

This is an abridged prospectus containing salient features of the Prospectus. You are encouraged to read greater details available in the Prospectus.

**THIS ABRIDGED PROSPECTUS CONTAINS FOUR PAGES OF APPLICATION FORM ALONG WITH INSTRUCTIONS AND EIGHT PAGES OF ABRIDGED PROSPECTUS. PLEASE ENSURE THAT YOU HAVE RECEIVED ALL THE PAGES.**

You may obtain a physical copy of the Application form and the Prospectus from stock exchange, Syndicate Banks, Registrar to the Issue, Share Transfer Agents, Depository participants, Stock Brokers, Underwriters, Bankers to the Issue, Self-Certified Syndicate Banks, our Company and Lead manager. You may also download the Prospectus from the websites of SEBI, Lead Manager and Stock Exchange where the equity shares are proposed to be listed (Stock Exchange) that is [www.sebi.gov.in](http://www.sebi.gov.in), [www.finshoregroup.com](http://www.finshoregroup.com), and [www.bseindia.com](http://www.bseindia.com) and website of issuer company [www.mahipindustriesltd.in](http://www.mahipindustriesltd.in) respectively.

Fixed Price Issue



MAHIP INDUSTRIES LTD.

## MAHIP INDUSTRIES LIMITED

Corporate Identity Number: U15549GJ1995PLC028116

**Registered office:** Survey No-127, Jalalpur-Godhreshwar, Dholka-Bagodara Highway, Ahmedabad-387 810, Gujarat.

**Corporate office:** A-902, Safal Solitaire, Nr. Divya Bhaskar, Makarba, S.G Road, Ahmedabad – 380 015, Gujarat.

**Contact Person:** Ms. Annapoonaben Tarunkumar Agrawal, Company Secretary & Compliance Officer,

**Tel No:** 079 – 40048788; **E-Mail:** [cs@mahipindustriesltd.in](mailto:cs@mahipindustriesltd.in); **Website:** <http://www.mahipindustriesltd.in/>

**OUR PROMOTERS: 1) MR. RAJIV GOVINDRAM AGRAWAL AND 2) RAJIV GOVINDRAM AGRAWAL HUF**

### ISSUE DETAILS, LISTING AND PROCEDURE

This is an **initial public offering (IPO)** of equity shares of face value of ₹10/- each of **Mahip Industries Limited** and we plan to raise ₹1662.72 Lakhs by issuing 51,96,000 equity shares at an offer price of ₹32/- each including a premium of ₹22/- each. **These equity shares are proposed to be listed on “SME Platform” of BSE Limited.**

This is a Fixed Price issue for an initial public issue of 51,96,000 Equity Shares of face value of ₹10/- each and the minimum lot size is 4,000 Equity Shares and in multiples of 4,000 thereof and for which pre-issue advertisement shall be advertised in English national daily “Financial Express”, Hindi National Daily “Jan Satta” and regional daily “Financial Express-Gujarati” after registering Prospectus with the Registrar of Companies, Ahmedabad, Gujarat. *For details of “Basis for issue Price” please refer page no. 65 of the Prospectus.*

#### Procedure:

If you wish to know about processes and procedures applicable to public issues, you may request for a copy of the General Information Document (GID) from Lead Manager or download it from the website of BSE ([www.bseindia.com](http://www.bseindia.com)) and LM ([www.finshoregroup.com](http://www.finshoregroup.com)).

### ELIGIBILITY FOR THE ISSUE

This being an issue under Chapter IX of SEBI (ICDR) Regulations, 2018. The company is eligible for the issue in terms of Regulation 229(2) of SEBI (ICDR) Regulations, 2018. Please note that the company is not compulsorily required to allot at least 75% of the net issue to public, to Qualified Institutional Buyers (QIBs).

