottees | The maximum number of RIIs who can be Allotted the minimum Bid Lot. This is computed by dividing the total number of Equity Shares available for Allotment to RIIs by the minimum Bid Lot |
| Mutual Fund(s) | A mutual fund registered with SEBI under the SEBI (Mutual Funds) Regulations, 1996, as amended from time to time |
| Mutual Funds Portion | 5% of the QIB Category (excluding the Anchor Investor Portion) available for allocation to Mutual Funds only, being such number of equity shares as disclosed in the DRHP/RHP/Prospectus and Bid cum Application Form |
| MICR | Magnetic Ink Character Recognition - nine-digit code as appearing on a cheque leaf |
| NEFT | National Electronic Fund Transfer |
| Net Issue | Issue less Market maker reservation portion |
| Non-Institutional Category | The portion of the Offer being such number of Equity Shares available for allocation to NIIs on a proportionate basis and as disclosed in the DRHP/RHP/Prospectus and the Bid cum Application Form |
| Net QIB Portion | The QIB Portion less the number of Equity Shares Allotted to the Anchor Investors. |

| Term | Description |
|--|--|
| Non-Institutional Investors or NIIs | All Bidders/Applicants, including sub accounts of FIIs registered with SEBI which are foreign corporates or foreign individuals and FPIs which are Category III foreign portfolio investors, that are not QIBs or RIBs and who have Bid for Equity Shares for an amount of more than ₹ 200,000 (but not including NRIs other than Eligible NRIs) |
| Non-Resident | A person resident outside India, as defined under FEMA and includes FIIs and FPIs |
| NRE Account | Non-Resident External Account |
| NRI | NRIs from such jurisdictions outside India where it is not unlawful to make an offer or invitation under the Offer and in relation to whom the DRHP/RHP/Prospectus constitutes an invitation to subscribe to or purchase the Equity Shares |
| NRO Account | Non-Resident Ordinary Account |
| OCB/Overseas Corporate Body | A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% by NRIs including overseas trusts, in which not less than 60% of beneficial interest is irrevocably held by NRIs directly or indirectly and which was in existence on October 3, 2003 and immediately before such date had taken benefits under the general permission granted to OCBs under FEMA |
| Issue Price | The final price at which Equity Shares will be Allotted in terms of the Red Herring Prospectus The Offer Price will be decided by our Company in consultation with the BRLM on the Pricing Date in accordance with the Book-Building Process and the Red Herring Prospectus |
| Other Investors | The final price, less discount (if applicable) at which the Equity Shares may be Allotted to Bidders other than Anchor Investors, in terms of the Prospectus. Equity Shares will be Allotted to Anchor Investors at the Anchor Investor Allocation Price. The Issue Price may be decided by the Issuer in consultation with the Book Running Lead Manager(s) |
| PAN | Permanent Account Number allotted under the Income Tax Act, 1961 |
| Price Band | Price band of a minimum price of Rs.[●] per Equity Share (Floor Price) and the maximum price of Rs.[●] per Equity Share (Cap Price) including revisions thereof. The Price Band and the minimum Bid Lot size for the Offer will be decided by our Company in consultation with the BRLM and will be advertised at least five Working Days prior to the Bid/ Issue Opening Date, in all edition of the English national newspaper Business Standard, all edition of the Hindi national newspaper Business Standrad and edition of the regional newspaper Western Times, each with wide circulation |
| Pricing date | The date on which our Company in consultation with the BRLM, will finalise the Issue Price |
| Prospectus | The Prospectus to be filed with the RoC on or after the Pricing Date in accordance with Section 32 of the Companies Act, 2013, and the SEBI ICDR Regulations containing, inter alia, the Issue Price, the size of the Issue and certain other information |
| Public Issue Account | Account opened with the Banker to the Issue i.e. ICICI Bank Limited under Section 40 of the Companies Act, 2013 to receive monies from the SCSBs from the bank accounts of the bidders and from the Escrow Accounts, in case of Anchor Investor(s) on the Designated Date. |
| Qualified Institutional Buyers or QIBs | Qualified Institutional Buyers as defined under Regulation 2(1)(zd) of the SEBI (ICDR) Regulations, 2009. |

| Term | Description |
|---|--|
| Red Herring Prospectus or RHP | The Red Herring Prospectus to be issued in accordance with Section 32 of the Companies Act, 2013, and the provisions of the SEBI ICDR Regulations, which will not have complete particulars of the price at which the Equity Shares will be offered and the size of the Offer, including any addenda or corrigenda thereto. The Red Herring Prospectus will be registered with the RoC at least three days before the Bid/Issue Opening Date and will become the Prospectus upon filing with the RoC on or after the Pricing Date |
| Refund Account(s) | The account opened with the Refund Bank(s), from which refunds, if any, of the whole or part of the Bid Amount (excluding refund to Bidders) shall be made. |
| Refund Bank(s) / Refund Banker(s) | Bank which is / are clearing member(s) and registered with the SEBI as Bankers to the Issue at which the Refund Account will be opened, in this case being ICICI Bank Limited |
| Refund through electronic transfer of funds | Refunds through NECS, direct credit, RTGS or NEFT, as applicable |
| Registered Broker | Individuals or companies registered with SEBI as "Trading Members" (except Syndicate/Sub-Syndicate Members) who hold valid membership of NSE having right to trade in stocks listed on Stock Exchanges, through which investors can buy or sell securities listed on stock exchanges, a list of which is available on http://www.nseindia.com/membership/dynaContent/find_a_broker.htm |
| Registrar /Registrar to the Issue | Registrar to the Offer, in this case being Bigshare Services Private Limited having registered office at E/2, Ansa Industrial Estate, Sakivihar Road, Sakinaka, Andheri East, Mumbai – 400 072, Maharashtra, India |
| Registrar and Share Transfer Agents or RTAs | Registrar and share transfer agents registered with SEBI and eligible to procure Bid cum Applications at the Designated RTA Locations in terms of circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI |
| Reservation Portion | The portion of the offer reserved for category of eligible Bidders as provided under the SEBI (ICDR) Regulations, 2009 |
| Reserved Category / Categories | Categories of persons eligible for making Bids under reservation portion. |
| Revision Form | Form used by the Bidders, to modify the quantity of the Equity Shares or the Bid Amount in any of their Bid cum Application Forms or any previous Revision Form(s) |
| RoC | The Registrar of Companies |
| RTGS | Real Time Gross Settlement |
| SCSB/ Self Certified Syndicate Banker | Shall mean a Banker to an Issue registered under SEBI (Bankers to an Issue) Regulations, 1994, as amended from time to time, and which offer the service of making Bids/Application/s Supported by Blocked Amount including blocking of bank account and a list of which is available on http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/RecognisedIntermediaries or at such other website as may be prescribed by SEBI from time to time |
| SEBI | The Securities and Exchange Board of India constituted under the Securities and Exchange Board of India Act, 1992 |
| SEBI ICDR Regulations, 2009 | The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 |
| Specified Locations | Bidding centres where the Syndicate shall accept Bid cum Application Forms from Bidders, a list of which is available on the website of SEBI (www.sebi.gov.in) and updated from time to time |

| Term | Description |
|---------------------------------------|---|
| Stock Exchanges / SE | The stock exchanges as disclosed in the DRHP/RHP/Prospectus of the Issuer where the Equity Shares Allotted pursuant to the Offer are proposed to be listed |
| Syndicate Agreement | Agreement dated February 02, 2018 entered into amongst the BRLM, the Syndicate Members, our Company in relation to the procurement of Bid cum Application Forms by Syndicate |
| Syndicate Members | Intermediaries registered with SEBI who are permitted to carry out activities as an underwriter, namely, Pantomath Stock Brokers Private Limited |
| Syndicate or Members of the Syndicate | The BRLM and the Syndicate Members |
| Underwriter | Pantomath Capital Advisors Private Limited |
| Underwriting Agreement | The agreement dated February 02, 2018 entered into between the Underwriter and our Company |
| Working Day | <p>2. Till Application / Issue closing date: All days other than a Saturday Sunday or a public holiday</p> <p>3. Post Application / Issue closing date and till the Listing of Equity Shares: All trading days, of stock exchanges excluding Sundays and public holidays, in accordance with the SEBI circular no. SEBI/HO/CFD/DIL/CIR/P/2016/26 dated January 21, 2016 India</p> |

RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES

Foreign investment in Indian securities is regulated through the Industrial Policy, 1991 of the Government of India and Foreign Exchange Management Act, 1999 (“**FEMA**”). While the Industrial Policy, 1991 prescribes the limits and the conditions subject to which foreign investment can be made in different sectors of the Indian economy, FEMA regulates the precise manner in which such investment may be made. Under the Industrial Policy, unless specifically restricted, foreign investment is freely permitted in all sectors of Indian economy up to any extent and without any prior approvals, but the foreign investor is required to follow certain prescribed procedures for making such investment. The government bodies responsible for granting foreign investment approvals are the Reserve Bank of India (“**RBI**”) and Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India (“**DIPP**”).

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

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

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

In case of investment in sectors through Government Route approval from competent authority as mentioned in Chapter 4 of the FDI Policy 2017 has to be obtained by the Company.

The transfer of shares between an Indian resident to a non-resident does not require the prior approval of the RBI, subject to fulfilment of certain conditions as specified by DIPP/RBI, from time to time. Such conditions include: (i) where the transfer of shares requires the prior approval of the Government as per the extant FDI policy provided that: a) the requisite approval of the Government has been obtained; and b) the transfer of shares adheres with the pricing guidelines and documentation requirements as specified by the Reserve Bank of India from time to time.; (ii) where the transfer of shares attract SEBI (SAST) Regulations subject to the adherence with the pricing guidelines and documentation requirements as specified by Reserve Bank of India from time to time.; (iii) where the transfer of shares does not meet the pricing guidelines under the FEMA, 1999 provided that: a) The resultant FDI is in compliance with the extant FDI policy and FEMA regulations in terms of sectoral caps, conditionalities (such as minimum capitalization, etc.), reporting requirements, documentation etc.; b) The pricing for the transaction is compliant with the specific/explicit, extant and relevant SEBI regulations/guidelines (such as IPO, Book building, block deals, delisting, exit, open offer/substantial acquisition/SEBI SAST); and Chartered Accountants Certificate to the effect that compliance with the relevant SEBI regulations/guidelines as indicated above is attached to the form FC-TRS to be filed with the AD bank and iv) where the investee company is in the financial sector provided that: a) Any ‘fit and

proper/due diligence' requirements as regards the non-resident investor as stipulated by the respective financial sector regulator, from time to time, have been complied with; and b) The FDI policy and FEMA regulations in terms of sectoral caps, conditionalities (such as minimum capitalization, pricing, etc.), reporting requirements, documentation etc., are complied with. As per the existing policy of the Government of India, OCBs cannot participate in this Issue and in accordance with the extant FDI guidelines on sectoral caps, pricing guidelines etc. as amended by Reserve bank of India, from time to time. Investors are advised to confirm their eligibility under the relevant laws before investing and / or subsequent purchase or sale transaction in the Equity Shares of Our Company. Investors will not offer, sell, pledge or transfer the Equity Shares of our Company to any person who is not eligible under applicable laws, rules, regulations, guidelines. Our Company, the Underwriters and their respective directors, officers, agents, affiliates and representatives, as applicable, accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire Equity Shares of our Company.

Investment conditions/restrictions for overseas entities

Under the current FDI Policy 2017, the maximum amount of Investment (sectoral cap) by foreign investor in an issuing entity is composite unless it is explicitly provided otherwise including all types of foreign investments, direct and indirect, regardless of whether it has been made for FDI, FPI, NRI/OCI, LLPs, FVCI, Investment Vehicles and DRs under Schedule 1, 2, 3, 6, 7, 8, 9, and 11 of FEMA (Transfer or Issue of Security by Persons Resident outside India) Regulations, 2017. Any equity holding by a person resident outside India resulting from conversion of any debt instrument under any arrangement shall be reckoned as foreign investment under the composite cap.

Portfolio Investment upto aggregate foreign investment level of 49% or sectoral/statutory cap, whichever is lower, will not be subject to either Government approval or compliance of sectoral conditions, if such investment does not result in transfer of ownership and/or control of Indian entities from resident Indian citizens to non-resident entities. Other foreign investments will be subject to conditions of Government approval and compliance of sectoral conditions as per FDI Policy. The total foreign investment, direct and indirect, in the issuing entity will not exceed the sectoral/statutory cap.

i. Investment by FPIs under Portfolio Investment Scheme (PIS):

With regards to purchase/sale of capital instruments of an Indian company by an FPI under PIS the total holding by each FPI or an investor group as referred in SEBI (FPI) Regulations, 2014 shall not exceed 10 % of the total paid-up equity capital on a fully diluted basis or less than 10% of the paid-up value of each series of debentures or preference shares or share warrants issued by an Indian company and the total holdings of all FPIs put together shall not exceed 24 % of paid-up equity capital on fully diluted basis or paid-up value of each series of debentures or preference shares or share warrants. The said limit of 10 percent and 24 percent will be called the individual and aggregate limit, respectively. However, this limit of 24 % may be increased up to sectoral cap/statutory ceiling, as applicable, by the Indian company concerned by passing a resolution by its Board of Directors followed by passing of a special resolution to that effect by its general body.

ii. Investment by NRI or OCI on repatriation basis:

The purchase/sale of equity shares, debentures, preference shares and share warrants issued by an Indian company (hereinafter referred to as "Capital Instruments") of a listed Indian company on a recognised stock exchange in India by Non-Resident Indian (NRI) or Overseas Citizen of India (OCI) on repatriation basis is allowed subject to certain conditions under Schedule 3 of the FEMA (Transfer or Issue of security by a person resident outside India) Regulations, 2017 i.e.:

- The total holding by any individual NRI or OCI shall not exceed 5 percent of the total paid-up equity capital on a fully diluted basis or should not exceed 5 percent of the paid-up value of each series of debentures or preference shares or share warrants issued by an Indian company and the total holdings of all NRIs and OCIs put together shall

not exceed 10 percent of the total paid-up equity capital on a fully diluted basis or shall not exceed 10 percent of the paid-up value of each series of debentures or preference shares or share warrants; provided that the aggregate ceiling of 10 percent may be raised to 24 percent if a special resolution to that effect is passed by the general body of the Indian company.

iii. Investment by NRI or OCI on non-repatriation basis

As per current FDI Policy 2017, schedule 4 of FEMA (Transfer or Issue of Security by Persons Resident outside India) Regulations – Purchase/ sale of Capital Instruments or convertible notes or units or contribution to the capital of an LLP by a NRI or OCI on non-repatriation basis – will be deemed to be domestic investment at par with the investment made by residents. This is further subject to remittance channel restrictions.

The Equity Shares have not been and will not be registered under the U.S. Securities Act of 1933, as amended (“US Securities Act”) or any other state securities laws in the United States of America and may not be sold or offered within the United States of America, or to, or for the account or benefit of “US Persons” as defined in Regulation S of the U.S. Securities Act, except pursuant to exemption from, or in a transaction not subject to, the registration requirements of US Securities Act and applicable state securities laws.

Accordingly, the equity shares are being offered and sold only outside the United States of America in an offshore transaction in reliance upon Regulation S under the US Securities Act and the applicable laws of the jurisdiction where those offers and sale occur.

Further, no offer to the public (as defined under Directive 2003/71/EC, together with any amendments) and implementing measures thereto, (the “Prospectus Directive”) has been or will be made in respect of the Issue in any member State of the European Economic Area which has implemented the Prospectus Directive except for any such offer made under exemptions available under the Prospectus Directive, provided that no such offer shall result in a requirement to publish or supplement a prospectus pursuant to the Prospectus Directive, in respect of the Issue.

Any forwarding, distribution or reproduction of this document in whole or in part may be unauthorised. Failure to comply with this directive may result in a violation of the Securities Act or the applicable laws of other jurisdictions. Any investment decision should be made on the basis of the final terms and conditions and the information contained in this Prospectus.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Application may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

The above information is given for the benefit of the Applicants. Our Company and the Lead Manager are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Prospectus. Applicants are advised to make their independent investigations and ensure that the Applications are not in violation of laws or regulations applicable to them and do not exceed the applicable limits under the laws and regulations.

