



**ADD-SHOP PROMOTIONS LIMITED**

Our Company was originally incorporated as Add-Shop Promotions Private Limited at Rajkot, Gujarat as a Private Limited Company under the provisions of Companies Act, 1956 vide Certificate of Incorporation dated August 20, 2013 bearing Corporate Identification Number U51109GJ2013PTC076482 issued by Registrar of Companies, Gujarat, Dadra and Nagar Haveli. Subsequently our Company was converted into a Public Limited Company pursuant to special resolution passed by the shareholders at the Extraordinary General Meeting held on June 11, 2018 and fresh certificate of incorporation consequently upon change of name was issued by Registrar of Companies, Gujarat, Ahmedabad dated June 21, 2018 and name of our Company was changed to Add-Shop Promotions Limited. The Corporate Identification Number is U51109GJ2013PLC076482. For further details of change of name and registered office of our Company, please refer to the chapter titled “Our History and Certain Other Corporate Matters” beginning on page 109 of this Draft Prospectus.

**Registered & Corporate Office:** B-304 Imperial Height 150ft Ring Road Rajkot, Gujarat, India | **Tel No:** 0281-2580499| **Fax No:** Not Available |  
**Email:** investor@addshop.co | **Website:** www.addshop.co  
**Contact Person:** Falguni Shah, Company Secretary & Compliance Officer

**OUR PROMOTERS: DINESHBHAI PANDYA**

<b>THE ISSUE</b>	
<p><b>PUBLIC ISSUE OF 23,96,000 EQUITY SHARES OF FACE VALUE OF RS. 10.00/- EACH (“EQUITY SHARES”) OF ADD-SHOP PROMOTIONS LIMITED (“THE COMPANY” OR THE “ISSUER”) FOR CASH AT A PRICE OF RS. 26.00/- PER EQUITY SHARE, INCLUDING A PREMIUM OF RS 16.00/- PER EQUITY SHARE (THE “ISSUE PRICE”), AGGREGATING RS. 622.96 LAKHS (“THE ISSUE”), OF WHICH 1,32,000 EQUITY SHARES OF FACE VALUE OF RS. 10.00/- FOR CASH AT A PRICE OF RS. 26.00/- EACH AGGREGATING 34.32 LAKHS WILL BE RESERVED FOR SUBSCRIPTION BY MARKET MAKER TO THE ISSUE (THE “MARKET MAKER RESERVATION PORTION”). THE ISSUE LESS MARKET MAKER RESERVATION PORTION I.E. ISSUE OF 22,64,000 EQUITY SHARES OF FACE VALUE OF RS. 10.00 EACH FOR CASH AT A PRICE OF RS. 26.00/- PER EQUITY SHARE, AGGREGATING TO RS. 588.64 LAKHS IS HEREINAFTER REFERRED TO AS THE “NET ISSUE”. THE ISSUE AND THE NET ISSUE WILL CONSTITUTE 37.01% AND 34.97%, RESPECTIVELY OF THE POST ISSUE PAID UP EQUITY SHARE CAPITAL OF THE COMPANY</b></p>	
<p style="text-align: center;"><b>THE FACE VALUE OF THE EQUITY SHARE IS RS. 10 EACH AND THE ISSUE PRICE RS 26.00 IS 2.6 TIMES OF THE FACE VALUE OF THE EQUITY SHARES</b></p>	
<p><b>THIS ISSUE IS BEING MADE IN TERMS OF CHAPTER XB OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 AS AMENDED FROM TIME TO TIME.</b> For further details please refer the section titled “Issue Information” beginning on page no. 192 of this Draft Prospectus.</p>	
<p>In terms of the 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 “Issue Procedure” on page no. 202 of this Draft Prospectus. A copy will be delivered for registration to the Registrar of Companies as required under Section 26 of the Companies Act, 2013</p>	
<b>RISK IN RELATION TO THE FIRST ISSUE</b>	
<p>This being the first public issue of our Company, there has been no formal market for our Equity Shares. The face value of the Equity Shares of our Company is Rs. 10.00 and the Issue price of Rs. 26.00/- per Equity Share is 2.6 times of the face value. The Issue Price (as determined by our Company in consultation with the Lead Manager as stated in the chapter titled ‘Basis for Issue Price’ beginning on page 77 of this Draft Prospectus) should not be taken to be indicative of the market price of the Equity Shares after such Equity Shares are listed. No assurance can be given regarding an active and / or sustained trading in the Equity Shares or regarding the price at which the Equity Shares will be traded after listing.</p>	
<b>GENERAL RISKS</b>	
<p>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 Company and this 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 contents of this Draft Prospectus. Specific attention of the investors is invited to the section titled ‘Risk Factors’ beginning on page 17 of this Draft Prospectus.</p>	
<b>COMPANY’S ABSOLUTE RESPONSIBILITY</b>	
<p>The Issuer, having made all reasonable inquiries, accepts responsibility for and confirms that this Draft Prospectus contains all information with regard to our Company and this Issue, which is material in the context of this Issue, that the information contained in this Draft Prospectus is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission or inclusion of which makes this Draft Prospectus as a whole or any of such information or the expression of any such opinions or intentions, misleading, in any material respect.</p>	
<b>LISTING</b>	
<p>The Equity Shares offered through this Draft Prospectus are proposed to be listed on the SME Platform of BSE Limited (“BSE”). Our Company has received an approval letter dated [•] from BSE for using its name in this offer document for listing of our shares on the SME Platform of BSE. For the purpose of this Issue, the Designated Stock Exchange will be the BSE Limited.</p>	
<b>LEAD MANAGER TO THE ISSUE</b>	<b>REGISTRAR TO THE ISSUE</b>
 <p><b>FEDEX SECURITIES LIMITED</b>  305, Enterprise Centre, Nehru Road, Vile Parle (East), Mumbai 400099, Maharashtra, India.  <b>Tel No.:</b> +91 22 26117553/ 26178936  <b>Fax No.:</b> 022 2618 6966  <b>E-mail:</b> <a href="mailto:mb@fedsec.in">mb@fedsec.in</a>  <b>Website:</b> <a href="http://www.fedsec.in">www.fedsec.in</a>  <b>Contact Person:</b> Rinkesh Saraiya  <b>SEBI Registration Number:</b> INM000010163  <b>Investor Grievance E-mail:</b> <a href="mailto:mb@fedsec.in">mb@fedsec.in</a></p>	 <p><b>CAMEO CORPORATE SERVICES LIMITED</b>  Submaramanian Building No. 1 Club House Road, Chennai-600 002, India.  <b>Tel No.:</b> +91 44 2846 0390/1989  <b>Fax No.:</b> +91 44 2846 0129  <b>E-mail:</b> <a href="mailto:cameo@cameoindia.com">cameo@cameoindia.com</a>  <b>Website:</b> <a href="http://www.cameoindia.com">www.cameoindia.com</a>  <b>Contact Person:</b> Mr. R. D. Ramasamy  <b>SEBI Registration No.:</b> INR000003753  <b>Investor Grievance E-mail:</b> <a href="mailto:cameo@cameoindia.com">cameo@cameoindia.com</a></p>
<b>ISSUE OPENS ON</b>	<b>ISSUE CLOSES ON</b>
[•]	[•]

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**SECTION I – GENERAL**  
**DEFINITIONS AND ABBREVIATIONS**

This Draft Prospectus uses certain definitions and abbreviations which, unless the context otherwise indicates or implies or unless otherwise specified, shall have the meaning as provided below. References to any legislation, act, regulations, rules, guidelines or policies shall be to such legislation, act, regulations, rules, guidelines or policies as amended, supplemented, or re-enacted from time to time and any reference to a statutory provision shall include any subordinate legislation made from time to time under that provision.

The words and expressions used in this Draft Prospectus, but not defined herein shall have the meaning ascribed to such terms under SEBI ICDR Regulations, the Companies Act, the SCRA, the Depositories Act, and the rules and regulations made thereunder.

Notwithstanding the foregoing, the terms not defined but used in the chapters titled “*Statement of Tax Benefits*”, “*Financial Statements as restated*”, “*Outstanding Litigation and Material Developments*” and section titled “*Main Provisions of Articles of Association*” beginning on pages 83, 135, 175 and 246, respectively, shall have the meanings ascribed to such terms in the respective sections.

**General Terms**

<b>Term</b>	<b>Description</b>
“Add-Shop Promotions Limited”/ “ASPL”/ “the Company” / “the Issuer”/ “We” / “Us” / “our Company”	Unless the context otherwise indicates or implies, refers to Add-Shop Promotions Limited, a public limited company incorporated under the provisions of the Companies Act, 1956 with its registered office at # B-304 Imperial Height 150ft Ring Road Rajkot-360005, Gujarat, India.
Promoter(s) / Core Promoter(s)	The Promoter of our Company is: Dineshbhai Pandya.
Promoter Group	Such persons, entities and companies constituting our promoter group pursuant to Regulation 2(1) (zb) of SEBI ICDR Regulations as disclosed in the chapter titled “ <i>Our Promoter and Promoter Group</i> ” beginning on page 126 of this Draft Prospectus

**Company related terms**

<b>Term</b>	<b>Description</b>
Articles/ Articles of Association / AOA	The articles of association of our Company, as amended from time to time
Audit Committee	The audit committee of our Board
Board/ Board of Directors	The Board of Directors of our Company, as duly constituted from time to time including any committees thereof, as the context may refer to
Company Secretary and Compliance Officer	The Company Secretary & Compliance Officer of our Company being Falguni Shah
Directors	Director(s) of Add-Shop Promotions Limited, unless otherwise specified
ISIN	International Securities Identification Number
Equity Share(s)	Equity Shares of our Company having face value of Rs. 10 each, fully paid up, unless otherwise specified in the context thereof
Equity Shareholders	Persons/ entities holding Equity Shares of our Company
Group Companies	The group companies covered under the applicable accounting standards (i.e. Accounting Standard 18 issued by the ICAI), or other

<b>Term</b>	<b>Description</b>
	companies as considered material by our Board, as described in the chapter titled “ <i>Our Group Companies</i> ” beginning on page 130 of this Draft Prospectus
Independent Directors	Independent directors on the Board, and eligible to be appointed as an independent director under the provisions of Companies Act and SEBI Listing Regulations. For details of the Independent Directors, please refer to chapter titled “ <i>Our Management</i> ” beginning on page 113 of this Draft Prospectus
KMPs/ Key Managerial Personnel	Key management personnel of our Company in terms of Regulation 2(1)(s) of SEBI ICDR Regulations and Section 2(51) of the Companies Act, 2013 and individuals described in the chapter titled “ <i>Our Management</i> ” beginning on page 113 of this Draft Prospectus.
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 of our Board described in the chapter titled “ <i>Our Management</i> ” beginning on page 113 of this Draft Prospectus
Registered Office	The registered office of our Company located # B-304 Imperial Height 150ft Ring Road Rajkot-360005, Gujarat, India.
Registrar of Companies/ RoC	Registrar of Companies, Ahemdabad located at ROC Bhavan, Opp Rupl Park Society behind Ankur Bus Stop Naranpura Ahmedabad -380013
Peer Reviewed Auditor / Auditors	Our Peer Reviewed Auditors, M/s Loonia & Associates, Chartered Accountants (Firm Registration No. 130883)
Statutory Auditor / Auditors	Our Statutory Auditors, M/s C.S. Gajera & Co, Chartered Accountants (Firm Registration No.128504W)

#### Issue related terms

<b>Term</b>	<b>Description</b>
Abridged Prospectus	Abridged Prospectus to be issued under Regulation 58 of SEBI ICDR Regulations and appended to the Application Form
Allot / Allotted / Allotment/ Allotment of Equity Shares	Unless the context otherwise requires, the allotment of the Equity Shares pursuant to the Issue
Allotment Date	Date on which the Allotment is made
Allottee(s)	The successful applicant to whom the Equity Shares are being / have been allotted
Allotment Advice	Note, advice or intimation of Allotment sent to the Applicants who have been or are to be Allotted the Equity Shares after the Basis of Allotment has been approved by the Designated Stock Exchange
Application Supported by Blocked Amount/ ASBA	An application, whether physical or electronic, used compulsorily by all ASBA Applicants to make an Application authorizing the SCSBs to block the Application Amount in their ASBA Account.
Application Amount	The value indicated in the Application Form and payable by the Applicant/blocked in the ASBA Account on submission of an Application Form in the Issue
Applicant	Any prospective investor who submits an Application Form pursuant to the terms of the Prospectus, unless stated or implied otherwise

<b>Term</b>	<b>Description</b>
Application Form	The form used by an Applicant, including an ASBA Applicant, to submit an Application Form and which will be considered as an application for Allotment in terms of the Prospectus
ASBA Account	A bank account maintained with an SCSB and which will be blocked by such SCSB to the extent of Application Amount of the ASBA Applicant
ASBA Applicant	An Applicant who submits an Application Form through ASBA process
Bankers to the Company	Axis Bank Limited
Bankers to the Issue / Escrow Collection Banks	The banks which are Clearing Members and registered with SEBI under Securities and Exchange Board of India (Bankers to an Issue) Regulations, 1994 as Banker to an Issue with whom the Escrow Agreement is entered into and in this case, being [●]
Basis of Allotment	The basis on which the Equity Shares will be Allotted to successful Applicants under the Issue and which is described in the chapter titled “ <i>Issue Procedure</i> ” beginning on page 202 of this Draft Prospectus
BSE	BSE Limited
BSE SME	SME Platform of BSE
Issue Closing Date	The date after which the Designated Intermediaries will not accept any Application Forms being [●], which shall be notified in one English daily newspaper, one Hindi daily newspaper and one Marathi newspaper (Marathi being the local language of Maharashtra, where our Registered Office is situated) each with wide circulation and in case of any revision, the extended Issue Closing Date also to be notified on the website and terminals of the Syndicate and SCSBs, as required under SEBI ICDR Regulations. Further, our Company in consultation with the LM, may decide to close Applications by QIBs one (1) day prior to the Issue Closing Date which shall also be notified in an advertisement in same newspapers in which the Issue Opening Date was published
Issue Opening Date	The date on which the Designated Intermediaries shall start accepting Application Forms being [●], which shall be notified in all editions of one English daily newspaper, one Hindi daily newspaper and one Marathi newspaper (Marathi being the local language of Maharashtra, where our Registered Office is situated) each with wide circulation
Issue Period	The period between the Issue Opening Date and the Issue Closing Date (inclusive of such date and the Issue Opening Date) during which prospective Applicants can submit their Application Forms, inclusive of any revision thereof. Provided however that the applications shall be kept open for a minimum of three (3) Working Days for all categories of Applicants. Our Company, in consultation with the LM, may decide to close applications by QIBs one (1) day prior to the Issue Closing Date which shall also be notified in an advertisement in same newspapers in which the Issue Opening Date was published.
Application Lot	4,000 Equity Shares
Broker Centres/ Application Centres	Broker centres notified by BSE where Applicants can submit the 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 the BSE
CAN / Confirmation of Allocation Note	A note or advice or intimation sent to Investors, who have been allotted the Equity Shares, after approval of Basis of Allotment by the Designated Stock Exchange

<b>Term</b>	<b>Description</b>
Client ID	Client identification number of the Applicant's beneficiary account
Collecting Depository Participant or CDP	A depository participant as defined under the Depositories Act, 1996, registered with SEBI and who is eligible to procure Application Forms at the Designated CDP Locations in terms of circular no. GR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI
Controlling Branches/ Controlling Branches of the SCSBs	Such branches of the SCSBs which co-ordinate Application Forms by the ASBA Applicants with the Registrar to the Issue and BSE SME and a list of which is available at <a href="http://www.sebi.gov.in">http://www.sebi.gov.in</a> or at such other website as may be prescribed by SEBI from time to time
Demographic Details	The demographic details of the Applicants such as their address, PAN, occupation and bank account details
Depositories	NSDL and CDSL or any other Depositories registered with SEBI under the Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996, as amended from time to time
Depositories Act	The Depositories Act, 1996, as amended from time to time
Depository Participant/DP	A depository participant registered with SEBI under the Depositories Act.
Prospectus	The Prospectus dated [●] issued in accordance with Section 32 of the Companies Act and filed with BSE SME under SEBI ICDR Regulations
Designated Date	The date on which funds are transferred by the Escrow Collection Bank(s) from the Escrow Account, or the amounts blocked by the SCSBs are transferred from the ASBA Accounts, as the case may be, to the Public Issue Account following which the Board of Directors shall Allot the Equity Shares to successful Applicants in the Issue
Designated Intermediaries	The members of the Syndicate, sub-syndicate/agents, SCSBs, Registered Brokers, CDPs and RTAs, who are categorized to collect Application Forms from the Applicants, in relation to the Offer
Designated Stock Exchange	SME Platform of BSE
Designated CDP Locations	Such centers of the CDPs where Applicants can submit the ASBA Forms. The details of such Designated CDP Locations, along with names and contact details of the CDPs eligible to accept ASBA Forms are available on the website of BSE
Designated SCSB Branches	Such Branches of the SCSBs which shall collect the ASBA Forms used by the Applicants, a list of which is available on <a href="http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes">http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes</a>
Designated RTA Locations	Such locations of the RTAs where Applicants can submit the ASBA Forms to RTAs. The details of such Designated RTA Locations, along with the names and contact details of the RTAs are available on the website of BSE
Designated Market Maker	Beeline Broking Limited will act as the Market Maker and has agreed to receive or deliver the specified securities in the market making process for a period of three years from the date of listing of our Equity Shares or for a period as may be notified by amendment to SEBI ICDR Regulations
Draft Prospectus	This Draft Prospectus dated July 07, 2018 filed with BSE SME, prepared and issued by our Company in accordance with SEBI ICDR Regulations.
Eligible NRI	NRI eligible to invest under Schedule 3 and Schedule 4 of the FEMA Regulations, from jurisdictions outside India where it is not unlawful to make an offer or invitation to participate in the Issue and in relation to whom the Application Form and the Prospectus will constitute an invitation to subscribe for Equity Shares and who have opened dematerialized accounts with SEBI registered qualified depository participants

<b>Term</b>	<b>Description</b>
Eligible QFIs	Qualified Foreign Investors from such jurisdictions outside India where it is not unlawful to make an offer or invitation to participate in the Issue and in relation to whom the Prospectus constitutes an invitation to subscribe to Equity Shares issued thereby, and who have opened dematerialized accounts with SEBI registered qualified depository participants, and are deemed as FPIs under SEBI FPI Regulations
Escrow Account(s)	'No-lien' and 'non-interest bearing' account opened with the Escrow Collection Bank(s) and in whose favour the Applicants (excluding the ASBA Applicants) will transfer money through direct credit/NEFT/RTGS/NACH in respect of the Application Amount when submitting an Application Form
Escrow Agent	Escrow agent appointed pursuant to the Escrow Agreement namely [●]
Escrow Agreement	An agreement to be entered among our Company the Registrar to the Issue, the Escrow Collection Bank(s), Refund Bank(s), the LM and the Syndicate Members for the collection of Application Amounts and where applicable, for remitting refunds, on the terms and conditions thereof
First Applicant	Applicant whose name appears first in the Application Form in case of a joint application form and whose name shall also appear as the first holder of the beneficiary account held in joint names or in any revisions thereof
Foreign Portfolio Investor / FPIs	Foreign Portfolio Investor as defined under SEBI FPI Regulations
FII / Foreign Institutional Investors	Foreign Institutional Investor as defined under SEBI FII Regulations 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 no. CIR/CFD/DIL/12/2013 dated October 23, 2013, notified by SEBI, suitably modified and included in the chapter titled "Issue Procedure" beginning on page 202 of this Draft Prospectus
Issue Proceeds	The proceeds from the Issue available to the Company
Issue / Issue Size / Public Issue / IPO / Offer	Initial Public Issue of 23,96,000 Equity Shares of face value of Rs. 10 each for cash at a price of Rs. 26 per equity share (including a premium of Rs. 16 per equity share) aggregating to Rs. 622.96 Lakhs by our Company
Issue Price	Rs. 26 per Equity Share
Issue Agreement	The agreement dated June 29, 2018 between our Company and the Lead Manager, pursuant to which certain arrangements are agreed to in relation to the Issue
Lead Manager / LM	Lead Manager to this Issue, being Fedex Securities Limited
Listing Agreement	The Listing Agreement to be signed between our Company and the SME Platform of BSE
Market Making Agreement	The Market Making Agreement dated [●] between our Company, Lead Manager and Market Maker
Market Maker Reservation Portion	The reserved portion of 1,32,000 Equity Shares of face value of Rs. 10 each fully paid-up for cash at a price of Rs. 26.00 per Equity Share aggregating to Rs. 34.32 Lakhs for the Market Maker in this Issue
MSE	Micro and small enterprises
Mutual Fund(s)	Mutual fund(s) registered with SEBI pursuant to SEBI (Mutual Funds) Regulations, 1996, as amended from time to time
Net Issue	The Issue (excluding the Market Maker Reservation Portion) of 22,64,000 Equity Shares of face value Rs. 10 each fully paid-up of our Company for

<b>Term</b>	<b>Description</b>
	cash at a price of Rs. 26 per Equity Share (the Issue Price) aggregating up to Rs. 588.64 Lakhs
Net Proceeds	The Issue Proceeds less the Issue related expenses. For further details, please refer to chapter titled " <i>Objects of the Issue</i> " beginning on page 67 of this Draft Prospectus
Non-Institutional Applicants /NIB	All Applicants (including Eligible NRIs), who are not QIBs or Retail Individual Applicants and who have applied for Equity Shares for an amount of more than Rs. 2,00,000
Non-Institutional Portion / Non-Institutional Category	The portion of the Issue being not less than 15% of the Net Issue consisting of 11,32,000 Equity Shares, available for allocation on a proportionate basis to Non-Institutional Applicants subject to valid Application Forms received at the Issue Price
Non-Resident	A person resident outside India, as defined under FEMA and includes Eligible NRIs, Eligible QFIs, FIIs registered with SEBI and FVCIs registered with SEBI
Non-Syndicate Broker Centre	Refer SEBI circular no. CIR/CFD/14/2012 dated October 4, 2012 consequent to which stock exchanges have uploaded the Non Syndicate Broker Centres on their respective websites, where the Application Forms can be submitted
Non-Syndicate Stock Broker	A stock broker registered as a member of BSE who has not entered into a sub-Syndicate Agreement with the Syndicate Member and is not a part of the Syndicate
Non-Syndicate Stock Broker Mechanism	The process of investors applying through Non Syndicate Stock Broker at a Non Syndicate Broker Centre pursuant to SEBI circular no. CIR/CFD/14/2012 dated October 4, 2012
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 may require
Pricing Date	The date on which the Issue Price is categorized by our Company in consultation with the LM pursuant to the Fixed Price Issue
Public Issue Account	A 'no-lien' and 'non-interest bearing' account opened with Bankers to the Issue by our Company under section 40(3) of the Companies Act, 2013 to receive money from the Escrow Accounts on the Designated Date, and into which the funds shall be transferred by the SCSBs from the ASBA Accounts
Qualified Foreign Investors / QFIs	A qualified foreign investor as defined in SEBI FPI Regulations
QIBs or Qualified Institutional Buyers	Qualified Institutional Buyers as defined under Regulation 2(1)(zd) of SEBI ICDR Regulations
Refund through electronic transfer of funds	Refunds through NECS, NEFT, direct credit, NACH or RTGS, as applicable
Registered Broker	Stock brokers registered with SEBI as trading members (except Syndicate/sub-Syndicate Members) who hold valid membership of BSE having right to trade in stocks listed on BSE and eligible to procure Application Forms in terms of SEBI circular no. CIR/CFD/14/2012 dated October 4, 2012



<b>Term</b>	<b>Description</b>
Registrar Agreement	The agreement dated June 28, 2018, entered into between our Company and the Registrar to the Issue, in relation to the responsibilities and obligations of the Registrar pertaining to the Issue
Registrar and Share Transfer Agents or RTAs	Registrar and Share Transfer Agents registered with SEBI and eligible to procure Applications at the Designated RTA Locations in terms of circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI
Registrar to the Issue/Registrar	Registrar to the Issue being Cameo Corporate Services Limited
Retail Individual Applicants	Individual Applicants (including HUFs applying through their karta and Eligible NRIs), submitting Application Forms, who have applied for Equity Shares for an amount not more than Rs. 200,000 in any of the application options in the Net Issue
Revision Form	The form used by the Applicants, to modify the quantity of Equity Shares or the Application Amount in any of their Application Forms or any previous Revision Form(s)  QIB Applicants and Non-Institutional Applicants are not allowed to lower their Application Forms (in terms of quantity of Equity Shares or the Application Amount) at any stage. Retail Individual Applicants can revise their Application Forms during the Issue Period and withdraw their Application Forms until Issue Closing Date
Prospectus	The Prospectus to be filed with ROC containing, Inter alia, the Issue opening and closing dates and other information
SEBI (Alternative Investment Funds) Regulations/SEBI AIF Regulations	Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012
SME	Small and medium sized enterprises
Self-Certified Syndicate Bank(s) / SCSBs	A bank registered with SEBI under SEBI (Bankers to an Issue) Regulations, 1994 and offer services in relation to ASBA a list of which is available on website of SEBI <a href="http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes">http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes</a>
TRS / Transaction Registration Slip	The slip or document issued by the Designated Intermediary (only on demand), to the Applicant, as proof of registration of the Application Form
Underwriters	Fedex Securities Limited
Underwriting Agreement	The Agreement dated June 29, 2018 entered between the Underwriter, our Company, LM and Registrar to the Issue on or after the pricing date, but prior to filing the Prospectus with the RoC
U.S Securities Act	U.S Securities Act of 1933, as amended
Working Days	Period between the Issue Closing Date and the listing of the Equity Shares on the BSE SME. Working Days shall mean all trading days of the BSE SME, excluding Sundays and bank holidays, as per SEBI circular no. SEBI/HO/CFD/DIL/CIR/P/2016/26 dated January 21, 2016  For all other purposes, Working Days shall mean all days other than second and fourth Saturdays of the month, Sundays or public holidays, on which commercial banks in Mumbai are open for business

## Conventional, General and Industry Terms or Abbreviations

Term	Description
A/c	Account
AGM	Annual General Meeting
AIF	Alternative Investment Fund as defined under SEBI AIF Regulations
AS / Accounting Standards	Accounting Standards issued by ICAI as notified under the Companies (Accounts) Rules, 2014
APAC	Asia-Pacific
ASBA	Applications Supported by Blocked Amount
AY	Assessment Year
BRC	British Retail Consortium
BSE SME	SME Platform of BSE
Bn.	Billion
CAGR	Compounded Annual Growth Rate
CARO	Companies (Auditor's Report) Order, 2016, as amended
CCPS	Compulsorily Convertible Preference Shares
CDSL	Central Depository Services (India) Limited
CIN	Corporate Identity Number
Companies Act	Companies Act, 2013 to the extent in force pursuant to the notification of sections of the Companies Act, along with the relevant rules made thereunder as may be amended from time to time
Companies Act, 1956	Companies Act, 1956 (without reference to the provisions thereof that have ceased to have effect upon notification of the sections of the Companies Act) along with the relevant rules made thereunder
Cr.	Crore
CSR	Corporate Social Responsibility
CSO	Central Statistics Organization
CY	Calendar Year
DIN	Director Identification Number
DIPP	Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India
DP / Depository Participant	A depository participant as defined under the Depositories Act
DP ID	Depository Participant Identification
EGM/ EOGMs	Extraordinary General Meeting
EPS	Earnings Per Share
EBITDA	Earnings before Interest, Tax, Depreciation and Amortization
EMEA	Europe, Middle East, and Africa
EPFO	Employees' Provident Fund Organization
ESIC	Employee State Insurance Corporation
FBP	Foreign Bill Purchase
FC	Foreign Currency
FCNR Account/ FCNR	Foreign currency non-resident account
FDI	Foreign Direct Investment
FD	Fixed Deposit
FEMA Act/ FEMA	Foreign Exchange Management Act, 1999, read with rules and regulations thereunder
FEMA Regulations	Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2017 and amendments thereto

<b>Term</b>	<b>Description</b>
FFS	Form Filled Sealed
FI	Financial Institution
FICCI	Federation of Indian Chambers of Commerce & Industry
Financial Year / Fiscal / FY	Unless stated otherwise, the period of 12 (twelve) months ending March 31 of that particular year
FIPB	Foreign Investment Promotion Board, Department of Economic Affairs, Ministry
FVCI	Foreign venture capital investors as defined and registered under SEBI FVCI Regulations
GDP	Gross Domestic Product
GIR	General Index Register under IT Act
GMP	General Manufacturing Practice
GoI or Government	Government of India
GST	Goods and Services Tax
GSTIN	GST Identification Number
HUF	Hindu Undivided Family
HNI	High Net Worth Individual
IBEF	India Brand Equity Foundation
ICAI	The Institute of Chartered Accountants of India
I&B	Information and Broadcasting
IEC	Import Export Code
IFRS	International Financial Reporting Standards
IIA	India Industries Association
IMF	International Monetary Fund
Rs. / Rupees / INR	Indian Rupees
Indian GAAP	Generally Accepted Accounting Principles in India
INCOTERMS	International Commercial Terms
IST	Indian Standard Time
IT Act	The Income Tax Act, 1961
IT Rules	Income Tax Rules, 1962
Kms	Kilometers
LC	Letter of Credit
LIBOR	London Interbank Offered Rate
MCA	Ministry of Corporate Affairs, Government of India
MCLR	Marginal cost of funds based lending rate
M&E	Media and Entertainment
MICR	Magnetic Ink Character Recognition
MPVD	Multi-Channel Video Programming Distributor
MNCs	Multi-National Companies
Mn	Million
MGNREGA	Mahatma Gandhi National Rural Employment Guarantee Act
MT	Metric Tonnes
Mutual Fund(s)	Mutual Fund(s) means mutual funds registered under SEBI (Mutual Funds) Regulations, 1996
MoU	Memorandum of Understanding
N.A. / NA	Not Applicable
NACH	National Automated Clearing House
NAV	Net Asset Value

<b>Term</b>	<b>Description</b>
NEFT	National Electronic Fund Transfer
NR	Non-resident
NRE Account	Non-Resident External Account
NRI	A person resident outside India who is a citizen of India as defined under the Foreign Exchange Management (Deposit) Regulations, 2016 or is an 'Overseas Citizen of India' cardholder within the meaning of section 7(A) of the Citizenship Act, 1955
NRO Account	Non-Resident Ordinary Account
NSDL	National Securities Depository Limited
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. OCBs are not allowed to invest in the Issue
OTT	Over the tap media services
p.a.	Per annum
P/E Ratio	Price/Earnings Ratio
PAN	Permanent Account Number
PAT	Profit After Tax
PBT	Profit Before Tax
RBI	Reserve Bank of India
RONW	Return on Net Worth
RoCE	Return on Capital Employed
RTGS	Real Time Gross Settlement
SCRA	Securities Contracts (Regulation) Act, 1956, as amended
SCRR	Securities Contracts (Regulation) Rules, 1957, as amended
SEZ	Special Economic Zones
SEBI	The Securities and Exchange Board of India constituted under SEBI Act
SEBI Act	Securities and Exchange Board of India Act, 1992
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 ICDR Regulations	Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009
SEBI Listing Regulations	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015
SEBI VCF Regulations	Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996 as repealed pursuant to SEBI AIF Regulations
SEBI Takeover Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011
Sq. metres	Square Metres

<b>Term</b>	<b>Description</b>
STT	Securities Transaction Tax
TAN	Tax Deduction Account Number
TIN	Taxpayers Identification Number under provisions of applicable VAT Laws
TPA	Tonnes Per Annum
UK	United Kingdom
U.S. / USA / United States	United States of America
USD / US\$	United States Dollars
UV	Ultraviolet
VAT	Value Added Tax
VCFs	Venture capital funds as defined in and registered with SEBI under SEBI VCF Regulations or SEBI AIF Regulations, as the case may be
WCDL	Working Capital Demand Loan
WCTL	Working Capital Term Loan
WEO	World Economic Outlook
YoY	Year on year

## FORWARD-LOOKING STATEMENTS

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

Actual results may differ materially from those suggested by forward-looking statements due to risks or uncertainties associated with expectations relating to, including, regulatory changes pertaining to the industries in India in which we operate and our ability to respond to them, our ability to successfully implement our strategy, our growth and expansion, technological changes, our exposure to market risks, general economic and political conditions in India which have an impact on its business activities or investments, the monetary and fiscal policies of India, inflation, deflation, unanticipated turbulence in interest rates, foreign exchange rates, equity prices or other rates or prices, the performance of the financial markets in India and globally, changes in domestic laws, regulations and taxes and changes in competition in the industries in which we operate.

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

- dependency on our key customers and key suppliers;
- competition from international and domestic companies;
- fluctuations in the prices of the products marketed by us;
- fluctuations in foreign exchange rates;
- changes in the legal, regulatory, economic and political environment in India;
- general economic and business conditions in India and other countries;

For further discussion on factors that could cause actual results to differ from expectations, please refer to section titled “*Risk Factors*”, and chapters titled “*Our Business*” and “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” beginning on pages 17 and 164 of this Draft Prospectus respectively. 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 gains or losses could materially differ from those that have been estimated.

There can be no assurance to investors that the expectations reflected in these forward-looking statements will prove to be correct. Given these uncertainties, investors are cautioned not to place undue reliance on such forward-looking statements and not to regard such statements to be a guarantee of our future performance. Forward-looking statements reflect current views as of the date of this Draft Prospectus and are not a guarantee of future performance.

These statements are based on our management's beliefs and assumptions, which in turn are based on currently available information. Although, we believe the assumptions upon which these forward-looking statements are based are reasonable, any of these assumptions could prove to be inaccurate, and the forward-looking statements based on these assumptions could be incorrect. Neither our Company, our Directors, the Lead Manager 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 ICDR Regulations, our Company and the Lead Manager will ensure that the investors in India are informed of material developments until the time of the grant of listing and trading permission by the BSE SME for this Issue.

## PRESENTATION OF FINANCIAL, INDUSTRY AND MARKET DATA

### Certain Conventions

All references to “India” contained in this Draft Prospectus are to the Republic of India.

Unless stated otherwise, all references to page numbers in this Draft Prospectus are to the page numbers of this Draft Prospectus.

### Financial Data

Unless stated otherwise, the financial data included in this Draft Prospectus are extracted from the 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 and Guidance Note on “Reports in Company Prospectus (Revised 2016)” issued by ICAI, as stated in the report of our Peer Reviewed Auditor, as set out in the section titled “*Financial Statements as Restated*” beginning on page 135 this Draft Prospectus. Our Financial Statements are derived from our audited financial statements prepared in accordance with Indian GAAP, the Companies Act, and have been restated in accordance with SEBI ICDR Regulations and Guidance Note on “Reports in Company Prospectus (Revised 2016)” issued by ICAI. Our Fiscal commences on April 1<sup>st</sup> of each year and ends on March 31<sup>st</sup> of the next year. All references to a particular Fiscal are to the twelve (12) months period ended March 31<sup>st</sup> of that year. In this Draft Prospectus, any discrepancies in any table between the total and the sums of the amounts listed are due to rounding-off.

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 Draft 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 Draft Prospectus should accordingly be limited. Any percentage amounts, as set forth in section titled “*Risk Factors*”, and chapters titled “*Our Business*”, “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” and elsewhere in this Draft Prospectus unless otherwise indicated, have been calculated on the basis of the Company’s Financial Statements prepared in accordance with the applicable provisions of the Companies Act, Indian GAAP and restated in accordance with SEBI ICDR Regulations and Guidance Note on “Reports in Company Prospectus (Revised 2016)” issued by ICAI as stated in the report of our Statutory and Peer Reviewed Auditor, set out in the section titled “*Financial Statements as Restated*” beginning on page 135 of this Draft Prospectus.

### Currency and Units of Presentation

All references to:

- “Rupees” or “INR” or “Rs.” are to Indian Rupee, the official currency of the Republic of India; and
- “USD” or “US\$” are to United States Dollar, the official currency of the United States.

Our Company has presented certain numerical information in this Draft Prospectus in “Lakhs” units. One Lakh represents 1,00,000.

In this Draft Prospectus, any discrepancies in any table between the total and the sums of the amounts listed are due to rounding off. All figures derived from our Financial Statements in decimals have been rounded off to the second decimal and all percentage figures have been rounded off to two decimal place.



## **Industry and Market Data**

Unless stated otherwise, industry and market data used in this Draft Prospectus has been obtained or derived from IBEF and FICCI.

Industry publications generally state that the information contained in such publications has been obtained from publicly available documents from various sources believed to be reliable but their accuracy and completeness are not guaranteed and their reliability cannot be assured. Accordingly, no investment decisions should be based on such information. We believe the industry and market data used in this Draft Prospectus is reliable, however, it has not been independently verified by our Company or the Lead Manager or any of their affiliates or advisors. The data used in these sources may have been re-classified by us for the purposes of presentation. Data from these sources may also not be comparable.

The extent to which the market and industry data used in this Draft Prospectus is meaningful depends on the reader's familiarity with and understanding of the methodologies used in compiling such data. There are no standard data gathering methodologies in the industry in which business of our Company is conducted, and methodologies and assumptions may vary widely among different industry sources. In accordance with SEBI ICDR Regulations, the chapter titled "*Basis for Issue Price*" beginning on page 77 of this Draft Prospectus includes information relating to our peer group companies. Such information has been derived from publicly available sources, and neither we, nor the Lead Manager have independently verified such information.

## SECTION II- RISK FACTORS


*An investment in the Equity Shares involves a high degree of risk. You should carefully consider all of the information in this Draft Prospectus, including the risks and uncertainties described below and the restated Financial Statements incorporated in this Draft Prospectus, before making an investment in the Equity Shares. Applicants should pay particular attention to the fact that we are governed in India by a legal and regulatory environment which in some material respects may be different from that which prevails in other countries. In making an investment decision, Applicants must rely on their own examination of our Company and the terms of the Issue, including the risks involved. If any or some combination of the following risks occur or if any of the risks that are currently not known or deemed to be not relevant or material now, actually occur, our business, prospects, financial condition and results of operations could suffer, the trading price of the Equity Shares could decline, and you may lose all or part of your investment. For further details, please refer to chapters titled “Our Business” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” beginning on pages 96 and 164, respectively of this Draft Prospectus, as well as the other financial and statistical information contained in this Draft Prospectus. If our business, results of operations or financial condition suffers, the price of the Equity Shares and the value of your investments therein could decline.*

*We have described the risks and uncertainties that our management believes are material, but these risks and uncertainties may not be the only ones we face. Additional risks and uncertainties, including those we are not aware of, or deem immaterial or irrelevant, may also result in decreased revenues, increased expenses or other events that could result in a decline in the value of the Equity Shares. Unless specified or quantified in the relevant risk factors below, we are not in a position to quantify the financial or other implication of any of the risks described in this section. You should not invest in this Issue unless you are prepared to accept the risk of losing all or part of your investment, and you should consult your tax, financial and legal advisors about the particular consequences to you of an investment in the Equity Shares.*


*This Draft Prospectus also contains forward-looking statements that involve risks and uncertainties. Our actual results could differ materially from those anticipated in these forward-looking statements as a result of certain factors, including the considerations described below and elsewhere in this Draft Prospectus. For further details, please refer to chapter titled “Forward-Looking Statements” beginning on page 13 of this Draft Prospectus.*

*Unless otherwise indicated, all financial information included herein are based on our restated Financial Statements. Please refer to the section titled “Financial Statements as Restated” beginning on page 135 of this Draft Prospectus.*

### INTERNAL RISK FACTORS

- 1. If we are unable to maintain and enhance the  brand, the sales of our products may suffer which would have a material adverse effect on our financial condition and results of operations**

We believe that the brand we have developed has significantly contributed to the success of our

business. We also believe that maintaining and enhancing the  brand is critical to maintaining and expanding our customer base. Our brand and reputation are among our most important assets and we believe that our brand serve in attracting consumers to our products in preference over those of our competitors. Maintaining and enhancing our brand may require us to make substantial investments in areas such as research and development, marketing and brand building activities, and these investments may not be successful.