### INDICATIVE TIMETABLE

**The below dates are indicative. However actual dates may vary.**

Issue Opening Date	<b>February 26, 2019 (Tuesday)</b>	Unblocking of funds from ASBA Account	<b>March 08, 2019 (Friday)</b>
Issue Closing Date	<b>March 01, 2019 (Friday)</b>	Credit of Equity Shares to demat accounts of Allottees	<b>March 11, 2019 (Monday)</b>
Finalisation of basis of allotment with the Designated Stock Exchange	<b>March 07, 2019 (Thursday)</b>	Commencement of trading of Equity Shares on the Stock Exchange	<b>March 12, 2019 (Tuesday)</b>

The above time table, other than issue opening and closing dates, is indicative in nature and does not constitute any obligation on the Company or the LM. While our Company shall ensure that all the steps for completion of all the necessary formalities for the listing and trading of our equity shares on the SME Platform of BSE are taken within 6 working days of the issue closing date, the time table may change due to various factors such as extension of the issue period by the Company or any delay in receiving final listing and trading approval from the BSE. The Commencement of the trading of Equity shares will be entirely at the discretion of the BSE SME Exchange in accordance with the applicable laws.

**GENERAL RISKS**

Investments in equity and equity-related securities involve a degree of risk and investors should not invest any funds in this Issue unless they can afford to take the risk of losing their investment. Investors are advised to read the risk factors carefully before taking an investment decision in this Issue. For taking an investment decision, investors must rely on their own examination of the Issuer and this Issue, including the risks involved. The Equity Shares have not been recommended or approved by the Securities and Exchange Board of India (“SEBI”), nor does SEBI guarantee the accuracy or adequacy of the contents of the Prospectus. Specific attention of the investors is invited to the section titled “*Risk Factors*” beginning on page no. 21 of the Prospectus and on page no. 08 of this Abridged Prospectus.

**PRICE INFORMATION OF LEAD MANAGER: FINSHORE MANAGEMENT SERVICES LIMITED**

Sr. No.	Issue Name	Issue Size	Issue Price	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	East India Securities Ltd	92.74	920	13/03/2018	921.9	+1.02 [+0.72]	0.86 [+5.42]	3.23 [+11.40]
2	Sungold Media And Entertainment Limited	1.35	10	27/08/2018	9.75	-11.43 [-5.56]	-41.09 [-8.63]	NA
3	Powerful Technologies Limited	13.54	51	28/08/2018	48	-34.65 [-6.48]	-38.71 [-8.97]	NA
4	AKI India Limited	3.08	11	12/10/2018	11.55	-2.68 [+1.22]	-0.87 [+3.67]	NA
5	Shree Krishna Infrastructure Limited	1.17	13	03/12/2018	12.35	-55.87 [-0.96]	NA	NA
6	Diksha Greens Ltd	13.32	30	05/12/2018	36.20	+106.69 [-0.53]	NA	NA
7	Shankar Lal Rampal Dye-Chem Limited	7.29	45	24/12/2018	46.15	-1.71 [+1.80]	NA	NA

Status as on 10/02/2019

Sources: All share price data is from [www.bseindia.com](http://www.bseindia.com) & [www.nseindia.com](http://www.nseindia.com)

Note: The BSE Sensex & Nifty 50 is considered as the Benchmark Index.

**GENERAL INFORMATION**

Names of Lead Manager and contact details	<p><b>Finshore Management Services Limited</b> Anandlok, Block-A, 2<sup>nd</sup> Floor, Room No. 207, 227 A.J.C. Bose Road, Kolkata-700020, India <b>Telephone:</b> +91-33-22895101 <b>Contact Person:</b> Mr. S. Ramakrishna Iyengar <b>Email:</b> <a href="mailto:ramakrishna@finshoregroup.com">ramakrishna@finshoregroup.com</a> <b>Investor grievance email:</b> <a href="mailto:info@finshoregroup.com">info@finshoregroup.com</a> <b>Website:</b> <a href="http://www.finshoregroup.com">www.finshoregroup.com</a> <b>SEBI Registration Number:</b> INM000012185</p>
Name of the Market Maker	<p><b>Airan Finstocks Private Limited</b> 1D, 3rd Floor, Gift One Building, Gift City, Gandhinagar Gujarat-382 355, India <b>Tel No:</b> 079 - 40222666 <b>Fax No:</b> 079 - 40222699 <b>Email ID:</b> <a href="mailto:info@airanfinstocks.com">info@airanfinstocks.com</a> <b>Contact Person:</b> Mr. Indresh V Shah <b>SEBI Registration Number:</b> INB011323335</p>
Name of Registrar to the Issue and contact details	<p><b>Bigshare Services Private Limited</b> 1st Floor, Bharat Tin Works Building, Opp. Vasant Oasis, Makwana Road, Marol, Andheri East, Mumbai-400059 <b>Tel. No:</b> 022-62638200; <b>Fax No:</b> 022-62638299; <b>E-mail:</b> <a href="mailto:ipo@bigshareonline.com">ipo@bigshareonline.com</a>; <b>Website:</b> <a href="http://www.bigshareonline.com">www.bigshareonline.com</a>; <b>Contact Person:</b> Mr. Babu Rapheal <b>SEBI Registration No:</b> INR000001385</p>