**SECTION VIII- MAIN PROVISIONS OF ARTICLES OF ASSOCIATION
THE COMPANIES ACT, 2013
(COMPANY LIMITED BY SHARES)
ARTICLES OF ASSOCIATION
OF
MACPOWER CNC MACHINES LIMITED**

| Sr. No | Particulars | |
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| 1. | No regulation contained in Table “F” in the First Schedule to Companies Act, 2013 shall apply to this Company but the regulations for the Management of the Company and for the observance of the Members thereof and their representatives shall be as set out in the relevant provisions of the Companies Act, 2013 and subject to any exercise of the statutory powers of the Company with reference to the repeal or alteration of or addition to its regulations by Special Resolution as prescribed by the said Companies Act, 2013 be such as are contained in these Articles unless the same are repugnant or contrary to the provisions of the Companies Act, 2013 or any amendment thereto. | Table F Applicable. |
| | Interpretation Clause | |
| 2. | In the interpretation of these Articles the following expressions shall have the following meanings unless repugnant to the subject or context: | |
| | (a) "The Act" means the Companies Act, 2013 and includes any statutory modification or re-enactment thereof for the time being in force. | Act |
| | (b) “These Articles" means Articles of Association for the time being in force or as may be altered from time to time vide Special Resolution. | Articles |
| | (c) “Auditors" means and includes those persons appointed as such for the time being of the Company. | Auditors |
| | (d) "Capital" means the share capital for the time being raised or authorized to be raised for the purpose of the Company. | Capital |
| | (e) “The Company” shall mean MACPOWER CNC MACHINES LIMITED | |
| | (f) “Executor” or “Administrator” means a person who has obtained a probate or letter of administration, as the case may be from a Court of competent jurisdiction and shall include a holder of a Succession Certificate authorizing the holder thereof to negotiate or transfer the Share or Shares of the deceased Member and shall also include the holder of a Certificate granted by the Administrator General | Executor or Administrator |

| Sr. No | Particulars | |
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| | under section 31 of the Administrator General Act, 1963. | |
| | (g) "Legal Representative" means a person who in law represents the estate of a deceased Member. | Legal Representative |
| | (h) Words importing the masculine gender also include the feminine gender. | Gender |
| | (i) "In Writing" and "Written" includes printing lithography and other modes of representing or reproducing words in a visible form. | In Writing and Written |
| | (j) The marginal notes hereto shall not affect the construction thereof. | Marginal notes |
| | (k) "Meeting" or "General Meeting" means a meeting of members. | Meeting or General Meeting |
| | (l) "Month" means a calendar month. | Month |
| | (m) "Annual General Meeting" means a General Meeting of the Members held in accordance with the provision of section 96 of the Act. | Annual General Meeting |
| | (n) "Extra-Ordinary General Meeting" means an Extraordinary General Meeting of the Members duly called and constituted and any adjourned holding thereof. | Extra-Ordinary General Meeting |
| | (o) "National Holiday" means and includes a day declared as National Holiday by the Central Government. | National Holiday |
| | (p) "Non-retiring Directors" means a director not subject to retirement by rotation. | Non-retiring Directors |
| | (q) "Office" means the registered Office for the time being of the Company. | Office |
| | (r) "Ordinary Resolution" and "Special Resolution" shall have the meanings assigned thereto by Section 114 of the Act. | Ordinary and Special Resolution |
| | (s) "Person" shall be deemed to include corporations and firms as well as individuals. | Person |
| | (t) "Proxy" means an instrument whereby any person is authorized to vote for a member at General Meeting or Poll and includes attorney duly constituted under the power of attorney. | Proxy |

| Sr. No | Particulars | |
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| | (u) "The Register of Members" means the Register of Members to be kept pursuant to Section 88(1) (a) of the Act. | Register of Members |
| | (v) "Seal" means the common seal for the time being of the Company. | Seal |
| | (w) Words importing the Singular number include where the context admits or requires the plural number and vice versa. | Singular number |
| | (x) "The Statutes" means the Companies Act, 2013 and every other Act for the time being in force affecting the Company. | Statutes |
| | (y) "These presents" means the Memorandum of Association and the Articles of Association as originally framed or as altered from time to time. | These presents |
| | (z) "Variation" shall include abrogation; and "vary" shall include abrogate. | Variation |
| | (aa) "Year" means the calendar year and "Financial Year" shall have the meaning assigned thereto by Section 2(41) of the Act. | Year and Financial Year |
| | Save as aforesaid any words and expressions contained in these Articles shall bear the same meanings as in the Act or any statutory modifications thereof for the time being in force. | Expressions in the Act to bear the same meaning in Articles |
| | CAPITAL | |
| 3. | The Authorized Share Capital of the Company shall be such amount as may be mentioned in Clause V of Memorandum of Association of the Company from time to time. | Authorized Capital. |
| 4. | The Company may in General Meeting from time to time by Ordinary Resolution increase its capital by creation of new Shares which may be unclassified and may be classified at the time of issue in one or more classes and of such amount or amounts as may be deemed expedient. The new Shares shall be issued upon such terms and conditions and with such rights and privileges annexed thereto as the resolution shall prescribe and in particular, such Shares may be issued with a preferential or qualified right to dividends and in the distribution of assets of the Company and with a right of voting at General Meeting of the Company in conformity with Section 47 of the Act. Whenever the capital of the Company has been increased | Increase of capital by the Company how carried into effect |

| Sr. No | Particulars | |
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| | under the provisions of this Article the Directors shall comply with the provisions of Section 64of the Act. | |
| 5. | Except so far as otherwise provided by the conditions of issue or by these Presents, any capital raised by the creation of new Shares shall be considered as part of the existing capital, and shall be subject to the provisions herein contained, with reference to the payment of calls and installments, forfeiture, lien, surrender, transfer and transmission, voting and otherwise. | New Capital same as existing capital |
| 6. | The Board shall have the power to issue a part of authorized capital by way of non-voting Shares at price(s) premia, dividends, eligibility, volume, quantum, proportion and other terms and conditions as they deem fit, subject however to provisions of law, rules, regulations, notifications and enforceable guidelines for the time being in force. | Non Voting Shares |
| 7. | Subject to the provisions of the Act and these Articles, the Board of Directors may issue redeemable preference shares to such persons, on such terms and conditions and at such times as Directors think fit either at premium or at par, and with full power to give any person the option to call for or be allotted shares of the company either at premium or at par, such option being exercisable at such times and for such consideration as the Board thinks fit. | Redeemable Preference Shares |
| 8. | The holder of Preference Shares shall have a right to vote only on Resolutions, which directly affect the rights attached to his Preference Shares. | Voting rights of preference shares |
| 9. | <p>On the issue of redeemable preference shares under the provisions of Article 7 hereof , the following provisions- shall take effect:</p> <p>(a) No such Shares shall be redeemed except out of profits of which would otherwise be available for dividend or out of proceeds of a fresh issue of shares made for the purpose of the redemption;</p> <p>(b) No such Shares shall be redeemed unless they are fully paid;</p> <p>(c) Subject to section 55(2)(d)(i) the premium, if any payable on redemption shall have been provided for out of the profits of the Company or out of the Company's security premium account, before the Shares are redeemed;</p> <p>(d) Where any such Shares are redeemed otherwise then out of the proceeds of a fresh issue, there shall out of profits which would otherwise have been available for dividend, be transferred to a reserve fund, to be</p> | Provisions to apply on issue of Redeemable Preference Shares |

| Sr. No | Particulars | |
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| | <p>called "the Capital Redemption Reserve Account", a sum equal to the nominal amount of the Shares redeemed, and the provisions of the Act relating to the reduction of the share capital of the Company shall, except as provided in Section 55 of the Act apply as if the Capital Redemption Reserve Account were paid-up share capital of the Company; and</p> <p>(e) Subject to the provisions of Section 55 of the Act, the redemption of preference shares hereunder may be effected in accordance with the terms and conditions of their issue and in the absence of any specific terms and conditions in that behalf, in such manner as the Directors may think fit. The reduction of Preference Shares under the provisions by the Company shall not be taken as reducing the amount of its Authorized Share Capital</p> | |
| 10. | <p>The Company may (subject to the provisions of sections 52, 55, 66, both inclusive, and other applicable provisions, if any, of the Act) from time to time by Special Resolution reduce</p> <p>(a) the share capital;</p> <p>(b) any capital redemption reserve account; or</p> <p>(c) any security premium account</p> <p>In any manner for the time being, authorized by law and in particular capital may be paid off on the footing that it may be called up again or otherwise. This Article is not to derogate from any power the Company would have, if it were omitted.</p> | Reduction of capital |
| 11. | <p>Any debentures, debenture-stock or other securities may be issued at a discount, premium or otherwise and may be issued on condition that they shall be convertible into shares of any denomination and with any privileges and conditions as to redemption, surrender, drawing, allotment of shares, attending (but not voting) at the General Meeting, appointment of Directors and otherwise. Debentures with the right to conversion into or allotment of shares shall be issued only with the consent of the Company in the General Meeting by a Special Resolution.</p> | Debentures |
| 12. | <p>The Company may exercise the powers of issuing sweat equity shares conferred by Section 54 of the Act of a class of shares already issued subject to such conditions as may be specified in that sections and rules framed thereunder.</p> | Issue of Sweat Equity Shares |
| 13. | <p>The Company may issue shares to Employees including its Directors other than independent directors and such other persons as the rules may allow, under Employee Stock</p> | ESOP |

| Sr. No | Particulars | |
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| | Option Scheme (ESOP) or any other scheme, if authorized by a Special Resolution of the Company in general meeting subject to the provisions of the Act, the Rules and applicable guidelines made there under, by whatever name called. | |
| 14. | Notwithstanding anything contained in these articles but subject to the provisions of sections 68 to 70 and any other applicable provision of the Act or any other law for the time being in force, the company may purchase its own shares or other specified securities. | Buy Back of shares |
| 15. | Subject to the provisions of Section 61 of the Act, the Company in general meeting may, from time to time, sub-divide or consolidate all or any of the share capital into shares of larger amount than its existing share or sub-divide its shares, or any of them into shares of smaller amount than is fixed by the Memorandum; subject nevertheless, to the provisions of clause (d) of sub-section (1) of Section 61; Subject as aforesaid the Company in general meeting may also cancel shares which have not been taken or agreed to be taken by any person and diminish the amount of its share capital by the amount of the shares so cancelled. | Consolidation, Sub-Division And Cancellation |
| 16. | Subject to compliance with applicable provision of the Act and rules framed thereunder the company shall have power to issue depository receipts in any foreign country. | Issue of Depository Receipts |
| 17. | Subject to compliance with applicable provision of the Act and rules framed thereunder the company shall have power to issue any kind of securities as permitted to be issued under the Act and rules framed thereunder. | Issue of Securities |
| | MODIFICATION OF CLASS RIGHTS | |
| 18. | (a) If at any time the share capital, by reason of the issue of Preference Shares or otherwise is divided into different classes of shares, all or any of the rights privileges attached to any class (unless otherwise provided by the terms of issue of the shares of the class) may, subject to the provisions of Section 48 of the Act and whether or not the Company is being wound-up, be varied, modified or dealt, with the consent in writing of the holders of not less than three-fourths of the issued shares of that class or with the sanction of a Special Resolution passed at a separate general meeting of the holders of the shares of that class. The provisions of these Articles relating to general meetings shall mutatis mutandis apply to every such separate class of meeting. | Modification of rights |

| Sr. No | Particulars | |
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| | <p>Provided that if variation by one class of shareholders affects the rights of any other class of shareholders, the consent of three-fourths of such other class of shareholders shall also be obtained and the provisions of this section shall apply to such variation.</p> | |
| | <p>(b) The rights conferred upon the holders of the Shares including Preference Share, if any) of any class issued with preferred or other rights or privileges shall, unless otherwise expressly provided by the terms of the issue of shares of that class, be deemed not to be modified, commuted, affected, abrogated, dealt with or varied by the creation or issue of further shares ranking pari passu therewith.</p> | <p>New Issue of Shares not to affect rights attached to existing shares of that class.</p> |
| <p>19.</p> | <p>Subject to the provisions of Section 62 of the Act and these Articles, the shares in the capital of the company for the time being shall be under the control of the Directors who may issue, allot or otherwise dispose of the same or any of them to such persons, in such proportion and on such terms and conditions and either at a premium or at par and at such time as they may from time to time think fit and with the sanction of the company in the General Meeting to give to any person or persons the option or right to call for any shares either at par or premium during such time and for such consideration as the Directors think fit, and may issue and allot shares in the capital of the company on payment in full or part of any property sold and transferred or for any services rendered to the company in the conduct of its business and any shares which may so be allotted may be issued as fully paid up shares and if so issued, shall be deemed to be fully paid shares.</p> | <p>Shares at the disposal of the Directors.</p> |
| <p>20.</p> | <p>The Company may issue shares or other securities in any manner whatsoever including by way of a preferential offer, to any persons whether or not those persons include the persons referred to in clause (a) or clause (b) of sub-section (1) of section 62 subject to compliance with section 42 and 62 of the Act and rules framed thereunder.</p> | <p>Power to issue shares on preferential basis.</p> |
| <p>21.</p> | <p>The shares in the capital shall be numbered progressively according to their several denominations, and except in the manner hereinbefore mentioned no share shall be subdivided. Every forfeited or surrendered share shall continue to bear the number by which the same was originally distinguished.</p> | <p>Shares should be Numbered progressively and no share to be subdivided.</p> |
| <p>22.</p> | <p>An application signed by or on behalf of an applicant for shares in the Company, followed by an allotment of any shares therein, shall be an acceptance of shares within the meaning of these Articles, and every person who thus or otherwise accepts any shares and whose name is on the</p> | <p>Acceptance of Shares.</p> |

| Sr. No | Particulars | |
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| | Register shall for the purposes of these Articles, be a Member. | |
| 23. | Subject to the provisions of the Act and these Articles, the Directors may allot and issue shares in the Capital of the Company as payment or part payment for any property (including goodwill of any business) sold or transferred, goods or machinery supplied or for services rendered to the Company either in or about the formation or promotion of the Company or the conduct of its business and any shares which may be so allotted may be issued as fully paid-up or partly paid-up otherwise than in cash, and if so issued, shall be deemed to be fully paid-up or partly paid-up shares as aforesaid. | Directors may allot shares as full paid-up |
| 24. | The money (if any) which the Board shall on the allotment of any shares being made by them, require or direct to be paid by way of deposit, call or otherwise, in respect of any shares allotted by them shall become a debt due to and recoverable by the Company from the allottee thereof, and shall be paid by him, accordingly. | Deposit and call etc .to be a debt payable immediately. |
| 25. | Every Member, or his heirs, executors, administrators, or legal representatives, shall pay to the Company the portion of the Capital represented by his share or shares which may, for the time being, remain unpaid thereon, in such amounts at such time or times, and in such manner as the Board shall, from time to time in accordance with the Company's regulations, require on date fixed for the payment thereof. | Liability of Members. |
| 26. | Shares may be registered in the name of any limited company or other corporate body but not in the name of a firm, an insolvent person or a person of unsound mind. | Registration of Shares. |
| | RETURN ON ALLOTMENTS TO BE MADE OR RESTRICTIONS ON ALLOTMENT | |
| 27. | The Board shall observe the restrictions as regards allotment of shares to the public, and as regards return on allotments contained in Sections 39 of the Act | |
| | CERTIFICATES | |
| 28. | (a) Every member shall be entitled, without payment, to one or more certificates in marketable lots, for all the shares of each class or denomination registered in his name, or if the Directors so approve (upon paying such fee as provided in the relevant laws) to several certificates, each for one or more of such shares and the company shall complete and have ready for delivery such certificates within two months from the | Share Certificates. |