There can be no assurance that consumers will continue to be receptive to our brand. We anticipate that, as our business expands into new markets and as the market becomes increasingly competitive, maintaining and enhancing our brand may become increasingly difficult and expensive. Additionally, in the event that our future advertising campaigns are unsuccessful, we may only incur expenses without the benefit of higher revenues or our competitors may increase their advertising spend, launch promotional activities, concepts, branding and advertising activities which we may not be able to match.

Our brand may also be adversely affected if our public image or reputation is tarnished by any negative publicity. Any adverse publicity involving us or any of our products may impair our reputation, dilute the impact of our branding and marketing initiatives and adversely affect our business and our prospects. Our brand could be damaged by negative publicity on various media platforms or by claims or perceptions about the quality of our products, regardless of whether such claims or perceptions are true. Any untoward incidents such as litigation or negative publicity, whether isolated or recurring and whether originating from us or otherwise, affecting our business, distributors, dealers and suppliers may adversely impact our brand image and consumer trust. If we are unable to maintain or enhance our brand image, our results of operations may suffer and our business may be harmed.

**2. We rely on third parties for substantially all of our sales and distribution operations, and if such third parties fail to assist us in a consistent, timely and efficient manner, our business, results of operations and financial condition may be adversely affected**

Our sales and distribution operations depend substantially upon our sales team, the distributors and the C&F (Collection & Forwarding Agents) network. Currently, we are having CNF tie-ups in the state of Maharashtra, Karnataka and Telangana. Our C&F Network is critical for sale and distribution of our product. We cannot assure you that such third parties will be able to establish or maintain adequate sales capabilities or will be successful in ensuring sale of our products. Further, although we enter into exclusive agreements with such third parties, we cannot assure you that such third parties will be able to fulfil their obligations under such agreements entirely, in a manner acceptable to us, or at all. Authorized distributors, as independent business operators, may, from time to time, disagree with us and our strategies regarding the business or our interpretation of our respective rights and obligations under applicable agreements. We cannot assure you that such third parties shall not breach certain terms of such agreements or shall not choose to terminate their agreements with our Company. We may have to initiate litigation in respect of any breach by such third parties, and such litigation could divert the attention of our management from our operations, which could harm our business, financial condition and results of operation. Further, we cannot assure you that the outcome of any such litigation will be favorable to us.

Any adverse experience of customers of such commissioned agents / authorized distributors, or negative publicity attracted by such commissioned agents / authorized distributors could adversely affect our reputation and brand and business prospects. If we are unable to establish or maintain our relationship with such third parties, our business, results of operations and financial condition may be materially and adversely affected.

**3. Our business is heavily dependent on our suppliers.**

We do not manufacture any of the products that we trade in. Our business is heavily depended on the products manufactured by various manufacturers. We procure the products with customization from various suppliers based on availability of desired quality, quantity and other financial terms. We are required to rely heavily on few suppliers and the quality of products supplied by them. Though we do not manufacture any product ourselves, we have substantial marketing or branding requirements for business, and we are reliant on our suppliers for giving us timely delivery,

products of agreed quality and products customized as per our need. Our sales and profitability would be adversely affected in case of any management inabilities or errors on part of our suppliers.

Following are some of the important factors about our business which we do not directly have control over and are dependent on our suppliers:

- Quality consistency of the products and its variants;
- Branding and other customization of these products on a large scale;
- Errors or rollbacks in sold products creating negative goodwill and consumer litigations;
- Cost competitiveness of these products;
- Supplier side logistics which in turn affect our delivery levels to customers.

Further, we face the risk of our suppliers' reducing their focus in our products and the states they operate due to competitive pressures and other internal management decisions and hence we may not receive the necessary support from our suppliers. Also, we face the risk of the management of our suppliers collaborating with others and thus reducing our share of supply, which we cannot ensure would be as per our required terms. Any negative development involving our suppliers and their products, could adversely affect our business growth, profitability, results of operations and goodwill and we may not be in a position to alter or avoid such developments.

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

For the three months period ended June 30, 2018 financial year ended March 31, 2018, and March 31, 2017 our top five largest clients accounted for approximately 88.45%, 73.63%, and 46.99%, respectively of our revenues from operations. The loss of a significant client or clients would have a material adverse effect on our financial results. We cannot assure you that we can maintain the historical levels of business from these clients or that we will be able to replace these clients in case we lose any of them.

Furthermore, major events affecting our clients, such as bankruptcy, change of management, mergers and acquisitions could adversely impact our business. If any of our major clients becomes bankrupt or insolvent, we may lose some or all of our business from that client and our receivable from that client would increase and may have to be written off, adversely impacting our income and financial condition.

**5. Our growth strategy to expand into new geographic areas possess risks. We may not be able to successfully manage some or all of such risks, which may have a material adverse effect on our revenues, profits and financial condition.**

While our operations are pan India, our major sales are derived from select states. Our business is therefore significantly dependent on the general economic condition and activity in these States in which we operate along with the Central, State and Local Government policies relating to the industries in which we operate. Although, investment in the industry in which we operate has been encouraged, there can be no assurance that this will continue. We may expand geographically and may not gain acceptance or be able to take advantage of any expansion opportunities outside our current markets. This may place us at a competitive disadvantage and limit our growth opportunities. We may face additional risks if we undertake operations in other geographic areas in which we do not possess the same level of familiarity as competitors. If we undertake operations in different geographical locations than those currently is; we may be affected by various factors, including but not limited to:

- Adjusting our products to the new geographic area;
- Ascertaining the creditworthiness of the buyer and maintain credit terms with the same;
- Obtaining necessary Government and other approvals in time or at all;
- Failure to realize expected synergies and cost savings;
- Attracting potential customers in a market in which we do not have significant experience; and
- Cost of hiring new employees and absorbing increased costs.

**6. We sell our products in highly competitive markets and our inability to compete effectively may lead to lower market share or reduced operating margins, and adversely affect our results of operations**

The sector in which we operate are highly and increasingly competitive and our results of operations are sensitive to, and may be materially and adversely affected by, competitive pricing and other factors. Competition may result in pricing pressure, reduced profit margin or a failure to increase our market share, any of which could substantially harm our business and results of our operations.

We compete directly against wholesalers and direct retailers of having substantial market share, established companies selling internationally renowned brands as well as domestic retailers and regional competitors. Many of our competitors are companies with strong brand recognition. However, the domestic segments are fragmented and continue to be dominated by unorganized and regional suppliers. We compete primarily on the basis of brand image and quality. In order to compete effectively, we must continue to maintain and develop our brand image and reputation, be flexible and innovative in responding to rapidly changing market demands and customer preferences and offer customers a wide variety of good quality products at competitive prices.

Many of our competitors have significant competitive advantages, including longer operating histories, larger and broader customer base, more established relationships with a broader set of suppliers, greater brand recognition and greater financial, research and development, marketing, distribution budgets and other resources than we do. The number of our direct competitors and the intensity of competition may increase as we expand into other product lines or as other companies expand into other product lines. Our competitors may enter into business combinations or alliances. Our competitors may also be able to respond more quickly and effectively than we do to new or changing opportunities, standards or customer preferences, which could result in a decline in our revenues. There can be no assurance that we can effectively compete with our competitors in the future, and any such failure to compete effectively may have a material adverse effect on our business, financial condition and results of operations.

**7. The products marketed and sold by our Company in relation to the ‘Add Shop’ brand and are vulnerable to counterfeiting or imitation by third parties that may affect the reputation of our Company**

Our Company ensures that our products are manufactured by contract manufacturers for our Company and they are not permitted to sell these products. We maintain a close check and control over each stage of the production process and conduct quality checks at every stage. However, our ‘Add Shop’ brand of products are vulnerable to counterfeiting and imitation by third party vendors who may manufacture and sell products in the mass market at relatively cheaper prices. While we make constant checks in mass markets in an effort to prevent the sale of any counterfeit products of our ‘Add Shop’ brand, there can be no assurance that we will be able to prevent sale of counterfeit products at all time. Any sale of counterfeit or imitation products which does not match the quality

standards of our products will adversely impact our reputation. It will also materially affect our business, prospects, results of operations and financial conditions.

**8. We are involved in high volume-low margin business. Any disruption in our turnover or failure to regularly grow the same may have a material adverse effect on our business, results of operations and financial condition**

Our inability to regularly grow our turnover and effectively execute our key business processes could lead to lower profitability and hence adversely affect our operating results, debt service capabilities and financial conditions. Due to the nature of the products we sell, we may not be able to charge higher margins on our products. Hence, our business model is heavily reliant on our ability to effectively grow our turnover and manage our key processes including but not limited to raw material procurement, timely sales / order execution and continuous cost control of non-core activities. The table below gives details of our operating margins and net profit margin based on restated standalone financial statements.

*(Rs. In lakhs)*

Particulars	As at June 30, 2018	FY 2018	FY 2017	FY 2016
Total revenue from operations	381.41	1,254.89	455.41	192.67
Profit before Tax as a % of Total Income	5.51	2.56	4.75	0.36
Profit after Tax as a % of Total Income	4.26	1.83	3.23	-0.20

Our growth strategy is subject to and involves risks and difficulties, many of which are beyond our control and, accordingly, there can be no assurance that we will be able to implement our strategy or growth plans or complete them within the specified timelines. Further, we operate in a dynamic industry, and on account of changes in market conditions, industry dynamics, technological improvements or changes and any other relevant factors, our growth strategy and plans may undergo changes or modifications, and such changes or modifications may be substantial, and may even include limiting or foregoing growth opportunities if the situation so demands. For further details regarding the discussions and explanations for our past results, please refer “Management’s Discussions and Analysis of Financial Condition and Results of Operations” on page 164 of this Draft Prospectus

**9. We are dependent on third party transportation providers for the delivery of our products. Accordingly, any increase in transportation costs or unavailability of transportation services for our products may have an adverse effect on our business, financial condition, results of operations and prospects.**

We do not have an in-house transportation facility and we rely on third party transportation and other logistic facilities at every stage of our business activity including for procurement of products and raw material, as the case may be, from our vendors and suppliers and for transportation of our finished products. For this purpose, we hire services of transportation companies. Additionally, availability of transportation is typically fragmented. We do not enter into written documentation in relation to the transportation services we hire. We could be faced with transportation risks due to any loss or pilferage, which we may not be able to recover from our insurance coverage. Further, the cost of our goods carried by such third-party transporters is typically much higher than the consideration paid for transportation, due to which it may be difficult for us to recover compensation for damaged, delayed or lost goods.

Our operations and profitability are dependent upon the availability of transportation and other logistic facilities in a timely and cost-efficient manner. Accordingly, our business is vulnerable to increased transportation costs, including, as a result of increase in fuel costs, transportation strikes, delays, damage or losses of goods in transit and disruption of transportation services because of weather related problems, strikes, lock-outs, accidents, inadequacies in road infrastructure or other similar events.

Although, we have experienced few disruptions in the past on account of state wide transportation strikes, any prolonged disruption or unavailability of such facilities in a timely manner could result in delays or non-supply or may require us to look for alternative sources which may be cost inefficient, thereby adversely affecting our operations, profitability, reputation and market position.

**10. Inventories and trade receivables form a substantial part of our current assets and net worth. If we are unable to accurately forecast customer demand for our products, we may not be able to maintain optimum inventory levels resulting in additional strain on our resources. Failure to manage our trade receivables could have an adverse effect on our net sales, profitability, cash flow and liquidity**

We determine the quantities of our products manufactured for sales and distribution pursuant to management estimates based on historic trends and demand data and our internal forecasts, which is used to extrapolate expected future sales pattern. However, our future earnings through the sale and distribution of our products may not be realized as forecasted, on account of cancellations or modifications of firm orders or our failure to accurately prepare demand forecasts. If we are unable to appropriately estimate the demand for our products for any reason, it could result in excess inventory levels or unavailability of our products during increased demand, resulting in below potential sales. For three months period ended June 30, 2018 and Financial Year ended March 31, 2018, and March 31, 2017, we maintained an inventory of finished goods of 27.39%, 15.13% and 6.20% of our gross revenue from operations, respectively.

Our ability to accurately forecast customer demand for our products is affected by various factors, including:

- a substantial increase or decrease in the demand for our products or for similar offerings of our competitors;
- aggressive pricing strategies employed by our competitors;
- failure to accurately forecast or changes in customer acceptance of our products;
- limited historical demand and sales data for our products in newer markets; and
- weakening of general economic conditions or customer confidence that could reduce the sale of our products.

Inventory levels in excess of customer demand may result in inventory write-downs or write-offs or we may be required to sell our excess inventory at discounted prices, which will adversely affect our gross margins and negatively impact our reputation and brand exclusivity. On the other hand, if we face demand in excess of our production, we may not be able to adequately respond to the demand for our products. This could result in delays in delivery of our products to our customers and we may suffer damage to our reputation and customer relationships. Additionally, our customers may be driven to purchase products offered by our competitors. There can be no assurance that we will be able to manage our inventories at optimum levels to successfully respond to customer demand.

To effectively manage our trade receivables, we must be able to accurately evaluate the credit worthiness of our customers and distributors and ensure that suitable terms and conditions are given

to them in order to ensure our continued relationship with them. However, if our management fails to accurately evaluate the credit worthiness of our customers, it may lead to bad debts, delays in recoveries and / or write-offs which could lead to a liquidity crunch, thereby adversely affecting our business and results of operations. A liquidity crunch may also result in increased working capital borrowings and, consequently, higher finance cost which will adversely impact our profitability.

**11. We may not be able to adapt to changing market trends and customer requirements in a timely manner, or at all.**

The market for the products in which we deal is highly competitive with several players present in various segments in brick and mortar stores and through third party e-commerce platforms. If we are unable to anticipate consumer preferences or industry changes, or if we are unable to modify our products and their prices on a timely basis, we may lose customers to our competitors (located in physical stores and on e-commerce platforms) or may be forced to reduce our sales realization on products by having to offer them at a discount, thereby reducing our margins. If our competitors are able to cater to these markets, or if we are not able to anticipate the demand, or misjudge the quantity, inter alia, this could lead to lower sales, higher inventories and higher discounts, each of which could have a material adverse effect on our brand, reputation, results of operations and financial condition.

**12. We have existing secured debt facilities and may incur further additional debt, which could adversely affect our financial health and our ability to obtain financing in the future and react to changes in our business and increases in interest rates of our borrowings may impact our results of operation. Further, our debt financing agreements contain restrictive covenants or lenders' options that may affect our interest.**

As on June 30, 2018, the amount of our total outstanding secured borrowings was 48.00 lakhs. For further details, refer "Financial Indebtedness" on page 173. We may incur additional indebtedness in the future. Our ability to meet our debt service obligations and our ability to repay our outstanding borrowings will depend primarily upon the cash flow produced by our business. We cannot assure you that we will generate sufficient revenue from our businesses to service existing or proposed borrowings. In addition: (a) our ability to obtain additional financing for working capital, capital expenditures, acquisitions or general corporate purposes may be impaired in the future; (b) a substantial portion of our cash flow from operations may be dedicated to the payment of principal and interest on our indebtedness, thereby reducing the funds available to us for other purposes; (c) we will be exposed to the risk of increased interest rates; and (d) our flexibility to adjust to changing market conditions and ability to withstand competitive pressures could be limited, and we may be more vulnerable to a downturn in general economic conditions in our business or be unable to carry out capital spending that is necessary or important to our growth strategy. In the future, our cash flow and capital resources may not be sufficient for interest or principal payments on our indebtedness, and any remedial measures may not be successful and therefore may not permit us to meet our scheduled debt service obligations.

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

As on June 30, 2018 our Company has availed certain unsecured loans that are callable on demand by the lenders. For further details, refer "Financial Indebtedness" on page 173. In case of any demand from lenders for repayment of such unsecured loans, the resultant cash outgo, may adversely affect our business operations and financial position of our Company.

**14. Our Promoters and Directors, Dineshbhai Pandya, Jayshree Pandya, Devang Pandya and others i.e. Kanubhai Kheni have provided personal guarantees for loan facilities obtained by**



**our Company and any failure or default by our Company to repay such loans in accordance with the terms and conditions of the financing documents could trigger repayment obligations on them, which may impact their ability to effectively service their obligations as our Promoters and Directors and thereby, adversely impact our business and operations.**

Our Promoters and Directors Dineshbhai Pandya, Jayshree Pandya, Devang Pandya and others i.e. Kanubhai Kheni have personally guaranteed the repayment of certain loan facilities taken by our Company. Any default or failure by us to repay its loans in a timely manner, or at all could trigger repayment obligations on the part of our Promoter and Directors in respect of such loans, which in turn, could have an impact on their ability to effectively service their obligations as Promoters and Directors of our Company, thereby having an adverse effect on our business, results of operation and financial condition. Furthermore, in the event that these individuals withdraw or terminate their guarantees, our lenders for such facilities may ask for alternate guarantees, repayment of amounts outstanding under such facilities, or even terminate such facilities. We may not be successful in procuring guarantees satisfactory to the lenders, and as a result may need to repay outstanding amounts under such facilities or seek additional sources of capital, which could affect our financial condition and cash flows.

**15. We have issued Equity Shares during the last one year from the date of filing of the Draft Prospectus at a price that is below the Issue Price**

During the last one year from the date of filing of the Draft Prospectus we have issued Equity Shares at a price that is lower than the Issue Price as detailed in the following table:

<b>Date of Allotment</b>	<b>No. of Equity Shares</b>	<b>Face Value (Rs.)</b>	<b>Issue Price (Rs.)</b>	<b>Consideration (In Rs.)</b>	<b>Nature of Allotment</b>
March 30, 2018	1,30,000	10.00	NA	NA	Bonus Issue
April 25, 2018	2,02,500	10.00	NA	NA	Further issuance of bonus equity shares
May 05, 2018	8,00,000	10.00	25.00	20,000,000	Further issuance of equity shares
June 02, 2018	22,65,625	10.00	NA	NA	Further issuance of bonus equity shares

For further details of the aforesaid allotment refer “Capital Structure” on page 56.

**16. Our results of operations are likely to vary from year to year and be unpredictable, which could cause the market price of the Equity Shares to decline**

Our results of operations have historically varied from year to year due to various factors, and we expect that this trend will continue. You should not rely on our past financial results for any year as indicators of future performance. Our results of operations in any given year can be influenced by a number of factors, many of which are outside of our control and may be difficult to predict, including:

- our ability to acquire and retain clients for our products;
- maintaining high levels of customer satisfaction;
- capital expenditure and other costs relating to our operations;

- adhering to our high quality and process execution standards;
- products or pricing policies introduced by our competitors;
- the timing and nature of, and expenses incurred in, our marketing efforts;
- recruiting, training and retaining sufficient skilled technical and management personnel;
- developing and improving our internal administrative infrastructure, particularly our financial, operational, communications, and other internal systems;

Also, please refer “Management's Discussion and Analysis of Financial Condition and Results of Operations” on page 164 of this Draft Prospectus for details on the factors affecting our financial results. All of these factors, in combination or alone could negatively impact our revenues and may cause significant fluctuations in our results of operations. This variability and unpredictability could materially and adversely affect our results of operations and financial condition.

**17. If we are unable to attract new customers or retain our existing customers the growth of our business and cash flows will be adversely affected**

To increase our revenue and cash flows, we must regularly add new customers. If our existing or new clients do not perceive our products to be of sufficiently high value and quality, we may not be able to increase sales and our operating results would be adversely affected. If we fail to sell our products to new customers or fail to retain our existing customers do not renew their contracts, our operating results will suffer, and our revenue growth, cash flows and profitability may be materially and adversely affected.

**18. We rely on our information technology systems for our operations and its reliability and functionality is critical to our business success. Any interruption or abnormality in the same may have an adverse impact on our business operations and profitability.**

We rely on our information technology systems for our operations and its reliability and functionality is critical to our business success. Our growing dependence on the IT infrastructure, applications, and data has caused us to have a vested interest in its reliability and functionality, which can be affected by a number of factors, including: (A) Increasing Complexity of the IT systems: The overall complexity of our IT systems will grow as technology continues to advance, IT system capabilities expand, user expectations increase and business practices change; (B) Frequent Change and Short Life Span: A high rate of change may cause our IT systems to have a short life span, given that users may demand new IT features and capabilities on a frequent basis; (C) Data Security: The need to protect our IT systems has thus greatly increased. Unfortunately, increased security requirements can increase costs and hamper user access to needed information; (D) Funding: Our IT systems now require a larger share of capital and operational funds. However, the systems may become effectively obsolete in a few years despite our substantial investment. If our IT systems malfunction or experience extended periods of down time, we will not be able to run our operations safely or efficiently. We may suffer losses in revenue, reputation and volume of business and our financial condition and results of operation may be materially and adversely affected. Any damage or system failure that causes interruptions or delays in the input, retrieval or transmission of data could disrupt our normal operations. Should such an interruption or delay occur, we cannot assure you that it will not result in the loss of data or information that is important to our business or that we will be able to restore our operational capacity within a sufficiently adequate time frame to avoid disruptions to our business. The occurrence of any of these events could interfere with the operation of our business and adversely affect our business, financial condition and results of operations.

**19. We may be unable to obtain, renew or maintain statutory and regulatory permits, licenses and approvals required to operate our business which could result in an adverse effect on our results of operations**

We require certain statutory and regulatory permits, licenses and approvals to operate our business. Our licenses, permits and approvals impose certain terms and conditions that require us to incur significant costs and inter alia, restrict certain activities. The approvals required by us are subject to numerous conditions and we cannot assure you that these would not be suspended or revoked in the event of non-compliance or alleged noncompliance with any terms or conditions thereof, or pursuant to any regulatory action. If there is any failure by us to comply with the applicable regulations or if the regulations governing our business are amended, we may incur increased costs, be subject to penalties, have our approvals and permits revoked or suffer a disruption in our operations, any of which could adversely affect our business.

While we will endeavor to renew or obtain such approvals as required, there can be no assurance that the relevant authorities will issue any such approvals within our anticipated timeframe or at all. An inability to renew, maintain or obtain any required permits, licenses or approvals may result in the interruption of our operations and have a material adverse effect on our business, financial condition and results of operations. For further information regarding licenses and approvals, see the section titled "Government and Other Statutory Approvals" on page 178.

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

Our success depends on the continued services and performance of the members of our senior management team and other key managerial personnel. Our continued success also depends upon our ability to attract and retain a large group of skilled professionals and staff who have specialized knowledge. The loss of the services of our senior management or our inability to recruit, train or retain a sufficient number of skilled professionals could have a material adverse effect on our operations and profitability. Competition for senior management in the industry in which we operate is intense, and we may not be able to retain our existing senior management or attract and retain new senior management in the future. We may lose skilled employees to competing employers who pay higher salaries or be forced to increase the salaries to be paid to our employees. If we cannot hire or retain enough skilled professionals, our ability to expand our business will be impaired and consequently, our revenues could decline. Any such loss of the services of our senior management personnel or skilled professionals could adversely affect our business, prospects, financial condition and results of operation.

**21. We have group companies and entities where our Promoters / Directors are actively involved**

Our Promoters and Directors are also actively involved in other group companies / entities. Our Promoters may devote substantial time and resources to develop and grow the business of other group companies / entities, though Directors and Promoters are involved in other group companies / entities but the maximum time of Promoter and Directors is devoted in this Company hence there is no probability for lack of leadership. Though we cannot guarantee that our promoters will divide their time and energy between our group companies / entities and us. Though our key managerial personnel are well experienced to carry out the business activities, lack of involvement of our Promoters could have an adverse effect on our goodwill and financial performance.

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

Our funding requirements and the deployment of the proceeds of the issue are based on management estimates and our current business plan. The fund requirements and intended use of proceeds have not been appraised by bank or financial institution and are based on our estimates.

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

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

Our funding requirements and the deployment of the proceeds of the Issue are based on management estimates and our current business plan. The deployment of the funds towards the objects of the issue is entirely at the discretion of the Board of Directors and is not subject to monitoring by external independent agency. As per SEBI (ICDR) Regulations, 2009, as amended, appointment of monitoring agency is required only for Issue size above 10,000.00 lakhs. Hence, we have not appointed any monitoring agency to monitor the utilization of Issue proceeds. However, the audit committee of our Board will monitor the utilization of Issue proceeds in terms of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Further, our Company shall inform about material deviations in the utilization of Net Issue Proceeds to BSE Limited and shall also simultaneously make the material deviations / adverse comments of the audit committee public. Any inability on our part to effectively utilize the Issue proceeds could adversely affect our financials.

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

In accordance with Section 27 of the Companies Act, 2013, we cannot undertake any variation in the utilization of the Net Proceeds as disclosed in this Draft Prospectus without obtaining the shareholders' approval through a special resolution. In the event of any such circumstances that requires us to undertake variation in the disclosed utilization of the Net Proceeds, we may not be able to obtain the Shareholders' approval in a timely manner, or at all. Any delay or inability in obtaining such Shareholders' approval may adversely affect our business or operations. Further, our Promoters or controlling shareholders would be required to provide an exit opportunity to the shareholders who do not agree with our proposal to modify the objects of the Issue as prescribed in the SEBI (ICDR) Regulations. If our shareholders exercise such exit option, our business and financial condition could be adversely affected. Therefore, we may not be able to undertake variation of objects of the Issue to use any unutilized proceeds of the Issue, if any, even if such variation is in the interest of our Company, which may restrict our ability to respond to any change in our business or financial condition and may adversely affect our business and results of operations. For further details of the proposed objects of the Issue, refer "Objects of the Issue" on page 67.

**25. We have in the past entered into related party transactions and may continue to do so in the future, which may potentially involve conflicts of interest with the equity shareholders**

We have entered into related party transactions with our Promoters, Promoter Group, Group Entities and Directors. For details of these transactions, refer "Related Party Transactions" on page 133. We cannot assure you that we will be able to maintain the terms of such transactions or in the event that we enter future transactions with related parties, that the terms of the transactions will be favorable to us. Additionally, while it is our belief that all our related party transactions have been

conducted on an arm's length basis, we cannot provide assurance that we could have achieved more favorable terms had such transactions been entered with third parties. We may also enter related party transactions in the future, which could involve conflicts of interest, although going forward, all related party transactions that we may enter will be subject to audit committee or board or shareholder approval, as applicable, as under the Companies Act, 2013 and the SEBI (LODR) Regulations. As such, we can provide no assurance that these transactions will not adversely affect our business, results of operation, cash flows and financial condition.

**26. Our registered office and our branch office is not registered in our name.**

Our Company has taken our registered office on with consent with any rent from Our Promoter Dineshbhai Pandya. There can be no assurance that our Company will be able to successfully get extension or consent to use the property Any such non-extension may require us to vacate the premises and relocate to new premises on terms that may not be favorable to us thereby adversely affecting our business, financial conditions and results of operations. For further details on the properties of our Company, refer to the section titled "Immovable Properties" appearing under "Our Business" on page 96.

**27. Our Company does not have any similar and comparable listed peer which is involved in the same line of business for a direct comparison of performance and therefore, investors must rely on their own examination of accounting ratios of our Company for the purposes of investment in the Issue**

As on the date of this Draft Prospectus, we believe that none of the listed companies in India have a business profile and revenue streams alongwith their size, directly comparable to our Company. However, there are listed companies in India with one or more business segments that maybe common to our business. Since the listed companies may not be directly comparable to our Company, the accounting ratios of the same may not be a representative yardstick for our Company. Therefore, investors must rely on their own examination of our Company for subscribing to the Issue.

**28. We have experienced negative cash flows in the past. Our inability to generate and sustain adequate cash flows in the future may adversely affect our business, results of operations and financial condition**

We have experienced negative cash flows in the recent periods, the details of which, as per our restated standalone financial statements, are as follows:

Particulars	As at June 30, 2018	FY 2018	FY 2017	FY 2016
Net cash flow from Operating activities	-471.90	-17.74	30.21	-16.74
Net cash flow from Investing activities	-4.83	-1.29	-19.79	-8.52
Net cash flow from financing activities	580.32	51.52	0.09	26.75
Net increase / decrease in cash and cash equivalents	149.08	45.48	13.00	2.49

Cash flow of a company is a key indicator to show the extent of cash generated from operations to meet its capital expenditure, pay dividends, repay loans and make new investments without raising

finance from external resources. Our inability to generate and sustain adequate cash flows in the future could adversely affect our results of operations and financial condition. For further details, refer “Financial Statements” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” on pages 135 and 164, respectively.

**29. We have not made any dividend payments in the past and our ability to pay dividends in the future will depend upon our future earnings, financial condition, cash flows, working capital requirements, capital expenditures and restrictive covenants in our financing arrangements**

In the past, we have not made dividend payments to the shareholders of our Company. The amount of our future dividend payments, if any, will depend upon various factors including our future earnings, financial condition, cash flows and requirement to fund operations and expansion of the business. There can be no assurance that we will be able to declare dividends. Any future determination as to the declaration and payment of dividends will be at the discretion of our Board of Directors. For further details, refer “Dividend Policy” on page 134.

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

Upon completion of this Issue, our Promoters and Promoter Group will continue to own a majority of our Equity Shares. As a result, our Promoters will have the ability to exercise significant influence over all matters requiring shareholders’ approval. Our Promoters will also be in a position to influence any shareholder action or approval requiring a majority vote, except where they may be required by applicable law to abstain from voting. This control could also delay, defer or prevent a change in control of our Company, impede a merger, consolidation, takeover or other business combination involving our Company, or discourage a potential acquirer from obtaining control of our Company even if it is in the best interests of our Company. The interests of our Promoters could conflict with the interests of our other equity shareholders, and the Promoters could make decisions that materially and adversely affect your investment in the Equity Shares. In addition, any perception by investors that such issuances or sales might occur could also affect the trading price of the Equity Shares. We cannot assure you that we will not issue additional Equity Shares. The disposal of Equity Shares by any of our Promoters, or the perception that such sales may occur may significantly affect the trading price of the Equity Shares. Except as disclosed in “Capital Structure” on page 56, we cannot assure you that our Promoters will not dispose of, pledge or encumber their Equity Shares in the future.

**31. Our Promoters, Directors and Key Management Personnel of our Company may have interests in our Company other than reimbursement of expenses incurred or normal remuneration or benefits**

Our Promoters are interested in our Company to the extent of any transactions entered into or their shareholding and dividend entitlement in us. Our Directors (other than our nominee Directors) are also interested to the extent of remuneration paid to them for services rendered as our Directors and reimbursement of expenses payable to them. Our Directors may also be interested to the extent of any transaction entered into by us with any other company or firm in which they are directors or partners or in their individual capacity. For further details, refer “Our Promoters and Promoter Group”, “Our Management” and “Related Party Transactions” on pages 126, 113 and 133, respectively.

**32. Certain sections of this Draft Prospectus disclose information from an industry report and any reliance on such information for making an investment decision in the Issue is subject to inherent risks.**

Certain sections of this Draft Prospectus disclose information from an industry report published by International Monetary Fund, The Associated Chambers of Commerce and Industry of India and

Indian Brand Equity Foundation. While we have taken reasonable care in the reproduction of relevant information, industry facts and other statistics have not been prepared or independently verified by us, LM or any of our respective affiliates or advisors and, therefore we make no representation as to their accuracy or completeness.

**33. Our insurance coverage may not adequately protect us from all material risks and liabilities**

We maintain insurance which we believe is typical in our industry in India and for amounts which we believe to be commercially appropriate for risks. However, such insurance may not be adequate to cover all our losses or liabilities that may arise from our business. Our insurance policies contain exclusions and or all limitations on coverage, as a result of which, we may not be able to successfully assert our claims for any liability or loss under the said insurance policies. Additionally, there may be various other risks and losses, specially arising out of our business agreements, for which we are not insured because such risks are either uninsurable or not insurable on commercially acceptable terms. Furthermore, there can be no assurance that in the future we will be able to maintain insurance of the types or at levels which we deem necessary or adequate or at premiums which we deem to be commercially acceptable.

The occurrence of an event for which we are not insured, where the loss is in excess of insured limits or where we are unable to successfully assert insurance claims for losses, could result in unforeseen liabilities and losses. Further, despite such unforeseen losses we may remain obligated for any future financial indebtedness or other obligations related to our business. Any such unforeseen losses or liabilities could result in an adverse effect on our business operations, financial conditions and results of operations.

**34. Certain agreements may not be adequately stamped or may not have been registered as a result of which our operations may be impaired**

Few of our agreements may not be adequately stamped or registered. The effect of inadequate stamping is that the document may not be admissible as evidence in legal proceedings and parties to that agreement may not be able to legally enforce the same, except after paying a penalty for inadequate stamping. The effect of non-registration, in certain cases, may make the document inadmissible in legal proceedings. Any potential dispute vis-à-vis non-compliance of local laws relating to stamp duty and registration may adversely impact the continuity of our business activity.

**EXTERNAL RISK FACTORS**

**35. Significant differences exist between Indian GAAP and Ind AS and other accounting principles, such as IFRS and U.S. GAAP, which may be material to investors' assessments of our financial condition, result of operations and cash flows.**

Our Financial Statements are for the period ended June 30, 2018 included in this Draft Prospectus are prepared and presented in conformity with Indian GAAP, and in each case, restated in accordance with the requirements of section 26 of the Companies Act read with rule 4 of Companies (Prospectus and Allotment of Securities) Rules 2014, as amended, the SEBI ICDR Regulations and the Guidance Note on "Reports in Company Prospectus (Revised 2016)" issued by the ICAI. Indian GAAP differs from Ind AS and other accounting principles with which prospective investors may be familiar in other countries, such as IFRS and U.S. GAAP. Accordingly, the degree to which the Financial Statements included in this Draft Prospectus will provide meaningful information is entirely dependent on the reader's level of familiarity with Indian GAAP.

**36. The Companies Act has effected significant changes to the existing Indian company law framework, which may subject us to higher compliance requirements and increase our compliance costs.**

A majority of the provisions and rules under the Companies Act have recently been notified and have come into effect from the date of their respective notification, resulting in the corresponding provisions of the Companies Act, 1956 ceasing to have effect. The Companies Act has brought into effect significant changes to the Indian company law framework, such as in the provisions related to issue of capital, disclosures in prospectus, corporate governance norms, audit matters, related party transactions, introduction of a provision allowing the initiation of class action suits in India against companies by shareholders or depositors, a restriction on investment by an Indian company through more than two layers of subsidiary investment companies (subject to certain permitted exceptions), prohibitions on loans to directors and insider trading and restrictions on directors and key managerial personnel from engaging in forward dealing. Further, companies meeting certain financial thresholds are also required to constitute a committee of the board of directors for corporate social responsibility activities and ensure that at least 2% of the average net profits of the company during three immediately preceding financial years are utilized for corporate social responsibility activities. Penalties for instances of non-compliance have been prescribed under the Companies Act, which may result in inter alia, our Company, Directors and key managerial employees being subject to such penalties and formal actions as prescribed under the Companies Act, should we not be able to comply with the provisions of the Companies Act within the prescribed timelines, and this could also affect our reputation.

To ensure compliance with the requirements of the Companies Act within the prescribed timelines, we may need to allocate additional resources, which may increase our regulatory compliance costs and divert management attention. While we shall endeavor to comply with the prescribed framework and procedures, we may not be in a position to do so in a timely manner.

**37. General economic conditions and other factors that are beyond the control of our Company in India and globally could adversely affect the business and results of operations of our Company.**

Our results of operations and financial condition depend significantly on worldwide economic conditions and the health of the Indian economy. Various factors may lead to a slowdown in the Indian or world economy which in turn may adversely impact our business, financial performance and operations.

We mainly derive revenue from our operations in India and the performance and growth of our business is significantly dependent on the performance of the Indian economy. In the past, the Indian economy has been affected by global economic uncertainties, liquidity crisis, domestic policies, global political environment, volatility in interest rates, currency exchange rates, commodity and electricity prices, volatility in inflation rates and various other regulatory factors. Accordingly, high rates of inflation in India could increase our employee costs and decrease our operating margins, which could have an adverse effect on our results of operations. Accordingly, high rates of inflation in India could increase our employee costs and decrease our operating margins, which could have an adverse effect on our results of operations.

Further the Indian economy is undergoing many changes and it is difficult to predict the impact of certain fundamental economic changes on our business. Conditions outside India, such as a slowdown or recession in the economic growth of other major countries, especially the United States, also have an impact on the growth of the Indian economy. Additionally, an increase in trade deficit, a downgrading in India's sovereign debt rating or a decline in India's foreign exchange reserves could negatively affect interest rates and liquidity, which could adversely affect the Indian economy and our business. A slowdown in the Indian economy could adversely affect the policy of the GoI towards our industry, which may in turn adversely affect our financial performance and our ability to implement our business strategy. A loss of investor confidence in other emerging market economies or any worldwide financial instability may adversely affect the Indian economy.



Any changes in the regulations including environmental laws in India and/or globally could materially and adversely affect our business and results of operations and the market price of the Equity Shares.

**38. Companies operating in India are subject to a variety of taxes and surcharges**

Tax and other levies imposed by the central and state governments in India that affect our tax liability include central and state taxes and other levies, income tax, goods and services tax, turnover tax, stamp duty, tax on dividends and other special taxes and surcharges which are introduced on a temporary or permanent basis from time to time. Moreover, the central and state tax scheme in India is extensive and subject to change from time to time. The central or state government may in the future increase the corporate income tax. Any such future increases or amendments may affect the overall tax efficiency of companies operating in India and may result in significant additional taxes becoming payable. Additional tax exposure could adversely affect our business, cash flows and results of operations.

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

Under the current Indian Income Tax provisions, all transactions of purchase and sales of securities on Indian stock exchanges are subject to levy of securities transaction tax (STT) which will be collected by respective stock exchange on which the securities are transacted. Accordingly, the Indian Income Tax Act has special capital gains tax provisions for all transactions of purchase and sale of equity shares carried out on the Indian Stock Exchanges as enumerated below.