Name of Statutory Auditor	<b>C. P SHAH &amp; CO. (Chartered Accountants), Ahmedabad</b>
Name of Peer Review Auditor	<b>JIGAR SHAH &amp; ASSOCIATES (Chartered Accountants), Ahmedabad</b>
Name of Credit Rating Agency and the rating or grading obtained, if any	Not Applicable
Name of Debenture trustee, if any	Not Applicable
Self-Certified Syndicate Banks	The list of banks is available on <a href="https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpis&amp;intmId=34">https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpis&amp;intmId=34</a> which is updated from time to time.
Non-Syndicate Registered Brokers	You can submit Application Forms in the Issue to Non-Syndicate Registered Brokers at the Non-Syndicate Broker Centres. Registered Brokers at the Broker Centres. The details of such Broker Centres, along with the names and contact details of the Registered Brokers are available on the website of the Stock Exchange ( <a href="http://www.bseindia.com">www.bseindia.com</a> ). For further details, see sectioned titled <b>“Issue Procedure”</b> beginning at page 193 of the prospectus.
Details regarding website address(es)/link(s) from which the investor can obtain list of registrar to issue and share transfer agents, depository participants and stock brokers who can accept application from investor (as applicable)	The details of the Designated Registrar to issue and Share Transfer Agents Locations and Designated Collecting Depository Participant and stock brokers Locations, along with their names and contact details are available on the websites of the Stock Exchange ( <a href="http://www.bsesme.com">www.bsesme.com</a> ) as updated from time to time

#### PROMOTERS OF ISSUER COMPANY

- 1) **Mr. Rajiv Govindram Agrawal**, aged 47 years, is the Promoter cum Chairman & Managing Director of the company. He is the founder of the corrugated box manufacturing. He has more than two decades of experience in this field and has Management Leadership & Entrepreneur skill, technical knowhow about the product, extremely good in Marketing skills including that of explaining the USP of the product. He is involved in implementation and review of strategic objectives of the Company as envisaged by the Board of the Company in addition to that he is also in charge of Production and Marketing operations of the Company.
- 2) **Rajiv Govindram Agrawal (HUF)**, a firm established on 2005 is also promoter of our company. Mr. Rajiv Govindram Agrawal is the Karta of the firm. The coparceners of the firms are Mrs. Mamta Rajiv Agrawal, Aashi Rajiv Agrawal, Sanya Rajiv Agrawal and Mahip Rajiv Agrawal. The firm holds 15.66% of pre-issue share capital.

For Further details on: **“Our Promoters and Promoter Group”** refer Page No. 119 of the Prospectus.

#### BUSINESS MODEL / BUSINESS OVERVIEW AND STRATEGY

Our Company was originally incorporated as “Care Beverages (India) Limited” at Ahmedabad on November 14, 1995, under the provisions of the Companies Act, 1956. Consequently, the name of our company was changed to “Care Corupack Limited” on September 27, 2001 and further the name of the company was changed to “Mahip Industries Limited” on January 31, 2018.

We are Committed to offer high quality packaging materials to various industries, we aim to constantly upgrade technology and our range with modernized equipments and advanced technology. With our existence in Gujarat, we are extending our reach to national and international clients to serve companies worldwide. Having more than two decades of experience in the packaging industry, we have earned a place among the top players in the industry by offering the best products and services to reputed industries. The company is certified by ISO 9001 and ISO 22000 (Quality Management System) Certifications from JAZ ANZ (+).