| Sr. No | Particulars | |
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| | <p>date of allotment, unless the conditions of issue thereof otherwise provide, or within one month of the receipt of application for registration of transfer, transmission, sub-division, consolidation or renewal of any of its shares as the case may be. Every certificate of shares shall be under the seal of the company and shall specify the number and distinctive numbers of shares in respect of which it is issued and amount paid-up thereon and shall be in such form as the directors may prescribe or approve, provided that in respect of a share or shares held jointly by several persons, the company shall not be bound to issue more than one certificate and delivery of a certificate of shares to one of several joint holders shall be sufficient delivery to all such holder. Such certificate shall be issued only in pursuance of a resolution passed by the Board and on surrender to the Company of its letter of allotment or its fractional coupons of requisite value, save in cases of issues against letter of acceptance or of renunciation or in cases of issue of bonus shares. Every such certificate shall be issued under the seal of the Company, which shall be affixed in the presence of two Directors or persons acting on behalf of the Directors under a duly registered power of attorney and the Secretary or some other person appointed by the Board for the purpose and two Directors or their attorneys and the Secretary or other person shall sign the share certificate, provided that if the composition of the Board permits of it, at least one of the aforesaid two Directors shall be a person other than a Managing or whole-time Director. Particulars of every share certificate issued shall be entered in the Register of Members against the name of the person, to whom it has been issued, indicating the date of issue.</p> <p>(b) Any two or more joint allottees of shares shall, for the purpose of this Article, be treated as a single member, and the certificate of any shares which may be the subject of joint ownership, may be delivered to anyone of such joint owners on behalf of all of them. For any further certificate the Board shall be entitled, but shall not be bound, to prescribe a charge not exceeding Rupees Fifty. The Company shall comply with the provisions of Section 39 of the Act.</p> <p>(c) A Director may sign a share certificate by affixing his signature thereon by means of any machine, equipment or other mechanical means, such as engraving in metal or lithography, but not by means of a rubber stamp provided that the Director shall be</p> | |

| Sr. No | Particulars | |
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| | responsible for the safe custody of such machine, equipment or other material used for the purpose. | |
| 29. | <p>If any certificate be worn out, defaced, mutilated or torn or if there be no further space on the back thereof for endorsement of transfer, then upon production and surrender thereof to the Company, a new Certificate may be issued in lieu thereof, and if any certificate lost or destroyed then upon proof thereof to the satisfaction of the company and on execution of such indemnity as the company deem adequate, being given, a new Certificate in lieu thereof shall be given to the party entitled to such lost or destroyed Certificate. Every Certificate under the Article shall be issued without payment of fees if the Directors so decide, or on payment of such fees (not exceeding Rs.50/- for each certificate) as the Directors shall prescribe. Provided that no fee shall be charged for issue of new certificates in replacement of those which are old, defaced or worn out or where there is no further space on the back thereof for endorsement of transfer.</p> <p>Provided that notwithstanding what is stated above the Directors shall comply with such Rules or Regulation or requirements of any Stock Exchange or the Rules made under the Act or the rules made under Securities Contracts (Regulation) Act, 1956, or any other Act, or rules applicable in this behalf.</p> <p>The provisions of this Article shall mutatis mutandis apply to debentures of the Company.</p> | Issue of new certificates in place of those defaced, lost or destroyed. |
| 30. | (a) If any share stands in the names of two or more persons, the person first named in the Register shall as regard receipts of dividends or bonus or service of notices and all or any other matter connected with the Company except voting at meetings, and the transfer of the shares, be deemed sole holder thereof but the joint-holders of a share shall be severally as well as jointly liable for the payment of all calls and other payments due in respect of such share and for all incidentals thereof according to the Company's regulations. | The first named joint holder deemed Sole holder. |
| | (b) The Company shall not be bound to register more than three persons as the joint holders of any share. | Maximum number of joint holders. |
| 31. | Except as ordered by a Court of competent jurisdiction or as by law required, the Company shall not be bound to recognise any equitable, contingent, future or partial interest in any share, or (except only as is by these Articles otherwise expressly provided) any right in respect of a share other than an absolute right thereto, in accordance with these Articles, in the person from time to time registered as the holder thereof but the Board shall be at | Company not bound to recognise any interest in share other than that of registered holders. |

| Sr. No | Particulars | |
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| | liberty at its sole discretion to register any share in the joint names of any two or more persons or the survivor or survivors of them. | |
| 32. | If by the conditions of allotment of any share the whole or part of the amount or issue price thereof shall be payable by installment, every such installment shall when due be paid to the Company by the person who for the time being and from time to time shall be the registered holder of the share or his legal representative. | Installment on shares to be duly paid. |
| | UNDERWRITING AND BROKERAGE | |
| 33. | Subject to the provisions of Section 40 (6) of the Act, the Company may at any time pay a commission to any person in consideration of his subscribing or agreeing, to subscribe (whether absolutely or conditionally) for any shares or debentures in the Company, or procuring, or agreeing to procure subscriptions (whether absolutely or conditionally) for any shares or debentures in the Company but so that the commission shall not exceed the maximum rates laid down by the Act and the rules made in that regard. Such commission may be satisfied by payment of cash or by allotment of fully or partly paid shares or partly in one way and partly in the other. | Commission |
| 34. | The Company may pay on any issue of shares and debentures such brokerage as may be reasonable and lawful. | Brokerage |
| | CALLS | |
| 35. | <p>(1) The Board may, from time to time, subject to the terms on which any shares may have been issued and subject to the conditions of allotment, by a resolution passed at a meeting of the Board and not by a circular resolution, make such calls as it thinks fit, upon the Members in respect of all the moneys unpaid on the shares held by them respectively and each Member shall pay the amount of every call so made on him to the persons and at the time and places appointed by the Board.</p> <p>(2) A call may be revoked or postponed at the discretion of the Board.</p> <p>(3) A call may be made payable by installments.</p> | Directors may make calls |
| 36. | Fifteen days' notice in writing of any call shall be given by the Company specifying the time and place of payment, and the person or persons to whom such call shall be paid. | Notice of Calls |

| Sr. No | Particulars | |
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| 37. | A call shall be deemed to have been made at the time when the resolution of the Board of Directors authorising such call was passed and may be made payable by the members whose names appear on the Register of Members on such date or at the discretion of the Directors on such subsequent date as may be fixed by Directors. | Calls to date from resolution. |
| 38. | Whenever any calls for further share capital are made on shares, such calls shall be made on uniform basis on all shares falling under the same class. For the purposes of this Article shares of the same nominal value of which different amounts have been paid up shall not be deemed to fall under the same class. | Calls on uniform basis. |
| 39. | The Board may, from time to time, at its discretion, extend the time fixed for the payment of any call and may extend such time as to all or any of the members who on account of the residence at a distance or other cause, which the Board may deem fairly entitled to such extension, but no member shall be entitled to such extension save as a matter of grace and favour. | Directors may extend time. |
| 40. | If any Member fails to pay any call due from him on the day appointed for payment thereof, or any such extension thereof as aforesaid, he shall be liable to pay interest on the same from the day appointed for the payment thereof to the time of actual payment at such rate as shall from time to time be fixed by the Board not exceeding 21% per annum but nothing in this Article shall render it obligatory for the Board to demand or recover any interest from any such member. | Calls to carry interest. |
| 41. | If by the terms of issue of any share or otherwise any amount is made payable at any fixed time or by installments at fixed time (whether on account of the amount of the share or by way of premium) every such amount or installment shall be payable as if it were a call duly made by the Directors and of which due notice has been given and all the provisions herein contained in respect of calls shall apply to such amount or installment accordingly. | Sums deemed to be calls. |
| 42. | On the trial or hearing of any action or suit brought by the Company against any Member or his representatives for the recovery of any money claimed to be due to the Company in respect of his shares, if shall be sufficient to prove that the name of the Member in respect of whose shares the money is sought to be recovered, appears entered on the Register of Members as the holder, at or subsequent to the date at which the money is sought to be recovered is alleged to have become due on the share in | Proof on trial of suit for money due on shares. |

| Sr. No | Particulars | |
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| | <p>respect of which such money is sought to be recovered in the Minute Books: and that notice of such call was duly given to the Member or his representatives used in pursuance of these Articles: and that it shall not be necessary to prove the appointment of the Directors who made such call, nor that a quorum of Directors was present at the Board at which any call was made was duly convened or constituted nor any other matters whatsoever, but the proof of the matters aforesaid shall be conclusive evidence of the debt.</p> | |
| 43. | <p>Neither a judgment nor a decree in favour of the Company for calls or other moneys due in respect of any shares nor any part payment or satisfaction thereunder nor the receipt by the Company of a portion of any money which shall from time to time be due from any Member of the Company in respect of his shares, either by way of principal or interest, nor any indulgence granted by the Company in respect of the payment of any such money, shall preclude the Company from thereafter proceeding to enforce forfeiture of such shares as hereinafter provided.</p> | <p>Judgment, decree, partial payment motto proceed for forfeiture.</p> |
| 44. | <p>(a) The Board may, if it thinks fit, receive from any Member willing to advance the same, all or any part of the amounts of his respective shares beyond the sums, actually called up and upon the moneys so paid in advance, or upon so much thereof, from time to time, and at any time thereafter as exceeds the amount of the calls then made upon and due in respect of the shares on account of which such advances are made the Board may pay or allow interest, at such rate as the member paying the sum in advance and the Board agree upon. The Board may agree to repay at any time any amount so advanced or may at any time repay the same upon giving to the Member three months' notice in writing: provided that moneys paid in advance of calls on shares may carry interest but shall not confer a right to dividend or to participate in profits.</p> <p>(b) No Member paying any such sum in advance shall be entitled to voting rights in respect of the moneys so paid by him until the same would but for such payment become presently payable. The provisions of this Article shall mutatis mutandis apply to calls on debentures issued by the Company.</p> | <p>Payments in Anticipation of calls may carry interest</p> |
| | <p>LIEN</p> | |

| Sr. No | Particulars | |
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| 45. | The Company shall have a first and paramount lien upon all the shares/debentures (other than fully paid-up shares/debentures) registered in the name of each member (whether solely or jointly with others) and upon the proceeds of sale thereof for all moneys (whether presently payable or not) called or payable at a fixed time in respect of such shares/debentures and no equitable interest in any share shall be created except upon the footing and condition that this Article will have full effect. And such lien shall extend to all dividends and bonuses from time to time declared in respect of such shares/debentures. Unless otherwise agreed the registration of a transfer of shares/debentures shall operate as a waiver of the Company's lien if any, on such shares/debentures. The Directors may at any time declare any shares/debentures wholly or in part to be exempt from the provisions of this clause. | Company to have Lien on shares. |
| 46. | For the purpose of enforcing such lien the Directors may sell the shares subject thereto in such manner as they shall think fit, but no sale shall be made until such period as aforesaid shall have arrived and until notice in writing of the intention to sell shall have been served on such member or the person (if any) entitled by transmission to the shares and default shall have been made by him in payment, fulfillment of discharge of such debts, liabilities or engagements for seven days after such notice. To give effect to any such sale the Board may authorise some person to transfer the shares sold to the purchaser thereof and purchaser shall be registered as the holder of the shares comprised in any such transfer. Upon any such sale as the Certificates in respect of the shares sold shall stand cancelled and become null and void and of no effect, and the Directors shall be entitled to issue a new Certificate or Certificates in lieu thereof to the purchaser or purchasers concerned. | As to enforcing lien by sale. |
| 47. | The net proceeds of any such sale shall be received by the Company and applied in or towards payment of such part of the amount in respect of which the lien exists as is presently payable and the residue, if any, shall (subject to lien for sums not presently payable as existed upon the shares before the sale) be paid to the person entitled to the shares at the date of the sale. | Application of proceeds of sale. |
| | FORFEITURE AND SURRENDER OF SHARES | |
| 48. | If any Member fails to pay the whole or any part of any call or installment or any moneys due in respect of any shares either by way of principal or interest on or before | If call or installment not paid, notice maybe given. |

| Sr. No | Particulars | |
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| | <p>the day appointed for the payment of the same, the Directors may, at any time thereafter, during such time as the call or installment or any part thereof or other moneys as aforesaid remains unpaid or a judgment or decree in respect thereof remains unsatisfied in whole or in part, serve a notice on such Member or on the person (if any) entitled to the shares by transmission, requiring him to pay such call or installment of such part thereof or other moneys as remain unpaid together with any interest that may have accrued and all reasonable expenses (legal or otherwise) that may have been accrued by the Company by reason of such non-payment. Provided that no such shares shall be forfeited if any moneys shall remain unpaid in respect of any call or installment or any part thereof as aforesaid by reason of the delay occasioned in payment due to the necessity of complying with the provisions contained in the relevant exchange control laws or other applicable laws of India, for the time being in force.</p> | |
| <p>49.</p> | <p>The notice shall name a day (not being less than fourteen days from the date of notice) and a place or places on and at which such call or installment and such interest thereon as the Directors shall determine from the day on which such call or installment ought to have been paid and expenses as aforesaid are to be paid.</p> <p>The notice shall also state that, in the event of the non-payment at or before the time and at the place or places appointed, the shares in respect of which the call was made or installment is payable will be liable to be forfeited.</p> | <p>Terms of notice.</p> |
| <p>50.</p> | <p>If the requirements of any such notice as aforesaid shall not be complied with, every or any share in respect of which such notice has been given, may at any time thereafter but before payment of all calls or installments, interest and expenses, due in respect thereof, be forfeited by resolution of the Board to that effect. Such forfeiture shall include all dividends declared or any other moneys payable in respect of the forfeited share and not actually paid before the forfeiture.</p> | <p>On default of payment, shares to be forfeited.</p> |
| <p>51.</p> | <p>When any shares have been forfeited, notice of the forfeiture shall be given to the member in whose name it stood immediately prior to the forfeiture, and an entry of the forfeiture, with the date thereof shall forthwith be made in the Register of Members.</p> | <p>Notice of forfeiture to a Member</p> |
| <p>52.</p> | <p>Any shares so forfeited, shall be deemed to be the property of the Company and may be sold, re-allotted, or otherwise disposed of, either to the original holder thereof or to any other person, upon such terms and in such manner as the Board in their absolute discretion shall think fit.</p> | <p>Forfeited shares to be property of the Company and maybe sold etc.</p> |

| Sr. No | Particulars | |
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| 53. | Any Member whose shares have been forfeited shall notwithstanding the forfeiture, be liable to pay and shall forthwith pay to the Company, on demand all calls, installments, interest and expenses owing upon or in respect of such shares at the time of the forfeiture, together with interest thereon from the time of the forfeiture until payment, at such rate as the Board may determine and the Board may enforce the payment of the whole or a portion thereof as if it were a new call made at the date of the forfeiture, but shall not be under any obligation to do so. | Members still liable to pay money owing at time of forfeiture and interest. |
| 54. | The forfeiture shares shall involve extinction at the time of the forfeiture, of all interest in all claims and demand against the Company, in respect of the share and all other rights incidental to the share, except only such of those rights as by these Articles are expressly saved. | Effect of forfeiture. |
| 55. | A declaration in writing that the declarant is a Director or Secretary of the Company and that shares in the Company have been duly forfeited in accordance with these articles on a date stated in the declaration, shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the shares. | Evidence of Forfeiture. |
| 56. | The Company may receive the consideration, if any, given for the share on any sale, re-allotment or other disposition thereof and the person to whom such share is sold, re-allotted or disposed of may be registered as the holder of the share and he shall not be bound to see to the application of the consideration: if any, nor shall his title to the share be affected by any irregularly or invalidity in the proceedings in reference to the forfeiture, sale, re-allotment or other disposal of the shares. | Title of purchaser and allottee of Forfeited shares. |
| 57. | Upon any sale, re-allotment or other disposal under the provisions of the preceding Article, the certificate or certificates originally issued in respect of the relative shares shall (unless the same shall on demand by the Company have been previously surrendered to it by the defaulting member) stand cancelled and become null and void and of no effect, and the Directors shall be entitled to issue a duplicate certificate or certificates in respect of the said shares to the person or persons entitled thereto. | Cancellation of share certificate in respect of forfeited shares. |
| 58. | In the meantime and until any share so forfeited shall be sold, re-allotted, or otherwise dealt with as aforesaid, the forfeiture thereof may, at the discretion and by a resolution of the Directors, be remitted as a matter of grace and favour, and not as was owing thereon to the Company at the time of forfeiture being declared with interest for the same unto the time of the actual payment thereof if the | Forfeiture may be remitted. |