Under the current Indian Income Tax provisions, unless specifically exempted, capital gains arising from the sale of equity shares in an Indian company are generally taxable in India. Currently, any gain realized on the sale of listed equity shares on a stock exchange held for more than twelve (12) months will not be subject to capital gains tax in India if STT has been paid on the sales transaction. The recent Finance Act amendments provided that where the equity shares have been acquired on or after October 1, 2004 on which STT has not been paid at the time of acquisition, then the exemption of long-term capital gains under Section 10(38) of the Income Tax Act would not be available. This amendment further provides that the GoI will notify certain modes of acquisition to which the recent amendment made by the Finance Act would not be applicable and the shares acquired by such modes of acquisition would continue to get the benefit under Section 10(38) of the Income Tax Act. Such modes of acquisitions, which would continue to get the benefit under Section 10(38) of the Income Tax Act have been notified by the GoI under notification no. 43/2017/F. No. 370142/09/2017-TPL on June 5, 2017.

Any gain realized on the sale of shares on a stock exchange held for a period of twelve (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 twelve (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.

The Ministry of Finance has in the union budget for 2018-19 proposed that any gain in excess of Rs. one (1) Lakh realized on the sale of listed equity shares on a stock exchange held for more than twelve (12) months will be subject to long term capital gains tax of 10% without allowing any benefit of indexation. However, all gains up to January 31, 2018 will be grandfathered. Capital gains arising from the sale of equity shares will be exempt from taxation in India in cases where an exemption is provided under a 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 equity shares.”

**40. Political instability or significant changes in the economic liberalization and deregulation policies of the Government or in the government of the states where the Company operates could disrupt its business.**

The Government has traditionally exercised and continues to exercise a significant influence over many aspects of the Indian economy. The Company’s businesses, and the market price and liquidity of its securities may be affected by changes in exchange rates and controls, interest rates, government policies, taxation, social and ethnic instability and other political and economic developments in or affecting India. In recent years, India has been following a course of economic liberalization and the Company’s business could be significantly influenced by socio-economic policies followed by the Government.

However, there can be no assurance that such policies will continue in the future. The rate of economic liberalization could change, and specific laws and policies affecting foreign investment, currency exchange rates and other matters affecting investment in India could change as well.

**41. Natural disasters could have a negative impact on the Indian economy and damage the Company’s facilities.**

The Company’s distribution business is dependent on theatres and hence is vulnerable to natural disasters. In addition, natural disasters such as floods, earthquakes, epidemics or famines have in the past had a negative impact on the Indian economy. If any such event were to occur, the Company’s business could be affected due to the event itself or due to its inability to effectively manage the effects of the particular event. Potential effects include the damage to infrastructure and the loss of business continuity or business information. Thus, any disruption in operations of theatres could have a material adverse effect on the Company’s ability to provide films to theatres, and thus materially and adversely affect the Company. The recent currency demonetization measures imposed by the Government of India may adversely affect our business and the Indian economy.

Any anticipated measures undertaken by the GoI or any regulatory authority such as the recent demonetization measures may adversely affect our business, financial condition and results of operations.

On November 8, 2016, the GoI announced phasing out of large-denomination currency notes (Rs. 500 and Rs. 1,000, representing 86% of the total currency in circulation) as legal tender. They were immediately replaced with new Rs. 500 and Rs. 2,000 currency notes. This measure was undertaken to curb corruption, tax evasion, and counterfeiting. The withdrawal from circulation started immediately and ended on December 30, 2016. Unexpected demonetization weighed on growth in the third quarter of financial year 2016 - 17. Any such anticipated measures undertaken by the GoI or any regulatory authority may adversely affect our business, financial condition and results of operations.

**42. 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 or in the alternate, the pricing is in compliance with the extant provisions of the SEBI ICDR Regulations. If the transfer of shares is not in compliance with such pricing guidelines or reporting requirements or falls 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 or a tax clearance certificate from the income tax authority. We cannot assure investors that any required approval from the RBI or any other Government agency can be obtained on any particular terms or at all.

**43. Instability in Indian and / or global financial markets could adversely affect our results of operations and financial condition.**

The financial markets and the economy in India is influenced by economic and market conditions in other countries, particularly in United States of America, Asian emerging markets like Japan, Hong Kong and Singapore. Financial turmoil in global economy in recent years has affected the Indian economy. Although economic conditions are different in each country, investors' reactions to developments in one (1) country can have adverse effects on the securities of companies in other countries, including India. A loss in investor confidence in the financial systems of other markets, including United States, United Kingdom, Japan, Hong Kong and Singapore may cause increased volatility in Indian financial markets and, indirectly, in the Indian economy in general. Any worldwide financial instability could also have a negative impact on the Indian economy. Financial disruptions may occur again and could harm our results of operations and financial condition.

**44. Rights of shareholders under Indian law may differ or may be more limited than under the laws of other jurisdictions.**

The Companies Act and rules made thereunder, the rules and regulations issued by SEBI and other regulatory authorities, the MOA, and AOA govern the corporate affairs of the Company. Indian legal principles relating to these matters and the validity of corporate procedures, directors' fiduciary duties and liabilities, and shareholders' rights may differ from those that would apply to a company in another jurisdiction. Shareholders' rights under Indian law may not be as extensive as shareholders' rights under the laws of other countries or jurisdictions. Investors may have more difficulty in asserting their rights as a shareholder in India than as a shareholder of a corporation in another jurisdiction.

**45. The price of the Equity Shares may be highly volatile after the Issue.**

The price of the Equity Shares on the Indian stock exchanges may fluctuate after this Issue as a result of several factors, including volatility in the Indian and global securities market; our operations and performance; performance of our competitors and the perception in the market about investments in the film distribution industry; adverse media reports on us or the film distribution industry; changes in the estimates of our performance or recommendations by financial analysts; significant developments in India's economic liberalization and deregulation policies; and significant developments in India's fiscal and environmental regulations. There can be no assurance that the prices at which the Equity Shares are initially traded will correspond to the prices at which the Equity Shares will trade in the market subsequently.

**46. QIBs and Non-Institutional Investors are not permitted to withdraw their Applications at any stage after submitting an Application.**

Pursuant to the SEBI ICDR Regulations, QIBs and Non-Institutional Investors are not permitted to withdraw their Applications at any stage after submitting an Applications and are required to pay the Application Amount upon submission of the Application. Events affecting the Applicants' decision to invest in the Equity Shares, including material adverse changes in international or national monetary policy, financial, political or economic conditions, our business and results of operations or financial condition may arise between the date of submission of the Application and Allotment. However, our Company may complete the Allotment of the Equity Shares even if such

events occur, and QIBs and Non-Institutional Investors would not be able to withdraw their Applications at any stage after submitting an Application.

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

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

**48. 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. Our Company was originally incorporated as Add-Shop Promotions Private Limited at Rajkot 360005, Gujarat as a Private Limited Company under the provisions of Companies Act, 1956 vide Certificate of Incorporation dated August 20, 2013 bearing Corporate Identification Number U51109GJ2013PTC076482 issued by Registrar of Companies, Gujarat, Ahmedabad. Subsequently our Company was converted into a Public Limited Company pursuant to special resolution passed by the shareholders at the Extraordinary General Meeting held on June 11, 2018 and fresh certificate of incorporation consequently upon change of name was issued by Registrar of Companies, Gujarat, Ahmedabad dated June 21, 2018 and name of our Company was changed to Add-Shop Promotions Limited. The Corporate Identification Number is U51109GJ2013PLC076482. For further details of change of name and registered office of our Company, please refer to the chapter titled "Our History and Certain Other Corporate Matters" beginning on page 109 of this Draft Prospectus.
2. Initial Public Offering of up to 23,96,000 Equity Shares of face value of Rs. 10 each of Add-Shop Promotions Limited for cash at a price of Rs. 26 per Equity Share including a share premium of Rs. 16 per Equity Share, aggregating up to Rs. 622.96 Lakhs. The Issue includes a reservation of upto 1,32,000 Equity Shares of face value of Rs. 10 each for cash at a price of Rs. 26 per Equity Share aggregating up to Rs. 34.32 Lakhs for subscription by the Market Maker to the Issue. The Issue less Market Maker Reservation Portion i.e. 22,64,000 Equity Shares of face value of Rs. 10 each for cash at a price of Rs. 26 per Equity Share, aggregating to Rs. 588.64 Lakhs constitutes the Net Issue. The Issue will constitute 37.00% of the post Issue paid up Equity Share capital of our Company.
3. The pre-issue net worth of our Company was Rs. 441.19 Lakhs as of June 30, 2018. The book value of each Equity Shares was at Rs. 10.82 as at June 30, 2018. For more information, please refer to section titled "Financial Statements as Restated" beginning on page 135 of this Draft Prospectus.

4. The average cost of acquisition of Equity Shares by our Promoters is:

<b>Name of the Promoters</b>	<b>No. of Shares</b>	<b>Average Cost of Acquisition (In Rs.)</b>
Dineshbhai Pandya	38,81,200	10.17

5. The details of transactions of our Company with related parties, nature of transactions and the value of transactions, see section titled "Financial Statements as Restated" beginning on page 135 of this Draft Prospectus.
6. Except as disclosed in the chapters titled "Our Group Companies" and "Related Party Transactions" on pages 130 and 133 respectively of this Draft Prospectus, none of our Group Companies have any business or other interests in our Company.
7. Since incorporation, there has been no financing arrangement whereby the Promoter Group, our Promoters, our Directors and their relatives have financed the purchase by any other person of securities of our Company other than in normal course of the business of the financing entity.
8. Investors are advised to refer to the chapter titled "Basis for Issue Price" beginning on page 77 of this Draft Prospectus.
9. Investors may contact the LM for any clarification, complaint or information pertaining to the Issue. The LM and our Company shall make all information available to the public and investors at large and no selective or additional information would be made available for a section of the investors in any manner whatsoever.
10. 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 199 of this Draft Prospectus.
11. Except as disclosed in the chapter titled "Capital Structure" beginning on page 56 of this Draft Prospectus, we have not issued any Equity Shares for consideration other than cash.
12. Trading in Equity Shares of our Company for all investors shall be in dematerialized form only.

## **SECTION III- INTRODUCTION**

### **SUMMARY OF OUR INDUSTRY**

#### **WORLD ECONOMY OVERVIEW**

World growth strengthened in 2017 to 3.8 percent, with a notable rebound in global trade. It was driven by an investment recovery in advanced economies, continued strong growth in emerging Asia, a notable upswing in emerging Europe, and signs of recovery in several commodity exporters. Global growth is expected to tick up to 3.9 percent this year and next, supported by strong momentum, favorable market sentiment, accommodative financial conditions, and the domestic and international repercussions of expansionary fiscal policy in the United States.

#### **Indian Economy Overview**

##### **Introduction**

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

##### **Market size**

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

The tax collection figures between April 2017- February 2018 show an increase in net direct taxes by 19.5 per cent year-on-year and an increase in net direct taxes by 22.2 per cent year-on-year.

India has retained its position as the third largest startup base in the world with over 4,750 technology startups, with about 1,400 new start-ups being founded in 2016, according to a report by NASSCOM.

##### **Recent Developments**

With the improvement in the economic scenario, there have been various investments in various sectors of the economy. The M&A activity in India increased 53.3 per cent to US\$ 77.6 billion in 2017 while private equity (PE) deals reached US\$ 24.4 billion. Some of the important recent developments in Indian economy are as follows:

- India's merchandise exports and imports grew 11.02 per cent and 21.04 per cent on a y-o-y basis to US\$ 273.73 billion and US\$ 416.87 billion, respectively, during April-February 2017-18.
- India's Foreign Direct Investment (FDI) inflows reached US\$ 208.99 billion during April 2014 December 2017, with maximum contribution from services, computer software and hardware, telecommunications, construction, trading and automobiles.
- India's Index of Industrial Production (IIP) rose 7.5 per cent year-on-year in January 2018 while retail inflation reached a four-month low of 4.4 per cent in February 2018.
- Indian merchandise exports in dollar terms registered a growth of 4.48 per cent year-on-year in February 2018 at US\$ 25.83 billion, according to the data from Ministry of Commerce & Industry.
- Indian companies raised Rs 1.6 trillion (US\$ 24.96 billion) through primary market in 2017.
- Moody's upgraded India's sovereign rating after 14 years to Baa2 with a stable economic outlook.
- India's ranking in the world has improved to 126 in terms of its per capita GDP, based on purchasing power parity (PPP) as it increased to US\$ 7,170 in 2017, as per data from the International Monetary Fund (IMF).
- India is expected to have 100,000 startups by 2025, which will create employment for 3.25 million people and US\$ 500 billion in value, as per Mr. T V Mohan Das Pai, Chairman, Manipal Global Education.
- The World Bank has stated that private investments in India is expected to grow by 8.8 per cent in FY 2018-19 to overtake private consumption growth of 7.4 per cent, and thereby drive the growth in India's gross domestic product (GDP) in FY 2018-19.

- The Niti Aayog has predicted that rapid adoption of green mobility solutions like public transport, electric vehicles and car-pooling could likely help India save around Rs 3.9 trillion (US\$ 60 billion) in 2030.
- Indian impact investments may grow 25 per cent annually to US\$ 40 billion from US\$ 4 billion by 2025, as per Mr. Anil Sinha, Global Impact Investing Network's (GIIN's) advisor for South Asia.
- The Union Cabinet, Government of India, has approved the Central Goods and Services Tax (CGST), Integrated GST (IGST), Union Territory GST (UTGST), and Compensation Bill.
- The Nikkei India manufacturing Purchasing Managers' Index increased at the fastest pace in December 2017 to reach 54.7, signaling a recovery in the economy.

### **Government Initiatives**

- The Union Cabinet gave its approval to the North-East Industrial Development Scheme (NEIDS) 2017 in March 2018 with an outlay of Rs 3,000 crores (US\$ 460 million) up to March 2020.
- In March 2018, construction of 321,567 additional houses across 523 cities under the Pradhan Mantri Awas Yojana (Urban) has been approved by the Ministry of Housing and Urban Poverty Alleviation, Government of India with an allocation of Rs 18,203 crore.
- Prime Minister's Employment Generation Programme (PMEGP) will be continued with an outlay of Rs 5,500 crore (US\$ 844.81 million) for three years from 2017-18 to 2019-20, according to the Cabinet Committee on Economic Affairs (CCEA).
- The Government of India has decided to invest Rs 2.11 trillion (US\$ 32.9 billion) to recapitalise public sector banks over the next two years and Rs 7 trillion (US\$ 109.31 billion) for construction of new roads and highways over the next five years.
- The India-Japan Act East Forum, under which India and Japan will work on development projects in the North-East Region of India will be a milestone for bilateral relations between the two countries, according to Mr. Kenji Hiramatsu, Ambassador of Japan to India.
- India's revenue receipts are estimated to touch Rs 28-30 trillion (US\$ 436- 467 billion) by 2019, owing to Government of India's measures to strengthen infrastructure and reforms like demonetisation and Goods and Services Tax (GST).

### **Road Ahead**

India's gross domestic product (GDP) is expected to reach US\$ 6 trillion by FY27 and achieve upper-middle income status on the back of digitisation, globalisation, favourable demographics, and reforms.

India is expected to be the third largest consumer economy as its consumption may triple to US\$ 4 trillion by 2025, owing to shift in consumer behaviour and expenditure pattern, according to a Boston Consulting Group (BCG) report; and is estimated to surpass USA to become the second largest economy in terms of purchasing power parity (PPP) by the year 2040, according to a report by PricewaterhouseCoopers.

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

## **WORLD BANK ON INDIAN ECONOMY**

### **Recent Economic Developments**

Poverty has declined since 2004/5 although temporary disruptions from demonetization and depressed food prices may have moderated the pace in the short term. Real GDP growth slowed to 7.1 % in FY16/17 from 8 % in FY15/16, and to 5.7 % in Q1 FY17/18. Despite the increase in public and private consumption due to the revival of rural demand after a normal monsoon and the implementation of the 7th central pay commission recommendations, overall demand slowed as investments remained weak. Excluding agriculture, output growth experienced a slowdown compared to the previous year. Construction, real estate, and manufacturing were particularly affected.

Public finances remain stable, although contingent liabilities are rising. The central government stuck to its fiscal targets in FY16/17, reaffirming fiscal credibility. The quality of expenditures at the general government level has shifted towards productive infrastructure spending in recent years, providing an additional stimulus to growth.

However, fiscal deficits at the sub-national level have risen from an aggregate of 2.6% in FY12-15 to 3.7% in FY16-17 largely because of a transfer of some public sector enterprise liabilities to direct debt of states.

### **Economic Outlook**

Economic activity is expected to stabilize, maintaining annual GDP growth at 7.0% in FY18. Growth is projected to increase to 7.4% by FY20, underpinned by a recovery in private investments prompted by a recent increase in public capex and an improvement in the investment climate (partly due to passage of the GST and the Bankruptcy Code, and measures to attract FDI).

The biggest medium-term risks are associated with the recovery in private investments which continues to face several domestic impediments including the corporate debt overhang and regulatory and policy challenges, along with the risk of an imminent increase in US interest rates.

Source: <http://www.worldbank.org/en/country/india/overview#>

### **HEALTH CARE INDUSTRY IN INDIA**

It has been predicted that India with increased digital adoption, the Indian healthcare market, which is worth around US\$ 100 billion, will likely grow at a CAGR of 23 per cent to US\$ 280 billion by 2020.

The Healthcare Information Technology (IT) market is valued at US\$ 1 billion currently (April 2016) and is expected to grow 1.5 times by 2020.

A total of 3,598 hospitals and 25,723 dispensaries across the country offer AYUSH (Ayurveda, Yoga & Naturopathy, Unani, Siddha and Homoeopathy) treatment, thus ensuring availability of alternative medicine and treatment to the people.

Source

[http://www.nuffoodsspectrum.in/inner\\_view\\_single\\_details.php?page=1&content\\_type=&vrtcl\\_panel\\_nm=&ele\\_id=NOR\\_588b37ba948df4.78777381&contentPage=1](http://www.nuffoodsspectrum.in/inner_view_single_details.php?page=1&content_type=&vrtcl_panel_nm=&ele_id=NOR_588b37ba948df4.78777381&contentPage=1)

### **Global Market Growth & Demand Scenario**

By 2020, the world will have 1 billion populations of 60+ ages. 70% of this population live in developed nations & balance 30% in developing nations. Nutraceutical demand will grow at a steady rate in developed nations. Developing nations with their progressive disposable income will see a sudden surge in growth in the next 5-10 years.

### **INDIAN NUTRACEUTICAL MARKET**

The Indian Nutraceuticals market is expected to grow from \$ 4 Bn in 2015 to \$ 10 Bn in 2022. This represents a huge growth of 21% growth annually.

Those brands that will invest in growing the category by spreading awareness regarding the benefits of food supplements as well as a focus on quality products customized to Indian needs will stay relevant and gain the lion's share in this growing sector.

### **Consumer Segments**

India represents a huge and vast market for Nutraceuticals as almost every segment has a need for some form of Nutraceuticals. Some segments have a more pronounced need for Nutraceuticals among others

1. Growing children needs Functional food and beverage supplement to be able to perform well in academics and extra-curricular well
2. Younger Age-groups 15-25 & 25-35 are stronger targets either due to active lifestyle or specific needs
3. Pregnant and lactating mothers need to supplement their nutrition need
4. Ages 60+ group are specifically vulnerable to Diabetes, Bone related diseases and other ailments and needs special preventive protection through Nutraceuticals.



## SUMMARY OF BUSINESS

### OVERVIEW

Our Company was originally incorporated as Add-Shop Promotions Private Limited at Rajkot, Gujarat as a Private Limited Company under the provisions of Companies Act, 1956 vide Certificate of Incorporation dated August 20, 2013 bearing Corporate Identification Number U51109GJ2013PTC076482 issued by Registrar of Companies, Dadar and Nagar Havelli, Gujarat. Subsequently our Company was converted into a Public Limited Company pursuant to special resolution passed by the shareholders at the Extraordinary General Meeting held on June 11, 2018 and fresh certificate of incorporation consequently upon change of name was issued by Registrar of Companies, Gujarat, Ahmedabad dated June 21, 2018 and name of our Company was changed to Add-Shop Promotions Limited. The Corporate Identification Number is U51109GJ2013PLC076482. For further details of change of name and registered office of our Company, please refer to the chapter titled “*Our History and Certain Other Corporate Matters*” beginning on page 109 of this Draft Prospectus.”

Our Promoter and Managing Director Dineshbhai Pandya is visually impaired person and a first-generation entrepreneur, trainer and motivator. He has experience in the field of Ayurvedic and Pharma. He is awarded “*Golden Books of records*” for most village assemblies addressed by a differently able person. The Company was incorporated by him with a vision to find and implement solutions for two very deep-rooted challenges of our nation like unemployment & unhealthiness of our citizens.

Our Company is currently engaged in the business of marketing and distribution of products in the categories of ayurvedic products, food supplement products, agricultural products, animal feed supplement products and personal care products under the brand name “*Add-Shop Promotions*”. In this present competitive era of medicines and food supplements, our company is aiming to focus on ways to bridge the nutrition gap, which is a recognized cause of any diseases, by promoting Ayurveda and its products.

We primarily cater to retailers and wholesalers where we supply products manufactured by select manufacturers under our brand. We procure the finished products from our G.M.P and I.S.O certified manufacturers and thereafter market the product through various intermediaries and sales agents. With an objective to penetrate major market, we have entered into agreement with various collecting and forwarding agents (C&F’s). Our Company has entered into agreements with Panchlingeshwara Enterprises, in Karnataka., Just Need United Trading, Maharashtra and Good Life Enterprises Telangana.

Our Company distributes organic products to farmers for their agriculture use as well organic cattle feed products for their livestock. Our Company believes that the agriculture sector in India is expected to generate better momentum in the next few years due to increased investments in agricultural infrastructure. The Government of India has also introduced several projects to assist the agriculture sector which is ensuring better growth prospects in the said Industry. Foreseeing the growth in the agricultural sector, our company intends to tap the growth opportunity by pushing sales through a wide range of agro products. Our Company is a fellow member of Federation of Direct Selling association vide membership number FDSA/F/10.

Our Company’s total revenue as restated for the three months ended June, 2018 and for the Financial Year 2018, 2017 and 2016 was Rs.381.41 lakhs, Rs.1254.90 lakhs, Rs. 455.41 lakhs and Rs.192.67 lakhs, respectively. Our Company’s profit/loss after tax as restated for the three months ended June, 2018 and Financial Year 2018, 2017 and 2016 was Rs. 16.37 lakhs, Rs. 22.96 lakhs, 14.69 lakhs and Rs. (0.38) lakhs, respectively

**SUMMARY OF FINANCIAL STATEMENTS**

**ANNEXURE I**

<b>RESTATED SUMMARY STATEMENT OF ASSETS AND LIABILITIES</b>							
<b>(Rs.in Lakhs)</b>							
	<b>Particulars</b>	<b>As at 31st March 2014</b>	<b>As at 31st March 2015</b>	<b>As at 31st March 2016</b>	<b>As at 31st March 2017</b>	<b>As at 31st March 2018</b>	<b>As at 30th June, 2018</b>
<b>I.</b>	<b>EQUITY AND LIABILITIES</b>						
<b>1</b>	<b>Shareholders' funds</b>						
	(a) Share Capital	1.00	1.00	1.00	1.00	14.00	407.81
	(b) Reserves and Surplus	-	-	0.38	14.31	24.27	41.13
<b>2</b>	<b>Non-current liabilities</b>	-	-	-	-	-	-
	(a) Long-term borrowings	-	-	29.55	29.55	83.24	284.95
	(b) Deferred tax liabilities (Net)	-	-	0.92	2.60	2.77	2.80
	(c) Other Long-term Liabilities	-	-	-	-	-	-
	(d) Long-term provisions	-	-	-	-	-	-
<b>3</b>	<b>Current liabilities</b>	-	-	-	-	-	-
	(a) Short-term borrowings	-	-	-	-	121.00	48.00
	(b) Trade payables	-	-	2.90	14.88	455.42	8.66
	(c) Other current liabilities	-	-	1.53	3.51	6.40	5.20
	(d) Short-term provisions	-	-	6.05	17.99	50.63	8.14
	<b>TOTAL</b>	<b>1.00</b>	<b>1.00</b>	<b>41.58</b>	<b>83.85</b>	<b>757.72</b>	<b>806.69</b>
<b>II.</b>	<b>ASSETS</b>	-	-	-	-	-	-
<b>1</b>	<b>Non-current assets</b>	-	-	-	-	-	-
	(a) <b>Fixed assets</b>	-	-	-	-	-	-
	(i) Tangible assets	-	-	3.44	6.79	5.55	9.82
	(ii) Intangible Assets	-	-	3.98	17.58	14.86	14.05
	<b>Net Block</b>	-	-	7.41	24.37	20.40	23.87
	(b) Non-Current Investments	-	-	-	-	-	-
	(c) Long-term Loans and Advances	-	-	2.56	2.48	1.50	4.07
	(d) Other Non Current Assets	-	-	-	-	-	7.75
<b>2</b>	<b>Current assets</b>	-	-	-	-	-	-
	(a) Current Investments	-	-	-	-	-	-
	(b) Inventories	-	-	24.59	28.24	189.83	105.29
	(c) Trade receivables	-	-	4.53	15.77	499.01	512.03
	(d) Cash and Bank Balances	1.00	1.00	2.49	13.00	45.48	149.08
	(e) Short-term Loans and Advances	-	-	-	-	1.50	4.61
	(f) Other Current Assets	-	-	-	-	-	-
	<b>TOTAL</b>	<b>1.00</b>	<b>1.00</b>	<b>41.58</b>	<b>83.85</b>	<b>757.72</b>	<b>806.69</b>

## ANNEXURE II

RESTATED SUMMARY STATEMENT OF PROFITS AND LOSSES						
(Rs. Lakhs)						
Particulars	For the year ended 31 March 2014	For the year ended 31 March 2015	For the year ended 31 March 2016	For the year ended 31 March 2017	For the year ended 31 March 2018	For the Month ended 30th June, 2018
<b>I. Revenue from operations</b>						
(a) Sales of goods						
(i) Sale of manufactured goods (net of excise)	-	-	-	-	-	-
(ii) Sale of traded goods	-	-	192.67	455.41	1,254.90	384.41
(b) Sale of services	-	-	-	-	-	-
(c) Other Operating Revenue	-	-	-	-	-	-
<b>Total Revenue from operations</b>	<b>-</b>	<b>-</b>	<b>192.67</b>	<b>455.41</b>	<b>1,254.90</b>	<b>384.41</b>
II. Other Income	0.15	-	-	3.10	0.62	0.01
III. Total Revenue (I + II)	0.15	-	192.67	458.51	1,255.52	384.42
<b>IV. Expenses:</b>	-	-	-	-	-	-
Cost of materials consumed	-	-	-	-	-	-
Purchase of stock in trade	-	-	71.79	120.22	817.27	88.26
Changes in inventories of finished goods, work-in-progress and stock in trade	-	-	(24.59)	(3.65)	(161.60)	84.54
Employee benefits expense	-	-	24.10	55.50	61.61	6.13
Finance costs	-	-	0.53	0.88	3.07	8.14
Depreciation and amortization expense	-	-	1.11	2.83	5.26	1.37
Other expenses	0.15	-	119.04	261.07	497.79	174.81
<b>Total Expenses - IV</b>	<b>0.15</b>	<b>-</b>	<b>191.98</b>	<b>436.86</b>	<b>1,223.41</b>	<b>363.25</b>
<b>V. Profit / (Loss) before tax (III - IV)</b>	<b>-</b>	<b>-</b>	<b>0.69</b>	<b>21.65</b>	<b>32.11</b>	<b>21.17</b>
VI Exceptional Items	-	-	-	-	-	-
VII Extraordinary Items	-	-	-	-	-	-
<b>VIII Tax expense:</b>	-	-	-	-	-	-
(1) Current tax	-	-	0.15	5.28	8.99	4.76
(2) Deferred tax	-	-	0.92	1.68	0.17	0.03
<b>IX Profit/ (Loss) for the period (V +VI +VII - VIII)</b>	<b>-</b>	<b>-</b>	<b>(0.38)</b>	<b>14.69</b>	<b>22.96</b>	<b>16.37</b>
<b>X Earnings per equity share:</b>						
Basic and diluted	-	-	(3.80)	146.92	16.40	-

## ANNEXURE III

RESTATED SUMMARY STATEMENT OF CASH FLOWS							
(Rs. In Lakhs)							
Sr. No.	Particulars	F.Y. 2013-14	F.Y. 2014-15	F.Y. 2015-16	F.Y. 2016-17	F.Y. 2017-18	30th June, 2018
<b>A.</b>	<b><u>Cash flow from Operating Activities</u></b>						
	Net Profit Before tax as per Statement of Profit/ Loss	-	-	0.69	21.65	32.11	21.17
	Adjustments for :	-	-	-	-	-	-
	Depreciation & Amortisation Exp.	-	-	1.11	2.83	5.26	1.37
	Interest Expense	-	-	0.24	-	1.64	2.26
	<b>Operating Profit before working capital changes</b>	-	-	2.03	24.49	39.02	24.79
	<b>Changes in Working Capital</b>	-	-	-	-	-	-
	Trade and Other Receivables	-	-	(4.53 )	( 11.25)	(483.23)	(13.02)
	Inventories	-	-	(24.59)	(3.65)	(161.60)	84.54
	Trade and Other Payables	-	-	2.90	11.98	440.54	(446.76)
	Other Current Liabilities	-	-	1.53	1.98	2.89	(1.20 )
	Short Term Borrowings	-	-	-	-	121.00	(73.00)
	Short term Provisions	-	-	5.91	6.80	28.93	(47.25)
		-	-	(18.77)	5.87	(51.48)	(496.69)
	<b>Net Cash Flow from Operation</b>	-	-	(16.74)	30.36	( 12.46)	(471.90)
	Less : Income Tax paid	-	-	-	0.15	5.28	-
	<b>Net Cash Flow from Operating Activities (A)</b>	-	-	(16.74)	30.21	(17.74)	(471.90)
<b>B.</b>	<b><u>Cash flow from investing Activities</u></b>	-	-	-	-	-	-
	Purchase of Fixed Assets	-	-	(8.52 )	(19.79)	(1.29 )	(4.83)
	<b>Net Cash Flow from Investing Activities (B)</b>	-	-	(8.52)	(19.79)	(1.29)	(4.83)
<b>C.</b>	<b><u>Cash Flow From Financing Activities</u></b>	-	-	-	-	-	-

	Proceeds From Issue of shares capital	1.00	-	-	-	-	147.00
	Increase in Securities Premium	-	-	-	-	-	247.30
	Increase/(Decrease) in Unsecured Loans	-	-	29.55	-	53.69	201.71
	(Increase)/ Decrease in Long Term Advances	-	-	(2.56)	0.09	0.98	(2.57)
	Increase/(Decrease) in Non Current Assets	-	-	-	-	-	(7.75)
	(Increase)/ Decrease in Short Term Advances	-	-	-	-	(1.50)	(3.11)
	Interest Paid	-	-	(0.24)	-	(1.64)	(2.26)
	<b>Net Cash Flow from Financing Activities (C)</b>	1.00	-	26.75	0.09	51.52	580.32
<b>D.</b>	<b>Net (Decrease)/ Increase in Cash &amp; Cash Equivalents (A+B+C)</b>	1.00	-	1.49	10.51	32.49	103.60
<b>E.</b>	Opening Cash & Cash Equivalents	-	1.00	1.00	2.49	13.00	45.48
<b>F.</b>	<b>Cash and cash equivalents at the end of the period</b>	1.00	1.00	2.49	13.00	45.48	149.08
<b>G.</b>	<b>Cash And Cash Equivalents Comprise :</b>	-	-	-	-	-	-
	Cash	1.00	1.00	1.41	5.96	3.08	1.82
	<b>Bank Balance :</b>	-	-	-	-	-	-
	Current Account	-	-	1.08	7.04	42.40	147.25
	<b>Total</b>	<b>1.00</b>	<b>1.00</b>	<b>2.49</b>	<b>13.00</b>	<b>45.48</b>	<b>149.08</b>

## THE ISSUE

The following table summarizes the Issue details:

Particulars	Details of Equity Shares
Issue of Equity Shares by our Company	23,96,000 Equity Shares of face value of Rs.10.00 each fully paid for cash at price of Rs. 26.00 per Equity Share aggregating Rs 622.96 lakhs.
<b>Of Which: -</b>	
Market Maker Reservation Portion	1,32,000 Equity Shares of face value of Rs. 10.00 each fully paid for cash at price of Rs. 26.00 per Equity Share aggregating Rs 34.32 lakhs
Net Issue to the Public*	22,64,000 Equity Shares of face value of Rs.10.00 each fully paid for cash at price of Rs. 26.00 per Equity Share aggregating Rs. 588.64 lakhs
<b>Of Which</b>	
(A) Non-Institutional Portion	11,32,000 Equity Shares of face value of Rs. 10.00 each fully paid for cash at price of Rs. 26.00 per Equity Share aggregating Rs. 294.32 lakhs will be available for allocation to investors up to Rs. 2.00 lakhs
(B) Retail Portion	11,32,000 Equity Shares of face value of Rs. 10.00 each fully paid for cash at price of Rs.26.00 per Equity Share aggregating Rs. 294.32 lakhs will be available for allocation to investors above Rs. 2.00 lakhs
<b>Pre-and Post-Issue Equity Shares</b>	
Equity Shares outstanding prior to the Issue	40,78,125 Equity Shares of face value of Rs. 10.00 each
Equity Shares outstanding after the Issue	64,74,125 Equity Shares of face value of Rs. 10.00 each
Use of Proceeds	See the chapter titled “ <i>Objects of the Issue</i> ” on page 67 of this Draft Prospectus.

### Notes

- *The Issue has been authorized by the Board vide a resolution passed at its meeting held on June 23, 2018 and by special resolution passed pursuant to section 62(1)(c) of the Companies Act at the Extra Ordinary General Meeting held on June 27, 2018.*
- *This Issue is being made in terms of Chapter XB and other applicable provision of the SEBI ICDR Regulations, as amended from time to time. The present issue is being made by our company in terms of Regulation 106M(1) of the SEBI ICDR Regulations read with Rule 19(2)(b)(i) of SCRR herein not less than 25% of the post issue paid up Equity Share Capital of our company is being offered to the public for subscription.*

\*The allocation in the net Issue to the public category shall be made as follows:

- a) Minimum fifty percent to retail individual investors; and
- b) Remaining to
  - (i) Individual applicants other than retail individual investors; and
  - (ii) Other investors including corporate bodies or institutions, irrespective of the number of specified securities applied for

- c) The unsubscribed portion in either of the categories specified in (a) or (b) above may be allocated to the applicants in the other category.

If the retail individual investor category is entitled to more than fifty per cent on proportionate basis, accordingly the retail individual investors shall be allocated that higher percentage.

For further details please refer to section titled “*Issue Information*” beginning on [●] of this Draft Prospectus.

## GENERAL INFORMATION

Our Company was originally incorporated as Add-Shop Promotions Private Limited at Rajkot 360005, Gujarat as a Private Limited Company under the provisions of Companies Act, 1956 vide Certificate of Incorporation dated August 20, 2013 bearing Corporate Identification Number U51109GJ2013PTC076482 issued by Registrar of Companies, Gujarat, Ahmedabad. Subsequently our Company was converted into a Public Limited Company pursuant to special resolution passed by the shareholders at the Extraordinary General Meeting held on June 11, 2018 and fresh certificate of incorporation consequently upon change of name was issued by Registrar of Companies, Gujarat, Ahmedabad dated June 21, 2018 and name of our Company was changed to Add-Shop Promotions Limited. The Corporate Identification Number is U51109GJ2013PLC076482. For further details of change of name and registered office of our Company, please refer to the chapter titled “Our History and Certain Other Corporate Matters” beginning on page 109 of this Draft Prospectus.

### Registered Office of our Company

#### Add-Shop Promotions Limited

B-304 Imperial Height 150ft Ring Road

Rajkot-360005, Gujarat, India

Tel No: +0281-2580499

Fax No: Not Available

Website: [www.addshop.co](http://www.addshop.co)

E-mail: [investor@addshop.co](mailto:investor@addshop.co)

### Registrar of Companies

Our Company is registered with Registrar of Companies, Ahmedabad, Gujarat located at:

ROC Bhavan,

Opp Rupl Park Society behind

Ankur Bus Stop Naranpura

Ahmedabad -380013

### Board of Directors of our Company

Our Board of Directors comprises of the following directors as on the date of filing of this Draft Prospectus:

Sr. No.	Name	Designation	DIN	Address
1.	Dineshbhai Pandya	Managing Director	06647303	5-Axsar Apts, Dharmajivan Society, Behind Gurukul, Rajkot-360002 Gujarat, India.
2.	Jayshree Pandya	Executive Director	06647308	5-Axsar Apts, Dharmajivan Society, Behind Gurukul, Rajkot-360002 Gujarat, India.
3.	Deviben Pandya	Executive Director	07905047	Mansartirth-2, Ving A Block No-307,3rd Floor Opp. Swaminarayan Gurukul, Rajkot-360002
4.	Devang Pandya	Executive Director	07905073	5-Axsar Apts, Dharmajivan Society, Behind Gurukul, Rajkot-360002 Gujarat, India
5.	Jigar Pandya	Executive Director	07905076	Mansartirth-2, Ving A Block-307, 3 <sup>rd</sup> Floor, Opp. Swaminarayan Gurukul, Rajkot-360002, Gujarat, India



Sr. No.	Name	Designation	DIN	Address
6.	Rajeshkumar Parekh	Independent Director	08139094	Jainam, 14/5 - Yogi Nagar, Opp. Government School, Near Bal Yogi Hanuman, Gondal, Rajkot-360311, Gujarat India
7.	Vivek Dadhania	Independent Director	08165978	Block No. 86, Charnat, 8 - Kotecha Nagar, Near Kotecha High School, Kalawad Road, Rajkot – 360001, Gujarat, India
8.	Rushabh Vora	Independent Director	08165987	Block No. 404, Near Pancheshwar Tower Shanti Vihar, Dhrol Jamnagar - 361001 Gujarat, India
9.	Yagnik Mundadiya	Independent Director	08165999	Mahendrapur Tankara, Rajkot 363650, Gujarat, India.
10.	Kinjal Khunt	Independent Director	08166013	Sharda Appartment Block No. B-1, opp. Meghani Hospital, Kothariya Main Road Rajkot - 360002, Gujarat, India

For further details of our Directors, please refer to chapter titled “*Our Management*” beginning on page 113 of this Draft Prospectus.