We are providing one stop solution for all the packing needs and also, we are also engaged in the custom products. We produce corrugated sheets and from the sheets there are products like Corrugated Box, including printing on corrugated Box and custom-made products. Our Company has a varied product base to cater to the requirements of our customers. Our Product Portfolio includes diversified variety of which are customized corrugated box packing, printing on corrugated box which are used in various industries. Our products which include Stagguard, Box, Corrugated Boxes, Corrugated Boxes with Partition, Corrugated Boxes With Lid, Printed Corrugated Boxes, Customized Corrugated Boxes, Laminated Corrugated Boxes, Bituminized corrugated boxes, Corrugated Cartons/Printed, Corrugated Cartons, Heavy duty Corrugated Boxes, Multicolor Printed Cartons, Corrugated Sheets, Corrugated Paper Rolls, Auto Slot Boxes & Die Cut Boxes etc are widely used majorly in all type of Industry/Sector. Our range of products allows our existing customers to source most of their product requirements from a single vendor and also enables us to expand our business from existing customers, as well as address a larger base of potential new customers.

**Our Competitive Strength:**

- EXPERIENCE OF MORE THAN TWO DECADES IN THE INDUSTRY
- PROVIDE CUSTOMIZED PACKAGING SOLUTION AS PER CLIENT REQUIREMENTS
- ADOPTED THE LATEST MACHINERY AND TECHNOLOGY IN PRODUCTION
- GUARANTEE GLOBAL QUALITY PRODUCTS AT COMPETITIVE RATES WITH TIMELY DELIVERY SCHEDULES
- IN- HOUSE LOGISTIC SUPPORT ENSURING TIMELY DELIVERY

**Our Business Strategy:**

- EXPAND PRODUCT PORTFOLIO
- ENHANCE CAPACITY
- IMPROVE PRODUCTION AND OPERATIONAL EFFICEINCY AND FOLLOW 'DO MORE WITH LESS POLICY
- INCREASE CLIENT BASE AND EXPLORE NEW INDUSTRIES

For further details of “**Our Business**”, please refer page no. 74 of the Prospectus.

**BOARD OF DIRECTORS**

Name	Designation	Experience
Mr. Rajiv Govindram Agrawal	Chairman & Managing Director	<b>Mr. Rajiv Govindram Agrawal</b> , aged 47 years, is the Promoter cum Chairman & Managing Director of the company. He is the founder of the corrugated box manufacturing. He has more than two decades of experience in this field and has Management Leadership & Entrepreneur skill, technical knowhow about the product, extremely good in Marketing skills including that of explaining the USP of the product. He is involved in implementation and review of strategic objectives of the Company as envisaged by the Board of the Company in addition to that he is also in charge of Production and Marketing operations of the Company.
Mr. Radheshyam Tolaram Oza	Non-Executive Director	Mr. Radhesham Oza aged 44 years, serving the Board as the Non-Executive Director of our company. He has an Experience of 14 Years in manufacturing of Corrugated Boxes. He is in employment with the Company since 2004 and holding the Directorship since 2010. He oversees Production Plant operations and sales and marketing division. Besides overseeing the plant operations in terms of its down time free working is looking after Sales & Marketing functions of the Company since he has profound knowledge of the product, its chemical composition and its best uses. He is expertise in in many areas including but not limited to team Building & Leadership, Personnel Recruiting & Training, opportunity identification. His prime responsibilities have been to develop strategies and plans which identify marketing opportunities and new product development, analyse and evaluate the effectiveness of sales, methods, cost and results
Mr. Jignesh Shah	Independent Director	<b>Mr. Jignesh Shah</b> a Company Secretary by profession, aged 37 Years, serving the Board as the Independent Director of the Company. He holds Qualifications as Company Secretary, Bachelor of Laws, Bachelor of Business Administration and Master of Commerce. He is currently in Practice and has Overall experience of a decade in Employment as CS. He has devoted his valuable time for Hon'ble Ahmedabad chapter of Institute of Company Secretaries of India (ICSI) as the immediate past Chairman for calendar Year 2017 and currently he is actively providing Guidance/services in the chapter by arranging and attending seminars, training programme to students as an active member of institute. He is the Visiting Lecturer in many reputed management institutions and imparted knowledgeoriented sessions at various professional bodies including Institute of