| Sr. No | Particulars | |
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| | Directors shall think fit to receive the same, or on any other terms which the Director may deem reasonable. | |
| 59. | Upon any sale after forfeiture or for enforcing a lien in purported exercise of the powers hereinbefore given, the Board may appoint some person to execute an instrument of transfer of the Shares sold and cause the purchaser's name to be entered in the Register of Members in respect of the Shares sold, and the purchasers shall not be bound to see to the regularity of the proceedings or to the application of the purchase money, and after his name has been entered in the Register of Members in respect of such Shares, the validity of the sale shall not be impeached by any person and the remedy of any person aggrieved by the sale shall be in damages only and against the Company exclusively. | Validity of sale |
| 60. | The Directors may, subject to the provisions of the Act, accept a surrender of any share from or by any Member desirous of surrendering on such terms the Directors may think fit. | Surrender of shares. |
| | TRANSFER AND TRANSMISSION OF SHARES | |
| 61. | (a) The instrument of transfer of any share in or debenture of the Company shall be executed by or on behalf of both the transferor and transferee. (b) The transferor shall be deemed to remain a holder of the share or debenture until the name of the transferee is entered in the Register of Members or Register of Debenture holders in respect thereof. | Execution of the instrument of shares. |
| 62. | The instrument of transfer of any share or debenture shall be in writing and all the provisions of Section 56 and statutory modification thereof including other applicable provisions of the Act shall be duly complied with in respect of all transfers of shares or debenture and registration thereof. The instrument of transfer shall be in a common form approved by the Exchange; | Transfer Form. |
| 63. | The Company shall not register a transfer in the Company other than the transfer between persons both of whose names are entered as holders of beneficial interest in the records of a depository, unless a proper instrument of transfer duly stamped and executed by or on behalf of the transferor and by or on behalf of the transferee and specifying the name, address and occupation if any, of the transferee, has been delivered to the Company along with the certificate relating to the shares or if no such share certificate is in existence along with the letter of allotment | Transfer not to be registered except on production of instrument of transfer. |

| Sr. No | Particulars | |
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| | <p>of the shares: Provided that where, on an application in writing made to the Company by the transferee and bearing the stamp, required for an instrument of transfer, it is proved to the satisfaction of the Board of Directors that the instrument of transfer signed by or on behalf of the transferor and by or on behalf of the transferee has been lost, the Company may register the transfer on such terms as to indemnity as the Board may think fit, provided further that nothing in this Article shall prejudice any power of the Company to register as shareholder any person to whom the right to any shares in the Company has been transmitted by operation of law.</p> | |
| <p>64.</p> | <p>Subject to the provisions of Section 58 of the Act and Section 22A of the Securities Contracts (Regulation) Act, 1956, the Directors may, decline to register—</p> <p>(a) any transfer of shares on which the company has a lien.</p> <p>That registration of transfer shall however not be refused on the ground of the transferor being either alone or jointly with any other person or persons indebted to the Company on any account whatsoever;</p> | <p>Directors may refuse to register transfer.</p> |
| <p>65.</p> | <p>If the Company refuses to register the transfer of any share or transmission of any right therein, the Company shall within one month from the date on which the instrument of transfer or intimation of transmission was lodged with the Company, send notice of refusal to the transferee and transferor or to the person giving intimation of the transmission, as the case may be, and there upon the provisions of Section 56 of the Act or any statutory modification thereof for the time being in force shall apply.</p> | <p>Notice of refusal to be given to transferor and transferee.</p> |
| <p>66.</p> | <p>No fee shall be charged for registration of transfer, transmission, Probate, Succession Certificate and letter of administration, Certificate of Death or Marriage, Power of Attorney or similar other document with the Company.</p> | <p>No fee on transfer.</p> |
| <p>67.</p> | <p>The Board of Directors shall have power on giving not less than seven days previous notice in accordance with section 91 and rules made thereunder close the Register of Members and/or the Register of debentures holders and/or other security holders at such time or times and for such period or periods, not exceeding thirty days at a time, and not exceeding in the aggregate forty five days at a time, and not exceeding in the aggregate forty five days in each year as it may seem expedient to the Board.</p> | <p>Closure of Register of Members or debenture holder or other security holders..</p> |
| <p>68.</p> | <p>The instrument of transfer shall after registration be retained by the Company and shall remain in its custody. All instruments of transfer which the Directors may</p> | <p>Custody of transfer Deeds.</p> |

| Sr. No | Particulars | |
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| | decline to register shall on demand be returned to the persons depositing the same. The Directors may cause to be destroyed all the transfer deeds with the Company after such period as they may determine. | |
| 69. | Where an application of transfer relates to partly paid shares, the transfer shall not be registered unless the Company gives notice of the application to the transferee and the transferee makes no objection to the transfer within two weeks from the receipt of the notice. | Application for transfer of partly paid shares. |
| 70. | For this purpose the notice to the transferee shall be deemed to have been duly given if it is dispatched by prepaid registered post/speed post/ courier to the transferee at the address given in the instrument of transfer and shall be deemed to have been duly delivered at the time at which it would have been delivered in the ordinary course of post. | Notice to transferee. |
| 71. | <p>(a) On the death of a Member, the survivor or survivors, where the Member was a joint holder, and his nominee or nominees or legal representatives where he was a sole holder, shall be the only person recognized by the Company as having any title to his interest in the shares.</p> <p>(b) Before recognising any executor or administrator or legal representative, the Board may require him to obtain a Grant of Probate or Letters Administration or other legal representation as the case may be, from some competent court in India.</p> <p>Provided nevertheless that in any case where the Board in its absolute discretion thinks fit, it shall be lawful for the Board to dispense with the production of Probate or letter of Administration or such other legal representation upon such terms as to indemnity or otherwise, as the Board in its absolute discretion, may consider adequate</p> <p>(c) Nothing in clause (a) above shall release the estate of the deceased joint holder from any liability in respect of any share which had been jointly held by him with other persons.</p> | Recognition of legal representative. |
| 72. | The Executors or Administrators of a deceased Member or holders of a Succession Certificate or the Legal Representatives in respect of the Shares of a deceased Member (not being one of two or more joint holders) shall be the only persons recognized by the Company as having any title to the Shares registered in the name of such Members, and the Company shall not be bound to recognize such Executors or Administrators or holders of | Titles of Shares of deceased Member |

| Sr. No | Particulars | |
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| | <p>Succession Certificate or the Legal Representative unless such Executors or Administrators or Legal Representative shall have first obtained Probate or Letters of Administration or Succession Certificate as the case may be from a duly constituted Court in the Union of India provided that in any case where the Board of Directors in its absolute discretion thinks fit, the Board upon such terms as to indemnity or otherwise as the Directors may deem proper dispense with production of Probate or Letters of Administration or Succession Certificate and register Shares standing in the name of a deceased Member, as a Member. However, provisions of this Article are subject to Sections 72 of the Companies Act.</p> | |
| 73. | <p>Where, in case of partly paid Shares, an application for registration is made by the transferor, the Company shall give notice of the application to the transferee in accordance with the provisions of Section 56 of the Act.</p> | <p>Notice of application when to be given</p> |
| 74. | <p>Subject to the provisions of the Act and these Articles, any person becoming entitled to any share in consequence of the death, lunacy, bankruptcy, insolvency of any member or by any lawful means other than by a transfer in accordance with these presents, may, with the consent of the Directors (which they shall not be under any obligation to give) upon producing such evidence that he sustains the character in respect of which he proposes to act under this Article or of this title as the Director shall require either be registered as member in respect of such shares or elect to have some person nominated by him and approved by the Directors registered as Member in respect of such shares; provided nevertheless that if such person shall elect to have his nominee registered he shall testify his election by executing in favour of his nominee an instrument of transfer in accordance so he shall not be freed from any liability in respect of such shares. This clause is hereinafter referred to as the 'Transmission Clause'.</p> | <p>Registration of persons entitled to share otherwise than by transfer.(transmission clause).</p> |
| 75. | <p>Subject to the provisions of the Act and these Articles, the Directors shall have the same right to refuse or suspend register a person entitled by the transmission to any shares or his nominee as if he were the transferee named in an ordinary transfer presented for registration.</p> | <p>Refusal to register nominee.</p> |
| 76. | <p>Every transmission of a share shall be verified in such manner as the Directors may require and the Company may refuse to register any such transmission until the same be so verified or until or unless an indemnity be given to the Company with regard to such registration which the Directors at their discretion shall consider sufficient,</p> | <p>Board may require evidence of transmission.</p> |

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| | provided nevertheless that there shall not be any obligation on the Company or the Directors to accept any indemnity. | |
| 77. | The Company shall incur no liability or responsibility whatsoever in consequence of its registering or giving effect to any transfer of shares made, or purporting to be made by any apparent legal owner thereof (as shown or appearing in the Register or Members) to the prejudice of persons having or claiming any equitable right, title or interest to or in the same shares notwithstanding that the Company may have had notice of such equitable right, title or interest or notice prohibiting registration of such transfer, and may have entered such notice or referred thereto in any book of the Company and the Company shall not be bound or require to regard or attend or give effect to any notice which may be given to them of any equitable right, title or interest, or be under any liability whatsoever for refusing or neglecting so to do though it may have been entered or referred to in some book of the Company but the Company shall nevertheless be at liberty to regard and attend to any such notice and give effect thereto, if the Directors shall so think fit. | Company not liable for disregard of a notice prohibiting registration of transfer. |
| 78. | In the case of any share registered in any register maintained outside India the instrument of transfer shall be in a form recognized by the law of the place where the register is maintained but subject thereto shall be as near to the form prescribed in Form no. SH-4 hereof as circumstances permit. | Form of transfer Outside India. |
| 79. | No transfer shall be made to any minor, insolvent or person of unsound mind. | No transfer to insolvent etc. |
| | NOMINATION | |
| 80. | <p>i) Notwithstanding anything contained in the articles, every holder of securities of the Company may, at any time, nominate a person in whom his/her securities shall vest in the event of his/her death and the provisions of Section 72 of the Companies Act, 2013 shall apply in respect of such nomination.</p> <p>ii) No person shall be recognized by the Company as a nominee unless an intimation of the appointment of the said person as nominee has been given to the Company during the lifetime of the holder(s) of the securities of the Company in the manner specified under Section 72 of the Companies Act, 2013 read with Rule 19 of the Companies (Share Capital and Debentures) Rules, 2014</p> | Nomination |

| Sr. No | Particulars | |
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| | iii) The Company shall not be in any way responsible for transferring the securities consequent upon such nomination. iv) If the holder(s) of the securities survive(s) nominee, then the nomination made by the holder(s) shall be of no effect and shall automatically stand revoked. | |
| 81. | <p>A nominee, upon production of such evidence as may be required by the Board and subject as hereinafter provided, elect, either-</p> <ul style="list-style-type: none"> (i) to be registered himself as holder of the security, as the case may be; or (ii) to make such transfer of the security, as the case may be, as the deceased security holder, could have made; (iii) if the nominee elects to be registered as holder of the security, himself, as the case may be, he shall deliver or send to the Company, a notice in writing signed by him stating that he so elects and such notice shall be accompanied with the death certificate of the deceased security holder as the case may be; (iv) a nominee shall be entitled to the same dividends and other advantages to which he would be entitled to, if he were the registered holder of the security except that he shall not, before being registered as a member in respect of his security, be entitled in respect of it to exercise any right conferred by membership in relation to meetings of the Company. <p>Provided further that the Board may, at any time, give notice requiring any such person to elect either to be registered himself or to transfer the share or debenture, and if the notice is not complied with within ninety days, the Board may thereafter withhold payment of all dividends, bonuses or other moneys payable or rights accruing in respect of the share or debenture, until the requirements of the notice have been complied with.</p> | Transmission of Securities by nominee |
| | DEMATERIALIZATION OF SHARES | |
| 82. | Subject to the provisions of the Act and Rules made thereunder the Company may offer its members facility to hold securities issued by it in dematerialized form. | Dematerialisation of Securities |
| | JOINT HOLDER | |

| Sr. No | Particulars | |
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| 83. | Where two or more persons are registered as the holders of any share they shall be deemed to hold the same as joint Shareholders with benefits of survivorship subject to the following and other provisions contained in these Articles. | Joint Holders |
| 84. | (a) The Joint holders of any share shall be liable severally as well as jointly for and in respect of all calls and other payments which ought to be made in respect of such share. | Joint and several liabilities for all payments in respect of shares. |
| | (b) on the death of any such joint holders the survivor or survivors shall be the only person recognized by the Company as having any title to the share but the Board may require such evidence of death as it may deem fit and nothing herein contained shall be taken to release the estate of a deceased joint holder from any liability of shares held by them jointly with any other person; | Title of survivors. |
| | (c) Any one of two or more joint holders of a share may give effectual receipts of any dividends or other moneys payable in respect of share; and | Receipts of one sufficient. |
| | (d) only the person whose name stands first in the Register of Members as one of the joint holders of any share shall be entitled to delivery of the certificate relating to such share or to receive documents from the Company and any such document served on or sent to such person shall deemed to be service on all the holders. | Delivery of certificate and giving of notices to first named holders. |
| | SHARE WARRANTS | |
| 85. | The Company may issue warrants subject to and in accordance with provisions of the Act and accordingly the Board may in its discretion with respect to any Share which is fully paid upon application in writing signed by the persons registered as holder of the Share, and authenticated by such evidence(if any) as the Board may, from time to time, require as to the identity of the persons signing the application and on receiving the certificate (if any) of the Share, and the amount of the stamp duty on the warrant and such fee as the Board may, from time to time, require, issue a share warrant. | Power to issue share warrants |
| 86. | (a) The bearer of a share warrant may at any time deposit the warrant at the Office of the Company, and so long as the warrant remains so deposited, the depositor shall have the same right of signing a requisition for call in a meeting of the Company, and of attending and voting and exercising the other privileges of a | Deposit of share warrants |

| Sr. No | Particulars | |
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| | <p>Member at any meeting held after the expiry of two clear days from the time of deposit, as if his name were inserted in the Register of Members as the holder of the Share included in the deposit warrant.</p> <p>(b) Not more than one person shall be recognized as depositor of the Share warrant.</p> <p>(c) The Company shall, on two day's written notice, return the deposited share warrant to the depositor.</p> | |
| 87. | <p>(a) Subject as herein otherwise expressly provided, no person, being a bearer of a share warrant, shall sign a requisition for calling a meeting of the Company or attend or vote or exercise any other privileges of a Member at a meeting of the Company, or be entitled to receive any notice from the Company.</p> <p>(b) The bearer of a share warrant shall be entitled in all other respects to the same privileges and advantages as if he were named in the Register of Members as the holder of the Share included in the warrant, and he shall be a Member of the Company.</p> | Privileges and disabilities of the holders of share warrant |
| 88. | The Board may, from time to time, make bye-laws as to terms on which (if it shall think fit), a new share warrant or coupon may be issued by way of renewal in case of defacement, loss or destruction. | Issue of new share warrant coupons |
| | CONVERSION OF SHARES INTO STOCK | |
| 89. | <p>The Company may, by ordinary resolution in General Meeting,</p> <p>a) convert any fully paid-up shares into stock; and</p> <p>b) re-convert any stock into fully paid-up shares of any denomination.</p> | Conversion of shares into stock or reconversion. |
| 90. | The holders of stock may transfer the same or any part thereof in the same manner as and subject to the same regulation under which the shares from which the stock arose might before the conversion have been transferred, or as near thereto as circumstances admit, provided that, the Board may, from time to time, fix the minimum amount of stock transferable so however that such minimum shall not exceed the nominal amount of the shares from which the stock arose. | Transfer of stock. |
| 91. | The holders of stock shall, according to the amount of stock held by them, have the same rights, privileges and advantages as regards dividends, participation in profits, voting at meetings of the Company, and other matters, as if they hold the shares for which the stock arose but no such | Rights of stock holders. |