#### **Company Secretary and Compliance Officer**

##### **Falguni Shah**

B-304 Imperial Height, 150ft Ring Road

Rajkot-360005, Gujarat, India

**Tel No:** +0281-2580499

**Fax No:** Not Available

**E-mail:** [investor@addshop.co](mailto:investor@addshop.co)

#### **Chief Financial Officer**

##### **Devang Pandya**

B-304 Imperial Height, 150ft Ring Road

Rajkot-360005, Gujarat, India

**Tel No:** +0281-2580499

**Fax No:** Not Available

**E-mail:** [investor@addshop.co](mailto:investor@addshop.co)

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

All grievances relating to the Issue 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 Applicant should give full details such as name of the sole or first Applicant, ASBA Form number, Applicant DP ID, Client ID, PAN, date of the Application, address of the Applicant, number of Equity Shares applied for and the name and address of the Designated Intermediary where the ASBA Form was submitted by the ASBA Applicant

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

### **Lead Manager to the Issue**

#### **Fedex Securities Limited**

305, Enterprise Centre,  
Nehru Road, Vile Parle (East),  
Mumbai – 400099, Maharashtra, India

**Tel No:** +91 22 26117553/ 26178936

**Fax No:** +91 22 26186966

**Contact Person:** Rinkesh Saraiya

**Email:** [mb@fedsec.in](mailto:mb@fedsec.in)

**Website:** [www.fedsec.in](http://www.fedsec.in)

**Investor Grievance Email:** [mb@fedsec.in](mailto:mb@fedsec.in)

**SEBI Registration Number:** INM000010163

### **Legal Advisor to the Issue**

#### **Hasurkar Associates**

**104-A, Harivilla, Bodakdev Road,  
Vastrapur, Ahmedabad - 380015**

**Tel No:** +91-79-40032685

**Fax No:** +91-79-40032685

**Contact Person:** Bhargav S. Hasurkar

**Email:** [bhargav@hasurkar.com](mailto:bhargav@hasurkar.com)

### **Statutory Auditors**

#### **C.S. Gajera & Co.**

6,7 &-Samruddhi Bhavan, 4<sup>th</sup> Floor  
Gondal Road, Rajkot – 360 002

**Tel No:** 8000076877

**Fax No:** Not Available

**Email:** [ca\\_csgajera@hotmail.com](mailto:ca_csgajera@hotmail.com)

**Contact Person:** Chetan Gajera

**Firm Registration No:** 128504W

### **Peer Reviewed Auditors**

#### **Loonia & Associates**

218, Ground Floor, New Cloth Market, Opp.  
Raipur Gate, Ahmedabad – 380002

**Tel No.:** 079 22166502

**Fax No.:** Not Available

**Email Id:** [looniamail@gmail.com](mailto:looniamail@gmail.com)

**Contact Person:** Hitesh Loonia

**Firm Registration No.** 130883W

### **Registrar to the Issue**

#### **Cameo Corporate Services Limited**

Submaramanian Building No. 1 Club House Road,  
Chennai-600 002, India.

**Tel No.:** +91 44 2846 0390/1989

**Fax No.:** +91 44 2846 0129

**E-mail:** [cameo@cameoindia.com](mailto:cameo@cameoindia.com)

**Website:** [www.cameoindia.com](http://www.cameoindia.com)

**Contact Person:** Mr. R. D. Ramasamy

**SEBI Registration No.:** INR000003753

**Investor Grievance E-mail:** [cameo@cameoindia.com](mailto:cameo@cameoindia.com)

### **Bankers to our Company**

#### **Axis Bank Limited**

Titan, Near KKV Circle, Kalawad Road

Rajkot 36005

**Tel No.:** 0281-6695922

**Fax No:** 0281-6695900

**Email Id:** [rajkot.branchhead@axisbank.com](mailto:rajkot.branchhead@axisbank.com)

**Website:** [www.axisbank.com](http://www.axisbank.com)

**Contact Person** Rashmin Vyas

### **Bankers to the Issue and Refund Banker**

[•]

**Tel No.:** [•]

**Fax No.:** [•]

**Email:** [•]

**Website:** [•]

**Contact Person:** [•]

### **Self-Certified Syndicate Banks**

The list of banks that have been notified by SEBI to act as SCSBs for the ASBA process is provided on <http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes> Details relating to designated branches of SCSBs collecting the ASBA application forms are available at the above mentioned link.

### **Registered Brokers**

In terms of SEBI circular no. CIR/CFD/14/2012 dated October 4, 2012, Applicants can submit Application Forms in the Issue using the stock brokers network of the BSE SME i.e., through the Registered Brokers at the Broker Centers.

The list of the Registered Brokers, including details such as postal address, telephone number and e-mail address, is provided on the website of BSE. The details of the Broker Centers of the Registered Brokers will be available on the website of SEBI.

### **Registrar and Share Transfer Agents**

In terms of SEBI circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015, Applicants can submit Application Forms with RTAs who are registrars and transfer agents registered with SEBI and have furnished their details to BSE for acting in such capacity.

The list of the RTAs eligible to accept Applications Forms at the Designated RTA Locations, including details such as address, telephone number and e-mail address, are provided on the website of BSE.

### **Collecting Depository Participants**

In terms of SEBI circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015, Applicants can submit Application Forms with CDPs who are registered with SEBI and have furnished their details to BSE for acting in such capacity.

The list of the CDPs eligible to accept Application Forms at the Designated CDP Locations, including details such as name and contact details, are provided on the website of BSE.

### **Inter-Se Allocation of Responsibilities**

Fedex Securities Limited being the sole Lead Manager to this Issue shall be undertaking all activities in relation to this Issue. Hence, the statement of inter-se allocation of responsibilities among Lead Manager is not required.

### **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 SEBI ICDR Regulations, there is no requirement of appointing an IPO grading agency.

### **Appraisal and Monitoring Agency**

As per regulation 16(1) of SEBI ICDR Regulations, the requirement of monitoring agency is not mandatory if the Issue size is upto Rs 10,000 Lakhs. Since the Issue size is only of Rs. 622.96 Lakhs, our Company has not appointed any monitoring agency for this Issue. However, as per section 177 of the Companies Act, the Audit Committee of our Company, would be monitoring the utilization of the proceeds of the issue.

### **Expert Opinion**

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

Our Company has received a written consent from our Peer Review Auditor, Loonia and associates, Chartered Accountants, with respect to their report on the Financial Statements dated July 05, 2018 and the Statement of Tax Benefits dated July 05, 2018, to include their name in this Draft Prospectus, as required under section 26(1)(a)(v) of the Companies Act read with SEBI ICDR Regulations as “Expert”, defined in section 2(38) of the Companies Act and such consent has not been withdrawn as on the date of this Draft Prospectus. However, the term “expert” shall not be construed to mean an “expert” as defined under the U.S. Securities Act.

### **Broker to the Issue**

All the members of the recognized stock exchange would be eligible to act as brokers to the issue

### **Debenture Trustee**

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

### **Issue Programme**

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

<b>Event</b>	<b>Indicative timeline</b>
Issue Opening Date	[●]
Issue Closing Date*	[●]
Finalization of Basis of Allotment with the Designated Stock Exchange	[●]
Initiation of Allotment / Refunds / Unblocking of Funds	[●]
Credit of Equity Shares to demat accounts of Allottees	[●]
Commencement of trading of the Equity Shares on BSE SME	[●]

*\*Our Company may, in consultation with the Lead Manager, consider closing the Issue Period for QIBs one (1) Working Day prior to the Issue Closing Date, in accordance with SEBI ICDR Regulations.*

The above timetable is indicative and does not constitute any obligation on our Company or the Lead Manager. Whilst our Company shall ensure that all steps for the completion of the necessary formalities for the listing and the commencement of trading of the Equity Shares on the BSE SME are taken within six (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 BSE SME. The commencement of trading of the Equity Shares will be entirely at the discretion of BSE SME and in accordance with the applicable laws.

Application Forms 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 (except for the Issue Closing Date). On the Issue Closing Date, the Application Forms and any revision to the same shall be accepted between 10.00 a.m. and 3.00 p.m. (IST) or such extended time as permitted by BSE SME, in case of Application Forms by Retail Individual Applicants after taking into account the total number of applications received up to the closure of timings and reported by the Lead Manager to the BSE SME within half an hour of such closure. It is clarified that the Application Forms not uploaded on the electronic system would be rejected. Application Forms will be accepted only on Working Days during the Issue Period.

Due to limitation of time available for uploading the Application Forms on the Issue Closing Date, the Applicants are advised to submit their Application Forms one (1) day prior to the Issue Closing Date and, in any case, no later than 3.00 p.m. (IST) on the Issue Closing Date. All times mentioned in this Draft Prospectus are IST. Applicants are cautioned that in the event a large number of Application Forms are received on the Issue Closing Date, as is typically experienced in public offerings, some Application Forms may not get uploaded due to lack of sufficient time. Such Application Forms that cannot be uploaded will not be considered for allocation under the Issue. Neither our Company nor the Lead Manager is liable for any failure in uploading the Application Forms due to faults in any software/hardware system or otherwise.

In accordance with SEBI ICDR Regulations, QIBs and Non-Institutional Applicants are not allowed to withdraw or lower the size of their Application (in terms of the quantity of the Equity Shares or the application amount) at any stage. Retail Individual Applicants can revise or withdraw their Application prior to the Issue Closing Date. Allocation to Retail Individual Applicants in this Issue may be on a proportionate basis.

In case of discrepancy in the data entered in the electronic book vis-à-vis the data contained in the physical or the electronic Application Form, for a particular Applicant, the details as per the file received from BSE SME may be taken as the final data for the purpose of Allotment. In case of discrepancy in the data entered in the electronic book vis-à-vis the data contained in the physical or electronic Application Form, for a particular ASBA Applicant, the Registrar to the Issue shall ask the relevant SCSB or the member of the Syndicate for rectified data.

#### Underwriters

Our Company and the LM to the Issue hereby confirm that the Issue is 100% Underwritten.

The underwriting agreement is dated June 29, 2018 and pursuant to the terms of the underwriting agreement; obligations of the underwriter are subject to certain conditions specified therein. The underwriters have indicated their intention to underwrite the following number of Equity Shares being offered through this Issue.

Name and Address of the Underwriter	Indicative Number of Equity Shares Underwritten*	Amount Underwritten (Rupees in Lakhs)	% of the Net Issue size Underwritten
<b>Fedex Securities Limited</b> 305, Enterprise Centre, Nehru Road, Vile Parle (East), Mumbai – 400099, Maharashtra, India <b>Tel No:</b> +91 22 26117553/ 26178936 <b>Fax No:</b> +91 22 26186966 <b>Contact Person:</b> Rinkesh Saraiya <b>Email:</b> <a href="mailto:mb@fedsec.in">mb@fedsec.in</a> <b>Website:</b> <a href="http://www.fedsec.in">www.fedsec.in</a> <b>Investor Grievance Email:</b> <a href="mailto:mb@fedsec.in">mb@fedsec.in</a> <b>SEBI Registration Number:</b> INM000010163	23,96,000	622.96	100%
<b>Total</b>	<b>23,96,000</b>	<b>622.96</b>	<b>100%</b>

*\*Includes 1,32,000 Equity Shares of the Market Maker Reservation Portion which are to be subscribed by the Market Maker on its own account in order to comply with the requirements of Regulation 106V(4) of SEBI ICDR Regulations.*

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.

## **Withdrawal of the Issue**

Our Company in consultation with the Lead Manager, reserves the right not to proceed with the Issue at any time after the Issue Opening Date but before the Board meeting for 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 (2) days of the Issue Closing Date or such other time as may be prescribed by SEBI, providing reasons for not proceeding with the Issue. The Lead Manager, through the Registrar to the Issue, shall notify the SCSBs to unblock the bank accounts of the ASBA Applicants within one (1) day of receipt of such notification. Our Company shall also promptly inform BSE SME on which the Equity Shares were proposed to be listed. Notwithstanding the foregoing, the Issue is also subject to obtaining the final listing and trading approvals from BSE SME, which our Company shall apply for after Allotment. If our Company withdraws the Issue after the Issue Closing Date and thereafter determines that it will proceed with an IPO, our Company shall be required to file a fresh Draft Prospectus.

## **Market Maker**

Our Company, the Lead Manager have entered into an agreement dated [•] with the following Market Maker, duly registered with BSE SME to fulfill the obligations of market making: -

[•]

**Tel No:** [•]

**Fax No:** [•]

**Email:** [•]

**Website:** [•]

**Contact Person:** [•]

**SEBI Registration Number:** [•]

**Market Maker Registration No.** [•]

[•] is registered with BSE SME as a Market Maker and has agreed to receive or deliver the Equity Shares in the market making process for a period of three (3) 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 fulfill the applicable obligations and conditions as specified in SEBI ICDR Regulations, as amended from time to time and the circulars issued by BSE SME 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 BSE SME. Further, the Market Maker(s) shall inform BSE SME 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 offer their holding to the Market Maker(s) (individually or jointly) in that scrip provided that he sells his entire holding in that scrip in one lot along with a declaration to the effect to the selling broker. Based on the IPO price of Rs. 26.00 the minimum lot size is 4,000 Equity Shares thus minimum depth of the quote shall be Rs. 1,04,000 until the same, would be revised by BSE SME.
3. After a period of three (3) months from the market making period, the Market Maker would be exempted to provide quote if the Equity Shares of Market Maker in our Company reaches to 25% of Issue Size (including the 1,32,000 Equity Shares out to be allotted under this Issue). Any Equity Shares allotted to Market Maker under this Issue over and above 25% would not be taken in to consideration of computing the threshold of 25% of Issue Size. As soon as the Equity 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, BSE SME 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, Rikhav Securities Limited is acting as the sole Market Maker.
7. Price Band and Spreads: SEBI Circular bearing reference no: CIR/MRD/DP/ 02/2012 dated January 20, 2012, has laid down that for issue size up to Rs. 25000 Lakhs, the applicable price bands for the first day shall be:
  - i) In case equilibrium price is discovered in the Call Auction, the price band in the normal trading session shall be 5% of the equilibrium price.
  - ii) In case equilibrium price is not discovered in the Call Auction, the price band in the normal trading session shall be 5% of the issue price.
  - iii) Additionally, the trading shall take place in TFT segment for first 10 days from commencement of trading
8. The Equity Shares of the Company will be traded in continuous trading session from the time and day the company gets listed on SME Platform of BSE and market maker will remain present as per the guidelines mentioned under BSE and SEBI circulars.
9. There will be special circumstances under which the Market Maker may be allowed to withdraw temporarily/ fully from the market for instance due to system problems, any other problems. All controllable reasons require prior approval from the BSE SME, while force-majeure will be applicable for non-controllable reasons. The decision of the BSE SME for deciding controllable and non-controllable reasons would be final.
10. 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.
11. BSE SME will have all margins which are applicable on the BSE Main Board viz., Mark-to-Market, Value-At-Risk (VAR) Margin, Extreme Loss Margin, Special Margins and Base Minimum Capital etc. BSE can impose any other margins as deemed necessary from time-to time.
12. BSE SME will monitor the obligations on a real-time basis and punitive action will be initiated for any exceptions and / or non-compliances. Penalties / fines may be imposed by the BSE SME 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 BSE SME from time to time. The BSE SME 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.

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

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

Pursuant to SEBI circular no. 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:

<b>Issue size</b>	<b>Buy quote exemption threshold (including mandatory initial inventory of 5% of the Issue Size)</b>	<b>Re-Entry threshold for buy quote (including mandatory initial inventory of 5% of the Issue Size)</b>
Up to Rs. 2,000 Lakhs	25%	24%
Rs. 2,000 Lakhs to Rs. 5,000 Lakhs	20%	19%
Rs. 5,000 Lakhs to Rs. 8,000 Lakhs	15%	14%
Above Rs. 8,000 Lakhs	12%	11%

All the above-mentioned conditions and systems regarding the market making arrangement are subject to change based on changes or additional regulations and guidelines from SEBI and Stock Exchange from time to time.



## CAPITAL STRUCTURE

The share capital of our Company as on the date of this Draft Prospectus and after the proposed Issue is set forth below:

*(Amount in Rs. Lakhs, except the share data)*

	Particulars	Aggregate value at face value	Aggregate value at Issue Price
<b>1.</b>	<b>AUTHORIZED SHARE CAPITAL</b>		
	70,00,000 Equity Shares of Rs. 10.00 each	700.00	
<b>2.</b>	<b>ISSUED CAPITAL BEFORE THE ISSUE</b>		
	40,78,125 Equity Shares of Rs. 10.00 each	407.81	
<b>3.</b>	<b>SUBSCRIBED AND PAID-UP CAPITAL BEFORE THE ISSUE</b>		
	40,78,125 Equity Shares of Rs. 10.00 each	407.81	
<b>4.</b>	<b>PRESENT ISSUE IN TERMS OF THIS DRAFT PROSPECTUS</b>		
	Issue of 23,96,000 Equity Shares of face value Rs. 10.00 at a price of Rs. 26.00 per Equity Share*	239.60	622.96
	<b>Consisting:</b>		
	<b>Reservation for Market Maker</b> – 1,32,000 Equity Shares of face value of Rs. 10 each at a price of Rs. 26.00 will be available for allocation to Market Maker	13.20	34.32
	<b>Net Issue to the Public</b> – 22,64,000 Equity Shares of face value of Rs. 10 each at a price of Rs. 26.00 per Equity Share	226.40	588.64
	<b>Of the net issue to Public</b>		
	<b>Allocation to Retail Individual Investors</b> – 11,32,000 Equity Shares of face value of Rs. 10 at a Price of Rs.26.00 per Equity Shares shall be available for allocation for investors applying for a value of upto Rs. 2 Lakhs.	113.20	294.32
	<b>Allocation to Other than Retail Individual Investors</b> – 11,32,000 Equity Shares of face value of Rs. 10/- each at a price of Rs. 26.00 per Equity Share shall be available for allocation for Investors applying for a value of above Rs. 2 Lakhs	113.20	294.32
<b>5.</b>	<b>ISSUED, SUBSCRIBED AND PAID UP CAPITAL AFTER THE ISSUE</b>		
	64,74,125 Equity Shares of face value Rs. 10/- each	641.41	-
<b>6.</b>	<b>SECURITIES PREMIUM ACCOUNT</b>		
	Before the Issue	0.49	
	After the Issue	385.16	

*\*(1) The Issue has been authorised by the Board of Directors of our Company at its meeting held on June 23, 2018 and approved by the shareholders of our Company at the EGM held on June 27, 2018 pursuant to section 62(1)(c) of the Companies Act.*

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

### NOTES TO THE CAPITAL STRUCTURE

#### 1. Details of increase in Authorized Share Capital of our Company since incorporation

Date of Shareholder's Resolution	Details of Change
August 20, 2013 (On Incorporation)	Initially the authorised share capital of our Company was Rs. 1,00,000 divided into 10,000 Equity Shares of Rs. 10.00 each.
February 14, 2018	The authorised share capital of our Company increased from Rs. 1,00,000 divided into 10,000 Equity Shares of Rs. 10.00 each to Rs. 6,00,00,000 divided into 60,00,000 Equity Shares of Rs. 10.00 each.
May 31, 2018	The authorised share capital of our Company increased from Rs. 6,00,00,000 divided into 60,00,000 Equity Shares of Rs. 10.00 each to Rs. 7,00,00,000 divided into 70,00,000 Equity Shares of Rs. 10.00 each.

## 2. Share Capital history of our Company

The history of the equity share capital of our Company is detailed in the following table:

Date of Allotment/ full paid up	No. of Equity Shares	Face Value (In Rs.)	Issue Price (In Rs.)	Consideration	Reason / Nature of Allotment	Cumulative No. of Equity Shares
August 20, 2013(On Incorporation)	10,000*	10.00	10.00	1,00,000	Incorporation of Company	10,000
March 30, 2018	1,30,000	10.00	NA <sup>1</sup>	NA <sup>1</sup>	Further issuance of bonus equity shares	1,40,000
April 20, 2018	6,70,000	10.00	29.00	1,94,30,000 <sup>2</sup>	Issuance of equity shares against Conversion of Sundry creditors into equity shares	8,10,000
April 25, 2018	202,500	10.00	NA	NA <sup>3</sup>	Further issuance of bonus equity shares	10,12,500
May 05, 2018	8,00,000	10.00	25.00	20,00,000 <sup>4</sup>	Further issuance of equity shares	18,12,500
June 02, 2018	22,65,625	10.00	NA	NA <sup>5</sup>	Further issuance of bonus equity shares	40,78,125

\*The subscribers to the MoA were Dineshbhai Pandya (5,000 Equity Shares) and Jayshree Pandya (5,000 Equity Shares).

<sup>1</sup> As per Board resolution dated March 30, 2018, our Company has issued 1,30,000 Bonus Equity Shares of face value of Rs. 10.00 each. The bonus Equity Shares were allotted to Dineshbhai Pandya (65,000 Equity Shares), and Jayshree Pandya (65,000 Equity Shares) in the ratio of 13 Equity shares for every 1 equity share held.

<sup>2</sup> As per Board resolution dated April 20, 2018, our Company has issued 6,70,000 Equity Shares of face value Rs. 10.00 each at premium of Rs. 19.00 each, issue price being Rs.29.00 each the said equity share allotted against conversion of sundry creditors into equity shares to Dineshbhai Pandya (6,70,000, Equity Shares)

<sup>3</sup> As per Board resolution dated April 25, 2018, our Company has issued 2,02,500 Bonus Equity Shares of face value of Rs. 10.00 each. The said bonus Equity Shares were allotted to Dineshbhai Pandya (1,85,000 Equity Shares), and Jayshree Pandya (17,500 Equity Shares) in the ratio of 1 Equity share for every 4 equity shares held.

<sup>4</sup> As per Board resolution dated May 05, 2018, our Company has issued 8,00,000 Equity Shares of face value Rs. 10.00 each at premium of Rs. 15.00 each, issue price being Rs. 25.00 each. The said Equity Shares was allotted to Dineshbhai Pandya.

<sup>5</sup> As per Board resolution dated June 02, 2018, our Company has issued 22,65,625 Equity Shares of face value Rs. 10.00 each. The said Equity Shares was allotted to Dineshbhai Pandya (21,56,250 Equity Shares), and Jayshree Pandya (1,09,375 Equity Shares) in the ratio of 1.25 Equity share for every 1 equity share held.

### 3. Issue of Equity Shares allotted for consideration other than cash:

Date of allotment/ full paid up	No. of Equity Shares*	Face Value (In Rs.)	Issue Price (In Rs.)	Reason / Nature of allotment	Benefit accrued to our Company	Allottees	No. of Shares Allotted
March 30, 2018	1,30,000	10.00	NA	Issuance of bonus equity shares	Nil	Dineshbhai Pandya and Jayshree Pandya	1, 30,000
April 20, 2018	6,70,000	10.00	29.00	Issuance of equity shares for conversation of sundry creditors into Equity Shares	Nil	Dineshbhai Pandya	6,70,000
April 25, 2018	2,02,500	10.00	NA	Issuance of bonus equity shares	Nil	Dineshbhai Pandya and Jayshree Pandya	2,05,500
June 02, 2018	22,65,625	10.00	NA	Further issuance of bonus equity shares	Nil	Dineshbhai Pandya and Jayshree Pandya	22,65,625

4. No Equity Shares have been allotted pursuant to any scheme approved under Section 230-240 of the Companies Act, 2013.
5. Our Company have not revalued its assets since incorporation.
6. No Equity Shares have been issued by our Company at a price which may be lower than the Issue Price during the preceding one (1) year from the date of filing this Draft Prospectus except as mentioned under:

Date of Allotment	No. of Equity Shares	Face Value (In Rs.)	Issue Price (In Rs.)	Reason / Nature of Allotment
March 30, 2018	1,30,000	10.00	NA <sup>1</sup>	Further issuance of bonus equity shares
April 25, 2018	205,500	10.00	NA <sup>2</sup>	Further issuance of bonus equity shares
May 05, 2018	8,00,000	10.00	25.00 <sup>3</sup>	Further issuance of equity shares
June 02, 2018	22,65,625	10.00	NA <sup>4</sup>	Further issuance of bonus equity shares

<sup>1</sup> As per Board resolution dated March 30, 2018, our Company has issued 1,30,000 Bonus Equity Shares of face value of Rs. 10.00 each. The bonus Equity Shares were allotted to Dineshbhai Pandya (65,000 Equity Shares), and Jayshree Pandya (65,000 Equity Shares) in the ratio of 13 Equity shares for every 1 equity share held.

<sup>2</sup> As per Board resolution dated April 25, 2018, our Company has issued 2,02,500 Bonus Equity Shares of face value of Rs. 10.00 each. The said bonus Equity Shares were allotted to Dineshbhai Pandya (1,85,000 Equity Shares), and Jayshree Pandya (17,500 Equity Shares) in the ratio of 1 Equity share for every 4 equity shares held

<sup>3</sup> As per Board resolution dated May 05, 2018, our Company has issued 8,00,000 Equity Shares of face value Rs. 10.00 each at premium of Rs. 15.00 each, issue price being Rs. 25.00 each. The said Equity Shares was allotted to Dineshbhai Pandya

<sup>4</sup> As per Board resolution dated June 02, 2018, our Company has issued 22,65,625 Equity Shares of face value Rs. 10.00 each. The said Equity Shares was allotted to Dineshbhai Pandya (21,56,250 Equity Shares), and Jayshree Pandya (1,09,375 Equity Shares) in the ratio of 1.25 Equity share for every 1 equity share held.

## 7. History of the Equity Share capital held by our Promoter

As on the date of this Draft Prospectus, our Promoter holds 38,81,200 Equity Shares, equivalent to 95.17% of the issued, subscribed and paid-up Equity Share capital of our Company.

a. Details of the build-up of shareholding of the Promoter in our Company:

Date of allotment / Transfer	No. of Equity Shares	Face Value (In Rs.)	Issue Price / Average Acquisition Price per Equity Share (In Rs.)*	Percentage of the pre-issue capital (in %)	Percentage of the post-issued capital (in %)	Nature of Allotment
<b>Dineshbhai Pandya</b>						
August 20, 2013 (Subscription to MOA)	5,000	10.00	10.00	0.12	0.08	Incorporation of Company
March 30, 2018	65,000	10.00	NA	1.59	1.00	Further issuance of bonus equity shares

Date of allotment / Transfer	No. of Equity Shares	Face Value (In Rs.)	Issue Price / Average Acquisition Price per Equity Share (In Rs.)*	Percentage of the pre-issue capital (in %)	Percentage of the post-issued capital (in %)	Nature of Allotment
April 20, 2018	6,70,000	10.00	29.00	16.43	10.35	Issuance of equity share against conversion of sundry creditors into equity shares
April 25, 2018	1,85,000	10.00	NA	4.54	2.86	Further issuance of bonus equity shares
May 05, 2018	8,00,000	10.00	25.00	19.62	12.36	Further issuance of equity shares
June 02, 2018	21,56,250	10.00	NA	52.87	33.31	Further issuance of bonus equity shares
<b>Total (A)</b>	<b>38,81,200</b>			<b>95.17%</b>	<b>59.95%</b>	

**b. Details of Promoters' contribution locked in for three (3) years:**

Pursuant to the Regulations 32 and 36 of SEBI ICDR Regulations, an aggregate of 20.00% of the fully diluted post-Issue Equity Share capital of our Company held by our Promoter, shall be locked-in for a period of three (3) years from the date of Allotment in the public issue and our Promoter shareholding in excess of 20% shall be locked-in for a period of one (1) year from the date of Allotment in the public issue (“**Promoters' Contribution**”).

Our Promoter have given written consent to include such number of Equity Shares held by them and subscribed by them as a part of Promoters' Contribution constituting 20.10% of the post issue Equity Shares of our Company and have agreed not to sell or transfer or pledge or otherwise dispose of in any manner, the Promoters Contribution, for a period of three years from the date of allotment in the public Issue. The Equity Shares which are being locked in for three (3) years from the date of Allotment are as follows:

Promoters	No. of Equity Shares Locked in	Face Value	Issue 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
Dineshbhai Pandya	5,000	10.00	10.00	August 20, 2013	Subscription to MoA	Cash	0.08%

Promoters	No. of Equity Shares Locked in	Face Value	Issue 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
Dineshbhai Pandya	65,000	10.00	NA	March 30, 2018	Bonus Issue	Other than Cash	1.00%
Dineshbhai Pandya	6,70,000	10.00	29.00	April 20, 2018	Conversion of Sundry Creditors into Equity Shares	Other than Cash	10.35%
Dineshbhai Pandya	1,85,000	10.00	NA	April 25, 2018	Bonus Issue	Other than Cash	2.86%
Dineshbhai Pandya	3,76,300	10.00	NA	June 02, 2018	Bonus Issue	Other than Cash	5.81%
<b>Total</b>	<b>13,01,300</b>						<b>20.10%</b>

The Minimum Promoters' Contribution shall be brought in to the extent of, not less than the specified minimum lot and from the persons defined as "Promoters" under SEBI ICDR Regulations. The Equity Shares that are being locked-in are eligible for computation of Promoter Contribution under Regulation 33 of SEBI ICDR Regulations. In this connection, as per Regulation 33 of SEBI ICDR Regulations, our Company confirms that the Equity Shares locked-in do not consist of:

- (i) Equity Shares acquired during the preceding three (3) 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 Promoter Contribution;
- (ii) Equity Shares acquired during the preceding one (1) 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 Promoter upon conversion of a partnership firm;
- (iv) Equity Shares held by the Promoter 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.

**c. Details of share capital locked in for one (1) year**

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

**d. Other requirements in respect of lock-in**

Pursuant to Regulation 39 of 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 three (3) years under Regulation 36(a) of 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 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 SEBI Takeover Regulations.

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

**8. Except disclosed below no shares/purchased/sold by the promoter and promoter group, directors and their immediate relatives during last six months.**

Date of Transfer	Name of the Transferor/	Name of Transferee	No. of Shares Allotted / Transferred	Face Value	Transfer Price	Nature of Allotment
June 03, 2018	Dineshbhai Pandya	Deviben Pandya	10	10.00	10.00	Transfer
June 03, 2018	Dineshbhai Pandya	Devang Pandya	10	10.00	10.00	Transfer
June 03, 2018	Dineshbhai Pandya	Jigar Pandya	10	10.00	10.00	Transfer
June 03, 2018	Dineshbhai Pandya	Bageshree Bhatt	10	10.00	10.00	Transfer
June 03, 2018	Dineshbhai Pandya-	Shraddha Vyas	10	10.00	10.00	Transfer

**9. The details of the holding of securities (including shares, warrants, convertible securities) of persons belonging to the category “Promoter and Promoter Group” are as under:**

**A. Summary statement holdings of specified securities**

Sr. No.	Category of Promoters	Pre – Issue		Post – Issue	
		No. of equity shares	% of Pre-Issue Capital	No. of Equity Shares	% of Post-Issue Capital
	<b>Promoter</b>				
1.	Dineshbhai Pandya	38,81,200	95.17	38,81,200	59.94
	<b>Promoter Group</b>				
2.	Jayshree Pandya	1,96,875	4.83	1,96,875	3.04
3.	Deviben Pandya	10	Negligible	10	Negligible
4.	Devang Pandya	10	Negligible	10	Negligible

Sr. No.	Category of Promoters	Pre – Issue		Post – Issue	
		No. of equity shares	% of Pre-Issue Capital	No. of Equity Shares	% of Post-Issue Capital
5.	Jigar Pandya	10	Negligible	10	Negligible
	<b>Total</b>	<b>40,78,105</b>	<b>100.00</b>	<b>64,74,125</b>	<b>62.99</b>

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

**10. The top ten shareholders of our Company and their Shareholding is as set forth below:**

a. Particulars of the top ten shareholders as on the date of filing this Draft Prospectus:

Sr. No.	Name of Shareholders	Number of Equity Shares	% of the then existing Total Paid-Up Capital
1.	Dineshbhai Pandya	38,81,200	95.17
2.	Jayshree Pandya	1,96,875	4.83
3.	Deviben Pandya	10	Negligible
4.	Devang Pandya	10	Negligible
5.	Jigar Pandya	10	Negligible
6.	Bageshree Bhatt	10	Negligible
7.	Shraddha Vyas	10	Negligible
	<b>Total</b>	<b>40,78,125</b>	<b>100.00</b>

b. Particulars of top ten (10) shareholders ten (10) days prior to the date of filing this Draft Prospectus:

Sr. No.	Name of the Shareholder	No. of Equity Shares	Percentage of the pre-Issue capital (in %)	Percentage of the post-Issue capital (in %)
1.	Dineshbhai Pandya	38,81,200	95.17	59.95
2.	Jayshree Pandya	1,96,875	4.83	3.04
3.	Deviben Pandya	10	Negligible	Negligible
4.	Devang Pandya	10	Negligible	Negligible
5.	Jigar Pandya	10	Negligible	Negligible
6.	Bageshree Bhatt	10	Negligible	Negligible
7.	Shraddha Vyas	10	Negligible	Negligible
	<b>Total</b>	<b>40,78,125</b>	<b>100.00</b>	<b>62.99</b>



## 11. Shareholding Pattern of our Company

The following is the shareholding pattern of the Company as on the date of this Draft Prospectus

Category (I)	Category of Shareholder (II)	No. of Shareholders (III)	No of fully paid up equity shares held (IV)	No of partly paid up equity shares held (V)	No. of shares underlying Depository Receipts (VI)	Total No of Shares held (VII = IV + V + VI)	Shareholding as a % of total No. of Shares (calculated as per SCRR,1957 (As a % of (A + B + C2) (VIII)	Number of Voting Rights held in each Class of securities (IX)		No of underlying outstanding convertible securities (incl. Warrants) (X)	Shareholding as a % assuming full convertible securities (as a % of diluted share capital (As a % of (A + B + C2) (XI =VII +X)	Number of Locked in shares (XII)		No. of shares Pledged Or Otherwise Encumbered (XIII)		No. of Equity shares held in De-mat Form (XIV)
								No of votes Right	Total as % of (A+B+C)			No (a)	As a % of total shares held (b)	No (a)	As a % of total shares held (b)	
A	Promoter and Promoter Group	5	40,78,105	--	--	40,78,105	99.99	40,78,105	99.99	--	--	--	--	--	--	[•]
B	Public	2	20	--	--	20	Negligible	20	Negligible	--	--	--	--	--	--	[•]
C	Non-Promoter Non-Public	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
C 1	Shares Underlying DRs	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
C 2	Shares held by Employee Trusts	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
	<b>Total</b>	<b>7</b>	<b>40,78,125</b>	<b>--</b>	<b>--</b>	<b>40,78,125</b>	<b>100.00</b>	<b>40,78,125</b>	<b>100.00</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>[•]</b>

12. Except as mentioned below, none of our Key Management Personnel hold Equity Shares in our Company as on the date of filing of this Draft Prospectus: -

Sr. No.	Name of the Key Managerial Personnel	No. of Equity Shares (Face Value of Rs. 10 each)	Percentage of pre-Issue share capital (%)
1.	Dineshbhai Pandya	38,81,200	95.17
2.	Devang Pandya	10	Negligible

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

Name of the Promoters	No. of Shares held	Average cost of Acquisition (in Rs.)
Dineshbhai Pandya	38,81,200	10.17

14. Except as mentioned below, no persons belonging to the category “Public” who holds securities (including shares, warrants, convertible securities) of more than 1% of the total number of shares

Sr. No.	Name of the Shareholder	Pre – Issue		Post – Issue	
		No. of Equity Shares	%	No. of Equity Shares	%
NIL					

15. Particulars of the top ten (10) shareholders two (2) years prior to the date of filing this Draft Prospectus:

Sr. No.	Name of Shareholders	Number of Equity Shares	% of the pre-issue Paid Up Capital	% of the Post issue Paid-Up Capital
1.	Dineshbhai Pandya	5,000	0.12	0.08
2.	Jayshree Pandya	5,000	0.12	0.08
	<b>Total</b>	<b>10,000</b>	<b>0.24</b>	<b>0.16</b>

16. Our Company, our Directors and the Lead Manager have not entered into any buy-back arrangement and / or safety net facility for purchase of Equity Shares from any person.
17. Our Promoters and the members of our Promoter Group will not participate in this Issue
18. As on date of this Draft Prospectus our Company has 7 shareholders.
19. 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 other than in the normal course of the business of the financing entity during the period of six (6) months immediately preceding the date of this Draft Prospectus.
20. None of the Equity Shares of our Company have been pledged by the Promoter or the Promoter Group.
21. Our Company has not issued any bonus shares out of revaluation of reserves.
22. 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.
23. As on the date of this Draft Prospectus, neither the Lead Manager nor its associates hold any Equity Shares in our Company.

24. Our Company shall ensure that purchase or sale in the Equity Shares by the Promoters and the immediate relatives of the Promoters between the date of filing the Draft Prospectus with the Registrar of Companies and the Issue Closing Date are reported to the BSE SME within twenty four (24) hours of such transaction.
25. Our Company has not made any public issue since its incorporation.
26. Our Company does not have any intention or proposal to alter our capital structure within a period of six (6) months from the Issue Opening Date by way of split/consolidation of the denomination of Equity Shares or further issue of Equity Shares (including issue of securities convertible into exchangeable, directly or indirectly, for our Equity Shares) whether preferential or bonus, rights, further public issue or qualified institutions placement or otherwise. However, our Company may further issue Equity Shares (including issue of securities convertible into Equity Shares) whether preferential or otherwise after the date of 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.
27. Our Company has not raised any bridge loan against the proceeds of the Issue.
28. The Issue is being made through the Fixed Price Issue.
29. Under subscription, if any, in any category, shall be allowed to be met with spill over from the other categories (except QIB portion) at the sole discretion of our Company and in consultation with the Lead Manager and BSE SME and in accordance with applicable laws, rules, regulations and guidelines.
30. The unsubscribed portion in any reserved category (if any) may be added to any other reserved category
31. An over-subscription to the extent of 10% of the Issue to the public can be retained for the purpose of rounding off to the nearest integer during finalizing the allotment, subject to minimum Allotment being equal to 4,000 Equity Shares.
32. The Equity Shares are fully paid up and there are no partly paid up Equity Shares as on the date of filing this Draft Prospectus. Further, since the entire money in respect of the Issue is being called on application, all the successful applicants will be issued fully paid-up equity shares.
33. There would be no further issue of capital whether by way of issue of bonus shares, preferential allotment, rights issue or in any other manner during the period commencing from filing of this Draft Prospectus with BSE SME until the Equity Shares are listed on the BSE SME or application moneys refunded on account of failure of Issue.
34. As per the extant FDI policy, OCBs are not permitted to participate in the Issue.
35. There are no outstanding warrants, options or right to convert debentures, loans or other financial instruments into our Equity Shares as on the date of this Draft Prospectus.
36. There shall be only one (1) denomination of Equity Shares of our Company unless otherwise permitted by law. Our Company shall comply with disclosure and accounting norms as may be prescribed by SEBI from time to time.

## SECTION IV – PARTICULARS OF THE ISSUE

### OBJECT OF THE ISSUE

The issue comprises of fresh issue of 23,96,000 Equity Shares by our Company aggregating up to Rs. 622.96 Lakhs (“Fresh Issue”).

**Our Company proposes to utilize the Net Proceeds from the issue towards the following objects:**

1. Setting up of herbal & ayurvedic processing unit for manufacturing of cosmetic & non-cosmetic products at Village Padawala, Taluka Kotdasangani, District Rajkot (“Project”);
2. Brand Building and Advertisement
3. Working Capital Requirements
4. General Corporate Purposes

(collectively referred to as “**Objects**”)

In addition, our Company expects to receive the benefits of listing of the Equity Shares on the Stock Exchange, enhancement of our Company’s brand name and creation of a public market for our Equity Shares in India.

The main objects clause and the objects ancillary to the main objects clause as set out in the Memorandum of Association enables our Company to undertake its existing activities and the activities for which funds are being raised by our Company through the Fresh Issue.