**IN THE NATURE OF ABRIDGED PROSPECTUS - MEMORANDUM CONTAINING SALIENT FEATURES OF THE PROSPECTUS**

		Chartered Accountant of India (ICAI) and Knowledge Consortium of Gujarat and then in his own Practice provides Single window Services for three company from being its incorporation to Merger, Acquisition, Fund Raising, De-merger in its Developing or developed Stage. He is a Management Consultant of Intellectual Property Rights, Cyber Laws and Corporate Laws
Ms. Riddhi Rajendra Kumar	Independent Woman Director	<b>Ms. Riddhi Rajendra Kumar</b> aged 33 Years, is appointed as the Independent Director of the Company. She holds the Degrees in Bachelor of Arts (B.A.), Diploma in Textile Designing, Diploma in Aviation, Hospitality and Travel Management. She has an 8 Years of Overall Experience as an Assistant Manager- Sales & Marketing, Export-Business develop Manager, Client Service Manager and Relationship Manager in various Companies. She is Expertise exposure in many Fields; Client Service Management, Business Development, Product Branding, Team Development and Management. Her professional Skills include working as a team member/team leader in an efficient and harmonious way to deliver the work on time, on budget and with quality. Her role will broadly include playing a vital role in risk management, improving corporate credibility and governance standards functioning as a Supervisor

**OBJECT OF THE ISSUE**

The proceeds of the Issue are estimated to be Rs. 1662.72 Lakhs. Our Company proposes to utilize the funds which are being raised through this Issue towards the below mentioned objects and gain benefits of listing on SME Platform of BSE.

The objects of the issue are:

1. Funding the working capital requirements of the Company
2. General corporate purposes and
3. Issue Related Expenses

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

**Requirement of Funds:**

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

The following table summarizes the requirement of funds:

Sr. No.	Particulars	Estimated Amount (Rs. In Lakhs)	Amount Deployed till Date	Amount to be financed from Net Proceeds of Issue	Estimated Net Proceeds Utilization in FY 2018-19
A	Funding the working capital requirements of the Company	1287.22	-	1287.22	1287.22
B	Issue related expenses	125.00	-	125.00	125.00
C	General corporate purposes	250.00	-	250.00	250.00
	<b>Total IPO Proceeds</b>	<b>1662.72</b>	<b>-</b>	<b>1662.72</b>	<b>1662.72</b>

For further details please refer chapter "Object of the issue" beginning on page no. 61 of the prospectus.

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

**Details and reasons for non-deployment or delay in deployment of proceeds or changes in utilization of issue proceeds of past public issues/rights issues, if any, of the Company in the preceding 10 years:** *Not Applicable*

Name of monitoring agency, if any: *Not Applicable*

Terms of Issuance of Convertible Security, if any: *Not Applicable*

**PRE-ISSUE SHAREHOLDING PATTERN**

Sr. No.	Particulars	Pre-Issue number of shares	% Holding of Pre-issue
1.	Promoter & Promoter Group	1,25,83,624	89.60%
2.	Public	14,60,360	10.40%
	<b>Total</b>	<b>1,40,43,984</b>	<b>100.00%</b>

For further details please refer "*Capital Structure*" beginning on Page no. 48 of the Prospectus.