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| | privilege or advantage shall be conferred by an amount of stock which would not, if existing in shares , have conferred that privilege or advantage. | |
| 92. | Such of the regulations of the Company (other than those relating to share warrants), as are applicable to paid up share shall apply to stock and the words “share” and “shareholders” in those regulations shall include “stock” and “stockholders” respectively. | Regulations. |
| | BORROWING POWERS | |
| 93. | <p>Subject to the provisions of the Act and these Articles, the Board may, from time to time at its discretion, by a resolution passed at a meeting of the Board generally raise or borrow money by way of deposits, loans, overdrafts, cash credit</p> <p>or by issue of bonds, debentures or debenture-stock (perpetual or otherwise) or in any other manner, or from any person, firm, company, co-operative society, any body corporate, bank, institution, whether incorporated in India or abroad, Government or any authority or any other body for the purpose of the Company and may secure the payment of any sums of money so received, raised or borrowed; provided that the total amount borrowed by the Company (apart from temporary loans obtained from the Company’s Bankers in the ordinary course of business) shall not without the consent of the Company in General Meeting exceed the aggregate of the paid up capital of the Company and its free reserves that is to say reserves not set apart for any specified purpose.</p> | Power to borrow. |
| 94. | Subject to the provisions of the Act and these Articles, any bonds, debentures, debenture-stock or any other securities may be issued at a discount, premium or otherwise and with any special privileges and conditions as to redemption, surrender, allotment of shares, appointment of Directors or otherwise; provided that debentures with the right to allotment of or conversion into shares shall not be issued except with the sanction of the Company in General Meeting. | Issue of discount etc. or with special privileges. |
| 95. | The payment and/or repayment of moneys borrowed or raised as aforesaid or any moneys owing otherwise or debts due from the Company may be secured in such manner and upon such terms and conditions in all respects as the Board may think fit, and in particular by mortgage, charter, lien or any other security upon all or any of the assets or property (both present and future) or the undertaking of the Company including its uncalled capital for the time being, or by a guarantee by any Director, Government or third | Securing payment or repayment of Moneys borrowed. |

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| | party, and the bonds, debentures and debenture stocks and other securities may be made assignable, free from equities between the Company and the person to whom the same may be issued and also by a similar mortgage, charge or lien to secure and guarantee, the performance by the Company or any other person or company of any obligation undertaken by the Company or any person or Company as the case may be. | |
| 96. | Any bonds, debentures, debenture-stock or their securities issued or to be issued by the Company shall be under the control of the Board who may issue them upon such terms and conditions, and in such manner and for such consideration as they shall consider to be for the benefit of the Company. | Bonds, Debentures etc. to be under the control of the Directors. |
| 97. | If any uncalled capital of the Company is included in or charged by any mortgage or other security the Directors shall subject to the provisions of the Act and these Articles make calls on the members in respect of such uncalled capital in trust for the person in whose favour such mortgage or security is executed. | Mortgage of uncalled Capital. |
| 98. | Subject to the provisions of the Act and these Articles if the Directors or any of them or any other person shall incur or be about to incur any liability whether as principal or surety for the payment of any sum primarily due from the Company, the Directors may execute or cause to be executed any mortgage, charge or security over or affecting the whole or any part of the assets of the Company by way of indemnity to secure the Directors or person so becoming liable as aforesaid from any loss in respect of such liability. | Indemnity may be given. |
| | MEETINGS OF MEMBERS | |
| 99. | All the General Meetings of the Company other than Annual General Meetings shall be called Extra-ordinary General Meetings. | Distinction between AGM & EGM. |
| 100. | (a) The Directors may, whenever they think fit, convene an Extra-Ordinary General Meeting and they shall on requisition of Members made in compliance with Section 100 of the Act, forthwith proceed to convene Extra-Ordinary General Meeting of the members | Extra-Ordinary General Meeting by Board and by requisition |
| | (b) If at any time there are not within India sufficient Directors capable of acting to form a quorum, or if the number of Directors be reduced in number to less than the minimum number of Directors prescribed by these Articles and the continuing Directors fail or | When a Director or any two Members may call an Extra Ordinary General Meeting |

| Sr. No | Particulars | |
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| | neglect to increase the number of Directors to that number or to convene a General Meeting, any Director or any two or more Members of the Company holding not less than one-tenth of the total paid up share capital of the Company may call for an Extra-Ordinary General Meeting in the same manner as nearly as possible as that in which meeting may be called by the Directors. | |
| 101. | No General Meeting, Annual or Extraordinary shall be competent to enter upon, discuss or transfer any business which has not been mentioned in the notice or notices upon which it was convened. | Meeting not to transact business not mentioned in notice. |
| 102. | <p>The Chairman (if any) of the Board of Directors shall be entitled to take the chair at every General Meeting, whether Annual or Extraordinary. If there is no such Chairman of the Board of Directors, or if at any meeting he is not present within fifteen minutes of the time appointed for holding such meeting or if he is unable or unwilling to take the chair, then the Members present shall elect another Director as Chairman, and if no Director be present or if all the Directors present decline to take the chair then the Members present shall elect one of the members to be the Chairman of the meeting.</p> <p>Chairman to act as Managing Director or Chief Executive Officer at the same time. The Chairman of the Board of the Company may also be appointed and act as, the Managing Director or Chief Executive Officer of the Company at the same time.</p> | Chairman of General Meeting |
| 103. | No business, except the election of a Chairman, shall be discussed at any General Meeting whilst the Chair is vacant. | Business confined to election of Chairman whilst chair is vacant. |
| 104. | <p>a) The Chairperson may, with the consent of any meeting at which a quorum is present, and shall, if so directed by the meeting, adjourn the meeting from time to time and from place to place.</p> <p>b) No business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.</p> <p>c) When a meeting is adjourned for thirty days or more, notice of the adjourned meeting shall be given as in the case of an original meeting.</p> <p>d) Save as aforesaid, and as provided in section 103 of the Act, it shall not be necessary to give any notice of an</p> | Chairman with consent may adjourn meeting. |

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| | adjournment or of the business to be transacted at an adjourned meeting. | |
| 105. | In the case of an equality of votes the Chairman shall both on a show of hands, on a poll (if any) and e-voting, have casting vote in addition to the vote or votes to which he may be entitled as a Member. | Chairman's casting vote. |
| 106. | Any poll duly demanded on the election of Chairman of the meeting or any question of adjournment shall be taken at the meeting forthwith. | In what case poll taken without adjournment. |
| 107. | The demand for a poll except on the question of the election of the Chairman and of an adjournment shall not prevent the continuance of a meeting for the transaction of any business other than the question on which the poll has been demanded. | Demand for poll not to prevent transaction of other business. |
| | VOTES OF MEMBERS | |
| 108. | No Member shall be entitled to vote either personally or by proxy at any General Meeting or Meeting of a class of shareholders either upon a show of hands, upon a poll or electronically, or be reckoned in a quorum in respect of any shares registered in his name on which any calls or other sums presently payable by him have not been paid or in regard to which the Company has exercised, any right or lien. | Members in arrears not to vote. |
| 109. | Subject to the provision of these Articles and without prejudice to any special privileges, or restrictions as to voting for the time being attached to any class of shares for the time being forming part of the capital of the company, every Member, not disqualified by the last preceding Article shall be entitled to be present, and to speak and to vote at such meeting, and on a show of hands every member present in person shall have one vote and upon a poll the voting right of every Member present in person or by proxy shall be in proportion to his share of the paid-up equity share capital of the Company, Provided, however, if any preference shareholder is present at any meeting of the Company, save as provided in sub-section (2) of Section 47 of the Act, he shall have a right to vote only on resolution placed before the meeting which directly affect the rights attached to his preference shares. | Number of votes each member entitled. |
| 110. | On a poll taken at a meeting of the Company a member entitled to more than one vote or his proxy or other person entitled to vote for him, as the case may be, need not, if he votes, use all his votes or cast in the same way all the votes he uses. | Casting of votes by a member entitled to more than one vote. |

| Sr. No | Particulars | |
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| 111. | A member of unsound mind, or in respect of whom an order has been made by any court having jurisdiction in lunacy, or a minor may vote, whether on a show of hands or on a poll, by his committee or other legal guardian, and any such committee or guardian may, on a poll, vote by proxy. | Vote of member of unsound mind and of minor |
| 112. | Notwithstanding anything contained in the provisions of the Companies Act, 2013, and the Rules made there under, the Company may, and in the case of resolutions relating to such business as may be prescribed by such authorities from time to time, declare to be conducted only by postal ballot, shall, get any such business/ resolutions passed by means of postal ballot, instead of transacting the business in the General Meeting of the Company. | Postal Ballot |
| 113. | A member may exercise his vote at a meeting by electronic means in accordance with section 108 and shall vote only once. | E-Voting |
| 114. | <p>a) In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders. If more than one of the said persons remain present than the senior shall alone be entitled to speak and to vote in respect of such shares, but the other or others of the joint holders shall be entitled to be present at the meeting. Several executors or administrators of a deceased Member in whose name share stands shall for the purpose of these Articles be deemed joint holders thereof.</p> <p>b) For this purpose, seniority shall be determined by the order in which the names stand in the register of members.</p> | Votes of joint members. |
| 115. | Votes may be given either personally or by attorney or by proxy or in case of a company, by a representative duly Authorised as mentioned in Articles | Votes may be given by proxy or by representative |
| 116. | A body corporate (whether a company within the meaning of the Act or not) may, if it is member or creditor of the Company (including being a holder of debentures) authorise such person by resolution of its Board of Directors, as it thinks fit, in accordance with the provisions of Section 113 of the Act to act as its representative at any Meeting of the members or creditors of the Company or debentures holders of the Company. A person authorised by resolution as aforesaid shall be entitled to exercise the same rights and powers (including the right to vote by proxy) on behalf of the body corporate as if it were an | Representation of a body corporate. |

| Sr. No | Particulars | |
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| | individual member, creditor or holder of debentures of the Company. | |
| 117. | (a) A member paying the whole or a part of the amount remaining unpaid on any share held by him although no part of that amount has been called up, shall not be entitled to any voting rights in respect of the moneys paid until the same would, but for this payment, become presently payable. | Members paying money in advance. |
| | (b) A member is not prohibited from exercising his voting rights on the ground that he has not held his shares or interest in the Company for any specified period preceding the date on which the vote was taken. | Members not prohibited if share not held for any specified period. |
| 118. | Any person entitled under Article 73 (transmission clause) to transfer any share may vote at any General Meeting in respect thereof in the same manner as if he were the registered holder of such shares, provided that at least forty-eight hours before the time of holding the meeting or adjourned meeting, as the case may be at which he proposes to vote he shall satisfy the Directors of his right to transfer such shares and give such indemnify (if any) as the Directors may require or the directors shall have previously admitted his right to vote at such meeting in respect thereof. | Votes in respect of shares of deceased or insolvent members. |
| 119. | No Member shall be entitled to vote on a show of hands unless such member is present personally or by attorney or is a body Corporate present by a representative duly Authorised under the provisions of the Act in which case such members, attorney or representative may vote on a show of hands as if he were a Member of the Company. In the case of a Body Corporate the production at the meeting of a copy of such resolution duly signed by a Director or Secretary of such Body Corporate and certified by him as being a true copy of the resolution shall be accepted by the Company as sufficient evidence of the authority of the appointment. | No votes by proxy on show of hands. |
| 120. | The instrument appointing a proxy and the power-of-attorney or other authority, if any, under which it is signed or a notarised copy of that power or authority, shall be deposited at the registered office of the company not less than 48 hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote, or, in the case of a poll, not less than 24 hours before the time appointed for the taking of the poll; and in default the instrument of proxy shall not be treated as valid. | Appointment of a Proxy. |

| Sr. No | Particulars | |
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| 121. | An instrument appointing a proxy shall be in the form as prescribed in the rules made under section 105. | Form of proxy. |
| 122. | A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the previous death or insanity of the Member, or revocation of the proxy or of any power of attorney which such proxy signed, or the transfer of the share in respect of which the vote is given, provided that no intimation in writing of the death or insanity, revocation or transfer shall have been received at the office before the meeting or adjourned meeting at which the proxy is used. | Validity of votes given by proxy not with standing death of a member. |
| 123. | No objection shall be raised to the qualification of any voter except at the meeting or adjourned meeting at which the vote objected to is given or tendered, and every vote not disallowed at such meeting shall be valid for all purposes. | Time for objections to votes. |
| 124. | Any such objection raised to the qualification of any voter in due time shall be referred to the Chairperson of the meeting, whose decision shall be final and conclusive. | Chairperson of the Meeting to be the judge of validity of any vote. |
| | DIRECTORS | |
| 125. | Until otherwise determined by a General Meeting of the Company and subject to the provisions of Section 149 of the Act, the number of Directors (including Debenture and Alternate Directors) shall not be less than three and not more than fifteen. Provided that a company may appoint more than fifteen directors after passing a special resolution | Number of Directors |
| 126. | A Director of the Company shall not be bound to hold any Qualification Shares in the Company. | Qualification shares. |
| 127. | (a) Subject to the provisions of the Companies Act, 2013 and notwithstanding anything to the contrary contained in these Articles, the Board may appoint any person as a director nominated by any institution in pursuance of the provisions of any law for the time being in force or of any agreement (b) The Nominee Director/s so appointed shall not be required to hold any qualification shares in the Company nor shall be liable to retire by rotation. The Board of Directors of the Company shall have no power to remove from office the Nominee Director/s so appointed. The said Nominee Director/s shall be entitled to the same rights and privileges including receiving of notices, copies of the minutes, sitting | Nominee Directors. |

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| | <p>fees, etc. as any other Director of the Company is entitled.</p> <p>(c) If the Nominee Director/s is an officer of any of the financial institution the sitting fees in relation to such nominee Directors shall accrue to such financial institution and the same accordingly be paid by the Company to them. The Financial Institution shall be entitled to depute observer to attend the meetings of the Board or any other Committee constituted by the Board.</p> <p>(d) The Nominee Director/s shall, notwithstanding anything to the Contrary contained in these Articles, be at liberty to disclose any information obtained by him/them to the Financial Institution appointing him/them as such Director/s.</p> | |
| 128. | <p>The Board may appoint an Alternate Director to act for a Director (hereinafter called “The Original Director”) during his absence for a period of not less than three months from India. An Alternate Director appointed under this Article shall not hold office for period longer than that permissible to the Original Director in whose place he has been appointed and shall vacate office if and when the Original Director returns to India. If the term of Office of the Original Director is determined before he so returns to India, any provision in the Act or in these Articles for the automatic re-appointment of retiring Director in default of another appointment shall apply to the Original Director and not to the Alternate Director.</p> | <p>Appointment of alternate Director.</p> |
| 129. | <p>Subject to the provisions of the Act, the Board shall have power at any time and from time to time to appoint any other person to be an Additional Director. Any such Additional Director shall hold office only upto the date of the next Annual General Meeting.</p> | <p>Additional Director</p> |
| 130. | <p>Subject to the provisions of the Act, the Board shall have power at any time and from time to time to appoint a Director, if the office of any director appointed by the company in general meeting is vacated before his term of office expires in the normal course, who shall hold office only upto the date upto which the Director in whose place he is appointed would have held office if it had not been vacated by him.</p> | <p>Directors power to fill casual vacancies.</p> |
| 131. | <p>Until otherwise determined by the Company in General Meeting, each Director other than the Managing/Whole-time Director (unless otherwise specifically provided for) shall be entitled to sitting fees not exceeding a sum prescribed in the Act (as may be amended from time to</p> | <p>Sitting Fees.</p> |

| Sr. No | Particulars | |
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| | time) for attending meetings of the Board or Committees thereof. | |
| 132. | The Board of Directors may subject to the limitations provided in the Act allow and pay to any Director who attends a meeting at a place other than his usual place of residence for the purpose of attending a meeting, such sum as the Board may consider fair, compensation for travelling, hotel and other incidental expenses properly incurred by him, in addition to his fee for attending such meeting as above specified. | Travelling expenses Incurred by Director on Company's business. |
| | PROCEEDING OF THE BOARD OF DIRECTORS | |
| 133. | (a) The Board of Directors may meet for the conduct of business, adjourn and otherwise regulate its meetings as it thinks fit. (b) A director may, and the manager or secretary on the requisition of a director shall, at any time, summon a meeting of the Board. | Meetings of Directors. |
| 134. | a) The Directors may from time to time elect from among their members a Chairperson of the Board and determine the period for which he is to hold office. If at any meeting of the Board, the Chairman is not present within five minutes after the time appointed for holding the same, the Directors present may choose one of the Directors then present to preside at the meeting. b) Subject to Section 203 of the Act and rules made there under, one person can act as the Chairman as well as the Managing Director or Chief Executive Officer at the same time. | Chairperson |
| 135. | Questions arising at any meeting of the Board of Directors shall be decided by a majority of votes and in the case of an equality of votes, the Chairman will have a second or casting vote. | Questions at Board meeting how decided. |
| 136. | The continuing directors may act notwithstanding any vacancy in the Board; but, if and so long as their number is reduced below the quorum fixed by the Act for a meeting of the Board, the continuing directors or director may act for the purpose of increasing the number of directors to that fixed for the quorum, or of summoning a general meeting of the company, but for no other purpose. | Continuing directors may act notwithstanding any vacancy in the Board |
| 137. | Subject to the provisions of the Act, the Board may delegate any of their powers to a Committee consisting of such member or members of its body as it thinks fit, and it may from time to time revoke and discharge any such | Directors may appoint committee. |