### Net Proceeds

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

Particulars	Estimated Amount (Rs. In lakhs)
Gross proceeds from the issue	622.96
Less: Issue related expenses	50.00
<b>Net proceeds of the issue</b>	<b>572.96</b>

### Requirement of funds and utilization of Net Proceeds

Sr. No.	Particulars	Estimated Amount (Rs. In lakhs)
1.	Setting up of herbal & ayurvedic processing unit for manufacturing of cosmetic & non-cosmetic products at Village Padawala, Taluka Kotdasangani, District Rajkot (“Project”);	208.75
2.	Brand Building & Advertisement	45.00
3.	Working Capital Requirements	169.21
4.	General Corporate Purposes	150.00

The fund requirements mentioned above are based on internal management estimates of our Company and have not been verified by the Lead Manager or appraised by any bank or financial institution or any other

external agency. Given the dynamic nature of our business and our Company, we may have to revise the estimates from time to time on account of various factors beyond our control, such as market conditions, competitive environment and interest or exchange rate fluctuations. Consequently, the fund requirements of our Company are subject to revisions in the future at the discretion of the management. In addition, the estimated dates of completion of various plans as described herein are based on management's current expectations and are subject to change due to various factors, some of which may not be in our control.

In the event of 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 shortfall in the Net Proceeds or cost overruns, our management may explore a range of options including utilizing our internal accruals or seeking debt financing.

For further details on the risks involved in our proposed fund utilization as well as executing our business strategies, please see the section titled "Risk Factors" beginning on page no. 17 of this Draft Prospectus.

### **Schedule of implementation and Deployment of Net Proceeds**

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:

<b>Sr. No.</b>	<b>Particulars</b>	<b>Total Estimated Costs</b>	<b>Amount deployed till June 30, 2018</b>	<b>Estimated Utilization of Net Proceeds in FY 2019</b>
1.	Setting up of herbal & ayurvedic processing unit for manufacturing of cosmetic & non-cosmetic products at Village Padawala, Taluka Kotasangani, District Rajkot ("Project");	208.75	1.00 <sup>(1)</sup>	207.75
2.	Brand Building & Advertisement	45.00	-	45.00
3.	Working Capital Requirements	169.21	-	169.21
4.	General Corporate Purposes <sup>(2)</sup>	150.00	-	150

<sup>(1)</sup> As certified by M/s C. S. Gajera & Co., Chartered Accountants, pursuant to their certificate dated June 30, 2018, advance of Rs. 1.00 lakh has been paid by the Company towards land acquisition admeasuring approximately 517.25 square meters situated at Village Padawala, Taluka Kotasangani, District Rajkot and the same will be recouped out of net proceeds

<sup>(2)</sup> The amount utilized for general corporate purposes shall not exceed 25.00% of the gross proceeds of the issue

As indicated above, our Company proposes to deploy the entire Net Proceeds towards the objects as described in the Financial Year 2019. In the event that the estimated utilization of the Net Proceeds in a Financial Year 2019 is not completely met, the same shall be utilized, in part or full, in the next Financial Year or a subsequent period towards the Objects.

### **Means of Finance**

In the event of a shortfall in raising the requisite capital from the Net Proceeds, towards meeting the objects of the Issue, the extent of the shortfall will be met by internal accruals or debt. In case of any surplus of monies received in relation to the Fresh Issue, we may use such surplus towards general corporate purposes.

We confirm that there is no 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 amounts to be raised through the issue.

### Details of the Objects of the Issue

#### 1. Setting up of herbal, ayurvedic & cosmetic processing unit at Village Padawala, Taluka Kotdasangani, District Rajkot (“Project”):

With a view to start our own manufacturing and processing capacity, we intend to utilize Rs. 208.75 lakhs from the Net Proceeds to set up a new herbal & ayurvedic processing unit for manufacturing of cosmetic & non-cosmetic products at Village Padawala, Taluka Kotdasangani, District Rajkot, Gujarat

The following table provides the estimated expenses related to setting up a new processing unit:

(Rs. In lakhs)		
Sr. No.	Particulars	Total Estimated Cost
i.	Acquisition of land	6.50
ii.	Building & Construction	150.00
iii.	Machinery	52.25
	<b>Total</b>	<b>208.75</b>

#### i. Acquisition of land

Sr. No.	Type of Transaction	Description of the Property	Salient Features
1	Sale *	Property situated at Block / Survey No. 480, Village Padawala, Taluka Kotdasangani, District Rajkot, Gujarat	<b>Document:</b> Receipt of advance payment made <b>Property Seller:</b> Daksha Rahulbhai Patel <b>Area:</b> 517.25 square meters <b>Property Buyer:</b> Add Shop Promotions Limited <b>Consideration:</b> Rs. 6.50 lakhs

\* We are yet to execute property agreement

#### ii. Building & Construction

The building and construction includes construction of processing unit. In relation to the same, we have received a quotation from M/s Chetan Pancholi (B.E., Civil) Government Approved Valuer vide its letter dated June 28, 2018 for an estimated cost of approximately Rs. 150.00 lakhs, the summary of which is as follows:

<b>(Rs. In lakhs)</b>		
<b>Sr. No.</b>	<b>Description of the Work</b>	<b>Amount*</b>
1.	Excavation work	0.66
2.	P.C.C. (Plain Cement Concrete) work	0.55
3.	Filling in foundation work	5.40
4.	R.C.C (Reinforced Cement Concrete) work	35.68
5.	Brick work	19.11
6.	Plaster work	33.75
7.	Flooring work	19.22
8.	Opening work	6.61
9.	Plumbing work	2.25
10.	Electric work	2.25
11.	Compound wall work	5.76
12.	Water tank work	2.40
13.	Color work	9.84
14.	Grill work	1.50
15.	Lift work	5.50
	<b>Total</b>	<b>150.47</b>

*\*the above amounts do not include 18% GST*

### **iii. Machinery**

We propose to utilize Rs. 52.25 lakhs towards purchase of machinery which primarily includes S. S. Stural with Jackted Tank, Heating System & AC Variable Drive (1,000 Litres), S. S. Stural with Jackted Tank, Heating System & AC Variable Drive (500 Litres), Powder Filling Machine (1 to 3 kg). We are yet to place orders for machinery. We have received a quotation from vendor M/s Pack – Well Engineers vide its letter dated June 26, 2018 for the estimated cost of approximately Rs. 52.25 lakhs, the summary of which is as follows:

<b>Sr. No.</b>	<b>Description of Machinery</b>	<b>Indicative Quantity</b>	<b>Total Amount (Rs. In lakhs) *</b>
1.	Pouch Packing Machine (5 TO 7 gm)	2	3.50
2.	Batch Coding for Pouch Packing Machine	2	0.30
3.	Pouch Packing Machine (50 gm)	1	2.50
4.	Batch Coding for Pouch Packing Machine	1	0.15
5.	Liquid Filling Machine (1 litre)	1	0.90
6.	Automatic Labeling Machine for Round Bottles	1	3.75
7.	Continue Sealer Machine (Heavy Duty)	3	1.50
8.	S. S. Stural with Jackted Tank, Heating System & AC Variable Drive (1,000 Litre)	2	7.00
9.	S. S. Stural with Jackted Tank, Heating System & AC Variable Drive (500 Litre)	2	5.50
10.	Powder Filling Machine (1 to 3 kg)	2	6.00
11.	Screw Conveyor for Powder Filling Machine	2	3.50
12.	Granules Filling Machine	1	3.00
13.	BOPP Cartoon Tapping Machine	1	0.75
14.	Induction Sealing Machine	1	0.17
15.	Inkjet Batch Coading Machine	1	2.00
16.	Box Strapping Machine (Heavy Duty)	2	0.90
17.	Shrink Heavy Tunnel Machine	1	1.25
18.	Pneumatic Bottle Capping Machine	2	0.90
19.	Batch Coading Conveyor (S. S.)	1	0.70
	<b>Total</b>		<b>44.27</b>
	<b>GST @ 18%</b>		<b>7.97</b>
	<b>Net Amount</b>		<b>52.23</b>

\*Amount rounded off



*\*Miscellaneous expenses Rs. 1,750*

We have not entered into any definitive agreements with the supplier and there can be no assurance that the same supplier would be engaged to eventually supply the machinery and material at the same costs. The quantity of machinery and material to be purchased is based on the estimates of our management. Our Promoters, Directors, Key Management Personnel or Group Companies have no interest in the proposed procurements, as stated above.

## **2. Brand Building & Advertisement**

We are involved in the business of marketing and selling of ayurvedic & herbal cosmetic and non-cosmetic products in India under our own brand. In the industry in which we operate, awareness of consumers regarding products is a significant factor contributing to market share. Marketing and advertising activities provide a means of creating such product awareness and educating a potential consumer to make a purchase decision. FMCG companies in India undertake extensive advertising and promotion activities through various instruments across television, print and other media. We believe that to maximize the efficiency of such marketing activities, it is imperative to set appropriate budgeting in advance.

We have over the years focused our marketing and promotional activities on strengthening our brand and in particular, establishing, building and promoting the 'Add Shop Promotions' brand across India. We have invested in brand building through our marketing and sales promotional activities, including the organize various events and other forms of marketing. We invest in marketing and sales promotion activities across various media, organize various events depending on the markets we intend to tap, to increase our brand recognition among our existing and potential customers. We believe that developing recognition and reputation of our brand among consumers has contributed to the growth of our business and hence maintaining and enhancing our brand is critical to our business. Accordingly, we intend to spend significant financial resources in the future towards marketing and brand building activities to further enhance our brand presence and to expand our customer base. For details on our sales and marketing initiatives, see "Our Business" on page 96.

In Financial Year 2018 and 2017, we had incurred Rs. 53.33 lakhs and Rs. 17.01 lakhs, respectively, on advertisement and event management activities, which constituted 4.25% and 3.74% of our total revenue for these financial years respectively.

## **3. Working Capital Requirements**

Our business is working capital intensive and our Company funds a majority of our working capital requirement through internal accruals and financing from various banks & unsecured loans. Our Company requires additional working capital to expand its sales and the incremental working capital requirements are based on historical Company data and estimation of the future requirements in FY 2019 considering the growth in activities of our Company and in line with norms generally accepted.

Our Company's existing working capital requirement on the basis of restated financial statements as of March 31, 2018 and Company's estimated working capital requirement as at March 31, 2019 and the funding of the same are as set out in the table below:

*(Rs. In lakhs)*

<b>Particulars</b>	<b>FY 2018 (Audited)</b>	<b>FY 2019 (Estimated)</b>
<b>Current Assets</b>		
Inventories	189.83	529.23
Debtors	499.01	568.75

(Rs. In lakhs)

Particulars	FY 2018 (Audited)	FY 2019 (Estimated)
Cash and Cash Equivalents	45.48	70.60
Other Current Assets	1.50	150.00
<b>Total (A)</b>	<b>735.82</b>	<b>1318.58</b>
Current Liabilities		
Short Term Borrowings	120.99	146.00
Creditors	512.44	131.23
<b>Total (B)</b>	<b>633.43</b>	<b>277.23</b>
<b>Net Working Capital (A – B)</b>	<b>102.39</b>	<b>1041.35</b>
<b>Sources of Working Capital</b>		
IPO Proceeds	0.00	169.21
General Corporate Purpose	0.00	150.00
Internal Proceeds / Share Capital / Borrowings	102.39	722.14

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

(Rs. In Lakhs)

Particulars	FY 2018	FY 2019	Justification
<b>Current Assets</b>			
Inventories	103.4 days	106.4 days	Number of days would be increased on account of increase in Turnover
Debtors	143.2 days	65.6 days	Number of days have been increased in FY 2018 on account of sales booked in last quarter
<b>Current Liabilities</b>			
Creditors	26.7 days	6.9 days	Number of days will be decrease due to availability of funds through internal accruals and public issue

#### 4. General Corporate purposes

In terms of Regulation 4(4) of the SEBI ICDR Regulations, the extent of the Net Proceeds proposed to be used for general corporate purposes is estimated not to exceed 25.00% of the proceeds of the issue.

Our management will have flexibility in applying Rs. 150.00 lakhs of the Net Proceeds towards general corporate purposes, including (i) other marketing and promotion related efforts; (ii) acquiring fixed assets; (iii) meeting expenses incurred towards any strategic initiatives, partnerships, tie-ups, joint ventures, acquisitions, etc. and (iv) any other purpose as may be approved by our Board, subject to compliance with the necessary provisions of the Companies Act.

Our management in accordance with the policies of the Board, will have flexibility in utilizing any amounts for general corporate purposes under the overall guidance and policies of our Board. The quantum of utilization of funds towards any of the purposes will be determined by the Board, based on the amount actually available under this head and the business requirements of our Company from time to time.

#### Issue expenses

The total expenses of the Issue are estimated to be approximately Rs. 50.00 lakhs. The Issue expenses consist of underwriting fees, selling commission, fees payable to the Lead Manager, fees payable to Legal Advisor, fees payable to the SCSBs including processing fee for processing the ASBA Forms submitted by ASBA Bidders procured by the Syndicate and submitted to the SCSBs and Registrar to the Issue, brokerage and selling commission payable to Registered Brokers, RTAs and CDPs, printing and stationery expenses, advertising and marketing expenses and all other incidental and miscellaneous expenses in connection with listing the Equity Shares of our Company on the Stock Exchange as agreed in terms of the Issue Agreement.

#### The break-up for the issue expenses is as follows:

Activity	Estimated expenses (Rs. In lakhs)	As a % of total estimated issue related expenses	As a % of Issue Size
Payment to Merchant Banker including expenses towards printing, advertising, and payment to other intermediaries such as Registrars, Bankers etc.	29.85	59.70	4.79
Regulatory fees and other expenses	13.57	27.14	2.18
Marketing and other expenses	6.58	13.16	1.06
<b>Total Estimated issue related expenses</b>	<b>50.00</b>	<b>100.00</b>	<b>8.03</b>

#### Note

1. As on date of the Draft Prospectus, our Company has incurred Rs. 7.75 Lakhs towards Issue Expenses out of internal accruals and the same will be recouped out of issue expenses.
2. SCSBs will be entitled to a processing fee of Rs. 10/- per Application Form for processing of the Application Forms procured by other Application Collecting Intermediary and submitted to them on successful allotment.
3. Selling commission payable to Registered Broker, SCSBs, RTAs, CDPs on the portion directly procured from Retail Individual Applicants and Non-Institutional Applicants, would be 0.01% on the Allotment Amount# or Rs 10/- whichever is less on the Applications wherein shares are allotted.

4. *The commissions and processing fees shall be payable within 30 working days post the date of receipt of final invoices of the respective intermediaries.*
5. *Amount Allotted is the product of the number of Equity Shares Allotted and the Issue Price.*

### **Interim use of Net Proceeds**

Our Company in accordance with the policies established by the Board from time to time, will have flexibility to deploy the Net Proceeds. The Net Proceeds pending utilization for the purposes described above, in accordance with the SEBI ICDR Regulations, our Company shall deposit the funds only in one or more Scheduled Commercial Banks included in the Second Schedule of Reserve Bank of India Act, 1934.

In accordance with Section 27 of the Companies Act, our Company confirms that it shall not use the Net Proceeds for buying, trading or otherwise dealing in shares of any other listed company or for any investment in the equity markets.

### **Bridge Financing Facilities**

Our Company has not raised any bridge loans from any bank or financial institution as on the date of this Draft Prospectus which are proposed to be repaid from the Net Proceeds.

### **Monitoring Utilization of Funds**

As this is a Fresh Issue for less than Rs. 10,000 lakhs, we are not required to appoint a monitoring agency for the purpose of the Issue in terms of Regulation 16 of the SEBI ICDR Regulations.

Our Board and Audit committee shall monitor the utilization of the net proceeds of the Issue. Our Company will disclose the utilization of the Net Proceeds under a separate head in our balance sheet along with the relevant details, for all such amounts that have not been utilized. Our Company will indicate investments, if any, of unutilized Net Proceeds in the balance sheet of our Company for the relevant financial years subsequent to the completion of the Issue.

Pursuant to Regulation 32(3) of SEBI Listing Regulations, our Company shall disclose to the Audit Committee of the Board of Directors the uses and applications of the Net Proceeds. Our Company shall prepare a statement of funds utilized for purposes other than those stated in this Draft Prospectus and place it before the Audit Committee of the Board of Directors, as required under applicable law. Such disclosure shall be made only until such time that all the Net Proceeds have been utilized in full. The statement shall be certified by the statutory auditor of our Company. Furthermore, in accordance with the Regulation 32(1) of the SEBI Listing Regulations, our Company shall furnish to the Stock Exchange on a quarterly basis, a statement indicating (i) deviations, if any, in the utilization of the proceeds of the Issue from the Objects; and (ii) details of category wise variations in the utilization of the proceeds from the Issue from the Objects. This information will also be published in newspapers simultaneously with the interim or annual financial results, after placing the same before the Audit Committee of the Board of Directors.

### **Variation in Objects**

In accordance with Sections 13(8) and 27 of the Companies Act and applicable rules, our Company shall not vary the Objects without our Company being authorized to do so by the Shareholders by way of a special resolution through a 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 our Registered and Corporate 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 above stated proposal, at a price as may be prescribed by SEBI, in this regard.

None of our suppliers / service providers for utilization of Issue proceeds for various Objects of the Issue are associated in any manner with our Company or any other related party directly or indirectly.

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

## BASIS FOR ISSUE PRICE

The Issue Price of Rs. 26 per Equity Share is determined by our Company, in consultation with the Lead Manager on the basis of the following qualitative and quantitative factors.

The face value of the Equity Share is Rs. 10 per equity share and Issue Price is Rs. 26 per Equity Share and is 2.6 times the face value. Investors should read the following basis with the Sections “*Risk Factors*” and “*Financial Statements as Restated*” and the chapter titled “*Our Business*” beginning on page 17, 135, and 96 of this Draft Prospectus to get a more informed view before making an investment decision. The trading price of the Equity shares of our Company could decline due to risk factors and you may lose all or part of your investments.

### Qualitative Factors

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

1. Tie-up with our suppliers
2. Experienced Promoter and Management team
3. Relationship with distributors and Customers

For further details, refer to heading “Key Strengths” under chapter titled “*Our Business*” beginning on page 96 of this Draft Prospectus.

### Quantitative Factors

Information presented in this chapter is derived from restated financial statements prepared in accordance with Indian GAAP.

#### 1) Basic Earnings per Share (EPS)

Period ended	Basic EPS (in Rs.)	Weights
March 31, 2016	(3.80)	1
March 31, 2017	146.92	2
March 31, 2018	16.40	3
<b>Weighted average</b>	<b>56.54</b>	
For three months ended June 30, 2018*	0.40	

\* It is not annualized.

#### Note.

- The earnings per share has been computed by dividing net profit as restated, attributable to equity shareholders by restated weighted average number of shares outstanding during the year. Restated weighted average number of equity shares has been compared as per AS 20. The face value of equity shares is Rs. 10 each.
  - Our Company have allotted 6,70,000 equity shares on April 20, 2018 against conversion of sundry creditors into equity shares, 2,02,500 bonus shares allotted on April 25, 2018, 8,00,000 Equity shares on May 05, 2018 and 22,65,625 equity shares on June 02, 2018. For the purpose of calculation of weighted average number of shares for EPS above, these shares have also been taken into account.
- 2) **Price to Earnings (P/E) ratio in relation to Issue Price of Rs. 26 per Equity Share of Rs. 10 each fully paid up**

Particulars	P/E Ratio
P/E ratio based on Basic EPS as at March 31, 2018	1.59

Particulars	P/E Ratio
P/E ratio based on Weighted Average EPS (Basic)	0.46
<b>*Industry</b>	
Highest	Not Applicable
Lowest	Not Applicable
Average	Not Applicable

### 3) Return on Net worth (RoNW)

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

Year Ended	RONW (%)
March 31, 2016	(61.40) %
March 31, 2017	95.95%
March 31, 2018	59.99%
Weighted Average	51.74%
June 30, 2018	3.71%

*Note: Return on Networth has been calculated as per the following formula:*

$$RONW = \frac{\text{Net profit / loss after tax, as restated}}{\text{Networth excluding preference share capital and revaluation reserve (if any)}}$$

- Our Company have allotted 6,70,000 equity shares on April 20, 2018 against conversion of sundry creditors into equity shares, 2,02,500 bonus shares allotted on April 25, 2018, 8,00,000 Equity shares on May 05, 2018 and 22,65,625 equity shares on June 02, 2018. For the purpose of calculation of weighted average number of shares for EPS above, these shares have also been taken into account.

### 4) Minimum Return on Net Worth (RoNW) after Issue needed to maintain the Pre-Issue EPS for the year ended March 31, 2018 – 99.76%

### 5) Net Asset Value (NAV)

Particulars	Amount (in Rs.)
Net Asset Value per Equity Share as of March 31, 2018	27.33
Net Asset Value per Equity Share as of June 30, 2018	10.82
Net Asset Value per Equity Share after the Issue	16.44
Issue Price per equity share	26.00

*Net Asset Value per Equity Share has been calculated as net worth divided by number of equity shares at the end of the year. Total no of shares taken to calculate the NAV is after taking into consideration Bonus.*

*Note: Net Asset Value has been calculated as per the following formula:*

$$NAV = \frac{\text{Net worth excluding preference share capital and revaluation reserve}}{\text{Outstanding number of Equity shares outstanding during the year / period}}$$

### 6) Comparison with industry peers

Our Company is engaged into trading business of marketing of [•] products which are manufactured by other party and currently there are no listed peers in India engaged in this particular business segment and therefore, a strict comparison of our Company with any listed company is not possible.

For further details refer section titled “Risk Factors” beginning on page 17 of this Draft Prospectus and the financials of the Company including profitability and return ratios, as set out in the section

titled “Financial Statements as Restated” beginning on page 135 of this Draft Prospectus for a more informed view.

**Note:**

- The Company in consultation with the Lead Manager believes that the Issue price of Rs. 26.00 per equity share for the Public Issue is justified in view of the above parameters. The investors may also want to peruse the Risk Factors and financials of the company including important profitability and return ratios, as set out in the Financial Statements included in this Draft Prospectus to have more informed view about the investment proposition. The Face Value of the Equity Shares is Rs. 10 per share and the Issue Price is 2.60 times of the face value i.e. Rs. 10 per equity share.



## BASIS TERM OF ISSUE

### Terms of the Issue

The Equity Shares being issued pursuant to this Issue shall be subject to the provisions of the Companies Act, SEBI ICDR Regulations, SCRA, SCRR, the Memorandum and Articles of Association, SEBI Listing Regulations, the terms of the Prospectus, the Abridged Prospectus, 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, GoI, BSE SME, 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, GoI, BSE SME, the RoC and any other authorities while granting their approval for the Issue.

Please note that, in terms of SEBI circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015, all the Applicants applying in a public issue shall use only ASBA facility for making the payment. Further vide the said circular, Designated Intermediaries have also been authorised to collect the Application Forms.

### Authority for the Issue

The present issue has been authorized pursuant to a resolution of our Board dated June 23, 2018 and by Special Resolution passed under Section 62(1)(c) of the Companies Act at an Extra Ordinary General Meeting of our shareholders held on June 27, 2018.

### Other Details

<b>Face Value</b>	The Equity Shares having a face value of Rs. 10 each are being issued in terms of this Draft Prospectus. At any given point of time there shall be only one denomination of the Equity Shares of our Company, subject to applicable laws.
<b>Issue Price</b>	The Equity Shares pursuant to this Draft Prospectus are being issued at a price of Rs. 26.00 each.
<b>Market Lot and Trading Lot</b>	The Market lot and Trading lot for the Equity Share is 4,000 (Four Thousand) and in multiples of 4,000 thereafter; subject to a minimum allotment of 4,000 Equity Shares to the successful applicants.
<b>Terms of Payment</b>	Applications should be for a minimum of 4,000 Equity Shares and 4,000 Equity Shares thereafter. The entire price of the Equity Shares of Rs. 26.00 per including a premium of Rs.16.00 per share is payable on application. In case of allotment of lesser number of Equity Shares than the number applied, the excess amount paid on application shall be refunded by us to the applicants.
<b>Ranking of the Equity Shares</b>	The Equity Shares shall be subject to the Memorandum and Articles of Association of the Company and shall rank <i>pari-passu</i> in all respects including dividends with the existing Equity Shares of the Company. The allottees will be entitled to dividend, voting rights or any other corporate benefits, if any, declared by us after the date of Allotment.

### Minimum Subscription

The requirement for 90% minimum subscription in terms of Regulation 14 of the SEBI ICDR Regulations is not applicable to the Issue. In terms of Regulation 106P (1) of the SEBI ICDR Regulations, the Issue is not restricted to any minimum subscription level and is 100% underwritten. Further, pursuant to Regulation 106R of the SEBI ICDR Regulations, our Company shall ensure that the number of prospective Allottees to whom Equity Shares will be Allotted shall not be less than 50.

If we do not receive the subscription of 100% of the Issue through this issue document including devolvement of Underwriters within sixty days from the date of closure of the Issue, we shall forthwith refund the entire subscription amount received. If there is a delay beyond eight days after we become liable to pay the amount, we shall pay interest prescribed under section 40 of the Companies Act.

### Compensation to Retail Individual Investor

In terms of SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2018/22 dated February 15, 2018, any ASBA Applicant/Bidder who is a Retail Individual Investor, whose Application Form/ Bid cum Application Form has not been considered for Allotment due to the following factors:

- a) Failure on part of the SCSBs to make bids in the concerned Exchange system even after the amount has been blocked in the investors' bank account with such SCSB.
- b) Failure on part of the SCSB to process the ASBA applications even when they have been submitted within time.
- c) Any other failures on part of an SCSB which has resulted in the rejection of the application form.

shall be entitled to compensation by the SCSBs. Also, the said Applicants/Applicants have the option to seek redressal of the same within three (3) months of the date of listing of the Equity Shares of the Issuer, with the concerned SCSB. On receipt of such applications, the SCSB would be required to resolve the same within fifteen (15) days, failing which it would have to pay interest at the rate of 15 percent per annum for any delay beyond the said period of fifteen (15) days.

In the cases of the issues which are subscribed between 90-100%, i.e. non oversubscribed issues, the applicants would be compensated for all the shares which they would have been allotted.

*Note: No compensation would be payable to the Applicants/Applicants who are Retail Individual Investors in case the listing price is below the issue price.*

The formula for calculation of minimum fair compensation is as follows:

$$\text{Compensation} = \frac{(\text{Listing price}^* - \text{Issue Price}) \times \text{No. of shares that would have been allotted if bid was successful}}{\text{Probability of allotment of shares determined on the basis of allotment successful}}$$

*\*Listing price shall be taken as the highest of the opening prices on the day of listing across the recognized stock Exchanges*

A reference chart for calculation of minimum compensation in case of non-allotment of specified securities to Retail Individual Investors in an IPO is as under:

Example - Security A

Issue Price : 300

Listing Price: 325

Minimum Bid lot: 20 shares

Total No. of Applications received from RII	No. of Equity Shares applied in all valid applications	No. of Shares Reserved for RIIs	No. of times Subscribed
(A)	(B)	(C)	(D) = B/C
2,00,000	3,28,00,000	35,00,000	9.37

In this case maximum possible allottees is 35,00,000 / 20 = 1,75,000

The basis of allotment is determined by Lead Managers in consultation with the Stock Exchanges as under:

No. of Lots	No. of Shares at each lot	No. of retail Investors applying at each lot	Total No. of Shares applied for at each lot	No. of investors who shall receive minimum bid-lot (to be selected on lottery)	Allotment Ratio Determined	No. of shares allotted per allottee (minimum lot size)
A	B	C	D = (B*C)	E	F=E:C	G
1.	20	10,000	2,00,000	8,750 = (175000/200000)*10000	7:8	20
2.	40	10,000	4,00,000	8,750	7:8	20
3.	60	10,000	6,00,000	8,750	7:8	20
4.	80	10,000	8,00,000	8,750	7:8	20
5.	100	20,000	20,00,000	17,500	7:8	20
6.	120	20,000	24,00,000	17,500	7:8	20
7.	140	15,000	21,00,000	13,125	7:8	20
8.	160	20,000	32,00,000	17,500	7:8	20
9.	180	10,000	18,00,000	8,750	7:8	20
10.	200	15,000	30,00,000	13,125	7:8	20
11.	220	10,000	22,00,000	8,750	7:8	20
12.	240	10,000	24,00,000	8,750	7:8	20
13.	260	10,000	26,00,000	8,750	7:8	20
14.	280	5,000	14,00,000	4,375	7:8	20
15.	300	15,000	45,00,000	13,125	7:8	20
16.	320	10,000	32,00,000	8,750	7:8	20
	<b>Total</b>	<b>2,00,000</b>	<b>3,28,00,000</b>	<b>1,75,000</b>		

In this case if the number of shares applied by an applicant whose bid was unsuccessful due to failure/error on part of SCSB is 20 shares or multiples thereof, then the minimum compensation is calculated as under:

$$\text{Compensation} = (\text{Rs.}325 - \text{Rs.}300) * 20 * (7/8) = \text{Rs.}437.50$$

## STATEMENT OF POSSIBLE TAX BENEFITS

To

**The Board of Directors,**

Add-Shop Promotions Limited

Dear Sir,

**Sub: Statement of possible special tax benefits (“the Statement”) available to Add-Shop Promotions 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, 2018 (i.e applicable to Financial Year 2018-19 relevant to Assessment Year 2019-20), 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 fulfill.

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 Draft Prospectus / Prospectus in connection with the proposed issue of equity shares and is not to be used, referred to or distributed for any other purpose without our written consent.

For Loonia & Associates  
**Chartered Accountants**  
**Firm Registration No.130883W**

Hitesh Loonia  
Proprietor  
**Membership No. 135424**  
**Place: Ahmedabad**  
**Date: July 5, 2018**

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

Outlined below are the possible special tax benefits available to the Company and its shareholders under the current direct tax laws in India for the financial year 2018-19.

**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 V- ABOUT THE COMPANY

### INDUSTRY OVERVIEW

#### WORLD ECONOMY OVERVIEW

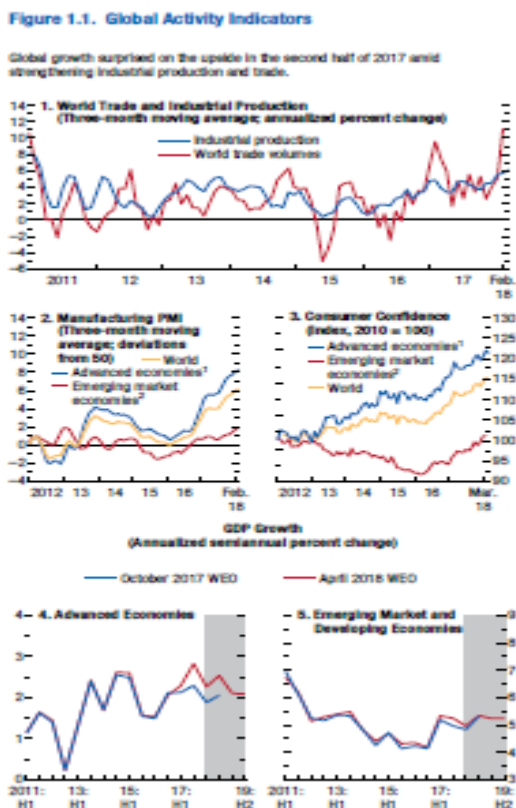
World growth strengthened in 2017 to 3.8 percent, with a notable rebound in global trade. It was driven by an investment recovery in advanced economies, continued strong growth in emerging Asia, a notable upswing in emerging Europe, and signs of recovery in several commodity exporters. Global growth is expected to tick up to 3.9 percent this year and next, supported by strong momentum, favorable market sentiment, accommodative financial conditions, and the domestic and international repercussions of expansionary fiscal policy in the United States.

In emerging market and developing economies, in contrast, growth will remain close to its 2018–19 level as the gradual recovery in commodity exporters and a projected increase in India’s growth provide some offset to China’s gradual slowdown and emerging Europe’s return to its lower-trend growth rate. Nevertheless, 40 emerging market and developing economies are projected to grow more slowly in per capita terms than advanced economies, failing to narrow income gaps vis-à-vis the group of more prosperous countries.

At 3.8 percent, global growth last year was 1/2 percentage point faster than in 2016 and the strongest since 2011. Two-thirds of countries accounting for about three-fourths of global output experienced faster growth

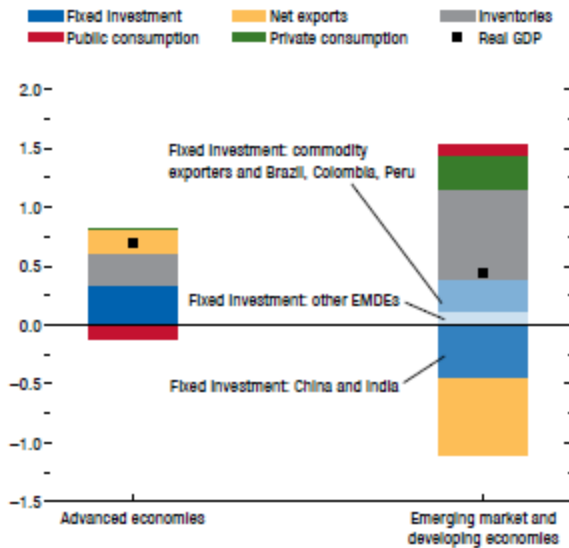
in 2017 than in the previous year (the highest share of countries experiencing a year-over-year growth pickup since 2010). The preliminary outcome for global growth in 2017 was 0.2 percentage point stronger than forecast in the October 2017 World Economic Outlook (WEO), with upside surprises in the second half of 2017 in advanced as well as emerging market and developing economies.

Resurgent investment spending in advanced economies and an end to the investment decline in some commodity-exporting emerging market and developing economies were important drivers of the uptick in global GDP growth and manufacturing activity (Figure 1.1)



**Figure 1.2. Contributions to the Change in Real GDP Growth, 2016–17**  
(Percentage points)

Stronger investment spending in advanced economies and an end to fixed investment contractions in commodity exporters were important contributors to the pickup in global growth.



Source: IMF staff calculations.  
Note: EMDEs = emerging market and developing economies.

growth pickup in 2017. Higher fixed investment growth (2.3 percentage points above its 2016 level) also supported the growth performance of other emerging market and developing economies, alongside stronger private consumption.

Source - Report on International Monetary Fund | April 2018

## Indian Economy Overview

### Introduction

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

### Market size

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

The tax collection figures between April 2017- February 2018 show an increase in net direct taxes by 19.5 per cent year-on-year and an increase in net direct taxes by 22.2 per cent year-on-year.

India has retained its position as the third largest startup base in the world with over 4,750 technology startups, with about 1,400 new start-ups being founded in 2016, according to a report by NASSCOM.

- Across advanced economies, the 0.6 percentage point pickup in 2017 growth relative to 2016 is explained almost entirely by investment spending, which remained weak since the 2008–09 global financial crisis and was particularly subdued in 2016 (Figure 1.2, left column). Both stronger gross fixed capital formation and an acceleration in stock building contributed to the pickup in investment, with accommodative monetary policy, stronger balance sheets, and an improved outlook helping release pent-up demand for capital goods.

- Across emerging market and developing economies, the 0.4 percentage point pickup in 2017 growth came primarily from an acceleration in private consumption (Figure 1.2, right column). But the picture is mixed within the group. Growth in China and India last year was supported by resurgent net exports and strong private consumption, respectively, while investment growth slowed. An end to fixed investment contractions in commodity-exporting countries that were severely affected by the commodity price downturn during 2015–16 (notably Brazil and Russia, but also Angola, Ecuador, and Nigeria) instead played an important role in their



India's labour force is expected to touch 160-170 million by 2020, based on rate of population growth, increased labour force participation, and higher education enrolment, among other factors, according to a study by ASSOCHAM and Thought Arbitrage Research Institute.

India's foreign exchange reserves were US\$ 422.53 billion in the week up to March 23, 2018, according to data from the RBI.

### **Recent Developments**

With the improvement in the economic scenario, there have been various investments in various sectors of the economy. The M&A activity in India increased 53.3 per cent to US\$ 77.6 billion in 2017 while private equity (PE) deals reached US\$ 24.4 billion. Some of the important recent developments in Indian economy are as follows:

- India's merchandise exports and imports grew 11.02 per cent and 21.04 per cent on a y-o-y basis to US\$ 273.73 billion and US\$ 416.87 billion, respectively, during April-February 2017-18.
- India's Foreign Direct Investment (FDI) inflows reached US\$ 208.99 billion during April 2014 - December 2017, with maximum contribution from services, computer software and hardware, telecommunications, construction, trading and automobiles.
- India's Index of Industrial Production (IIP) rose 7.5 per cent year-on-year in January 2018 while retail inflation reached a four-month low of 4.4 per cent in February 2018.
- Employment on net basis in eight key sectors in India including manufacturing, IT and transport increased by 136,000 in July-September quarter of 2017-18.
- The average salary hike of Indian employees is estimated to be 9.4 per cent and that of key talents is estimated to be nearly 15.4 per cent in 2018, backed by increased focus on performance by companies, according to Aon Hewitt.
- Indian merchandise exports in dollar terms registered a growth of 4.48 per cent year-on-year in February 2018 at US\$ 25.83 billion, according to the data from Ministry of Commerce & Industry.
- Indian companies raised Rs 1.6 trillion (US\$ 24.96 billion) through primary market in 2017.
- Moody's upgraded India's sovereign rating after 14 years to Baa2 with a stable economic outlook.
- The top 100 companies in India are leading in the world in terms of disclosing their spending on corporate social responsibility (CSR), according to a 49-country study by global consultancy giant, KPMG.
- The bank recapitalisation plan by Government of India is expected to push credit growth in the country to 15 per cent, according to a report by Ambit Capital.
- India has improved its ranking in the World Bank's Doing Business Report by 30 spots over its 2017 ranking and is ranked 100 among 190 countries in 2018 edition of the report.
- India's ranking in the world has improved to 126 in terms of its per capita GDP, based on purchasing power parity (PPP) as it increased to US\$ 7,170 in 2017, as per data from the International Monetary Fund (IMF).
- India is expected to have 100,000 startups by 2025, which will create employment for 3.25 million people and US\$ 500 billion in value, as per Mr. T V Mohan Das Pai, Chairman, Manipal Global Education.
- The World Bank has stated that private investments in India is expected to grow by 8.8 per cent in FY 2018-19 to overtake private consumption growth of 7.4 per cent, and thereby drive the growth in India's gross domestic product (GDP) in FY 2018-19.

- The Niti Aayog has predicted that rapid adoption of green mobility solutions like public transport, electric vehicles and car-pooling could likely help India save around Rs 3.9 trillion (US\$ 60 billion) in 2030.
- Indian impact investments may grow 25 per cent annually to US\$ 40 billion from US\$ 4 billion by 2025, as per Mr. Anil Sinha, Global Impact Investing Network's (GIIN's) advisor for South Asia.
- The Union Cabinet, Government of India, has approved the Central Goods and Services Tax (CGST), Integrated GST (IGST), Union Territory GST (UTGST), and Compensation Bill.
- The Nikkei India manufacturing Purchasing Managers' Index increased at the fastest pace in December 2017 to reach 54.7, signaling a recovery in the economy.