Number/amount of equity shares proposed to be sold by selling shareholder: *Not Applicable*

**RESTATED AUDITED KEY FINANCIALS**

*Restated Standalone Financials*

Particulars	For the period ended					
	31-08-2018	31-03-2018	31-03-2017	31-03-2016	31-03-2015	31-03-2014
Total Income from Operations (Net)	6,461.09	14,026.41	10,741.06	10,395.06	9,271.02	9,264.01
Net Profit/(Loss) before tax	351.78	618.69	182.47	168.26	137.71	149.49
Net Profit/(Loss) after tax	253.92	428.75	121.86	111.33	93.72	103.26
Equity Share Capital	1,404.40	702.20	110.19	110.19	110.19	79.99
Reserves and Surplus	1,110.05	1,558.33	1,466.58	1,344.72	1,229.89	864.36
Net worth	2,514.45	2,260.53	1,576.76	1,454.90	1,340.07	944.35
Face Value of Shares	₹10/-	₹10/-	₹10/-	₹10/-	₹10/-	₹10/-
Basic & Diluted earnings per share (Rs.)	1.81	3.15	0.92	0.84	0.96	1.08
Return on net-worth (%)	10.10%	18.97%	7.73%	7.65%	6.99%	10.93%
Net Asset Value Per Share (Rs)	17.90	16.10	11.93	11.00	10.14	9.84

*Restated Consolidated Financials*

Particulars	For the period ended					
	31-08-2018	31-03-2018	31-03-2017	31-03-2016	31-03-2015	31-03-2014
Total Income from Operations (Net)	6,461.09	14,026.41	10,741.06	10,396.86	9,271.02	9,264.01
Net Profit/(Loss) before tax	351.88	618.99	182.71	168.53	138.02	149.56
Net Profit/(Loss) after tax	253.99	428.95	122.02	111.51	93.94	103.31
Equity Share Capital	1,404.40	702.20	110.19	110.19	110.19	79.99
Reserves and Surplus	1,110.29	1,558.49	1,466.54	1,343.37	1,228.36	862.62
Minority Interest	-	-	-	14.43	14.17	13.87
Net worth	2,514.69	2,260.69	1,576.72	1,467.98	1,352.71	956.48
Face Value of Shares	₹10/-	₹10/-	₹10/-	₹10/-	₹10/-	₹10/-
Basic & Diluted earnings per share (Rs.)	1.81	3.15	0.92	0.84	0.96	1.08
Return on net-worth (%)	10.10%	18.97%	7.74%	7.67%	7.02%	10.96%
Net Asset Value Per Share (Rs)	17.91	16.10	11.92	10.99	10.12	9.82

Figures/Data for period ended August 31, 2018 are not annualised.

**INTERNAL RISK FACTORS**

The below mentioned risks are top 10 risk factors as per the Prospectus.

- 1) Our Company, Promoter/s, Associates Company/ies are involved in certain litigation which is currently pending at various stages. Any adverse decisions in these cases against the Company, Promoter etc. may impact business and operations of the Company.
- 2) Any significant decline in the demand for our products, introduction of alternative technology or consumer habits or slowdown of the industry in which we operate may adversely affect our profitability and business prospects.
- 3) An increase in the prices of our basic raw material i.e. Kraft Paper could raise our manufacturing costs and could adversely affect our profitability.
- 4) Our business operations involve handling of Boiler Plant and risks arising from the same may result in damages to life and property, as also exposure to litigations.

- 5) There is a Public Announcement(notice) under section 3A and 3C of the National Highways Act, from The Ministry of Road, Transport and Highways, Government of India dated April 12, 2018 indicating its intention to acquire 4.03 acres of land. The land is owned by M/s. Arnab Fibres Private Limited and our company has the lease hold rights over the same for the period of 30 years w.e.f. July 17, 2011 where our factory is situated. Our company vide its letter dated April 27, 2018 filed its objection with the Additional Special Land Acquisition Officer at Collector office, Ahmedabad. The matter is pending.
- 6) We are highly dependent upon few suppliers for our raw material for our current manufacturing facilities. In an eventuality where our suppliers are unable to deliver us the required materials in a time-bound manner it may have a material adverse effect on our business operations and profitability.
- 7) Our historical revenues have been significantly dependent on few Industrial Customers and our inability to maintain such business may have an adverse effect on our results of operations.
- 8) Changes in technology may render our current technologies obsolete or require us to make substantial capital investments.
- 9) There have been certain instances of discrepancies in statutory filings and records made by our Company with the RoC under applicable law. In this regard, we cannot assure you that the Central Government or Registrar of Companies will not impose any penalty or the penalty imposed by the Central Government or Registrar of Companies will be reasonable and that such penalty will not have a material adverse effect on our financials. Further, our Company and every officer of our Company who were in default in this regard may also be subject to punishment as prescribed under the Companies Act.
- 10) We do not own the land on which our manufacturing facility and registered office are located.