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| | committee either wholly or in part and either as to person, or purposes, but every Committee so formed shall in the exercise of the powers so delegated conform to any regulations that may from time to time be imposed on it by the Board. All acts done by any such Committee in conformity with such regulations and in fulfillment of the purposes of their appointment but not otherwise, shall have the like force and effect as if done by the Board. | |
| 138. | The Meetings and proceedings of any such Committee of the Board consisting of two or more members shall be governed by the provisions herein contained for regulating the meetings and proceedings of the Directors so far as the same are applicable thereto and are not superseded by any regulations made by the Directors under the last preceding Article. | Committee Meeting show to be governed. |
| 139. | a) A committee may elect a Chairperson of its meetings. b) If no such Chairperson is elected, or if at any meeting the Chairperson is not present within five minutes after the time appointed for holding the meeting, the members present may choose one of their members to be Chairperson of the meeting. | Chairperson of Committee Meetings |
| 140. | a) A committee may meet and adjourn as it thinks fit. b) Questions arising at any meeting of a committee shall be determined by a majority of votes of the members present, and in case of an equality of votes, the Chairperson shall have a second or casting vote. | Meetings of the Committee |
| 141. | Subject to the provisions of the Act, all acts done by any meeting of the Board or by a Committee of the Board, or by any person acting as a Director shall notwithstanding that it shall afterwards be discovered that there was some defect in the appointment of such Director or persons acting as aforesaid, or that they or any of them were disqualified or had vacated office or that the appointment of any of them had been terminated by virtue of any provisions contained in the Act or in these Articles, be as valid as if every such person had been duly appointed, and was qualified to be a Director. | Acts of Board or Committee shall be valid notwithstanding defect in appointment. |
| | RETIREMENT AND ROTATION OF DIRECTORS | |
| 142. | Subject to the provisions of Section 161 of the Act, if the office of any Director appointed by the Company in General Meeting vacated before his term of office will expire in the normal course, the resulting casual vacancy may in default of and subject to any regulation in the Articles of the Company be filled by the Board of Directors at the meeting of the Board and the Director so appointed | Power to fill casual vacancy |

| Sr. No | Particulars | |
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| | shall hold office only up to the date up to which the Director in whose place he is appointed would have held office if had not been vacated as aforesaid. | |
| | POWERS OF THE BOARD | |
| 143. | The business of the Company shall be managed by the Board who may exercise all such powers of the Company and do all such acts and things as may be necessary, unless otherwise restricted by the Act, or by any other law or by the Memorandum or by the Articles required to be exercised by the Company in General Meeting. However no regulation made by the Company in General Meeting shall invalidate any prior act of the Board which would have been valid if that regulation had not been made. | Powers of the Board |
| 144. | Without prejudice to the general powers conferred by the Articles and so as not in any way to limit or restrict these powers, and without prejudice to the other powers conferred by these Articles, but subject to the restrictions contained in the Articles, it is hereby, declared that the Directors shall have the following powers, that is to say | Certain powers of the Board |
| | (1) Subject to the provisions of the Act, to purchase or otherwise acquire any lands, buildings, machinery, premises, property, effects, assets, rights, creditors, royalties, business and goodwill of any person firm or company carrying on the business which this Company is authorised to carry on, in any part of India. | To acquire any property , rights etc. |
| | (2) Subject to the provisions of the Act to purchase, take on lease for any term or terms of years, or otherwise acquire any land or lands, with or without buildings and out-houses thereon, situate in any part of India, at such conditions as the Directors may think fit, and in any such purchase, lease or acquisition to accept such title as the Directors may believe, or may be advised to be reasonably satisfy. | To take on Lease. |
| | (3) To erect and construct, on the said land or lands, buildings, houses, warehouses and sheds and to alter, extend and improve the same, to let or lease the property of the company, in part or in whole for such rent and subject to such conditions, as may be thought advisable; to sell such portions of the land or buildings of the Company as may not be required for the company; to mortgage the whole or any portion of the property of the company for the purposes of the Company; to sell all or any portion of the machinery or stores belonging to the Company. | To erect & construct. |

| Sr. No | Particulars | |
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| | (4) At their discretion and subject to the provisions of the Act, the Directors may pay property rights or privileges acquired by, or services rendered to the Company, either wholly or partially in cash or in shares, bonds, debentures or other securities of the Company, and any such share may be issued either as fully paid up or with such amount credited as paid up thereon as may be agreed upon; and any such bonds, debentures or other securities may be either specifically charged upon all or any part of the property of the Company and its uncalled capital or not so charged. | To pay for property. |
| | (5) To insure and keep insured against loss or damage by fire or otherwise for such period and to such extent as they may think proper all or any part of the buildings, machinery, goods, stores, produce and other moveable property of the Company either separately or co-jointly; also to insure all or any portion of the goods, produce, machinery and other articles imported or exported by the Company and to sell, assign, surrender or discontinue any policies of assurance effected in pursuance of this power. | To insure properties of the Company. |
| | (6) To open accounts with any Bank or Bankers and to pay money into and draw money from any such account from time to time as the Directors may think fit. | To open Bank accounts. |
| | (7) To secure the fulfillment of any contracts or engagement entered into by the Company by mortgage or charge on all or any of the property of the Company including its whole or part of its undertaking as a going concern and its uncalled capital for the time being or in such manner as they think fit. | To secure contracts by way of mortgage. |
| | (8) To accept from any member, so far as may be permissible by law, a surrender of the shares or any part thereof, on such terms and conditions as shall be agreed upon. | To accept surrender of shares. |
| | (9) To appoint any person to accept and hold in trust, for the Company property belonging to the Company, or in which it is interested or for any other purposes and to execute and to do all such deeds and things as may be required in relation to any such trust, and to provide for the remuneration of such trustee or trustees. | To appoint trustees for the Company. |

| Sr. No | Particulars | |
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| | (10) To institute, conduct, defend, compound or abandon any legal proceeding by or against the Company or its Officer, or otherwise concerning the affairs and also to compound and allow time for payment or satisfaction of any debts, due, and of any claims or demands by or against the Company and to refer any difference to arbitration, either according to Indian or Foreign law and either in India or abroad and observe and perform or challenge any award thereon. | To conduct legal proceedings. |
| | (11) To act on behalf of the Company in all matters relating to bankruptcy insolvency. | Bankruptcy & Insolvency |
| | (12) To make and give receipts, release and give discharge for moneys payable to the Company and for the claims and demands of the Company. | To issue receipts & give discharge. |
| | (13) Subject to the provisions of the Act, and these Articles to invest and deal with any moneys of the Company not immediately required for the purpose thereof, upon such authority (not being the shares of this Company) or without security and in such manner as they may think fit and from time to time to vary or realise such investments. Save as provided in Section 187 of the Act, all investments shall be made and held in the Company's own name. | To invest and deal with money of the Company. |
| | (14) To execute in the name and on behalf of the Company in favour of any Director or other person who may incur or be about to incur any personal liability whether as principal or as surety, for the benefit of the Company, such mortgage of the Company's property (present or future) as they think fit, and any such mortgage may contain a power of sale and other powers, provisions, covenants and agreements as shall be agreed upon; | To give Security by way of indemnity. |
| | (15) To determine from time to time persons who shall be entitled to sign on Company's behalf, bills, notes, receipts, acceptances, endorsements, cheques, dividend warrants, releases, contracts and documents and to give the necessary authority for such purpose, whether by way of a resolution of the Board or by way of a power of attorney or otherwise. | To determine signing powers. |
| | (16) To give to any Director, Officer, or other persons employed by the Company, a commission on the profits of any particular business or transaction, or a share in the general profits of the company; and such commission or share of profits shall be treated as part of the working expenses of the Company. | Commission or share in profits. |

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| | (17) To give, award or allow any bonus, pension, gratuity or compensation to any employee of the Company, or his widow, children, dependents, that may appear just or proper, whether such employee, his widow, children or dependents have or have not a legal claim on the Company. | Bonus etc. to employees. |
| | (18) To set aside out of the profits of the Company such sums as they may think proper for depreciation or the depreciation funds or to insurance fund or to an export fund, or to a Reserve Fund, or Sinking Fund or any special fund to meet contingencies or repay debentures or debenture-stock or for equalizing dividends or for repairing, improving, extending and maintaining any of the properties of the Company and for such other purposes (including the purpose referred to in the preceding clause) as the Board may, in the absolute discretion think conducive to the interests of the Company, and subject to Section 179 of the Act, to invest the several sums so set aside or so much thereof as may be required to be invested, upon such investments (other than shares of this Company) as they may think fit and from time to time deal with and vary such investments and dispose of and apply and extend all or any part thereof for the benefit of the Company notwithstanding the matters to which the Board apply or upon which the capital moneys of the Company might rightly be applied or expended and divide the reserve fund into such special funds as the Board may think fit; with full powers to transfer the whole or any portion of a reserve fund or division of a reserve fund to another fund and with the full power to employ the assets constituting all or any of the above funds, including the deprecation fund, in the business of the company or in the purchase or repayment of debentures or debenture-stocks and without being bound to keep the same separate from the other assets and without being bound to pay interest on the same with the power to the Board at their discretion to pay or allow to the credit of such funds, interest at such rate as the Board may think proper. | Transfer to Reserve Funds. |
| | (19) To appoint, and at their discretion remove or suspend such general manager, managers, secretaries, assistants, supervisors, scientists, technicians, engineers, consultants, legal, medical or economic advisers, research workers, labourers, clerks, agents and servants, for permanent, temporary or special services as they may from time to time think fit, and to determine their powers and duties and to fix their | To appoint and remove officers and other employees. |

| Sr. No | Particulars | |
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| | salaries or emoluments or remuneration and to require security in such instances and for such amounts they may think fit and also from time to time to provide for the management and transaction of the affairs of the Company in any specified locality in India or elsewhere in such manner as they think fit and the provisions contained in the next following clauses shall be without prejudice to the general powers conferred by this clause. | |
| | (20) At any time and from time to time by power of attorney under the seal of the Company, to appoint any person or persons to be the Attorney or attorneys of the Company, for such purposes and with such powers, authorities and discretions (not exceeding those vested in or exercisable by the Board under these presents and excluding the power to make calls and excluding also except in their limits authorised by the Board the power to make loans and borrow moneys) and for such period and subject to such conditions as the Board may from time to time think fit, and such appointments may (if the Board think fit) be made in favour of the members or any of the members of any local Board established as aforesaid or in favour of any Company, or the shareholders, directors, nominees or manager of any Company or firm or otherwise in favour of any fluctuating body of persons whether nominated directly or indirectly by the Board and any such powers of attorney may contain such powers for the protection or convenience for dealing with such Attorneys as the Board may think fit, and may contain powers enabling any such delegated Attorneys as aforesaid to sub-delegate all or any of the powers, authorities and discretion for the time being vested in them. | To appoint Attorneys. |
| | (21) Subject to Sections 188 of the Act, for or in relation to any of the matters aforesaid or otherwise for the purpose of the Company to enter into all such negotiations and contracts and rescind and vary all such contracts, and execute and do all such acts, deeds and things in the name and on behalf of the Company as they may consider expedient. | To enter into contracts. |
| | (22) From time to time to make, vary and repeal rules for the regulations of the business of the Company its Officers and employees. | To make rules. |
| | (23) To effect, make and enter into on behalf of the Company all transactions, agreements and other | To effect contracts etc. |

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| | contracts within the scope of the business of the Company. | |
| | (24) To apply for, promote and obtain any act, charter, privilege, concession, license, authorization, if any, Government, State or municipality, provisional order or license of any authority for enabling the Company to carry any of this objects into effect, or for extending and any of the powers of the Company or for effecting any modification of the Company's constitution, or for any other purpose, which may seem expedient and to oppose any proceedings or applications which may seem calculated, directly or indirectly to prejudice the Company's interests. | To apply & obtain concessions licenses etc. |
| | (25) To pay and charge to the capital account of the Company any commission or interest lawfully payable there out under the provisions of Sections 40 of the Act and of the provisions contained in these presents. | To pay commissions or interest. |
| | (26) To redeem preference shares. | To redeem preference shares. |
| | (27) To subscribe, incur expenditure or otherwise to assist or to guarantee money to charitable, benevolent, religious, scientific, national or any other institutions or subjects which shall have any moral or other claim to support or aid by the Company, either by reason of locality or operation or of public and general utility or otherwise. | To assist charitable or benevolent institutions. |
| | (28) To pay the cost, charges and expenses preliminary and incidental to the promotion, formation, establishment and registration of the Company. (29) To pay and charge to the capital account of the Company any commission or interest lawfully payable thereon under the provisions of Sections 40 of the Act. | |
| | (30) To provide for the welfare of Directors or ex-Directors or employees or ex-employees of the Company and their wives, widows and families or the dependents or connections of such persons, by building or contributing to the building of houses, dwelling or chawls, or by grants of moneys, pension, gratuities, allowances, bonus or other payments, or by creating and from time to time subscribing or contributing, to provide other associations, institutions, funds or trusts and by providing or subscribing or contributing towards place of | |

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| | <p>instruction and recreation, hospitals and dispensaries, medical and other attendance and other assistance as the Board shall think fit and subject to the provision of Section 181 of the Act, to subscribe or contribute or otherwise to assist or to guarantee money to charitable, benevolent, religious, scientific, national or other institutions or object which shall have any moral or other claim to support or aid by the Company, either by reason of locality of operation, or of the public and general utility or otherwise.</p> | |
| | <p>(31) To purchase or otherwise acquire or obtain license for the use of and to sell, exchange or grant license for the use of any trade mark, patent, invention or technical know-how.</p> <p>(32) To sell from time to time any Articles, materials, machinery, plants, stores and other Articles and thing belonging to the Company as the Board may think proper and to manufacture, prepare and sell waste and by-products.</p> <p>(33) From time to time to extend the business and undertaking of the Company by adding, altering or enlarging all or any of the buildings, factories, workshops, premises, plant and machinery, for the time being the property of or in the possession of the Company, or by erecting new or additional buildings, and to expend such sum of money for the purpose aforesaid or any of them as they be thought necessary or expedient.</p> <p>(34) To undertake on behalf of the Company any payment of rents and the performance of the covenants, conditions and agreements contained in or reserved by any lease that may be granted or assigned to or otherwise acquired by the Company and to purchase the reversion or reversions, and otherwise to acquire on free hold sample of all or any of the lands of the Company for the time being held under lease or for an estate less than freehold estate.</p> <p>(35) To improve, manage, develop, exchange, lease, sell, resell and re-purchase, dispose off, deal or otherwise turn to account, any property (movable or immovable) or any rights or privileges belonging to or at the disposal of the Company or in which the Company is interested.</p> <p>(36) To let, sell or otherwise dispose of subject to the provisions of Section 180 of the Act and of the other Articles any property of the Company, either absolutely or conditionally and in such manner and upon such terms and conditions in all respects as it</p> | |