### **Government Initiatives**

The Union Budget for 2018-19 was announced by Mr. Arun Jaitley, Union Minister for Finance, Government of India, in Parliament on February 1, 2018. This year's budget will focus on uplifting the rural economy and strengthening of the agriculture sector, healthcare for the economically less privileged, infrastructure creation and improvement in the quality of education of the country. As per the budget, the government is committed towards doubling the farmers' income by 2022. A total of Rs 14.34 lakh crore (US\$ 225.43 billion) will be spent for creation of livelihood and infrastructure in rural areas. Budgetary allocation for infrastructure is set at Rs 5.97 lakh crore (US\$ 93.85 billion) for 2018-19. All-time high allocations have been made to the rail and road sectors.

India's unemployment rate is expected to be 3.5 per cent in 2018, according to the International Labour Organisation (ILO).

Numerous foreign companies are setting up their facilities in India on account of various government initiatives like Make in India and Digital India. Mr. Narendra Modi, Prime Minister of India, has launched the Make in India initiative with an aim to boost the manufacturing sector of Indian economy, to increase the purchasing power of an average Indian consumer, which would further boost demand, and hence spur development, in addition to benefiting investors. The Government of India, under the Make in India initiative, is trying to give boost to the contribution made by the manufacturing sector and aims to take it up to 25 per cent of the GDP from the current 17 per cent. Besides, the Government has also come up with Digital India initiative, which focuses on three core components: creation of digital infrastructure, delivering services digitally and to increase the digital literacy.

Some of the recent initiatives and developments undertaken by the government are listed below:

- The Union Cabinet gave its approval to the North-East Industrial Development Scheme (NEIDS) 2017 in March 2018 with an outlay of Rs 3,000 crores (US\$ 460 million) up to March 2020.
- In March 2018, construction of 321,567 additional houses across 523 cities under the Pradhan Mantri Awas Yojana (Urban) has been approved by the Ministry of Housing and Urban Poverty Alleviation, Government of India with an allocation of Rs 18,203 crore.
- The Ministry of Power, Government of India has partnered with the Ministry of Skill Development & Entrepreneurship to provide training to the manpower in six states in an effort to speed up the implementation of SAUBHAGYA (Pradhan Mantri Sahaj Bijli Har Ghar Yojna).
- Prime Minister's Employment Generation Programme (PMEGP) will be continued with an outlay of Rs 5,500 crore (US\$ 844.81 million) for three years from 2017-18 to 2019-20, according to the Cabinet Committee on Economic Affairs (CCEA).
- In February 2018, The Union Cabinet Committee has approved setting up of National Urban Housing Fund (NUHF) for Rs 60,000 crore (US\$ 9.3 billion) which will help in raising requisite funds in the next four years.

- The target of an Open Defecation Free (ODF) India will be achieved by October 2, 2019 as adequate funding is available to the Swachh Bharat Mission (Gramin), according to Ms. Uma Bharti, Minister of Drinking Water and Sanitation, Government of India.
- The Government of India has succeeded in providing road connectivity to 85 per cent of the 178,184 eligible rural habitations in the country under its Pradhan Mantri Gram Sadak Yojana (PMGSY) since its launch in 2014.
- A total of 15,183 villages have been electrified in India between April 2015-November 2017 and complete electrification of all villages is expected by May 2018, according to Mr. Raj Kumar Singh, Minister of State (IC) for Power and New & Renewable Energy, Government of India.
- The Government of India has decided to invest Rs 2.11 trillion (US\$ 32.9 billion) to recapitalise public sector banks over the next two years and Rs 7 trillion (US\$ 109.31 billion) for construction of new roads and highways over the next five years.
- The mid-term review of India's Foreign Trade Policy (FTP) 2015-20 has been released by Ministry of Commerce & Industry, Government of India, under which annual incentives for labour intensive MSME sectors have been increased by 2 per cent.
- The India-Japan Act East Forum, under which India and Japan will work on development projects in the North-East Region of India will be a milestone for bilateral relations between the two countries, according to Mr. Kenji Hiramatsu, Ambassador of Japan to India.
- The Government of India will spend around Rs. 1 lakh crore (US\$ 15.62 billion) during FY 18-20 to build roads in the country under Pradhan Mantri Gram Sadak Yojana (PMGSY).
- The Government of India plans to facilitate partnerships between gram panchayats, private companies and other social organisations, to push for rural development under its 'Mission Antyodaya' and has already selected 50,000 panchayats across the country for the same.
- The Government of India and the Government of Portugal have signed 11 bilateral agreements in areas of outer space, double taxation, and nano technology, among others, which will help in strengthening the economic ties between the two countries.
- India's revenue receipts are estimated to touch Rs 28-30 trillion (US\$ 436- 467 billion) by 2019, owing to Government of India's measures to strengthen infrastructure and reforms like demonetisation and Goods and Services Tax (GST).

### **Road Ahead**

India's gross domestic product (GDP) is expected to reach US\$ 6 trillion by FY27 and achieve upper-middle income status on the back of digitisation, globalisation, favourable demographics, and reforms.

India is expected to be the third largest consumer economy as its consumption may triple to US\$ 4 trillion by 2025, owing to shift in consumer behaviour and expenditure pattern, according to a Boston Consulting Group (BCG) report; and is estimated to surpass USA to become the second largest economy in terms of purchasing power parity (PPP) by the year 2040, according to a report by PricewaterhouseCoopers.

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

### **WORLD BANK ON INDIAN ECONOMY**

Real GDP slowed growth this past quarter but overall annual growth for fiscal year 2017/18 is expected to rebound to an annual rate of 7.0 %. Public finances remain stable, though there has been an increase in sub-national debt levels. The key medium-term risk is the need for recovery in private investment.

### **Recent Economic Developments**

Poverty has declined since 2004/5 although temporary disruptions from demonetization and depressed food prices may have moderated the pace in the short term. Real GDP growth slowed to 7.1 % in FY16/17 from 8 % in FY15/16, and to 5.7 % in Q1 FY17/18. Despite the increase in public and private consumption due to the revival of rural demand after a normal monsoon and the implementation of the 7th central pay commission recommendations, overall demand slowed as investments remained weak. Excluding agriculture, output growth experienced a slowdown compared to the previous year. Construction, real estate, and manufacturing were particularly affected.

Poverty has declined since 2004/05 although short-term disruptions from demonetization and depressed food prices may have moderated the pace. Evidence suggests that demand for social insurance (MGNREGS) increased during demonetization.

External accounts remain robust. Export growth turned positive in FY16/17, supported largely by a reversal in commodity prices and improvements in global trade. Imports have begun a gradual recovery; the merchandise trade deficit is rising. Overall capital flows gained momentum, due to ease in FDI policies and continued global liquidity. Foreign reserves rose to \$386bn or 8.6 months of imports. The currency appreciated in 2017, in sync with many other emerging economies, partly due to US dollar weakening.

Public finances remain stable, although contingent liabilities are rising. The central government stuck to its fiscal targets in FY16/17, reaffirming fiscal credibility. The quality of expenditures at the general government level has shifted towards productive infrastructure spending in recent years, providing an additional stimulus to growth. However, fiscal deficits at the sub-national level have risen from an aggregate of 2.6% in FY12-15 to 3.7% in FY16-17 largely because of a transfer of some public sector enterprise liabilities to direct debt of states.

### **Economic Outlook**

Economic activity is expected to stabilize, maintaining annual GDP growth at 7.0% in FY18. Growth is projected to increase to 7.4% by FY20, underpinned by a recovery in private investments prompted by a recent increase in public capex and an improvement in the investment climate (partly due to passage of the GST and the Bankruptcy Code, and measures to attract FDI).

Inflation and external conditions are expected to remain stable. Supported by RBI's inflation targeting policy, two consecutive years of normal monsoons will further stabilize prices and offset any increase in global oil prices. The dollar-rupee exchange rate has appreciated, further adding to a low inflation scenario.

The biggest medium-term risks are associated with the recovery in private investments which continues to face several domestic impediments including the corporate debt overhang and regulatory and policy challenges, along with the risk of an imminent increase in US interest rates.

Source: <http://www.worldbank.org/en/country/india/overview#1>

### **HEALTH CARE INDUSTRY IN INDIA**

It has been predicted that India with increased digital adoption, the Indian healthcare market, which is worth around US\$ 100 billion, will likely grow at a CAGR of 23 per cent to US\$ 280 billion by 2020.

The Healthcare Information Technology (IT) market is valued at US\$ 1 billion currently (April 2016) and is expected to grow 1.5 times by 2020.

A total of 3,598 hospitals and 25,723 dispensaries across the country offer AYUSH (Ayurveda, Yoga & Naturopathy, Unani, Siddha and Homoeopathy) treatment, thus ensuring availability of alternative medicine and treatment to the people.

### **GLOBAL DIETARY SUPPLEMENTS AND NUTRACEUTICAL INDUSTRY**

Nutraceuticals refer to food or part of a food, including beverages and food products that provide incremental medical or health benefits, including prevention or treatment of a disease. It spans across

Functional Foods, Functional Beverages and Dietary supplements. Some instances of Nutraceutical products are Probiotics, Fortified energy drinks, Vitamins and Minerals etc. The category is positioned between Food & Beverages and Pharmaceuticals.

The global nutraceutical industry, valued at US\$ 182.6 bn in 2015, is one of the fastest growing industries today and expected to expand at a CAGR of 7.3% from 2015 to 2021.

Currently, the United States, Europe and Japan account for most (93%) of the total global nutraceutical market. The market, however, seems to have attained maturity in all the three regions. Therefore, the nutraceutical industries across the world are now turning their attention to emerging markets like India and China.

Globally, Nutraceuticals market is expected to witness huge growth. At the turn of the millennium, between 1999 and 2002, the industry grew at a CAGR of 7%. Subsequently till 2010, it doubled to 14%. Currently every year \$12-15 Bn is being added to the global revenue. The US and Japan have been pioneers in embracing Nutraceuticals. Western Europe also represents a large market, with strong footprints in Germany, Italy and France. Developing markets like India, Brazil and China are relatively smaller, yet have a huge growth opportunity. Indian market currently has a 2-3% share of the global market.

Source

[http://www.nuffoodsspectrum.in/inner\\_view\\_single\\_details.php?page=1&content\\_type=&vtcl\\_panel\\_nm=&ele\\_id=NOR\\_588b37ba948df4.78777381&contentPage=1](http://www.nuffoodsspectrum.in/inner_view_single_details.php?page=1&content_type=&vtcl_panel_nm=&ele_id=NOR_588b37ba948df4.78777381&contentPage=1)

### **Global Market Growth & Demand Scenario**

By 2020, the world will have 1 billion populations of 60+ ages. 70% of this population live in developed nations & balance 30% in developing nations. Nutraceutical demand will grow at a steady rate in developed nations. Developing nations with their progressive disposable income will see a sudden surge in growth in the next 5-10 years.

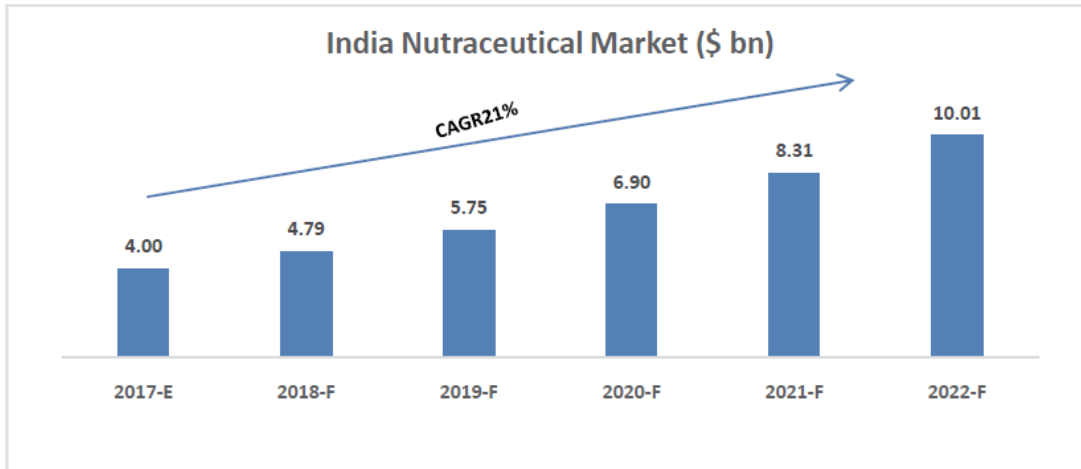
The below structure depicts Global Key & Emerging geographies Region Country Potential

- North America US Maturing market, growth with dietary supplements as healthcare costs increase
- Asia-Pacific Japan Pioneers in natural Nutraceuticals & Dietary supplements. Huge market second to US
- China Rapidly growing middle class and increasing disposable income will greatly expand Nutraceutical segment in China by 2020.
- Europe Germany Stringent Government regulation & approval process. Most players expanding product offerings
- Latin America Brazil Health-conscious, well-informed young middle class would drive growth

### **INDIAN NUTRACEUTICAL MARKET**

The Indian Nutraceuticals market is expected to grow from \$ 4 Bn in 2015 to \$ 10 Bn in 2022. This represents a huge growth of 21% growth annually.

Those brands that will invest in growing the category by spreading awareness regarding the benefits of food supplements as well as a focus on quality products customized to Indian needs will stay relevant and gain the lion's share in this growing sector.<sup>1</sup>



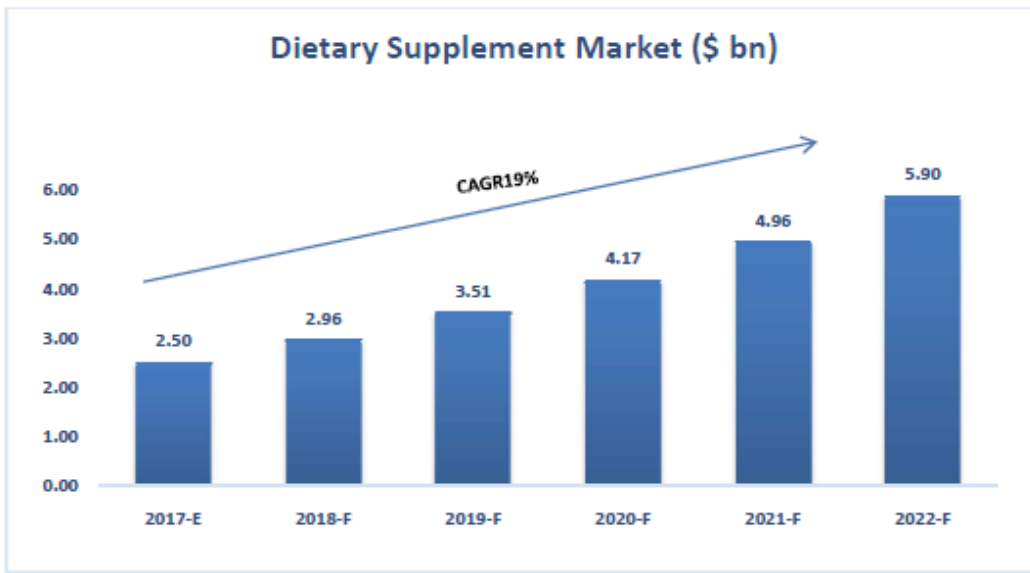
### Consumer Segments

India represents a huge and vast market for Nutraceuticals as almost every segment has a need for some form of Nutraceuticals. Some segments have a more pronounced need for Nutraceuticals among others

1. Growing children needs Functional food and beverage supplement to be able to perform well in academics and extra-curricular well
2. Younger Age-groups 15-25 & 25-35 are stronger targets either due to active lifestyle or specific needs
3. Pregnant and lactating mothers need to supplement their nutrition need
4. Ages 60+ group are specifically vulnerable to Diabetes, Bone related diseases and other ailments and needs special preventive protection through Nutraceuticals.

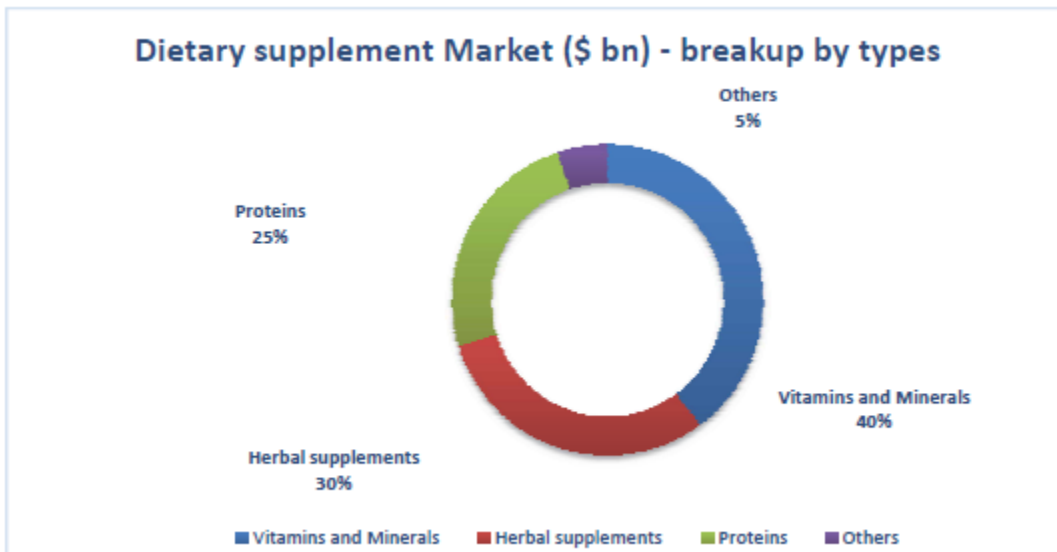
### Dietary supplements – Overview

A dietary supplement is intended to provide nutrients that may otherwise not be consumed in sufficient quantities. Supplements as generally understood include vitamins, minerals, fiber, fatty acids, or amino acids, among other substances. Stressful lifestyles, hectic schedules and lack of time to cook meals at home among increasing number of working class males and females is resulting demand for external dietary supplements. The Dietary Supplements Market is classified on the basis of product type



- a. Vitamins and minerals
- b. Herbal supplements
- c. Protein supplements
- d. Chavanprash

Market for Dietary supplements is expected to touch \$ 5.90 bn by 2022 at CAGR 19%.



Source: <http://mrssindia.com/uploads/reports/pdf/assocham-knowledge-report-on-nutraceuticals-released-at-3rd-national-symposium-6.pdf>

<https://health.economictimes.indiatimes.com/health-files/indian-health-food-supplements-market-may-grow-at-20-annually/2772>

## **Drivers In Supplements - India**

- GDP Growth and Rising Income – The GDP growth & a rise in disposable income has resulted in better standards of living, high spending's with health club memberships finding their way in household spends of most of the urban families. Increasing purchasing power of customers, especially in tier I & tier II cities of India has been the major driving factor for the market.
- Change in Lifestyle – Absence of physical activities, changing consumption habits with inclination towards fast foods and packaged nourishments and rising demand of individuals in desk-bound employments have resulted in rise in lifestyle diseases such as obesity and diabetes, which has forced people to embrace healthy lifestyles as well as healthy eating habits
- Demand for balanced nutrition – Consumers are looking for energy boosting products to enhance their physical perseverance, mental sharpness and to become more dynamic and conscious, consequently increasing the demand for dietary supplements in India.
- E- commerce and Retail – Growth in organised retail and e-commerce has also improved the availability of these products in the market increasing overall awareness of these products

## **India Dietary Supplements Market: By Region**

North and West regions of the country accounted for a major share in the country on account of high increasing awareness, rising employment rate, etc. Tier I & II cities, have been the major demand generators for India Dietary Supplements Market.

## **Trends**

### **Changing trends dosage forms**

Nutraceutical ingredients have typically been positioned as natural and healthy alternatives to allopathic medicines. However, one of the primary challenges being faced by these products is the difficulty in formulating these products using the right dosage form. Besides, flavor and fragrance masking, the dosage forms also need to increase the stability of ingredients in the final product. But lately consumers are seeking more variety and benefits from delivery methods beyond those possible through traditional (tablet and capsule) technologies. As a result, the formulator needs to work far harder to cater to increasing consumer demands. As the nutraceutical industries look to carve a niche of their own and create a differentiated product, an important trend is the growth and diversity of new dosage formulations. As a result, traditional tablets and chewables are slowly being replaced by capsules, particularly liquid-filled capsules.

### **Capsules: A suitable choice for consumers and manufacturers**

The shift toward capsule formulation is consumer driven. Consumers prefer dosage forms like capsules as they are easier to swallow. Capsules, especially liquid-filled capsules, are also considered to work faster and better. For nutraceutical companies, capsules make for an ideal formulation as it requires fewer excipients and manufacturing steps, enables faster development, and offers more formulation flexibility. In addition, capsule formulations offer brand recognition in a crowded nutraceutical products market.

Source

[http://www.nuffoodsspectrum.in/inner\\_view\\_single\\_details.php?page=1&content\\_type=&vrctl\\_panel\\_nm=&ele\\_id=NOR\\_588b37ba948df4.78777381](http://www.nuffoodsspectrum.in/inner_view_single_details.php?page=1&content_type=&vrctl_panel_nm=&ele_id=NOR_588b37ba948df4.78777381)



## OUR BUSINESS

### OVERVIEW

Our Company was originally incorporated as Add-Shop Promotions Private Limited at Rajkot, Gujarat as a Private Limited Company under the provisions of Companies Act, 1956 vide Certificate of Incorporation dated August 20, 2013 bearing Corporate Identification Number U51109GJ2013PTC076482 issued by Registrar of Companies, Dadar and Nagar Havelli, Gujarat. Subsequently our Company was converted into a Public Limited Company pursuant to special resolution passed by the shareholders at the Extraordinary General Meeting held on June 11, 2018 and fresh certificate of incorporation consequently upon change of name was issued by Registrar of Companies, Gujarat, Ahmedabad dated June 21, 2018 and name of our Company was changed to Add-Shop Promotions Limited. The Corporate Identification Number is U51109GJ2013PLC076482. For further details of change of name and registered office of our Company, please refer to the chapter titled “*Our History and Certain Other Corporate Matters*” beginning on page 109 of this Draft Prospectus.”

Our Promoter and Managing Director Dineshbhai Pandya is visually impaired person and a first-generation entrepreneur, trainer and motivator. He has experience in the field of Ayurvedic and Pharma. He is awarded “*Golden Books of records*” for most village assemblies addressed by a differently able person. The Company was incorporated by him with a vision to find and implement solutions for two very deep-rooted challenges of our nation like unemployment & unhealthiness of our citizens.

Our Company is currently engaged in the business of marketing and distribution of products in the categories of ayurvedic products, food supplement products, agricultural products, animal feed supplement products and personal care products under the brand name “*Add-Shop Promotions*”. In this present competitive era of medicines and food supplements, our company is aiming to focus on ways to bridge the nutrition gap, which is a recognized cause of any diseases, by promoting Ayurveda and its products.

We primarily cater to retailers and wholesalers where we supply products manufactured by select manufacturers under our brand. We procure the finished products from our G.M.P and I.S.O certified manufacturers and thereafter market the product through various intermediaries and sales agents. With an objective to penetrate major market, we have entered into agreement with various collecting and forwarding agents (C&F’s). Our Company has entered into agreements with Panchlingeshwara Enterprises, in Karnataka., Just Need United Trading, Maharashtra and Good Life Enterprises Telangana.

Our Company distributes organic products to farmers for their agriculture use as well organic cattle feed products for their livestock. Our Company believes that the agriculture sector in India is expected to generate better momentum in the next few years due to increased investments in agricultural infrastructure. The Government of India has also introduced several projects to assist the agriculture sector which is ensuring better growth prospects in the said Industry. Foreseeing the growth in the agricultural sector, our company intends to tap the growth opportunity by pushing sales through a wide range of agro products. Our Company is a fellow member of Federation of Direct Selling association vide membership number FDSA/F/10.

Our Company’s total revenue as restated for the three months ended June, 2018 and for the Financial Year 2018, 2017 and 2016 was Rs.381.41 lakhs, Rs.1254.90 lakhs, Rs. 455.41 lakhs and Rs.192.67 lakhs, respectively. Our Company’s profit/loss after tax as restated for the three months ended June, 2018 and Financial Year 2018, 2017 and 2016 was Rs. 16.37 lakhs, Rs. 22.96 lakhs, 14.69 lakhs and Rs. (0.38) lakhs, respectively.

#### **Our Company has received the following accreditations: -**

1. Compliance Letter for the Compliance of the Direct Selling guidelines- 2016, submission of declaration with undertaking regarding
2. Membership certificate from Federation of Direct Selling Association

## Company Location

Our Company's Registered Office is presently situated at B-304 Imperial Height 150 Ft Ring Road, Rajkot-360005, Gujarat, India.

Our current portfolio of products includes the following: -

Sr. No	Ayurvedic Proprietary medicine	Food Supplement	Agriculture	Animal Feed supplement	Personal Care	Wearing and home appliances
1.	Gausudha	Proteinsudha	Bhoomisudha	Cattlesudha	Dentosudha	Khadi Night Dress,
2.	Satayu Syrup	Sampurnasudha	DNC-90		Dantpiush	7 in 1 Kitchen Dicer
3.	Vaytogra	Bhorsudha	DOJ-80		Asp Herbal Shampoo	
4.	Shlimsudha	Naturacal	Cropsudha		Asp Herbal Hair Oil	
5.	Necharsudha		Cropsudha Liquid		Aloe Glycerin Bath Soap	
6.	Brensudha				Luxurious Bath Soap	
7.	Narisudha-Cap				Saffrono livo Beauty Soap	
8.	Narisudha-Syrup					
9.	Kenkarsudha					
10.	Hradayasudha					
11.	Floosudha-Cap					
12.	Floosudha-Syrup					
13.	Pilssudha - Cap					
14.	Pilssudha-Ointment					
15.	Urosudha-Cap					
16.	Urosudha-Syrup					
17.	Arthosudha					
18.	Nervosudha					
19.	Madhusudha					
20.	Nityasudha					
21.	Joint Sudha					
22.	Tulsisudha					

Sr. No	Ayurvedic Proprietary medicine	Food Supplement	Agriculture	Animal Feed supplement	Personal Care	Wearing and home appliances
23.	Karkyusudha Cap					

#### Application/ end use/ benefits

- **Ayurvedic** – These products have ayurvedic proprietary medicine that can be consumed for cure various illness, including diabetics, piles, anti-ageing, slimming tablets, etc.
- **Food Supplement** - These products are useful to improve immune system and protect the cardiovascular system of human body.
- **Agriculture** - These products are useful to enhance natural immune system of plants and increase soil fertility.
- **Animal Fidsuplyment** - It reduce the mental stress of cattle and useful for underfeeding cattle.
- **Personal Care** - These Products are useful in treatment of teeth and gum problem, hair related problems, anti- ageing and healing problems
- **Wearing and home appliances** - Company also distribute khadi dresses and kitchen appliances

#### OUR COMPETITIVE STRENGTHS

##### 1. Tie-up with our suppliers

We have entered into a tie up agreement with Marss Herbal (India) which is engaged in manufacturing of wide range of herbal and natural use products. Marrs herbal manufactures the products and supply us under our brand, registered brand name of ADD-Shop Promotions Limited.

##### 2. Experienced Promoter and Management team

Our promoter Dineshbhai Pandya is visually impaired person and has an experience of approximately two decades in field of marketing and also possesses knowledge in agriculture and health products. He also has experience to manufacture such agricultural products and other animal feed supplement products. He has conducted approximately 1200 village assemblies across India in order to educate farmers regarding organic farming. Our business operations are managed by team of personnel which enables us to continue to take advantage of market opportunities and expanding our business

##### 3. Relationship with distributors and Customers

We believe in constantly addressing our distributors, sales agent and customer needs for our products. Our relationship with them help us to get repeat business. This has helped us to maintain a long-term relationship with our distributors, sales agent and customers. We believe that our relationship with our distribution, sales agents and customers represents a competitive advantage in gaining new clients and increasing our business.

##### 4. Focused Market Area.

Our company is engaged in the business of marketing and selling of over the counter ayurvedic medicines and personal care products. We have focused on Urban, Semi-Urban and Rural markets to sell our exclusive products, as the demand of quality goods and services in the urban, semi-urban and rural areas of India is increasing rapidly.

##### 5. Widespread domestic presence and distribution network

Our product is sold pan India through a network of C&F Agents, Super Franchisee, Franchise, Distributor and sales agents. The sale of our products is therefore not dependent on any particular region or state.

#### **6. Range of Product Offerings**

Our Company markets and supplies a range of ayurvedic, food supplement, agriculture, animal feed supplement, and personal care products. The range of products that Company offers makes the Company a complete solution provider for all kind of health care and other ayurvedic products.

### **OUR BUSINESS STRATEGY**

#### **1. Focus on increasing geographical presence**

We believe that our growth in the markets will result from growing demand for the products we distributing. Our strategic initiatives for wide markets include offering of wide products which helps us develop a broad market penetration and establish our presence in developed market.

#### **2. Customer Satisfaction**

We plan to grow our business primarily by increasing the number of customers, as we believe that increased customer relationships will add stability to our business. We seek to build on existing relationships and also focus on bringing into our portfolio more customers. Our Company believes that our business is a by-product of relationship. Our Company believes that a long-term customer relationship with large clients fetches better dividends. Long-term relations are built on trust and continuous meeting with the requirements of the customers.

#### **3. Manufacturing of new products**

Currently, we have a tie-up with Marss Herbal (India) for the supply of products. In future, we plan to grow our business by manufacturing ayurvedic, food supplement, agriculture, animal fidsuplyment, personal care products as well as other products. We believe that manufacturing of products will help us in increasing the volume of sales and profitability.

#### **4. Focus on diversified business model**

We are currently focused on supply of ayurvedic, food supplement, agriculture, animal fidsuplyment, personal care products. We intend to venture into trading in different types of products in above categories including agro and herbal products. This will provide us a growth opportunity as well as mitigating the risk of focusing only on a certain type of trade. This is in order to ensure our long term stability and enhancement of our revenue growth.

### **PLANT & MACHINERY**

Since we get our products manufactured through third party contract manufacturing facility, we do not own any major plant and machinery.

### **COLLABORATIONS/TIE-UPS/JOINT VENTURES**

We have Tie up Agreement with Marss Herbal (India) for the supplying products which has been engaged in manufacturing and carrying on the business of manufacture of wide range of herbal and natural use products.

### **INFRASTRUCTURE FACILITIES AND UTILITIES**

Our Registered Office is presently situated at B-304 Imperial Height 150 Ft Ring Road, Rajkot-360005, Gujarat, India. and is equipped with computer systems, internet connectivity, other communication, equipment, security and other facilities which are required for our business operations to function smoothly.

### **RAW MATERIALS**

We are currently in trading activities thus we are not needs to purchase and hold any raw material.

## **WATER AND ELECTRICITY**

The Company does not require much power except the normal requirement of the offices of the Company and for lighting; systems etc. adequate power is available and water is required for human consumption and adequate water sources are available.

## **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 our business.

As on June 30, 2018, our total manpower strength is 16 including employees at our registered office

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 efficient management team have enabled us to successfully implement our growth plans.

## **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 our customers who have been associated with our Company.

We believe our relationship with the clients is cordial and established as we receive repeat order flows. We intend to expand our existing customer base by reaching out to other geographical areas.

## **CAPACITY AND CAPACITY UTILIZATION**

Our Company is engaged in the business of supply of ayurvedic medicinal products under our own brands and hence capacity and capacity utilisation is not applicable to ourselves.

## **EXPORT POSSIBILITIES & EXPORT OBLIGATION**

Currently, we do not have any outstanding export obligations.

## **COMPETITION**

The Industry which we cater to is highly competitive as we compete with organised and unorganised sector on the basis of availability of products, raw materials and other aspects. Also, we face competition from various domestic and international companies and entities. But we intend to continue competing with such entities to grow our business.

## **PAST PRODUCTION FIGURES FOR THE INDUSTRY**

We are currently in trading activities thus why we have not any past-production figures for the industry.

## **LAND AND PROPERTY**

<b>Sr. No</b>	<b>Description of Property</b>	<b>Seller/ Owner</b>	<b>Usage</b>
1.	B-304 Imperial Height 150 Ft Ring Road, Rajkot-360005, Gujarat, India.	Dineshbhai Pandya	Registered Office
2.	Surbhi Complex (Dhanlaxmi) Office No. 202-203, 2 <sup>nd</sup> Floor Nr Fly Ower Bridge, Gondal Road- Rajkot-360001, Gujarat	Dineshbhai Pandya	Staff Quarters



## **KEY INDUSTRY REGULATIONS AND POLICIES**

The following description is a summary of the relevant regulations and policies as prescribed by the Government of India and other regulatory bodies that are applicable to our business. The information detailed in this Chapter has been obtained from the various legislations, including rules and regulations promulgated by the regulatory bodies and the bye laws of the respective local authorities that are available in the public domain. The regulations and policies set out below may not be exhaustive and are only intended to provide general information to the investors and are neither designed nor intended to be a substitute for professional advice. For details of Government Approvals obtained by the Company in compliance with these regulations, see section titled “*Government and Other Statutory Approvals*” beginning on page no. 178 of this Draft Prospectus.

Given below is a brief description of certain relevant legislations that are currently applicable to the business carried on by us.

### **CENTRAL LAWS**

#### **The Drugs and Cosmetics Act, 1940 ("DCA")**

The DCA regulates the import, manufacture, distribution and sale of drugs and cosmetics in India as well as aspects relating to labeling, packing and testing. The DCA also provides the procedure for testing and licensing of new drugs. The DCA also prohibits the import of certain categories of drugs and cosmetics. It further mandates that every person holding a license must keep and maintain such records, registers and other documents as may be prescribed which may be subject to inspection by the relevant authorities. Under the DCA, the Government may, by notification in the official gazette, regulate or prohibit the manufacture, sale or distribution of a drug, if it is satisfied that in the public interest, it is necessary or expedient to do so or that the use of such drug is likely to involve any risk to human beings or animals or that it does not have the therapeutic value claimed or purported to be claimed for it or contains ingredients and in such quantity for which there is no therapeutic justification. Penalties in terms of fine and imprisonment are prescribed under the DCA for contravention of its provisions.

#### **The Drugs Price Control Order, 2013 ("the DPCO, 2013")**

The DPCO, 2013 was issued by the Central Government in exercise of its powers under the Essential Commodities Act, 1955. As per the provisions of the DPCO, 2013 the government may, in order to achieve adequate availability and to regulate the distribution of drugs, in cases of emergency or in the interest of the public, direct any manufacturer of any active pharmaceutical ingredient or bulk drug or formulation to increase the production and to sell such active pharmaceutical ingredient or bulk drug to such other manufacturer(s) of formulations and to direct formulators to sell the formulations to institutions, hospitals or any agency as the case may be. The DPCO, 2013 also lays down the formulae for calculation of ceiling prices and retail prices of drug formulation. Section 7 of the Essential Commodities Act, 1955 provides for the list of certain price-controlled drugs and the penalty for contravention of the provisions of the DPCO, 2013. The DPCO, 2013 also provides that when an existing manufacturer of a drug with dosages and strengths as specified in National List of Essential Medicines launches a new drug, such existing manufacturer is required to apply for prior price approval of such new drug from the government. The DPCO, 2013 also prescribes certain instances in which case the provision of the DPCO, 2013 will not be applicable, for instances, in the event a manufacturer produces a new drug patented under the Indian Patent Act, 1970 through a product patent which has been developed through indigenous research and development, the DPCO, 2013 will not be applicable to such drug for a period of five years from the date of commencement of its commercial production in the country.

#### **The Drugs and Cosmetics Rules, 1945**

The Drugs and Cosmetics Rules, 1945 (the "DCA Rules") have been enacted to give effect to the provisions of the DCA Act to regulate the, manufacture, distribution and sale of drugs and cosmetics in India. The

DCA Rules prescribe the procedure for submission of report to the Central Drugs Laboratory, of samples of drugs for analysis or test, the forms of Central Drugs Laboratory's reports thereon and the fees payable in respect of such reports. The DCA Rules also prescribe the drugs or classes of drugs or cosmetics or classes of cosmetics for the import of which a license is required and prescribe the form and conditions of such license. Further, the DCA Rules provide for the cancellation or suspension of such license in any case where any provisions or rule

### **Drugs and Magic Remedies (Objectionable Advertisements) Act in 1954**

The Drugs and Magic Remedies (Objectionable Advertisements) Act, 1954 seeks to control advertisements of drugs in certain cases and prohibits advertisements of remedies that claim to possess magic qualities and provides for matters connected therewith. For the purposes of this Act, advertisements include any notice, circular, label, wrapper, or other document or announcement. The schedule to the Act specifies ailments for which no advertisement is allowed. It prohibits advertisements that misrepresent, make false claims or mislead.

### **Intellectual Property Laws**

Certain laws relating to intellectual property rights such as Copyright protection under the Copyright Act, 1957, Trademark protection under the Trade Marks Act, 1999, is also applicable to us. The Copyright Act, 1957 (the "Copyright Act") governs copyright protection in India. Registration under the Copyright Act acts as a prima facie evidence of the particulars entered therein and helps expedite infringement proceedings and reduce delay caused due to evidentiary considerations.

The Trademarks Act, 1999 (the "Trademarks Act") provides for the process for making an application and obtaining registration of trademarks in India. The purpose of the Trademarks Act is to grant exclusive rights to Marks such as a brand, label, heading and to obtain relief in case of infringement for commercial purposes as a trade description. The Trademarks Act prohibits registration of deceptively similar trademarks and provides for penalties for infringement, falsifying and falsely applying trademarks.

The Patents Act, 1970 ("Patents Act") The Patents Act governs the patent regime in India. Being a signatory to the Agreement on Trade Related Aspects of Intellectual Property Rights, India is required to recognize product patents as well as process patents. In addition to the broad requirement that an invention satisfy the requirements of novelty, utility and no obviousness in order for it to avail patent protection, the Patents Act stipulates that patent protection may not be granted to certain specified types of inventions and materials even if they satisfy the above criteria. The Patents Act prohibits any person resident in India from applying for patent for an invention outside India without making an application for the invention in India. The term of a patent granted under the Patents Act is twenty years from the date of filing of the application for the patent.

### **The Prevention of Food Adulteration Act, 1954**

The Prevention of Food Adulteration Act, 1954 aims at making provisions for the prevention of adulteration of food. The Act is the basic statute intended to protect the common consumer against supply of adulterated food and specifies different standards on various articles of food. The standards are of minimum quality level intended for ensuring safety in the consumption of these food items and for safeguarding against harmful impurities, adulteration etc. The Central Committee for Food Standards under the Directorate General of Health Services, Ministry of Health and Family Welfare is responsible for operation of this Act. Provisions of the Act are mandatory and contravention of the Rules can lead to both fine and imprisonment. The standards of quality of various food articles have been specified in Appendix B to the Prevention of Food Adulteration Rules, 1955. Manufacture, sale, stocking, distribution or exhibition for sale of any article of food, including prepared food or ready to serve food, cannot be done by any person except under a license.