For further details please refer the chapter "Risk Factor" on page no. 21 of our Prospectus.

#### SUMMARY OF OUTSTANDING LITIGATION, CLAIMS AND REGULATORY ACTION

##### A. Total number of outstanding litigations against the company and amount involved:

There are 3 litigations against the company and the amount involved is ₹253.94 Lakhs

##### B. Brief details of top 5 material outstanding litigations against the company and amount involved:

Sr. No.	Particulars	Litigation filed by	Current Status	Amount Involved
1	Complaint U/s. 138 of the Negotiable Instrument Act, 1881	M/s. National Adhesive, Pune	pending under the Civil Court	₹4.61 Lakhs
2	Income Tax Demand u/s 143 of Income Tax Act, 1961	DCIT Circle, 1(1)(2), Ahmedabad	appeal filed with commissioner of Income Tax Appellate, Ahmedabad	₹246.74 Lakhs
3	The income tax department has raised liabilities on account of short deduction and late filling and interest on account of Tax Deduction at Source	Income Tax Department	Pending	₹2.59 Lakhs

##### C. Regulatory action, if any – disciplinary action taken by SEBI or stock exchange against the company/promoters in last 5 financial years – None

##### D. Complaint from Supplier:

One complaint was received from one of our suppliers, True Value Paper Co. (TVP) vide letter dated 0712-2018 addressed to SEBI. The same was received vide mail dated 24th December, 2018 from BSE. The dispute is with respect to stop payment of three cheques worth Rs. 11.04 Lakhs issued by Mahip Industries Ltd (MIL) to TVP due to some inferior quality goods supplied by TVP. TVP had supplied inferior quality goods to MIL and the same was communicated by MIL vide letter dated 20th October, 2018. Since there was no response from TVP, MIL made stop payment of Cheques issued. To resolve the matter, there were discussions between MIL and TVP and accordingly, All the payment has been made to TVP. As per the complaint letter the entire payment has been made. However, Satisfaction letter from True Value Paper Co is pending.

**E. Brief details of outstanding criminal proceedings against the promoters –**

The company had purchased certain materials from M/s. National Adhesive, Pune amounting to Rs. 4,61,295/- and issued cheque for the said amount. However, the said cheque had been dishonored by the Company. The aggrieved party has filed complaint for such dishonor of cheque against the Company and its directors and KMP under the Negotiable Instruments Act, 1881. The said matter is pending under the Civil Court. The company has communicated its position to the M/s. National Adhesive, pune and is attempting to close the above prosecutions through legal route. The company is confident that the same is likely, to be settled shortly.

*For further details of “Outstanding Litigation and Material Developments” please refer page no. 167 of the Prospectus.*

**ANY OTHER IMPORTANT INFORMATION AS PER LEAD MANAGER / ISSUER**

There is a Public Announcement (notice) under section 3A and 3C of the National Highways Act, from The Ministry of Road, Transport and Highways, Government of India dated April 12, 2018 indicating its intention to acquire 4.03 acres of land. The land is owned by M/s. Arnav Fibres Private Limited and our company has the lease hold rights over the same for the period of 30 years w.e.f. July 17, 2011 where our factory is situated. Our company vide its letter dated April 27, 2018 filed its objection with the Additional Special Land Acquisition Officer at Collector office, Ahmedabad. The matter is pending.

**DECLARATION BY THE COMPANY**

We hereby declare that all relevant provisions of the Companies Act, 1956, the Companies Act, 2013 and the guidelines/regulations issued by the Government of India or the guidelines/regulations issued by the Securities and Exchange Board of India, established under section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in the Prospectus is contrary to the provisions of the Companies Act, 1956, the Companies Act, 2013, the Securities and Exchange Board of India Act, 1992 or rules made or guidelines or regulations issued there under, as the case may be. We further certify that all statements in the Prospectus are true and correct.