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| | <p>thinks fit and to accept payment in satisfaction for the same in cash or otherwise as it thinks fit.</p> <p>(37) Generally subject to the provisions of the Act and these Articles, to delegate the powers/authorities and discretions vested in the Directors to any person(s), firm, company or fluctuating body of persons as aforesaid.</p> <p>(38) To comply with the requirements of any local law which in their opinion it shall in the interest of the Company be necessary or expedient to comply with.</p> | |
| | MANAGING AND WHOLE-TIME DIRECTORS | |
| 145. | <p>a) Subject to the provisions of the Act and of these Articles, the Directors may from time to time in Board Meetings appoint one or more of their body to be a Managing Director or Managing Directors or whole-time Director or whole-time Directors of the Company for such term not exceeding five years at a time as they may think fit to manage the affairs and business of the Company, and may from time to time (subject to the provisions of any contract between him or them and the Company) remove or dismiss him or them from office and appoint another or others in his or their place or places.</p> <p>b) The Managing Director or Managing Directors or whole-time Director or whole-time Directors so appointed shall be liable to retire by rotation. A Managing Director or Whole-time Director who is appointed as Director immediately on the retirement by rotation shall continue to hold his office as Managing Director or Whole-time Director and such re-appointment as such Director shall not be deemed to constitute a break in his appointment as Managing Director or Whole-time Director.</p> | Powers to appoint Managing/Whole-time Directors. |
| 146. | The remuneration of a Managing Director or a Whole-time Director (subject to the provisions of the Act and of these Articles and of any contract between him and the Company) shall from time to time be fixed by the Directors, and may be, by way of fixed salary, or commission on profits of the Company, or by participation in any such profits, or by any, or all of these modes. | Remuneration of Managing or Whole-time Director. |
| 147. | (1) Subject to control, direction and supervision of the Board of Directors, the day-to-day management of the company will be in the hands of the Managing Director or Whole-time Director appointed in accordance with regulations of these Articles of Association with powers to the Directors to distribute | Powers and duties of Managing Director or Whole-time Director. |

| Sr. No | Particulars | |
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| | <p>such day-to-day management functions among such Directors and in any manner as may be directed by the Board.</p> <p>(2) The Directors may from time to time entrust to and confer upon the Managing Director or Whole-time Director for the time being save as prohibited in the Act, such of the powers exercisable under these presents by the Directors as they may think fit, and may confer such objects and purposes, and upon such terms and conditions, and with such restrictions as they think expedient; and they may subject to the provisions of the Act and these Articles confer such powers, either collaterally with or to the exclusion of, and in substitution for, all or any of the powers of the Directors in that behalf, and may from time to time revoke, withdraw, alter or vary all or any such powers.</p> <p>(3) The Company's General Meeting may also from time to time appoint any Managing Director or Managing Directors or Wholetime Director or Wholetime Directors of the Company and may exercise all the powers referred to in these Articles.</p> <p>(4) The Managing Director shall be entitled to sub-delegate (with the sanction of the Directors where necessary) all or any of the powers, authorities and discretions for the time being vested in him in particular from time to time by the appointment of any attorney or attorneys for the management and transaction of the affairs of the Company in any specified locality in such manner as they may think fit.</p> <p>(5) Notwithstanding anything contained in these Articles, the Managing Director is expressly allowed generally to work for and contract with the Company and especially to do the work of Managing Director and also to do any work for the Company upon such terms and conditions and for such remuneration (subject to the provisions of the Act) as may from time to time be agreed between him and the Directors of the Company.</p> | |
| | <p>Chief Executive Officer, Manager, Company Secretary or Chief Financial Officer</p> | |
| <p>148.</p> | <p>a) Subject to the provisions of the Act,—</p> <p>i. A chief executive officer, manager, company secretary or chief financial officer may be appointed by the Board for such term, at such remuneration and upon such conditions as it may</p> | <p>Board to appoint Chief Executive Officer/ Manager/ Company Secretary/ Chief Financial Officer</p> |

| Sr. No | Particulars | |
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| | <p>thinks fit; and any chief executive officer, manager, company secretary or chief financial officer so appointed may be removed by means of a resolution of the Board;</p> <p>ii. A director may be appointed as chief executive officer, manager, company secretary or chief financial officer.</p> <p>b) A provision of the Act or these regulations requiring or authorising a thing to be done by or to a director and chief executive officer, manager, company secretary or chief financial officer shall not be satisfied by its being done by or to the same person acting both as director and as, or in place of, chief executive officer, manager, company secretary or chief financial officer.</p> | |
| | THE SEAL | |
| 149. | <p>(a) The Board shall provide a Common Seal for the purposes of the Company, and shall have power from time to time to destroy the same and substitute a new Seal in lieu thereof, and the Board shall provide for the safe custody of the Seal for the time being, and the Seal shall never be used except by the authority of the Board or a Committee of the Board previously given.</p> <p>(b) The Company shall also be at liberty to have an Official Seal in accordance with of the Act, for use in any territory, district or place outside India.</p> | The seal, its custody and use. |
| 150. | <p>The seal of the company shall not be affixed to any instrument except by the authority of a resolution of the Board or of a committee of the Board authorized by it in that behalf, and except in the presence of at least two directors and of the secretary or such other person as the Board may appoint for the purpose; and those two directors and the secretary or other person aforesaid shall sign every instrument to which the seal of the company is so affixed in their presence.</p> | Deeds how executed. |
| | Dividend and Reserves | |
| 151. | <p>(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.</p> | Division of profits. |

| Sr. No | Particulars | |
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| | <p>(2) No amount paid or credited as paid on a share in advance of calls shall be treated for the purposes of this regulation as paid on the share.</p> <p>(3) All dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the shares during any portion or portions of the period in respect of which the dividend is paid; but if any share is issued on terms providing that it shall rank for dividend as from a particular date such share shall rank for dividend accordingly.</p> | |
| 152. | The Company in General Meeting may declare dividends, to be paid to members according to their respective rights and interests in the profits and may fix the time for payment and the Company shall comply with the provisions of Section 127 of the Act, but no dividends shall exceed the amount recommended by the Board of Directors, but the Company may declare a smaller dividend in general meeting. | The company in General Meeting may declare Dividends. |
| 153. | <p>a) The Board may, before recommending any dividend, set aside out of the profits of the company such sums as it thinks fit as a reserve or reserves which shall, at the discretion of the Board, be applicable for any purpose to which the profits of the company may be properly applied, including provision for meeting contingencies or for equalizing dividends; and pending such application, may, at the like discretion, either be employed in the business of the company or be invested in such investments (other than shares of the company) as the Board may, from time to time, thinks fit.</p> <p>b) The Board may also carry forward any profits which it may consider necessary not to divide, without setting them aside as a reserve.</p> | Transfer to reserves |
| 154. | Subject to the provisions of section 123, the Board may from time to time pay to the members such interim dividends as appear to it to be justified by the profits of the company. | Interim Dividend. |
| 155. | The Directors may retain any dividends on which the Company has a lien and may apply the same in or towards the satisfaction of the debts, liabilities or engagements in respect of which the lien exists. | Debts may be deducted. |
| 156. | No amount paid or credited as paid on a share in advance of calls shall be treated for the purposes of this articles as paid on the share. | Capital paid up in advance not to earn dividend. |

| Sr. No | Particulars | |
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| 157. | All dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the shares during any portion or portions of the period in respect of which the dividend is paid but if any share is issued on terms providing that it shall rank for dividends as from a particular date such share shall rank for dividend accordingly. | Dividends in proportion to amount paid-up. |
| 158. | The Board of Directors may retain the dividend payable upon shares in respect of which any person under Article has become entitled to be a member, or any person under that Article is entitled to transfer, until such person becomes a member, in respect of such shares or shall duly transfer the same. | Retention of dividends until completion of transfer under Articles . |
| 159. | No member shall be entitled to receive payment of any interest or dividend or bonus in respect of his share or shares, whilst any money may be due or owing from him to the Company in respect of such share or shares (or otherwise however, either alone or jointly with any other person or persons) and the Board of Directors may deduct from the interest or dividend payable to any member all such sums of money so due from him to the Company. | No Member to receive dividend whilst indebted to the company and the Company's right of reimbursement thereof. |
| 160. | A transfer of shares does not pass the right to any dividend declared thereon before the registration of the transfer. | Effect of transfer of shares. |
| 161. | Any one of several persons who are registered as joint holders of any share may give effectual receipts for all dividends or bonus and payments on account of dividends in respect of such share. | Dividend to joint holders. |
| 162. | <p>a) Any dividend, interest or other monies payable in cash in respect of shares may be paid by cheque or warrant sent through the post directed to the registered address of the holder or, in the case of joint holders, to the registered address of that one of the joint holders who is first named on the register of members, or to such person and to such address as the holder or joint holders may in writing direct.</p> <p>b) Every such cheque or warrant shall be made payable to the order of the person to whom it is sent.</p> | Dividends how remitted. |
| 163. | Notice of any dividend that may have been declared shall be given to the persons entitled to share therein in the manner mentioned in the Act. | Notice of dividend. |
| 164. | No unclaimed dividend shall be forfeited before the claim becomes barred by law and no unpaid dividend shall bear interest as against the Company. | No interest on Dividends. |

| Sr. No | Particulars | |
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| | CAPITALIZATION | |
| 165. | <p>(1) The Company in General Meeting may, upon the recommendation of the Board, resolve:</p> <p>(a) that it is desirable to capitalize any part of the amount for the time being standing to the credit of any of the Company's reserve accounts, or to the credit of the Profit and Loss account, or otherwise available for distribution; and</p> <p>(b) that such sum be accordingly set free for distribution in the manner specified in clause (2) amongst the members who would have been entitled thereto, if distributed by way of dividend and in the same proportions.</p> <p>(2) The sums aforesaid shall not be paid in cash but shall be applied subject to the provisions contained in clause (3) either in or towards:</p> <p>(i) paying up any amounts for the time being unpaid on any shares held by such members respectively;</p> <p>(ii) paying up in full, unissued shares of the Company to be allotted and distributed, credited as fully paid up, to and amongst such members in the proportions aforesaid; or</p> <p>(iii) partly in the way specified in sub-clause (i) and partly in that specified in sub-clause (ii).</p> <p>(3) A Securities Premium Account and Capital Redemption Reserve Account may, for the purposes of this regulation, only be applied in the paying up of unissued shares to be issued to members of the Company and fully paid bonus shares.</p> <p>(4) The Board shall give effect to the resolution passed by the Company in pursuance of this regulation.</p> | Capitalization. |
| 166. | <p>(1) Whenever such a resolution as aforesaid shall have been passed, the Board shall —</p> <p>(a) make all appropriations and applications of the undivided profits resolved to be capitalized thereby and all allotments and issues of fully paid shares, if any, and</p> <p>(b) generally to do all acts and things required to give effect thereto.</p> <p>(2) The Board shall have full power -</p> <p>(a) to make such provision, by the issue of fractional certificates or by payment in cash or otherwise as it</p> | Fractional Certificates. |

| Sr. No | Particulars | |
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| | <p>thinks fit, in case of shares becoming distributable in fractions; and also</p> <p>(b) to authorise any person to enter, on behalf of all the members entitled thereto, into an agreement with the Company providing for the allotment to them respectively, credited as fully paid up, of any further shares to which they may be entitled upon such capitalization, or (as the case may require) for the payment by the Company on their behalf, by the application thereto of their respective proportions, of the profits resolved to be capitalized, of the amounts or any part of the amounts remaining unpaid on their existing shares.</p> <p>(3) Any agreement made under such authority shall be effective and binding on all such members.</p> <p>(4) That for the purpose of giving effect to any resolution, under the preceding paragraph of this Article, the Directors may give such directions as may be necessary and settle any questions or difficulties that may arise in regard to any issue including distribution of new equity shares and fractional certificates as they think fit.</p> | |
| 167. | <p>(1) The books containing the minutes of the proceedings of any General Meetings of the Company shall be open to inspection of members without charge on such days and during such business hours as may consistently with the provisions of Section 119 of the Act be determined by the Company in General Meeting and the members will also be entitled to be furnished with copies thereof on payment of regulated charges.</p> <p>(2) Any member of the Company shall be entitled to be furnished within seven days after he has made a request in that behalf to the Company with a copy of any minutes referred to in sub-clause (1) hereof on payment of Rs. 10 per page or any part thereof.</p> | Inspection of Minutes Books of General Meetings. |
| 168. | <p>a) The Board shall from time to time determine whether and to what extent and at what times and places and under what conditions or regulations, the accounts and books of the company, or any of them, shall be open to the inspection of members not being directors.</p> <p>b) No member (not being a director) shall have any right of inspecting any account or book or document of the company except as conferred by law or authorised by the Board or by the company in general meeting.</p> | Inspection of Accounts |
| | FOREIGN REGISTER | |

| Sr. No | Particulars | |
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| 169. | The Company may exercise the powers conferred on it by the provisions of the Act with regard to the keeping of Foreign Register of its Members or Debenture holders, and the Board may, subject to the provisions of the Act, make and vary such regulations as it may think fit in regard to the keeping of any such Registers. | Foreign Register. |
| DOCUMENTS AND SERVICE OF NOTICES | | |
| 170. | Any document or notice to be served or given by the Company be signed by a Director or such person duly authorised by the Board for such purpose and the signature may be written or printed or lithographed. | Signing of documents & notices to be served or given. |
| 171. | Save as otherwise expressly provided in the Act, a document or proceeding requiring authentication by the company may be signed by a Director, the Manager, or Secretary or other Authorised Officer of the Company and need not be under the Common Seal of the Company. | Authentication of documents and proceedings. |
| WINDING UP | | |
| 172. | <p>Subject to the provisions of Chapter XX of the Act and rules made thereunder—</p> <p>(i) If the company shall be wound up, the liquidator may, with the sanction of a special resolution of the company and any other sanction required by the Act, divide amongst the members, in specie or kind, the whole or any part of the assets of the company, whether they shall consist of property of the same kind or not.</p> <p>(ii) For the purpose aforesaid, the liquidator may set such value as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the members or different classes of members.</p> <p>(iii) The liquidator may, with the like sanction, vest the whole or any part of such assets in trustees upon such trusts for the benefit of the contributories if he considers necessary, but so that no member shall be compelled to accept any shares or other securities whereon there is any liability.</p> | |
| INDEMNITY | | |
| 173. | Subject to provisions of the Act, every Director, or Officer or Servant of the Company or any person (whether an Officer of the Company or not) employed by the Company as Auditor, shall be indemnified by the Company against and it shall be the duty of the Directors to pay, out of the funds of the Company, all costs, charges, losses and | Directors' and others right to indemnity. |

| Sr. No | Particulars | |
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| | damages which any such person may incur or become liable to, by reason of any contract entered into or act or thing done, concurred in or omitted to be done by him in any way in or about the execution or discharge of his duties or supposed duties (except such if any as he shall incur or sustain through or by his own wrongful act neglect or default) including expenses, and in particular and so as not to limit the generality of the foregoing provisions, against all liabilities incurred by him as such Director, Officer or Auditor or other officer of the Company in defending any proceedings whether civil or criminal in which judgment is given in his favor, or in which he is acquitted or in connection with any application under Section 463 of the Act on which relief is granted to him by the Court. | |
| 174. | Subject to the provisions of the Act, no Director, Managing Director or other officer of the Company shall be liable for the acts, receipts, neglects or defaults of any other Directors or Officer, or for joining in any receipt or other act for conformity, or for any loss or expense happening to the Company through insufficiency or deficiency of title to any property acquired by order of the Directors for or on behalf of the Company or for the insufficiency or deficiency of any security in or upon which any of the moneys of the Company shall be invested, or for any loss or damage arising from the bankruptcy, insolvency or tortious act of any person, company or corporation, with whom any moneys, securities or effects shall be entrusted or deposited, or for any loss occasioned by any error of judgment or oversight on his part, or for any other loss or damage or misfortune whatever which shall happen in the execution of the duties of his office or in relation thereto, unless the same happens through his own dishonesty. | Not responsible for acts of others |
| | SECRECY | |
| 175. | (a) Every Director, Manager, Auditor, Treasurer, Trustee, Member of a Committee, Officer, Servant, Agent, Accountant or other person employed in the business of the company shall, if so required by the Directors, before entering upon his duties, sign a declaration pleading himself to observe strict secrecy respecting all transactions and affairs of the Company with the customers and the state of the accounts with individuals and in matters relating thereto, and shall by such declaration pledge himself not to reveal any of the matter which may come to his knowledge in the discharge of his duties except when required so to do by the Directors or by any meeting or by a Court of Law and except so far as may be necessary in order | Secrecy |

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| | to comply with any of the provisions in these presents contained. | |
| | (b) No member or other person (other than a Director) shall be entitled to enter the property of the Company or to inspect or examine the Company's premises or properties or the books of accounts of the Company without the permission of the Board of Directors of the Company for the time being or to require discovery of or any information in respect of any detail of the Company's trading or any matter which is or may be in the nature of trade secret, mystery of trade or secret process or of any matter whatsoever which may relate to the conduct of the business of the Company and which in the opinion of the Board it will be inexpedient in the interest of the Company to disclose or to communicate. | Access to property information etc. |

SECTION IX – OTHER INFORMATION

MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The following contracts not being contracts entered into in the ordinary course of business carried on by our Company or contracts entered into more than two (2) years before the date of filing of this Red Herring 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 Red Herring Prospectus will be delivered to the RoC for registration and also the documents for inspection referred to hereunder, may be inspected at the Registered Office of our Company located at Plot No.2234, Near Krnati Gate, GIDC Metoda- 360 021, Tal Lodhika Dist Rajkot, Gujarat, India from date of filing this Red Herring Prospectus with RoC to Bid Closing Date on working days from 10.00 a.m. to 5.00 p.m.