### **The Employees' Compensation Act, 1923**



The Employees' Compensation Act, 1923 ("EC Act") has been enacted with the objective to provide for the payment of compensation to workmen by employers for injuries caused by accident(s) arising out of and in the course of employment, and for occupational diseases resulting in death or disablement. The EC Act makes every employer liable to pay compensation in accordance with the EC Act if a personal injury/disablement/ loss of life is caused to a workman by accident arising out of and in the course of his employment. In case the employer fails to pay compensation due under the EC Act within 1 (one) month from the date it falls due, the commissioner appointed under the EC Act may direct the employer to pay the compensation amount along with interest and may also impose a penalty.

### **The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013**

The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 ("SHWW Act") provides for the protection of women at work place and prevention of sexual harassment at work place. The SHWW Act also provides for a redressal mechanism to manage complaints in this regard. Sexual harassment includes one or more of the following acts or behavior namely, physical contact and advances or a demand or request for sexual favors or making sexually coloured remarks, showing pornography or any other unwelcome physical, verbal or non-verbal conduct of sexual nature. The SHWW Act makes it mandatory for every employer of a workplace to constitute an Internal Complaints Committee which shall always be presided upon by a woman. It also provides for the manner and time period within which a complaint shall be made to the Internal Complaints Committee i.e. a written complaint is to be made within a period of 3 (three) months from the date of the last incident. If the establishment has less than 10 (ten) employees, then the complaints from employees of such establishments as also complaints made against the employer himself shall be received by the Local Complaints Committee. The penalty for non-compliance with any provision of the SHWW Act shall be punishable with a fine extending to Rs. 50,000/-.

### **The Minimum Wages Act, 1948**

An Act to provide for fixing minimum rates of wages in certain employments. The appropriate government shall fix the minimum rates of wages payable to employees employed in an employment specified in Part I or Part II of the Schedule and in an employment added to either Part by notification. Provided that the appropriate government may in respect of employees employed in an employment specified in Part II of the Schedule instead of fixing minimum rates of wages under this clause for the whole State fix such rates for a part of the State or for any specified class or classes of such employment in the whole State.

### **The Child Labour (Prohibition and Regulation) Act, 1986**

It outlines where and how children can work and where they cannot. The provisions of the act are meant to be acted upon immediately after the publication of the act, except for part III that discusses the conditions in which a child may work. The Act defines a child as any person who has not completed his fourteen year of age. Part II of the act prohibits children from working in any occupation listed in Part A of the Schedule; for example: Catering at railway establishments, construction work on the railway or anywhere near the tracks, plastics factories, automobile garages, etc. The act also prohibits children from working in places where certain processes are being undertaken, as listed in Part B of the Schedule; for example: beedi making, tanning, soap manufacture, etc.

### **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 act 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.

### **Consumer Protection Act, 1986, as amended (“CPA”)**

The Consumer Protection Act, 1986 came into effect on December 24, 1986. The CPA reinforces the interests and rights of consumers by laying down a mechanism for speedy grievance redressal. A consumer, his legal heir or representative, as defined under the CPA including a person who avails of any services for a consideration which has been paid in full or part or promised to be paid, any voluntary consumer association registered under any applicable law or numerous consumers having the same interest, or the Central or State Government may lodge a complaint before the district forum or any other appropriate forum under CPA, inter alia, for: (i) Defective or spurious goods or services; (ii) Unfair or restrictive trade practices; (iii) Deficiency in services hired or availed; (iv) Manufacture or provision of hazardous goods/services; and (v) Misleading or false warranties or guarantee or representations by the manufacturer/service provider. In addition to awarding compensations and/or corrective orders, the forums and commissions under CPA are empowered to impose imprisonment of not less than a month, but not exceeding three years, or a fine of not less than two thousand rupees, but not more than ten thousand rupees, or both.

## **TAX RELATED LEGISLATIONS**

### **CENTRAL GOODS AND SERVICES TAX ACT, 2017**

The Central Goods and Services Tax Act, 2017 (“**CGST Act**”) regulates the levy and collection of tax on the intra- State supply of goods and services by the Central Government or State Governments. The CGST Act amalgamates a large number of Central and State taxes into a single tax. The CGST Act mandates every supplier providing the goods or services to be registered within the State or Union Territory it falls under, within 30 days from the day on which he becomes liable for such registration. Such registrations can be amended, as well as cancelled by the proper office on receipt of application by the registered person or his legal heirs. There would be four tax rates namely 5%, 12%, 18% and 28%. The rates of GST applied are subject to variations based on the goods or services.

### **INTEGRATED GOODS AND SERVICES TAX ACT, 2017**

Integrated Goods and Services Tax Act, 2017 (“**IGST Act**”) is a Central Act enacted to levy tax on the supply of any goods and/ or services in the course of inter-State trade or commerce. IGST is levied and collected by Centre on interstate supplies. The IGST Act sets out the rules for determination of the place of supply of goods. Where the supply involves movement of goods, the place of supply shall be the location of goods at the time at which the movement of goods terminates for delivery to the recipient. The IGST Act also provides for determination of place of supply of service where both supplier and recipient are located in India or where supplier or recipient is located outside India. The provisions relating to assessment, audit, valuation, time of supply, invoice, accounts, records, adjudication, appeal etc. given under the CGST Act are applicable to IGST Act.

### **Income-Tax Act, 1961 (“IT Act”)**

The “IT Act” is applicable to every company, whether domestic or foreign whose income is taxable under the provisions of this Act or Rules made there under depending upon its “Residential Status” and “Type of Income” involved. The IT Act provides for the taxation of persons resident in India on global income and persons not resident in India on income received, accruing or arising in India or deemed to have been received, accrued or arising in India. Every company assessable to income tax under the IT Act is required to comply with the provisions thereof, including those relating to Tax Deduction at Source, Advance Tax,

Minimum Alternative Tax and the like. Every such company is also required to file its returns by September 30 of each assessment year.

## **OTHER LEGISLATIONS**

### **The Companies Act, 2013**

The Companies Act, 2013, has been introduced to replace the existing Companies Act, 1956 in a phased manner. The Ministry of Corporate Affairs vide its notification dated September 12, 2013 has notified 98 sections of the Companies Act, 2013 and the same are applicable from the date of the aforesaid notification. Further 183 sections have been notified on March 26, 2014 and have become applicable from April 1, 2014. Further, the Ministry of Corporate Affairs issues notifications for applicability of other Sections of Companies Act, 2013 from time to time and the same are applicable from the date of the aforesaid notification. The Ministry of Corporate Affairs, has also issued rules complementary to the Companies Act, 2013 establishing the procedure to be followed by companies in order to comply with the substantive provisions of the Companies Act, 2013.

### **Indian Stamp Act, 1899**

Stamp duty in relation to certain specified categories of instruments as specified under Entry 91 of the list, is governed by the provisions of the Indian Stamp Act, 1899 (“**Stamp Act**”) which is enacted by the Central Government. All other instruments are required to be stamped, as per the rates prescribed by the respective State Governments. Stamp duty is required to be paid on all the documents that are registered and as stated above the percentage of stamp duty payable varies from one state to another. Certain states in India have enacted their own legislation in relation to stamp duty while the other states have adopted and amended the Stamp Act, as per the rates applicable in the state. On such instruments stamp duty is payable at the rates specified in Schedule I of the Stamp Act.

### **The Indian Registration Act, 1908 (“Registration Act”)**

The Indian Registration Act, 1908 “Registration Act” details the formalities for registering an instrument. Section 17 of the Registration Act identifies documents for which registration is compulsory and includes, inter alia, any non- testamentary instrument which purports or operates to create, declare, assign, limit or extinguish, whether in the present or in future, any right, title or interest, whether vested or contingent, in immovable property of the value of Rs. 100 or more, and a lease of immovable property for any term exceeding one year or reserving a yearly rent. The Registration Act also stipulates the time for registration, the place for registration and the persons who may present documents for registration.

Any document which is required to be compulsorily registered but is not registered will not affect the subject property, nor be received as evidence of any transaction affecting such property (except as evidence of a contract in a suit for specific performance or as evidence of part performance of a contract under the TP Act or as evidence of any collateral transaction not required to be effected by registered instrument), unless it has been registered.

### **The Competition Act, 2002**

The Competition Act, 2002 prohibits anti- competitive agreements, abuse of dominant positions by enterprises and regulates “combinations” in India. The Competition Act also established the Competition Commission of India (the “CCI”) as the authority mandated to implement the Competition Act. The provisions of the Competition Act relating to combinations were notified recently on March 4, 2011 and came into effect on June 1, 2011. Combinations which are Likely to cause an appreciable adverse effect on competition in a relevant market in India are void under the Competition Act.

### **Indian Contract Act 1872**

The Indian Contract Act, 1872 (“Contract Act”) codifies the way in which a contract may be entered into, executed, implementation of the provisions of a contract and effects of breach of a contract. A person is

free to contract on any terms he chooses. The Contract Act consists of limiting factors subject to which contract may be entered into, executed and the breach enforced. It provides a framework of rules and regulations that govern formation and performance of contract. The contracting parties themselves decide the rights and duties of parties and terms of agreement. The Act determines the circumstances in which promise made by the parties to a contract shall be legally binding on them. Each contract creates some right and duties upon the contracting parties. Indian contract deals with the enforcement of these rights and duties upon the parties. As per the provisions of the Indian Contract Act all agreements are contracts if they are made by the free consent of the parties competent to contract, for a lawful consideration and with a lawful object and are not expressly declared to be void. The parties to a contract must either perform or offer to perform their respective promises unless such performance is dispensed with or excused under the provisions of the Act or of any other law. When a contract has been broken the party who suffers by such breach is entitled to receive from the party who has broken the contract, compensation for any loss or damage caused to him thereby, which naturally arose in the usual course of things from such breach or which the parties knew, when they made the contract, to be likely to result from the breach of it. The Indian Contract Act also lays down provisions of indemnity, guarantee, bailment and agency. Provisions relating to sale of goods and partnership which were originally in the act are now subject matter of separate enactments viz., the Sale of Goods Act and the Indian Partnership Act.

### **Foreign Trade (Development and Regulation) Act, 1992 (“FTA”)**

In India, the main legislation concerning foreign trade is the Foreign Trade (Development and Regulation) Act, 1992 (“FTA”). The FTA read along with relevant rules provides for the development and regulation of foreign trade by facilitating imports into, and augmenting exports from, India and for matters connected therewith or incidental thereto. As per the provisions of the Act, the Government:- (i) may make provisions for facilitating and controlling foreign trade; (ii) may prohibit, restrict and regulate exports and imports, in all or specified cases as well as subject them to exemptions; (iii) is authorized to formulate and announce an export and import policy and also amend the same from time to time, by notification in the Official Gazette; (iv) is also authorized to appoint a 'Director General of Foreign Trade' for the purpose of the Act, including formulation and implementation of the Export-Import (“EXIM”) Policy. FTA read with the Indian Foreign Trade Policy provides that no export or import can be made by a company without an Importer-Exporter Code number unless such company is specifically exempt. An application for an Importer Exporter Code number has to be made to the office of the Joint Director General of Foreign Trade, Ministry of Commerce.

### **FOREIGN INVESTMENT REGULATIONS**

Foreign investment in India is governed by the provisions of the Foreign Exchange and Management Act (“FEMA”) and the rules, regulations, notifications issued under the same, read with the extant Consolidated Foreign Direct Investment Policy, as issued by the Department of Industrial Policy and Promotion (“DIPP”). The Reserve Bank of India (“RBI”), in exercise of its powers under FEMA, has notified various regulations governing the purchase, sale, allotment or subscription of securities of an Indian company to a non-resident individual or entity. Pursuant to the aforementioned legal framework, no permission is required for investment in sectors falling under the ‘automatic route’ within the specified sectoral caps.

RBI has also issued Master Circular on Foreign Investment in India dated July 01, 2015. In terms of the Master Circular, an Indian company may issue fresh shares to persons resident outside India (who are 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. As mentioned above, 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.

The Consolidated FDI policy effective from August 28, 2017 issued by the DIPP allows sectoral cap upto 100% in case of single brand product of retail trading in which FDI cap through 49% is allowed under

automatic route and beyond 49% is allowed through government approval route. Moreover, in terms of press note 1 (2018 Series), FDI is allowed upto 100% through automatic route. The press notes 1 (2018 Series) shall take effect from date of FEMA notification.

**Other Laws**

In addition to the above, our Company is also required to comply with the SEBI Regulations and rules framed thereunder and other applicable statutes enacted by the Centre or relevant State Governments and authorities for our day-to-day business and operations.

## OUR HISTORY AND CERTAIN OTHER CORPORATE MATTERS

### History and Background

Our Company was originally incorporated as Add-Shop Promotions Private Limited at Rajkot, Gujarat as a Private Limited Company under the provisions of Companies Act, 1956 vide Certificate of Incorporation dated August 20, 2013 bearing Corporate Identification Number U51109GJ2013PTC076482 issued by Registrar of Companies, Dadar Nagar Haveli, Gujarat. Subsequently our Company was converted into a Public Limited Company pursuant to special resolution passed by the shareholders at the Extraordinary General Meeting held on June 11, 2018 and fresh certificate of incorporation consequently upon change of name was issued by Registrar of Companies, Ahmedabad, Gujarat, dated June 21, 2018 and name of our Company was changed to Add-Shop Promotions Limited. The Corporate Identification Number is U51109GJ2013PLC076482. For information of our Company's profile, activities, products, services, market of each segment, growth, exports and profits due to foreign operations together with country wise analysis, technology, managerial competence, capacity built-up and standing with reference to prominent competitors, see "*Our Management*", "*Business Overview*", "*Financial Statements as Restated*", "*Management's Discussion and Analysis of Financial Condition and Results of Operation*", "*Government and Other Statutory Approval*" and "*Industry Overview*" beginning on pages 113, 96, 135, 164, 178 and 86, of this Draft Prospectus respectively.

### Corporate Profile of our Company

For information on our Company's profile, activities, services, market, growth, technology, managerial competence, standing with reference to prominent competitors, major vendors and suppliers, please refer to chapter titled "*Our Management*", "*Our Business*" and "*Industry Overview*" beginning on pages 113, 96 and 86 of this Draft Prospectus, respectively.

### Changes in registered office of the Company

There has been changes in the registered address of the Company since its incorporation from Shree Ashapura Complex, Shop No. 202, 2<sup>nd</sup> Floor, Opp Ahya Commercial Centre, Gondal Road, Rajkot -360002 to B-304 Imperial Height 150 Ft Ring Road, Rajkot- 360005, Gujarat, India. Our Company's Registered Office is presently situated at B-304 Imperial Height 150 Ft Ring Road, Rajkot-360005, Gujarat, India.

### Number of shareholders of the Company

Our Company has seven (7) shareholders as on the date of this Draft Prospectus. For further details, regarding our shareholders, please refer to chapter titled "*Capital Structure*" beginning on page 56 of this Draft Prospectus.

### Main Objects of our Company

The Main Objects clause of the Company as per the MoA is as under:

1. To carry on in India or elsewhere the business of modern trade through direct selling like buying, selling, reselling, importing, exporting, transporting, storing, developing, marketing, supplying as a direct selling entity, manufacturing of various category of products, to become Producer, Provider of various types of services and to act as broker, agent, C & F agent, distributor, franchiser, consultant, collaborator, stockiest, job worker, export house, in all types and grades of products, services or otherwise to deal in such products and services.
2. To carry on in India or elsewhere the business as traders, agents, stockiest, distributors, indenters, importers, exporters, buying and selling agents, manufacturer's representatives, commission agents, servicemen, conducting seminars, market promotion agent, launch advertisement, to organize sales promotions drives, training, seminars, events, exhibitions, fairs as may be necessary for the promotions of sales of products and /or services, carrying and forwarding agent, general brokers, market man, market

developers, research and development in the field of marketing and selling, promoters, organizers and retailers of all types of goods, services, commodities used in industrial and/ or domestic purpose.

### Amendments to the MoA

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

Date of Shareholder's Resolution	Particulars
April 13, 2017	Alteration in Main Object by way of inserting new Clause so as to read after alteration as Clause III (A) 1 Clause III (A) 1 and existing Clause III (A) 1 would be read as Clause III (A) 2. Deletion of following “to commence prize winning schemes, contents” and addition of word Services in CLAUSE III (A) 2 which was earlier read as Clause III (A) 1
February 14, 2018	Clause V of the MoA was amended to increase in Authorised Share Capital of the Company increased from the existing Rs. 1,00,000/- (Rupees One Lakhs only) divided into 10,000 (Ten Thousand only) Equity Shares of Rs. 10/- (Rupees Ten only) each to Rs. 6,00,00,000/-(Rupees Six Crore Only) divided into 60,00,000 (Sixty Lakhs Only) equity shares of Rs. 10/- (Rupees Ten only)
May 31, 2018	Clause V of MoA was amended to increase in Authorised Share Capital of the Company increased from the existing Rs' 6,00,00,000/- (Rupees Six Crore only) divided into 60,00,000 (Sixty Lakh only) Equity Shares of Rs' 10/- (Rupees Ten only) each to Rs 7,00,00,000/- (Rupees Seven Crore Only) divided into 70,00,000 [Seventy Lakh only ) equity shares, of Rs. 10/- (Rupees Ten only) each.
June 11, 2018	Clause I of MoA was amended to the company be changed from "Add-Shop Promotions Private Limited to "Add-Shop Promotions Limited" by deleting the word 'Private' before the word 'Limited'."

### Major Events and milestones of our Company

The following table sets forth the key events and milestones of our Company

Year	Events
2013	Incorporation of our Company
2016	Registration of Trade Mark for the products of Company
2016	Compliance Letter for the Compliance of the Direct Selling guidelines- 2016, submission of declaration with undertaking regarding.
2017	Membership certificate from Federation of Direct Selling Association
2018	Company has converted Add- Shop Promotions Private Limited to Add- Shop Promotions Limited.

### Awards, Achievements and Accolades

Year	Events
2017	Letter from the Chief Minister of Gujarat State to the Company for the Constant changes and progress in human tendency.

### Other Details Regarding our Company

For details regarding the description of our activities, services, market of each segment, the growth of our Company, standing of our Company with reference to prominent competitors, management, managerial competence, major suppliers and customers, exports, geographical segment, capacity/facility creation, location, market, capacity build-up, marketing and competition, please refer to chapter titled “Our

*Business*”, “*Our Management*” and “*Industry Overview*” beginning on pages 96, 113 and 86 of this Draft Prospectus, respectively.

#### **Capital raising activities through equity and debt**

Except as mentioned in chapter titled “*Capital Structure*” beginning on page 56 of this Draft Prospectus. For details on the debt facilities of our Company, please refer to chapter titled “*Financial Indebtedness*” and section titled “*Financial Statements as Restated*” beginning on page 173 and 135 of this Draft Prospectus, respectively.

#### **Time and cost overrun in setting up of projects**

There have been no instances of time and cost overruns in setting up of our projects in the past and as regards our proposed project, except as described under section titled “*Risk Factors*” on page 17 of this Draft Prospectus, there are no anticipated time and cost overruns. For details, please refer to section titled “*Risk Factors*” on page 17 of this Draft Prospectus.

#### **Defaults or rescheduling of borrowings of our Company with financial institutions**

There have been no defaults or rescheduling of borrowings with any of the financial institutions/banks in respect of our current borrowings from our lenders. None of our outstanding loans have been converted into Equity Shares.

#### **Lock-out or strikes**

As on the date of this Draft Prospectus, there have been no lock-outs or strikes at any time in our Company.

#### **Changes in the activities of our Company during the last five (5) years**

There has been no change in the activities of our Company since incorporation which may have had a material effect on the statement of profit & loss of our Company, including discontinuance of a line of business, loss of agencies or markets and similar factors.

#### **Injunction or Restraining Order**

As on the date of this Draft Prospectus, there are no injunctions or restraining orders against our Company.

#### **Holding Company**

As on the date of this Draft Prospectus, our Company does not have a holding company.

#### **Subsidiaries**

As on the date of this Draft Prospectus, our Company does not have any subsidiaries.

#### **Business acquisition, mergers and amalgamations**

Our Company has not acquired any entity, business or undertakings nor has it undertaken any merger and amalgamation since incorporation.

#### **Revaluation of assets**

Our Company has never revalued its assets since incorporation and has not issued any Equity Shares, including bonus shares, by capitalizing any revaluation reserves.

#### **Shareholders and other Material Agreements**

There are no material agreements, other than those entered into in the ordinary course of business carried on or intended to be carried on by our Company. For information relating to business operations of the Company, please refer to chapter titled “*Our Business*” beginning on page 96 of this Draft Prospectus.



**Strategic Partners**

As on the date of this Draft Prospectus, our Company does not have any strategic partners.

**Financial Partners**

Apart from the arrangements undertaken with the Bankers to the Company in the ordinary course of business, our Company does not have any other financial partner.

## OUR MANAGEMENT

### Board of Directors

In terms of the Articles of Association of our Company, our Company is required to have not more than fifteen (15) Directors and not less than three (3) Directors. As on the date of this Draft Prospectus, our Board comprises of ten (10) Directors, out of which four (4) are executive Directors, and one (1) is Non-Executive Directors and (5) five Non-Executive Independent Director.

The following table sets forth the details of our Board as of the date of filing of this Draft Prospectus:

Name, designation, occupation, address, nationality, date of appointment, term and DIN	Age (in years)	Other directorships
<p><b>Dineshbhai Pandya*</b></p> <p><b>Designation</b> – Promoter, and Managing Director</p> <p><b>Occupation</b> – Business</p> <p><b>Address</b> – 5-Axsar apts. Dharmajivan Soc., Behind Gurukul, Rajkot – 360002, Gujarat, India</p> <p><b>Nationality</b> – Indian</p> <p><b>Date of appointment</b> - August 20, 2013</p> <p><b>Term</b> – Not liable to retire by rotation</p> <p><b>DIN</b> – 06647303</p>	44	1. Dada Organics Private Limited
<p><b>Jayshree Pandya</b></p> <p><b>Designation</b> –Non- Executive Director</p> <p><b>Occupation</b> – Business</p> <p><b>Address</b> – 5-Axsar apts. Dharmajivan Soc., Behind Gurukul, Rajkot – 360002, Gujarat, India</p> <p><b>Nationality</b> – Indian</p> <p><b>Date of appointment</b> – December 25, 2017</p> <p><b>Term</b> – Liable to retire by rotation</p> <p><b>DIN</b> – 06647308</p>	46	1. Dada Organics Private Limited
<p><b>Deviben Pandya</b></p> <p><b>Designation</b> – Executive Director</p> <p><b>Occupation</b> – Business</p>	24	1. Dada Organics Private Limited

Name, designation, occupation, address, nationality, date of appointment, term and DIN	Age (in years)	Other directorships
<p><b>Address</b> – Mansatirth-2, Ving A Block N0-307, 3rd Floor opp.Swaminarayan Gurukul Rajkot-360002, Gujarat, India.</p> <p><b>Nationality</b> – Indian</p> <p><b>Date of appointment</b> – May 10, 2018</p> <p><b>Term</b> – Liable to retire by rotation</p> <p><b>DIN</b> – 07905047</p>		
<p><b>Devang Pandya</b></p> <p><b>Designation</b> –Executive Director</p> <p><b>Occupation</b> – Business</p> <p><b>Address</b> – Mansatirth-2, Ving A Block N0-307, 3rd Floor opp.Swaminarayan Gurukul Rajkot-360002, Gujarat, India</p> <p><b>Date of Appointment</b> – May 31, 2018</p> <p><b>Term</b> – Liable to retire by rotation</p> <p><b>DIN</b> – 07905073</p>	24	1. Dada Organics Private Limited
<p><b>Jigar Pandya</b></p> <p><b>Designation</b> –Executive Director</p> <p><b>Occupation</b> – Business</p> <p><b>Address</b> – Mansatirth-2, Ving A Block N0-307, 3rd Floor Opp.Swaminarayan Gurukul Rajkot-360002, Gujarat, India</p> <p><b>Date of Appointment</b> – May 10, 2018</p> <p><b>Term</b> – Liable to retire by rotation</p> <p><b>DIN</b> – 07905076</p>	24	1. Dada Organics Private Limited
<p><b>Rajeshkumar Parekh</b></p> <p><b>Designation</b> –Independent Director</p> <p><b>Occupation</b> – Business</p> <p><b>Address</b> – Jainam, 14/5 - Yogi Nagar, Opp. Government School, Near Bal Yogi Hanuman, Gondal, Rajkot- 360311, Gujarat, India</p> <p><b>Date of Appointment</b> – May 26, 2018</p> <p><b>Term</b> – Not Liable to retire by rotation</p> <p><b>DIN</b> – 08139094</p>	39	NIL

Name, designation, occupation, address, nationality, date of appointment, term and DIN	Age (in years)	Other directorships
<p><b>Vivek Dadhania</b>  <b>Designation</b> –Independent Director  <b>Occupation</b> – Business  <b>Address</b> – Block No.-86, Charnat, 8 - Kotecha Nagar, Near Kotecha High School, Kalawad Road, Rajkot-360001, Gujarat, India  <b>Date of Appointment</b> June 25, 2018  <b>Term</b> – Not liable to retire by rotation  <b>DIN</b> – 08165978</p>	23	NIL
<p><b>Rushabh Vora</b>  <b>Designation</b> –Independent Director  <b>Occupation</b> – Business  <b>Address</b> – Block No 404, Pancheshwar Tower Pase Shanti Vihar, Dhrol, Jamnagar-361001, Gujarat, India  <b>Date of Appointment</b> June 25, 2018  <b>Term</b> – Not liable to retire by rotation  <b>DIN</b> – 08165987</p>	22	NIL
<p><b>Yagnik Mundadiya</b>  <b>Designation</b> –Independent Director  <b>Occupation</b> – Business  <b>Address</b> – Mahendrapur, Tankara, Rajkot-363650, Gujarat, India  <b>Date of Appointment</b> June 25, 2018  <b>Term</b> – Not liable to retire by rotation  <b>DIN</b> – 08165999</p>	22	NIL
<p><b>Kinjal Khunt</b>  <b>Designation</b> –Independent Director  <b>Occupation</b> – Business  <b>Address</b> – Sharda Appartment Block No. B-1, Opp. Meghani Hospital, Kothariya Main Raod Rajkot- 360002, Gujarat, India</p>	28	NIL

Name, designation, occupation, address, nationality, date of appointment, term and DIN	Age (in years)	Other directorships
<b>Date of Appointment</b> June 25, 2018 <b>Term</b> – Not liable to retire by rotation <b>DIN</b> – 08166013		

\* Dineshbhai Pandya was designated as Managing Director in the EGM held on May 31, 2018 for period of five years w.e.f May 31, 2018

### Relationship between our Directors

Except stated below, none of our directors are related to each other.

Sr. No.	Name of Director	Designation	Relationship with other Directors
1.	Dineshbhai Pandya	Managing Director	Spouse of Jayshree Pandya Father of Deviben Pandya, Father of Devang Pandya, Father of Jigar Pandya
2.	Jayshree Pandya	Non-Executive Director	Spouse of Dineshbhai Pandya Mother of Deviben Pandya, Mother of Devang Pandya Mother of Jigar Pandya
3.	Deviben Pandya	Executive Director	Daughter of Dineshbhai Pandya Daughter of Jayshree Pandya
4.	Devang Pandya	Executive Director	Son of Dineshbhai Pandya Son of Jayshree Pandya
5.	Jigar Pandya	Executive Director	Son of Dineshbhai Pandya Son of Jayshree Pandya

### Brief biographies of our Directors

#### Dineshbhai Pandya

Dineshbhai Pandya is the Promoter and Managing Director of our Company. He has been a Director of our Company since incorporation. He was designated as a Managing Director of the Company w.e.f. May 31, 2018 in the EGM held on May 31, 2018. He has an experience of approximately two decades in the marketing business. He is the founder of our Company and plays pivotal role in business development, sales, administration and finance functions of our Company. He has a experience of approximately two decades in the marketing and also have knowledge in manufacture of agriculture and healthcare products.

#### Jayshree Pandya

Jayshree Pandya is the Non-Executive Director of our Company. She was appointed as additional Director of our Company on December 25, 2017 and was regularised as Non- Executive Director on January 24, 2018.

#### Deviben Pandya

Deviben Pandya is the Executive Director of our Company. She was appointed as additional Director of our Company on May 10, 2018 and was regularised as Executive Director on May 31, 2018. She holds Bachelor of Arts from Saurashtra University.

**Devang Pandya**

Devang Pandya is the Executive Director of our Company. He was appointed as additional Director of our Company on May 10, 2018 and was regularised as Executive Director on May 31, 2018. He holds Bachelor degree in Pharmacy.

**Jigar Pandya**

Jigar Pandya is the executive director of our Company He was appointed as additional Director of our Company on May 10, 2018 and was regularised as Executive Director on May 31, 2018. He completed first year in B.Pharma from Gujarat Ayurved University.

**Rajeshkumar Parekh**

Rajeshkumar Parekh is the Non- Executive Independent Director of our Company. He was appointed as additional Director of our Company on May 26, 2018 and was regularised as Non- Executive Independent Director on May 31, 2018. He possess degree in Bachelor in Laws and Degree in Bachelor of Commerce from Saurashtra University and also holds Diploma in Taxation Laws and Practice from Saurashtra University.

**Vivek Dadhania**

Vivek Dadhania is a Non-Executive, Independent Director of our Company. He was appointed as an Additional Director of the Company on June 25, 2018 and was regularised as a Non-Executive Independent Director on June 27, 2018.

**Rushabh Vora**

Rushabh Vora is a Non-Executive, Independent Director of our Company. He was appointed as an Additional Director of the Company on June 25, 2018 and was regularised as a Non-Executive Independent Director on June 27, 2018. He has passed the examination of ayurvedacharya from Gujarat board of ayurvedic and unani system of medicine

**Yagnik Mundadiya**

Yagnik Mundadiya is a Non-Executive, Independent Director of our Company. He was appointed as an Additional Director of the Company on June 25, 2018 and was regularised as a Non-Executive Independent Director on June 27, 2018. she has passed the examination of ayurvedacharya from Gujarat board of ayurvedic and unani system of medicine

**Kinjal Khunt**

Kinjal Khunt is a Non-Executive, Independent Director of our Company. She was appointed as an Additional Director of the Company on June 25, 2018 and was regularised as a Non-Executive Independent Director on June 27, 2018.

**Confirmations**

None of our Directors is or was a director of any listed company, whose shares have been or were suspended from being traded on any stock exchanges having nationwide terminals, during the last five years prior to the date of this Draft Prospectus, during the term of his/her directorship in such company.

None of our Directors is or was, a director of any listed company, which has been or was delisted from any stock exchange, during the term of his/her directorship in such company.

None of our Directors have been or was identified as a wilful defaulter as defined under SEBI ICDR Regulations.

No proceedings or investigations have been initiated by SEBI against any company, the board of directors which comprise of any of the Directors of our Company.

No consideration, either in cash or shares or in any other form have been paid or agreed to be paid to any of our Directors or to the firms, trusts or companies in which they have an interest in, by any person, either to induce him to become or to help him qualify as a Director, or otherwise for services rendered by him or by the firm, trust or company in which he is interested, in connection with the promotion or formation of our Company.

**Details of any arrangement or understanding with major shareholders, customers, suppliers or others**

There is no arrangement or understanding with the major shareholders, customers, suppliers or others, pursuant to which any of our Directors was appointed on the Board. For details, please refer to chapter titled “Our History and Certain other Corporate Matters” on page 109 of this Draft Prospectus.

**Borrowing Powers of the Board**

Pursuant to the special resolution passed by the members at the EGM of the Company held on June 27, 2018 and in accordance with the provisions of the Companies Act and rules made there under, our Board has been authorized to borrow any sum of money from time to time notwithstanding that the money to be borrowed together with the money 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 share capital and free reserves of our Company, provided that the total outstanding amount so borrowed shall not exceed the limit of Rs. 3,000 Lakhs.

**Payment or benefit to Directors of our Company**

The sitting fees/other remuneration paid to our Directors in the Financial Year 2018-2019 are as follows:

**1. Terms of Appointment of Executive Directors**

**Dineshbhai Pandya**

Dineshbhai Pandya is the Managing Director of our Company. He is a director of our Company since Incorporation and was designated as Managing Director in the EGM held on May 31, 2018 and is not liable to retire by rotation. The following are the terms of his remuneration:

Sr. No	Remuneration	Details
1.	Basic Salary	upto Rs. 2.00 Lakhs per month w.e.f June 01,2018
2.	Commission, House rent allowance, Reimbursement of medical expenses, leave travel concession, personal accident insurance, gratuity and Provident fund	As per Company policy

The value of the perquisites would be evaluated as per the Income Tax Rules, 1962, wherever applicable, and at cost in the absence of any such rules.

In the event in any financial year during the tenure of Dineshbhai Pandya, our Company does not earn any profits or earns inadequate profit our Company may pay to Dineshbhai Pandya, remuneration as per the provisions of Schedule V of the Companies Act.

**2. Remuneration to Non-Executive Directors**

As on the date of this Draft Prospectus, our Company has not paid any remuneration to Non-Executive Directors.

**3. Sitting fees paid to our Directors**

Apart from the remuneration of our Executive Directors as provided under the heading "Terms of appointment of Executive Directors above, our Non-Executive Directors are entitled to be paid a sitting fee as decided by our Board of Directors subject to the limits prescribed by the Companies Act, 2013 and the rules made thereunder and actual travel, boarding and lodging expenses for attending the Board or committee meetings. They may also be paid commissions and any other amounts as may be decided by the Board in accordance with the provisions of the Articles, the Companies Act and any other applicable Indian laws and regulations

### **Shareholding of Directors in our Company**

As per our AOA, our Directors are not required to hold any qualification shares.

The shareholding of our Directors in our Company as on the date of this Draft Prospectus is set forth below:

<b>Name of director</b>	<b>Number of equity shares</b>	<b>Percentage shareholding (%)</b>
Dineshbhai Pandya	38,81,200	95.17
Jayshree Pandya	1,96,875	4.83
Deviben Pandya	10	Negligible
Devang Pandya	10	Negligible
Jigar Pandya	10	Negligible
<b>Total</b>	<b>40,78,125</b>	<b>100.00</b>

### **Appointment of relatives of our Directors to any office or place of profit**

None of the relatives of our Directors currently hold any office, or place of profit in our Company.

### **Interest of directors**

All Directors may be deemed to be interested to the extent of sitting fees payable to them for attending meetings of the Board or a Committee thereof and as well as to the extent of reimbursement of expenses payable to them under the Articles. Our Executive Directors are interested to the extent of remuneration, discretionary performance, variable pay and annual retention bonus payable to them for services rendered as an officer or employee of our Company. Our Independent Directors are also interested to the extent of profit related commission payable to them. The Directors may also be deemed to be interested in the Equity Shares, if any, held by them and/or any Equity Shares that may be held by their relatives, the companies, firms and trusts, in which they are interested as directors, members, partners, trustees, beneficiaries and promoters and in any dividend distribution which may be made by our Company in the future. For the shareholding of the Directors, please refer to chapter titled "*Our Management - Shareholding of Directors in our Company*" beginning on page 113 of this Draft Prospectus.

All of the Directors may also be deemed to be interested in the contracts, agreements/arrangements entered into or to be entered into by our Company in which they hold directorships or any partnership firm in which they are partners as declared in their respective capacity. Except as otherwise stated in chapter titled "*Related Party Transactions*" on page 133 of this Draft Prospectus, our Company has not entered into any contract, agreements/ arrangements since incorporation till the date of this Draft Prospectus in which the Directors are interested directly or indirectly and no payments have been made to them in respect of these contracts, agreements/ arrangements which are proposed to be made with them. Other than our promoter directors, none of the other Directors have any interest in the promotion of our Company other than in the ordinary course of business.

### **Interest in property**

Except as otherwise stated in chapter titled "*Related Party Transactions*" on page 133 of this Draft Prospectus, our Directors have no interest in any property acquired by our Company since incorporation till the date of this Draft Prospectus or proposed to be acquired by our Company.



### **Business interest**

Except as stated in chapter titled “*Related Party Transactions*” on page 133 of this Draft Prospectus, and to the extent of shareholding in our Company, and any dividends payable to them and other distributions in respect of the Equity Shares, our Directors do not have any other interest in our business.

### **Payment of benefits (non-salary related)**

Except as disclosed above, no amount or benefit has been paid or given since incorporation till the date of filing of this Draft Prospectus or is intended to be paid or given to any of our Directors except the normal remuneration for services rendered and/or sitting fees as Directors.

### **Loans to directors**

No loans have been availed by the Directors from our Company.

None of the beneficiaries of loans, advances and sundry debtors, are related to the Directors of our Company. For details, please refer to chapter titled “*Related Party Transactions*” on page 133 of this Draft Prospectus.

### **Bonus or profit sharing plan for the Directors**

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

### **Service contracts with Directors**

Our Company has not entered into any other contract of service with our Directors which provide for benefits upon termination of employment of our Directors.

Our Directors are not interested in the appointment of or acting as Registrar and Bankers to the Issue or any such intermediaries registered with SEBI. There is no contingent or deferred compensation accrued for the year, which is payable to our Directors.

### **Changes in the board of directors since incorporation**

There has been no change in the Board of Directors, except as stated below since the incorporation of the Company:

<b>Name of the Director</b>	<b>Appointment/ Change in Designation/ Cessation</b>	<b>Date of appointment</b>	<b>Date of Change in designation/ Cessation</b>	<b>Reason</b>
Dineshbhai Pandya	Re-designation as Managing Director	August 20, 2018	May 31, 2018	Appointment as Managing Director
Mansukhbhai Suhagiya	Cessation from Director	May 02, 2015	February 03, 2018	Resignation from Directorship
Shivani Panwar	Cessation from Directorship	June 25, 2016	February 03, 2018	Resignation from Directorship
Jayshree Pandya	Re-designation as Non-Executive Director from Additional Director	December 25, 2017	January 24, 2018	Regularisation
Deviben Pandya	Re-designation as Executive Director from Additional Director	May 10, 2018	May 31, 2018	Regularisation

Devang Pandya	Re-designation as Executive Director from Additional Director	May 10, 2018	May 31, 2018	Regularisation
Jigar Pandya	Re-designation as Executive Director from Additional Director	May 10, 2018	May 31, 2018	Regularisation
Rajeshkumar Parekh	Re-designation as Non-Executive Independent Director from Additional Director	May 26, 2018	May 31, 2018	Regularisation
Raj Sharma*	Regularisation from additional director to Non -Executive Independent Director	May 26, 2018	May 31, 2018	Regularisation
Vivek Dadhania	Re-designation as Non-Executive Independent Director	June 25, 2018	June 27, 2018	Regularisation
Rushabh Vora	Re-designation as Non-Executive Independent Director	June 25, 2018	June 27, 2018	Regularisation
Yagnik Mundadiya	Re-designation as Non-Executive Independent Director	June 25, 2018	June 27, 2018	Regularisation
Kinjal khunt	Re-designation as Non-executive Independent Director	June 25, 2018	June 27, 2018	Regularisation
Mangilal Panchal **	Regularisation from additional director to Non -Executive Independent Director	May 26, 2018	May 31, 2018	Regularisation
Mahendra Khengar ***	Regularisation from additional director to Non -Executive Independent Director	May 26, 2018	May 31, 2018	Regularisation
Girish Mahalingaiah ****	Regularisation from additional director to Non -Executive Independent Director	May 26, 2018	May 31, 2018	Regularisation

\*Raj Sharma was appointed as a Non- Executive Independent Director on May 31, 2018 and he was resigned from directorship w.e.f. June 23, 2018.