Material Contracts

1. Issue Agreement dated February 02, 2018 between our Company and the BRLM.
2. Registrar Agreement dated February 02, 2018 between our Company and Link Intime India Private Limited, Registrar to the Issue.
3. Underwriting Agreement dated February 02, 2018 between our Company and Underwriter viz. BRLM
4. Market Making Agreement dated February 02, 2018 between our Company, Market Maker and the BRLM.
5. Bankers to the Issue Agreement dated February 02, 2018 amongst our Company, the BRLM, Banker(s) to the Issue and the Registrar to the Issue.
6. Tripartite agreement among the NSDL, our Company and Registrar to the Issue dated January 11, 2018
7. Tripartite agreement among the CDSL, our Company and Registrar to the Issue dated January 08, 2018
8. Syndicate Agreement dated February 02, 2018 between our Company, the BRLM and Syndicate Member viz. Pantomath Stock Brokers Private Limited.

Material Documents

1. Certified copies of the updated Memorandum and Articles of Association of our Company along with certificates of incorporation as amended from time to time.
2. Resolutions of the Board of Directors dated November 17, 2017 in relation to the Issue and other related matters.
3. Special resolution of the Shareholders' passed at the Extra Ordinary General meeting dated November 28, 2017 authorizing the Issue.
4. Statement of Tax Benefits dated December 11, 2017 issued by our Peer Reviewed Auditor, S. C. Makhecha & Associates, Chartered Accountants.
5. Report of the Peer Reviewed Auditor, S. C. Makhecha & Associates, Chartered Accountants, dated December 11, 2017 on the Restated Financial Statements for the period ended September 30, 2017 and the Financial Years ended as on March 31, 2017, 2016, 2015, 2014 & 2013 of our Company.
6. Consents of Promoters, Directors, Company Secretary and Compliance Officer, Statutory Auditors, Peer Reviewed Auditors, Banker to the Company, Legal Advisor to the Issue, the Book Running Lead Manager, Registrar to the Issue, Underwriter, Lenders to the Company, Market Maker, Bankers to the Issue, Refund Banker to the Offer and Syndicate Member to the Issue to act in their respective capacities.
7. Copy of In Principle approval from EMERGE Platform of National Stock Exchange of India

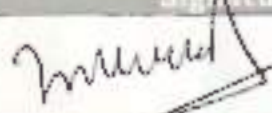
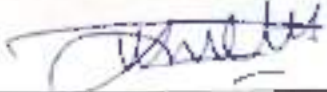
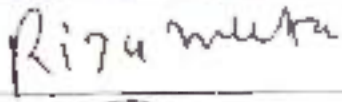
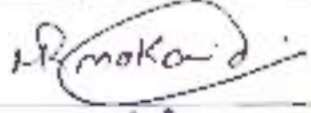
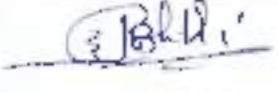
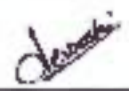
Limited *vide* letter dated February 22, 2018, to use the name of National Stock Exchange of India Limited in this Issue document for listing of Equity Shares on EMERGE Platform of National Stock Exchange of India Limited.

None of the contracts or documents mentioned in this Red Herring Prospectus may be amended or modified at any time without reference to the shareholders, subject to compliance of the provisions contained in the Companies Act and other relevant statutes.

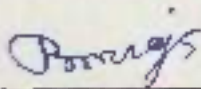
DECLARATION

We, the under signed, hereby certify and declare that, all relevant provisions of the Companies Act and the rules, regulations and guidelines issued by the Government of India or the regulations / guidelines issued by SEBI, as the case may be, have been complied with and no statement made in the Red Herring Prospectus is contrary to the provisions of the Companies Act, the Securities and Exchange Board of India Act, 1992 or rules made there under or regulations / guidelines issued, as the case may be. We further certify that all the disclosures and statements made in the Red Herring Prospectus are true and correct.

Signed by all the Directors, Chief Financial Officer and Company Secretary and Compliance Officer of our Company:

| Name and Designation | Signature |
|--|--|
| Mr. Rupesh Mehta Managing Director & Chairman DIN: 01474523 |  |
| Mr. Nikesh Mehta Whole-time Director DIN: 01603779 |  |
| Mrs. Riya Mehta Director DIN: 01603726 |  |
| Mr. Maulik Mokaria Additional Independent Director DIN: 05310868 |  |
| Mr. Rajendra Bhandari Additional Independent Director DIN: 07986563 |  |
| Mr. Deven Doshi Additional Independent Director DIN: 07994505 |  |

Signed by Chief Financial Officer and Company Secretary and Compliance Officer of the Company



Mr. Rajnikant Raja
Chief Financial Officer



Ms. Ekta Shukla
Company Secretary & Compliance Officer

Place: Rajkot
Date: February 27, 2018

**Annexure A DISCLOSURE OF PRICE INFORMATION OF PAST ISSUES HANDLED BY
PANTOMATH CAPITAL ADVISORS PRIVATE LIMITED**

| Sr . No | Issue Name | Issue Size (Cr) | Issue Price (Rs.) | Listing date | Opening price on listing date | +/- % change in closing price, [+/- % change in closing benchmark]- 30th calendar days from listing | +/- % change in closing price, [+/- % change in closing benchmark]- 90th calendar days from listing | +/- % change in closing price, [+/- % change in closing benchmark] - 180th calendar days from listing |
|------------|---|-----------------|-------------------|-------------------|-------------------------------|---|---|---|
| 1 | Ambition Mica Limited* | 12.60 | 42.00 | November 29, 2017 | 42.05 | -2.26% (0.73%) | - 2.26%(2.51%) | Not Applicable |
| | One Point One Solutions Limited | 44.38 | 67.00 | December 26, 2017 | 80.40 | 25.37%(5.27%) | Not Applicable | Not Applicable |
| | Astron Paper & Board Mill Limited | 69.83 | 50.00 | December 29, 2017 | 115.00 | 180.90%(6.54%) | Not Applicable | Not Applicable |
| | Shree Ram Proteins Limited | 19.90 | 31.00 | February 05, 2018 | 28.95 | Not Applicable | Not Applicable | Not Applicable |
| | Gujarat Hy – Spin Limited | 4.45 | 10.00 | February 08, 2018 | 10.35 | Not Applicable | Not Applicable | Not Applicable |
| | Focus Suites Solutions & Services Limited | 6.50 | 18.00 | February 09, 2018 | 21.60 | Not Applicable | Not Applicable | Not Applicable |
| | A and M Jumbo Bags Limited | 4.00 | 65.00 | February 12, 2018 | 70.50 | Not Applicable | Not Applicable | Not Applicable |
| | Sintercom India Limited | 42.55 | 65.00 | February 15, 2018 | 78.00 | Not Applicable | Not Applicable | Not Applicable |
| | Mohini Health & Hygiene Limited | 20.71 | 42.00 | February 16, 2018 | 50.40 | Not Applicable | Not Applicable | Not Applicable |
| | South West Pinnacle Exploration Limited | 35.85 | 78.00 | February 19, 2018 | 93.60 | Not Applicable | Not Applicable | Not Applicable |

*Ambition Mica Limited is a Further Public Offering managed by Pantomath Capital Advisors Private Limited.

Sources: All share price data is from www.bseindia.com and www.nseindia.com

Note:-

1. The BSE Sensex and CNX Nifty are considered as the Benchmark Index
2. Prices on BSE/NSE are considered for all of the above calculations
3. In case 30th/90th/180th day is not a trading day, closing price on BSE/NSE of the next trading day has been considered
4. In case 30th/90th/180th days, scrips are not traded then last trading price has been considered.

As per SEBI Circular No. CIR/CFD/DIL/7/2015 dated October 30, 2015, the above table should reflect maximum 10 issues (Initial Public Offers) managed by the lead manager. Hence, disclosures pertaining to recent 10 issues handled by the lead manager are provided.

SUMMARY STATEMENT OF DISCLOSURE

| Financial year | Total no. of IPO | Total funds raised (Rs. Cr) | Nos of IPOs trading at discount on 30 th Calendar day from listing date | | | Nos of IPOs trading at premium on 30 th Calendar day from listing date | | | Nos of IPOs trading at discount on 180 th Calendar day from listing date | | | Nos of IPOs trading at premium on 180 th Calendar day from listing date | | |
|----------------|------------------|-----------------------------|--|----------------|----------------|---|----------------|----------------|---|----------------|----------------|--|----------------|----------------|
| | | | Over 50 % | Between 25-50% | Less than 25 % | Over 50 % | Between 25-50% | Less than 25 % | Over 50 % | Between 25-50% | Less than 25 % | Over 50 % | Between 25-50% | Less than 25 % |
| 15-16 | ***9 | 54.01 | - | - | 1 | 3 | 2 | 3 | - | 1 | 1 | 4 | 3 | - |
| 16-17 | ****2 4\$ | 204.56 | - | - | 5 | 5 | 3 | 8 | - | 1 | 5 | 10 | 1 | 6 |
| 17-18 | ***** 29\$\$ | 574.09 | - | - | 2 | 7 | 7 | 6 | - | 1 | - | 6 | - | 2 |

***The scripts of Filtra Consultants and Engineers Limited, Ambition Mica Limited, Jiya Eco Products Limited, M.D. Inducto Cast Limited, Majestic Research Services and Solutions Limited, Mangalam Seeds Limited, Sri Krishna Constructions (India) Limited, Patdiam Jewellery Limited and Vidli Restaurants Limited were listed on April 15, 2015, July 14, 2015, July 16, 2015, July 16, 2015, July 16, 2015, August 12, 2015, October 01, 2015, October 16, 2015 and February 15, 2016 respectively.

****The scripts Ruby Cables Limited, Sysco Industries Limited, Lancer Containers Lines Limited, Yash Chemex Limited, Titanium Ten Enterprise Limited, Commercial Syn Bags Limited, Shiva Granito Export Limited, Sprayking Agro Equipment Limited, Narayani Steels Limited, Nandani Creation Limited, DRA Consultant Limited, Gretex Industries Limited, Sakar Health Care Limited, Bindal Exports Limited, Mewar Hi-Tech Engineering Limited, Shashijit Infraprojects Limited, Agro Phos (India) Limited, Majestic Research Services and Solutions Limited, Maheshwari Logistics Limited, Madhav Copper Limited, Chemcrux Enterprises Limited, Manomay Tex India Limited, Oceanic Foods Limited and Euro India Fresh Foods Limited were listed on April 13, 2016, April 13, 2016, April 13, 2016, June 20, 2016, July 14, 2016, July 14, 2016, September 06, 2016, September 14, 2016, September 14, 2016, October 10, 2016, October 13, 2016, October 14, 2016, October 14, 2016, October 17, 2016, October 17, 2016, October 17, 2016, November 16, 2016 December 14, 2016, January 16, 2017, February 06, 2017, March 28, 2017, March 28, 2017, March 31, 2017 and March 31, 2017 respectively.

*****The scripts Bohra Industries Limited, Creative Peripherals and Distribution Limited, Panache Digilife Limited, Zota Health Care Limited, Gautam Exim Limited, Bansal Multiflex Limited, Shrenik Limited, Jigar Cables Limited, Vaishali Pharma Limited, Lexus Granito (India) Limited, Worth Peripherals Limited, R M Drip and Sprinklers Systems Limited, Shree Tirupati Balajee FIBC Limited, Innovative Tyres and Tubes Limited, Poojawestern Metaliks Limited, Airo Lam Limited, Goldstar Power Limited, IRIS Business Services Limited, Tirupati Forge Limited, Beta Drugs Limited, One Point One Solutions Limited, Astron Paper & Board Mill Limited, Shree Ram Proteins Limited and Gujarat Hy – Spin Limited, Focus Suites Solutions & Services Limited, A and M Jumbo Bags Limited, Sintercom India Limited, Mohini Health & Hygiene Limited and South West Pinnacle Exploration

Limited were listed on April 05, 2017, April 12, 2017, April 25, 2017, May 10, 2017 July 11, 2017, July 12, 2017, July 18, 2017, July 28, 2017, August 22, 2017, August 23, 2017, September 27, 2017, October 04, 2017, October 05, 2017, October 05, 2017, October 05, 2017, October 06, 2017, October 10, 2017, October 11, 2017, October 12, 2017, October 12, 2017, December 26, 2017, December 29, 2017, February 05, 2018, February 08, 2018, February 09, 2018, February 12, 2018, February 15, 2018, February 16, 2018 and February 19, 2018 respectively.

\$. As on 30th trading day the closing price of the scripts Ruby Cables Limited and Shashijit Infraprojects Limited were at par with the issue price. Hence, they are not considered for counting the number of IPOs trading at discount and premium.

\$\$ The scripts of Worth Peripherals Limited, R M Drip and Sprinklers Systems Limited, Shree Tirupati Balajee FIBC Limited, Innovative Tyres and Tubes Limited, Poojawestern Metaliks Limited, Airo Lam Limited, Goldstar Power Limited, IRIS Business Services Limited, Tirupati Forge Limited, Beta Drugs Limited, Ambition Mica Limited, One Point One Solutions Limited, Astron Paper & Board Mill Limited, Shree Ram Proteins Limited, Gujarat Hy – Spin Limited, Focus Suites Solutions & Services Limited, A and M Jumbo Bags Limited Sintercom India Limited, Mohini Health & Hygiene Limited and South West Pinnacle Exploration Limited have not completed 180 Days, 180 Days, 180Days, 180 Days, 180 Days, 180 Days, 180 Days, 180 Days, 180 Days, 180 Days, 180 Days, 180 Days, 180 Days, 30 Days, 30 Days, 30 Days, 30 Days, 30 Days, 30 Days and 30 Days respectively from the date of listing.

Note: Majestic Research Services and Solutions Limited and Ambition Mica Limited are Further Public Offerings lead managed by Pantomath Capital Advisors Private Limited in the Financial Years 2016-17 and 2017-18 respectively and the same have not been included in the above mentioned Summary Statement of Disclosure as the disclosure is limited to IPOs only.