\*\* Mangilal Panchal was appointed as a Non- Executive Independent Director on May 31, 2018 and he was resigned from directorship w.e.f. June 23, 2018.

\*\*\* Mahendra Khengar was appointed as a Non- Executive Independent Director on May 31, 2018 and he was resigned from directorship w.e.f. June 23, 2018.

\*\*\*\* Girish Mahalingaiah was appointed as a Non- Executive Independent Director on May 31, 2018 and he was resigned from directorship w.e.f. June 23, 2018.

### Committees of the Board of directors

Our Board of Directors presently has three (3) committees which have been constituted in accordance with the relevant provisions of the Companies Act and SEBI Listing Regulations: (i) Audit Committee, (ii) Nomination and Remuneration Committee and (iii) Stakeholders Relationship Committee

#### (i) Audit Committee

The Audit Committee was constituted by a resolution of our Board dated June 25, 2018. The current constitution of the Audit Committee is as follows:

Name of Director	Position in the Committee	Designation
------------------	---------------------------	-------------

Rajeshkumar Parekh	Chairperson	Non-Executive Independent Director
Vivek Dadhania	Member	Non-Executive Independent Director
Rushabh Vora	Member	Non-Executive Independent Director

The scope and function of the Audit Committee is in accordance with section 177 of the Companies Act and its terms of reference inter alia include the following:

- Recommending to the Board, the appointment, re-appointment including the filling of a casual vacancy and, if required, the replacement or removal of the auditor/s, remuneration and terms of appointment of auditors;
- review and monitor the auditor's independence and performance, and effectiveness of audit process;
- examination of the company's financial statements and the auditor's report;
- approval including omnibus approval or any subsequent modification for related party transactions proposed to be entered into by the Company;
- scrutiny of inter -corporate loans and investments;
- valuation of undertakings or assets of the Company, wherever it is necessary;
- evaluation of internal financial controls and risk management systems;
- monitoring the end use of funds raised through public offers and related matters;
- reviewing, with the management, the financial statements before submission to the Board for approval;
- reviewing, with the management, performance of Auditors and internal auditors;
- carrying out such other functions as delegated by the Board of Directors.

**(ii) Nomination and Remuneration Committee**

The Nomination and Remuneration committee was constituted by a resolution of our Board dated June 25, 2018. The current constitution of the Nomination and Remuneration committee is as follows:

Name of Director	Position in the Committee	Designation
Yagnik Mundadiya	Chairperson	Non-Executive Independent Director
Kinjal Khunt	Member	Non-Executive Independent Director
Rajeshkumar Parekh	Member	Non-Executive Independent Director

The scope and functions of the Nomination and Remuneration Committee are in conformity with the requirements of section 178 of the Companies Act. The terms of reference of the Nomination and Remuneration Committee, inter alia includes the following:

- Identify persons who are qualified to become directors and who may be appointed in senior management of the Company;
- formulate criteria for determining qualification, positive attributes and independence of a director;
- recommend to the Board appointment and removal of a director and senior management;
- evaluate the Board's performance and carry out evaluation of directors, key managerial persons and senior management;
- evaluate the Board's performance and carry out evaluation of every director's performance;
- make recommendations to the Board relating to the remuneration for directors, key managerial personnel and other employees;
- ensure that the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors, key managerial personnel and senior management to run the Company successfully;
- ensure that remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals.;

- delegate any of its powers to one or more of its members or the secretary of the Committee;
- consider such other key issues or matters as may be referred by the Board or as may be necessary in view of the provisions of the Act and Rules made thereunder.

### III. Stakeholders Relationship Committee

The Shareholder and Investor Grievance Committee of our Board were constituted by our Directors pursuant to section 178 (5) of the Companies Act by a board resolution dated June 25, 2018. The Shareholder and Investor Grievance Committee comprises of:

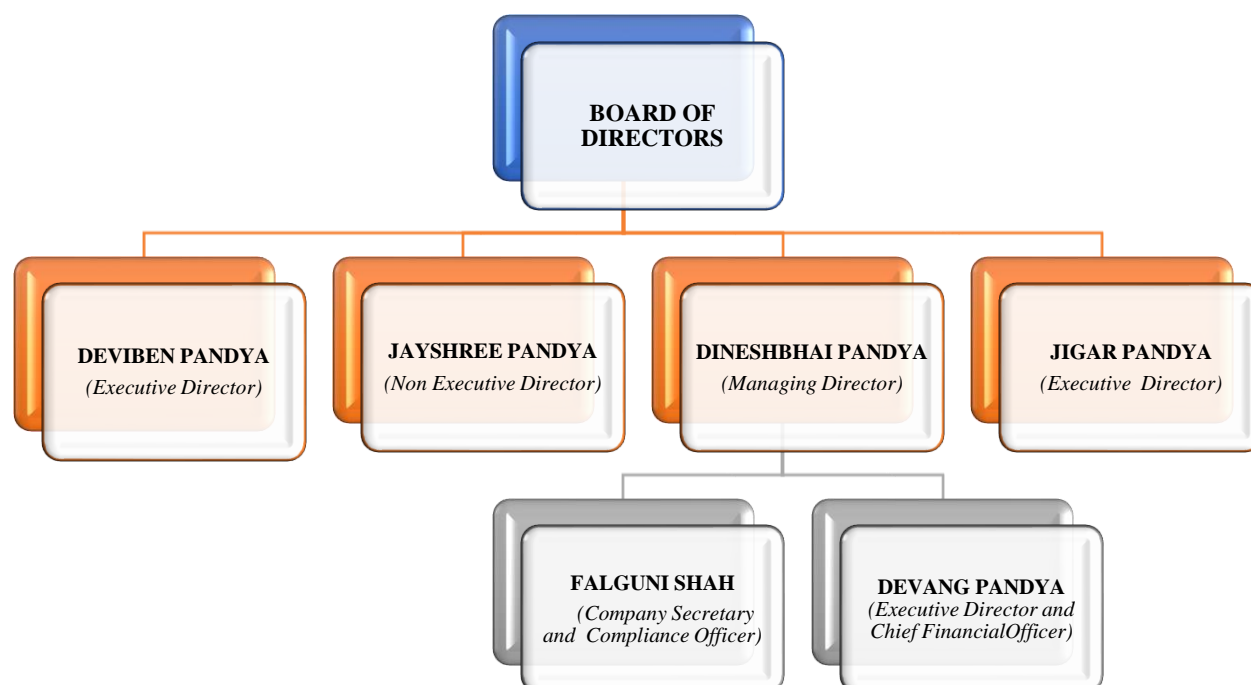
Name of Director	Position in the Committee	Designation
Rushabh Vora	Chairman	Non-Executive Independent Director
Rajeshkumar Parekh	Member	Non-Executive Independent Director
Jigar Pandya	Member	Executive Director

This committee will address all grievances of Shareholders/Investors and its terms of reference include the following:

- Allotment and listing of our shares in future
- Redressing of shareholders and investor complaints such as non-receipt of declared dividend, annual report, transfer of Equity Shares and issue of duplicate/split/consolidated share certificates;
- Monitoring transfers, transmissions, dematerialization, re-materialization, splitting and consolidation of Equity Shares and other securities issued by our Company, including review of cases for refusal of transfer / transmission of shares and debentures;
- Reference to statutory and regulatory authorities regarding investor grievances;
- To otherwise ensure proper and timely attendance and redressal of investor queries and grievances;
- And to do all such acts, things or deeds as may be necessary or incidental to the exercise of the above powers.

The Company Secretary of our Company acts as the Secretary to the Committee.

## Management Organization Structure



### Key Managerial Personnel

The following are the Key Managerial Personnel of our Company

**Dineshbhai Pandya**, aged about forty-four (44) years, is the Promoter, Managing Director of our Company. For further details, in relation to Dineshbhai Pandya, please refer to chapter titled “*Our Management*” beginning on page 113 of this Draft Prospectus.

**Falguni Shah** aged Thirty-Three (33) years, is the Company Secretary and Compliance Officer of our Company. He was appointed as key managerial personnel by the Board of our Company on June 23, 2018, 2018 with effect from June 23, 2018, 2018. He is a member of the Institute of Company Secretaries of India.

**Devang Pandya** aged Twenty-Four (24) is the Executive Director of our Company. He was appointed as additional Director of our Company on May 10, 2018 and was regularised as Executive Director on May 31, 2018. He holds Bachelor degree in Pharmacy

All the key managerial personnel are permanent employees of the Company.

### Nature of any family relation between any of the key managerial personnel

As on the date of this Draft Prospectus, except as disclosed below there is no family relation between any of the key managerial personnel.

Promoter/Director	Key Managerial Personnel	Relation
Dineshbhai Pandya	Devang Pandya	Father- Son

### Arrangement or understanding with major shareholders, customers, suppliers or others

As on the date of this Draft Prospectus, there is no arrangement or understanding with major shareholders, customers, suppliers or others, pursuant to which any of the above-mentioned Key Managerial Personnel was selected as a director or member of senior management.

#### **Compensation paid to Key Managerial Personnel during last financial year i.e. 2017-2018**

Our Company has not paid any compensation to any Key Managerial Personnel during last financial year i.e. 2017 – 2018.

#### **Bonus or profit sharing plan for Key Managerial Personnel**

None of the Key Management Personnel is party to any bonus or profit sharing plan of our Company other than the performance linked incentives given to each Key Management Personnel.

#### **Shareholding of the Key Managerial Personnel**

None of the Key Managerial Personnel except Dineshbhai Pandya and Devang Pandya hold Equity Shares of our Company as on the date of this Draft Prospectus. For further details, please refer to chapter titled “*Capital Structure*” beginning on page 56 of this Draft Prospectus

#### **Changes in Key Managerial Personnel**

Except as mentioned below, there has been no change in Key Managerial Personnel since the incorporation:

<b>Name of Key Managerial Personnel</b>	<b>Designation</b>	<b>Date of change</b>	<b>Reason</b>
Dinesh Pandya	Managing Director	May 31, 2018	Re-designation as Managing Director
Falguni Shah	Company Secretary and Compliance Officer	June 23, 2018	Appointment
Devang Pandya	Chief Financial Officer	May 26, 2018	Appointment

#### **Interest of Key Managerial Personnel**

Except as disclosed in this Draft Prospectus, the Key Managerial Personnel of our Company do not have any interest in our Company other than to the extent of their shareholding, 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.

#### **Loans taken by Directors or Key Managerial Personnel**

None of our Directors or Key Managerial Personnel have taken any loans from our Company.

#### **Employees’ Stock Option Plan**

As on date of this Draft Prospectus, our Company does not have any employee stock option scheme.

#### **Payment or benefits to officers of our Company**

Except as disclosed in this Draft Prospectus, other than statutory payments and remuneration, our Company has not paid any non-salary amount or benefit to any of its officers since its incorporation.

#### **Service Contracts with Key Managerial Personnel**

None of our KMPs have entered into any contractual arrangement with our Company and employment of our KMPs is governed by the terms of appointment and policies of our Company.

## OUR PROMOTER AND PROMOTER GROUP

### Our Promoter

The Promoter of our Company is Dineshbhai Pandya

As on date of this Draft Prospectus, our Promoters holds 38,81,200 Equity Shares, representing 95.17% of the subscribed and paid-up Equity Share capital of our Company.

### Details about our Promoter

#### Dineshbhai Pandya



Dineshbhai Pandya, aged forty-four (44) years is a Promoter, and Managing Director of our Company.

Voter ID number – TZX1972462

Driving License – Not Available

As on date of filing of this Draft Prospectus, Dineshbhai Pandya holds 38,81,200 Equity Shares, representing 95.17 % of the subscribed and paid-up Equity Share capital of our Company.

For a complete profile of Dineshbhai Pandya , i.e. his personal address, educational qualifications, experience, positions / posts held in the past, other directorships, please refer to chapter “*Our Management*” beginning on page 113 of this Draft Prospectus.

Except as disclosed in this chapter and in chapters titled “*Our Management*” and “*Our History and Certain Other Corporate Matters*” beginning on pages 113 and 109 of this Draft Prospectus, respectively.

### Other ventures of our Promoter

Except as disclosed herein below and in the section “*Our Management*” beginning on page 113 of this Draft Prospectus, our Promoters are not involved with any other venture:

#### a. Name and the type of organisation

Name	Name of the venture	Nature of Interest
Dineshbhai Pandya	Dada Organics Private Limited	Director and Shareholders

### 2. Dada Organics Private Limited (“DOPL”)

DOPL incorporated as a Private Limited Company under the provision of the Companies Act 2013 on August 30, 2017 under the ROC Ahmedabad. The Corporate Identification Number of DOPL is U01110GJ2017PTC098899. The registered office of DOPL is situated at Dhanlaxmi Building, Shop No. 202, 2<sup>nd</sup> Floor, Loha Nagar Cor , Rajkot- 360004, Gujarat.

#### *Main Objects*

To carry on the business in India or elsewhere the business to act as a manufactures, producers, processors, importers, processors, job workers, marketers, collaborators, research and development, purchasers, sellers, importers, exporters and to enter into collaboration or other arrangements with Government, semi Government, local bodies, municipal corporation and others for manufacture and distribution of the same and or otherwise to deal in all kinds and classes of compost, organic and inorganic manures, gas based,

natural or man made fertilisers, chemicals such as urea, sulphur, insecticides, pesticides, repellents, fungicides, sprayers, dusters used in agriculture, trade, commerce and or industries.

### **Other Undertakings and Confirmation**

Our Company confirms that copies of documents related to the permanent account number, bank account number and passport number (as may be applicable) of Dineshbhai Pandya will be submitted to the Stock Exchange at the time of filing this Draft Prospectus.

### **Change in the management and control of Our Company**

Our Promoter is the original promoter of our Company and there has not been any change in the management or control of our Company.

### **Experience of our promoters in the business of Our Company**

Our Promoter i.e. Dineshbhai Pandya have experience in this sector of business two decades in the marketing business.

For further details in this regard, please refer to this Chapter and chapter titled “*Our Management*” beginning on page 113 of this Draft Prospectus.

### **Interest of Promoter in our Company**

Our Promoter is interested in our Company to the extent that they have promoted our Company and 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 the shareholding of our Promoter in our Company, please refer to chapter titled “*Capital Structure*” beginning on page 56 of this Draft Prospectus.

Except in the normal course of business and as stated in the section titled “*Financial Statements as Restated*” beginning on page 135 of this Draft Prospectus and in the preceding paragraph, our Company has not entered into any contracts, agreements or arrangements in which our Promoter is directly or indirectly interested and no payments have been made to our Promoter in respect of the contracts, agreements or arrangements which are proposed to be made with them.

Except as stated in the chapter titled “*Related Party Transactions*” on page 133 of this Draft Prospectus, our Promoter is not related to any of the sundry debtors of our Company.

Except as disclosed in this Draft Prospectus, our Promoter is not interested as a member of a firm or company, and no sum have been paid or agreed to be paid to our Promoter or to such firm or company in cash or shares or otherwise by any person for services rendered by it or by such firm or company in connection with the promotion or formation of our Company. For further details, please refer to the chapter titled “*Related Party Transactions*” on page 133 of this Draft Prospectus.

### **Payment or benefits to our Promoter since incorporation**

Except in the ordinary course of business and as stated in section “*Financial Statements as restated*” beginning on page 135 of this Draft Prospectus, there has been no payment or benefits to our Promoter since incorporation till the date of filing of this Draft Prospectus, nor is there any intention to pay or give any benefit to our Promoter as on the date of this Draft Prospectus. For the avoidance of doubt, it is clarified that payments have been made to Dineshbhai Pandya pursuant to his appointment as Managing Director of our Company since incorporation till the date of filing of this Draft Prospectus.

### **Interests of Promoters in property of our Company**

Our Registered Office situated at B-304, Imperial Heights, 150 feet, Ring road, Rajkot, Gujarat, India is owned by our Promoter i.e. Dineshbhai Pandya which is used by our company. Except as stated herein, our Promoter have no interest in any property acquired or proposed to be acquired by our Company within the



two (2) years from the date of filing of this Draft Prospectus, or in any transaction by our Company for acquisition of land, construction of building or supply of machinery.

### **Related party transactions**

For details of related party transactions entered into by our Promoter and Promoter Group since incorporation, the nature of transactions and the value of transactions, please refer to chapter titled “*Related Party Transactions*” on page 133 of this Draft Prospectus.

### **Interest of Promoters in Sales and Purchases**

Other than as disclosed in chapter titled “*Related Party Transactions*” on page 133 of this Draft Prospectus, there are no sales/purchases between our Company and our Promoter and Promoter Group, where such sales or purchases exceed in value the aggregate of 10% of the total sales or purchases of our Company or any business interest between our Company, our Promoter and Promoter Group as on the date of the last financial statements.

### **Litigation involving our Promoters**

For details of legal and regulatory proceedings involving our Promoter, please refer to chapter titled “*Outstanding Litigation and Material Developments*” beginning on page 175 of this Draft Prospectus.

### **Confirmations**

Our Promoter has not declared as a wilful defaulter by any bank or financial institution or consortium thereof, in accordance with the guidelines on wilful defaulters issued by the RBI and except as disclosed under chapter titled “*Outstanding Litigations and Material Developments*” at page 175 of this Draft Prospectus, there are no violations of securities laws committed by our Promoter in the past and no proceedings for violation of securities laws are pending against our Promoter.

Our Promoter and members of our Promoter Group have not been prohibited from accessing or operating in capital markets under any order or direction passed by SEBI or any other regulatory or governmental authority. There are no litigations or legal action pending or taken by any ministry, department of the Government or statutory authority during the last five (5) years preceding the date of this Draft Prospectus against our Promoter, except as disclosed under chapter titled “*Outstanding Litigation and Material Developments*” beginning on page 175 of this Draft Prospectus.

Our Promoter are not and have never been a promoter 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 government authority.

Our Promoter is not interested in any entity except as mentioned under:

<b>Name</b>	<b>Name of the venture</b>	<b>Nature of Interest</b>
Dineshbhai Pandya	Dada Organics Private Limited	Director and Shareholders

Our Promoters have not taken any unsecured loans which may be recalled by the lenders at any time.

### **Relationship of our Promoter with our Directors and our Key Managerial Personnel**

Except as stated below, none of our Directors or Key Managerial Personnel’s and Promoter are related to each other:

<b>Sr. No.</b>	<b>Name of Director</b>	<b>Designation</b>	<b>Relationship with Promoter</b>
1.	Jayshree Pandya	Non - Executive Director	Wife of Dineshbhai Pandya.
2.	Deviben Pandya	Executive Director	Daughter of Dineshbhai Pandya

3.	Devang Pandya	Executive Director and Chief Financial Officer	Son of Dineshbhai Pandya
4.	Jigar Pandya	Executive Director	Son of Dineshbhai Pandya

**Companies with which our Promoters have disassociated in the last three (3) years**

Our Promoter have not disassociated themselves from any company or firm during the three (3) years preceding this Draft Prospectus.

**Our Promoter Group**

**A. Natural persons who are part of the Promoter Group**

<b>Promoter</b>	Dineshbhai Pandya
<b>Spouse</b>	Jayshree Pandya
<b>Father</b>	Bhanushankar Pandya
<b>Mother</b>	Rambhaben Pandya
<b>Father-in-law</b>	Kantilal Purohit
<b>Mother-in-law</b>	Dayaben Purohit
<b>Son</b>	1) Devang Pandya 2) Jigar Pandya
<b>Daughter</b>	Devi Pandya
<b>Brother</b>	1) Rajesh Pandya 2) Vishal Pandya
<b>Sister</b>	Rekhaben Jani*
<b>Brother-in-law</b>	Raju Purohit
<b>Sister in law</b>	Harsha Pandya

**B. Our Promoter Group as defined under Regulation 2(1)(zb) of SEBI ICDR Regulations includes entities, companies, firms, proprietorships and HUFs which form part of our Promoter Group are as follows:**

1. Dada Organics Private Limited

## OUR GROUP COMPANIES

As per the SEBI ICDR Regulations for the purpose of identification of group companies, our Company has considered companies covered under the applicable accounting standard, (i.e. Accounting Standard 18 issued by the Institute of Chartered Accountants of India (“AS 18”) as per the restated Financial Statements for period ended June 30, 2018, and other companies as per the materiality policy adopted by our Board through its resolution dated June 23, 2018, for the purpose of disclosure in connection with the Issue.

Pursuant to a resolution of our Board dated June 23, 2018 for the purpose of disclosure in offer documents, a company will be a material group company if such company being part of the Promoter Group as defined under SEBI ICDR Regulations and our Company has entered into one or more transactions such that, individually or in aggregate such transaction exceeds 10% of the net worth or 5% of the gross turnover (whichever is higher) of the Company as per the as per the restated Financial Statements for period ended June 30, 2018 .

**As on the date of this Draft Prospectus the following is our Group Company:**

**Dada Organics Private Limited (“DOPL”)**

### *Corporate Information*

Dada Organics Private Limited was incorporated under the Companies Act 2013 on August 30, 2018 at Gujarat, India. The Corporate Identification Number of DOPL is U01110GJ2017PTC098899. The Registered Office of DOPL is located at Dhanlaxmi Building, Shop No. 202, 2<sup>nd</sup> Floor, Loha Nagar Cor Rajkot – 360004, Gujarat, India.

### *Main Objects*

To carry on the business in India or elsewhere the business to act as a manufactures, producers, processors, importers, processors, job workers, marketers, collaborators, research and development, purchasers, sellers, importers, exporters and to enter into collaboration or other arrangements with Government, semi Govenment, local bodies, municipal corporation and others for manufacture and distribution of the same and or otherwise to deal in all kinds and classes of compost, organic and inorganic manures, gas based, natural or man-made fertilisers, chemicals such as urea, sulphur, insecticides, pesticides, repellents, fungicides, sprayers, dusters used in agriculture, trade, commerce and or industries.

### *Board of Directors:*

- Dineshbhai Pandya
- Jayshree Pandya
- Deviben Pandya
- Devang Pandya
- Jigar Pandya

### *Shareholding Pattern*

Sr. No.	Name of shareholders	No. of equity shares	% Holding
1.	Dineshbhai Pandya	2,000	20.00
2.	Jayshree Pandya	2,000	20.00
3.	Deviben Pandya	2,000	20.00
4.	Devang Pandya	2,000	20.00
5.	Jigar Pandya	2,000	20.00
<b>Total</b>		<b>10,000</b>	<b>100.00</b>

### *Nature and Extent of Interest of Promoter*

Our Promoters Dineshbhai Pandya holds 2,000 equity shares respectively, which constitute 20.00 % of the total issued and paid up equity share capital of Dada Organics Private Limited.

### ***Financial Information***

The Company is incorporated on August 30, 2017 and 1<sup>st</sup> financial year is completed on March 31, 2018 and are yet to be audited.

### **Nature and Extent of Interest of Group Companies**

#### **In the promotion of our Company**

Our Group Company have not any interest in the promotion of our Company.

#### **In the properties acquired or proposed to be acquired by our Company in the past two years before filing this Prospectus.**

Our Group Company is not interested in the properties acquired or proposed to be acquired by our Company in the two years preceding the filing of this Draft Prospectus

#### **In transactions for acquisition of land, construction of building and supply of machinery**

Our Group Companies is not interested in any transactions for the acquisition of land, construction of building or supply of machinery.

#### **Payment of amount or benefits to our Group Companies during the last two years**

Except as disclosed in the section "*Financial Information as restated*" beginning on page no. 135 of this Draft Prospectus, no amount or benefits was paid or were intended to be paid to our Group Company since the incorporation of our Company except to the extent of their shareholding and the dividend payable, if any and other distributions in respect of the Equity Shares held by them

#### **Common Pursuits among the Group Companies with our Company**

Our Group Company have not any common pursuits with our Company.

#### **Business Transactions within the Group Company and significance on the financial performance of our Company**

Except in the ordinary course of business, if any and as stated in "*Related Party Transactions*" on page 133, there has been no payment made or benefits given to our Group Company during the two years preceding the filing of the Draft Prospectus nor is there any intention to pay or give any benefit to our Group Company as on the date of the Draft Prospectus.

#### **Significant Sale / Purchase between Group Company and our Company**

Except as disclosed in the section "*Financial Information as Restated*" beginning on page no. 135 of this Draft Prospectus Our Group Company is not involved in any sales or purchase transaction with our Company where such transaction exceeds in value in the aggregate of 10% of the total sales or purchases of our Company.

#### **Business Interest of Group Company**

Except in the ordinary course of business, if any and as stated in "*Related Party Transactions*" on page 133, our Group Company have not any business interest in our Company

#### **Defunct Group Company**

Our Group Company have not remain defunct and no application has been made to the ROC for striking off the name of our Group Company during the five years preceding the date of filing of this Draft Prospectus.

**Loss making Group Companies**

None of our Group Companies are loss making.

**Other Confirmations**

Our Group Company have further confirmed that they have not been declared as wilful defaulters and there have been no violations of securities laws committed by them in the past and no proceedings pertaining to such penalties are pending against them except as stated under chapters “Risk Factors”, “Our Group Companies” and “*Outstanding Litigations and Material Developments*” on page nos. 17, 130 and 175 of this Draft Prospectus, respectively.

## **RELATED PARTY TRANSACTIONS**

For details of the related party transactions, as per the requirements under the relevant accounting standards and as reported in the restated Financial Statements, please refer to the section titled “*Financial Statements*” beginning on page 135 of this Draft Prospectus.

## **DIVIDEND POLICY**

The declaration and payment of dividends will be recommended by the Board of Directors and approved by the Shareholders, at their discretion, subject to the provisions of the Articles of Association and the Companies Act. The dividend, if any, will depend on a number of factors, including but not limited to the future expansion plans and capital requirements, profit earned during the financial year, capital requirements, and surpluses, contractual restrictions, liquidity and applicable taxes including dividend distribution tax payable by our Company. In addition, our ability to pay dividends may be impacted by a number of factors, including restrictive covenants under the loan or financing arrangements our Company is currently availing of or may enter into to finance our fund requirements for our business activities. For further details, please refer to chapter titled "*Financial Indebtedness*" beginning on page 173 of this Draft Prospectus. Our Company may also pay interim dividends from time to time. All dividend payments are made in cash to the Shareholders of our Company. Our Company has not adopted any Dividend Distribution Policy as on the date of this Draft Prospectus since the requirements under Regulation 43A of SEBI Listing Regulations are not applicable to the Company. However, depending upon the availability of distributable profits and fund flow, dividends may be recommended by the Board of Directors.

Our Company has not declared and/or paid any dividend on the Equity Shares since incorporation.

**SECTION VI- FINANCIAL INFORMATION**  
**FINANCIAL STATEMENTS AS RESTATED**

**Auditor’s Report on Restated Financial Statements**

To,  
The Board of Directors,  
**Add-Shop Promotions Limited**  
B-304, Imperial Height,  
150FT Ring Road,  
Rajkot – 360005

1. We have examined the restated summary statement of assets and liabilities of **Add-Shop Promotions Limited**, (hereinafter referred to as “**the Company**”) for the period ended June 30, 2018 and for the year ended as at March 31, 2018, 2017, 2016, 2015 and 2014, restated summary statement of profit and loss and restated summary statement of cash flows for the period ended June 30, 2018 and for the financial year ended on March 31, 2018, 2017, 2016, 2015 and 2014 (collectively referred to as the “**restated summary statements**” or “**restated financial statements**”) annexed to this report and initialed by us for identification purposes. These restated financial statements have been prepared by the management of the Company and approved by the Board of Directors at their meeting in connection with the proposed Initial Public Offering (IPO) on SME Platform of BSE Limited (“**BSE**”) of the company.
2. These restated summary statements have been prepared in accordance with the requirements of:
  - (i) sub-clauses (i) and (iii) of clause (b) of sub-section (1) of section 26 of the Companies Act, 2013 (“the 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**”) and related amendments / clarifications from time to time issued by the Securities and Exchange Board of India (“**SEBI**”)
3. We have examined such restated financial statements taking into consideration:
  - (i) The terms of reference to our engagement letter with the lead merchant banker dated June 16, 2017 requesting us to carry out the assignment, in connection with the proposed Initial Public Offering of equity shares on SME Platform of BSE Limited (“**IPO**” or “**SME IPO**”); and
  - (ii) The Guidance Note on Reports in Company Prospectus (Revised) issued by the Institute of Chartered Accountants of India (“**Guidance Note**”).
4. The restated financial statements of the Company have been extracted by the management from the audited financial statements of the Company for the period ended June 30, 2018 and for the years ended on March 31, 2018, 2017, 2016, 2015 and 2014.
5. In accordance with the requirements of the Act including the rules made there under, ICDR Regulations, Guidance Note and engagement letter, we report that:
  - (i) The “**restated statement of asset and liabilities**” of the Company as at March 31, 2018, 2017, 2016, 2015, and 2014 and for the period ended June 30, 2018 examined by us, as set out in **Annexure I** to this report read with significant accounting policies in **Annexure IV** has been arrived at after making such adjustments and regroupings to the audited financial statements of the Company, as in our opinion were appropriate and more fully described in notes to the restated summary statements to this report.



- (ii) The “**restated statement of profit and loss**” of the Company for the financial year ended on March 31, 2018, 2017, 2016, 2015, and 2014 and for the period ended June 30, 2018 examined by us, as set out in **Annexure II** to this report read with significant accounting policies in **Annexure IV** has been arrived at after making such adjustments and regroupings to the audited financial statements of the Company, as in our opinion were appropriate and more fully described in notes to the restated summary statements to this report.
  - (iii) The “**restated statement of cash flows**” of the Company for the financial year ended on March 31, 2018, 2017, 2016, 2015, and 2014 and for the period ended June 30, 2018 examined by us, as set out in **Annexure III** to this report read with significant accounting policies in **Annexure IV** has been arrived at after making such adjustments and regroupings to the audited financial statements of the Company, as in our opinion were appropriate and more fully described in notes to restated summary statements to this report.
  - (iv) *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, the company has not provided for gratuity liability since gratuity is applicable for employees who have worked for more than 5 years and Company had not completed 5 years since its incorporation.*
6. Based on our examination, we are of the opinion that the restated financial statements have been prepared:
- a) using consistent accounting policies for all the reporting periods.
  - b) adjustments for prior period and other material amounts in the respective financial years to which they relate.
  - c) there are no extra-ordinary items that need to be disclosed separately in the accounts and requiring adjustments.
  - d) there are no audit qualifications in the audit reports issued by the statutory auditors for the financial year ended on March 31, 2018, 2017, 2016, 2015, and 2014 and for the period ended June 30, 2018 which would require adjustments in the restated financial statements of the Company.
  - e) there are certain re-grouping/ re-arranged in the figures which have been made in accordance to the comparison for the comparative figures of all the financial year ended as reported in this report.
7. This restated financial information have been extracted by the management from the financial year ended on 31<sup>st</sup> March, 2018, 31<sup>st</sup> March, 2017, 31<sup>st</sup> March, 2016, 31<sup>st</sup> March, 2015, and 31<sup>st</sup> March, 2014 and for the period ended June 30, 2018 audited by M/s C. S. Gajera & Co, Chartered Accountants .
8. 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 year ended on March 31, 2018, 2017, 2016, 2015, and 2014 and for the period ended June 30, 2018 proposed to be included in the Draft Prospectus / Prospectus (“**Offer Document**”).

**Annexure to restated financial statements of the Company:-**

- i) Statement of Accounting Policies and Notes to Accounts as appearing in Annexure – IV
  - ii) Statement of Notes to Share Capital as appearing in Annexure – V
  - iii) Statement of Reserves and Surplus as appearing in Annexure – VI
  - iv) Statement of Long Term Borrowings as appearing in Annexure – VII
  - v) Statement of Short Term Borrowings as appearing in Annexure – VIII
  - vi) Statement of Other Current Liabilities as appearing in Annexure –IX
  - vii) Statement of Short Term Provision as appearing in Annexure – X
  - viii) Statement of Fixed Assets as appearing in Annexure – XI
  - ix) Statement of Long Term Loans & Advances as appearing in Annexure – XII
  - x) Statement of Inventories as appearing in Annexure – XIII
  - xi) Statement of Trade Receivables as appearing in Annexure – XIV
  - xii) Statement of Cash and Bank Balances as appearing in Annexure – XV
  - xiii) Statement of Short Term Loans and Advances as appearing in Annexure – XVI
  - xiv) Statement of Contingent Liabilities & Commitments as appearing in Annexure – XVII
  - xv) Statement of Revenue from Operations as appearing in Annexure – XVIII
  - xvi) Statement of Other Income as appearing in Annexure – XIX
  - xvii) Statement of Purchase of stock in Trade as appearing in Annexure – XX
  - xviii) Statement of Changes in inventories of finished goods, work-in-progress and stock in trade as appearing in Annexure - XXI
  - xix) Statement of Employee Benefit Expenses as appearing in Annexure – XXII
  - xx) Statement of Finance Cost as appearing in Annexure – XXIII
  - xxi) Statement of Other Expenses as appearing in Annexure – XXIV
  - xxii) Statement of Accounting Ratio as appearing in Annexure – XXV
  - xxiii) Statement of Tax Benefits as appearing in Annexure – XXVI
  - xxiv) Statement of Capitalization Statement as appearing in Annexure – XXVII
  - xxv) Statement of Dividend Paid as appearing in Annexure – XXVIII
  - xxvi) Statement of Related Party Transactions as appearing in Annexure - XXIX
9. The report should not in any way be construed as a re-issuance or re-dating of any of the previous audit reports issued by any other firm of Chartered Accountants nor should this report be construed as a new opinion on any of the financial statements referred to therein.
10. We have no responsibility to update our report for events and circumstances occurring after the date of the report.
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, Loonia & Associates**  
**Chartered Accountants**

**Hitesh Loonia**  
**Proprietor**  
**Membership No. 135424**  
**Firm Reg. No. 130883W**

**Place: Ahmedabad**  
**Date: 03.07.2018**

## ANNEXURE - I

<b>RESTATED SUMMARY STATEMENT OF ASSETS AND LIABILITIES</b>							
<b>(Rs.in Lakhs)</b>							
<b>Particulars</b>		<b>As at 31st March 2014</b>	<b>As at 31st March 2015</b>	<b>As at 31st March 2016</b>	<b>As at 31st March 2017</b>	<b>As at 31st March 2018</b>	<b>As at 30th June, 2018</b>
<b>I.</b>	<b>EQUITY AND LIABILITIES</b>						
<b>1</b>	<b>Shareholders' funds</b>						
	(a) Share Capital	1.00	1.00	1.00	1.00	14.00	407.81
	(b) Reserves and Surplus	-	-	0.38	14.31	24.27	41.13
<b>2</b>	<b>Non-current liabilities</b>	-	-	-	-	-	-
	(a) Long-term borrowings	-	-	29.55	29.55	83.24	284.95
	(b) Deferred tax liabilities (Net)	-	-	0.92	2.60	2.77	2.80
	(c) Other Long-term Liabilities	-	-	-	-	-	-
	(d) Long-term provisions	-	-	-	-	-	-
<b>3</b>	<b>Current liabilities</b>	-	-	-	-	-	-
	(a) Short-term borrowings	-	-	-	-	121.00	48.00
	(b) Trade payables	-	-	2.90	14.88	455.42	8.66
	(c) Other current liabilities	-	-	1.53	3.51	6.40	5.20
	(d) Short-term provisions	-	-	6.05	17.99	50.63	8.14
	<b>TOTAL</b>	<b>1.00</b>	<b>1.00</b>	<b>41.58</b>	<b>83.85</b>	<b>757.72</b>	<b>806.69</b>
<b>II.</b>	<b>ASSETS</b>	-	-	-	-	-	-
<b>1</b>	<b>Non-current assets</b>	-	-	-	-	-	-
	(a) <b>Fixed assets</b>	-	-	-	-	-	-
	(i) Tangible assets	-	-	3.44	6.79	5.55	9.82
	(ii) Intangible Assets	-	-	3.98	17.58	14.86	14.05
	<b>Net Block</b>	-	-	7.41	24.37	20.40	23.87
	(b) Non-Current Investments	-	-	-	-	-	-
	(c) Long-term Loans and Advances	-	-	2.56	2.48	1.50	4.07
	(d) Other Non Current Assets	-	-	-	-	-	7.75
<b>2</b>	<b>Current assets</b>	-	-	-	-	-	-
	(a) Current Investments	-	-	-	-	-	-
	(b) Inventories	-	-	24.59	28.24	189.83	105.29
	(c) Trade receivables	-	-	4.53	15.77	499.01	512.03
	(d) Cash and Bank Balances	1.00	1.00	2.49	13.00	45.48	149.08
	(e) Short-term Loans and Advances	-	-	-	-	1.50	4.61
	(f) Other Current Assets	-	-	-	-	-	-
	<b>TOTAL</b>	<b>1.00</b>	<b>1.00</b>	<b>41.58</b>	<b>83.85</b>	<b>757.72</b>	<b>806.69</b>

## ANNEXURE -II

<b>Restated Summary Statement of Profits and Losses, for the period ended</b>						
<b>( Amount in Rs.)</b>						
<b>Particulars</b>	<b>For the year ended 31 March 2014</b>	<b>For the year ended 31 March 2015</b>	<b>For the year ended 31 March 2016</b>	<b>For the year ended 31 March 2017</b>	<b>For the year ended 31 March 2018</b>	<b>For the Month ended 30th June, 2018</b>
<b>I. Revenue from operations</b>						
(a)						
) Sales of goods						
i) Sale of manufactured goods (net of excise)	-	-	-	-	-	-
ii) Sale of traded goods	-	-	19,2.67	455.41	1,254.89	384.41
(b)						
) Sale of services	-	-	-	-	-	-
(c)						
) Other Operating Revenue	-	-	-	-	-	-
Total Revenue from operations	-	-	19,267	455.41	1254.89	384.41
II. Other Income	0.15	-	-	3.10	0.62	0.01
<b>II I. Total Revenue (I + II)</b>	<b>0.15</b>	<b>-</b>	<b>192.67</b>	<b>458.50</b>	<b>1255.51</b>	<b>384.42</b>
IV						
<b>Expenses:</b>						
Cost of materials consumed	-	-	-	-	-	-
Purchase of stock in trade	-	-	71.79	120.22	817.27	8,8.26
Changes in inventories of finished goods, work-in-progress and stock in trade	-	-	(24.58)	(3.64)	(161.59)	84.53
Employee benefits expense	-	-	24.09	55.49	61.60	6.12
Finance costs	-	-	0.53	0.88	3.06	8.14
Depreciation and amortization expense	-	-	1.10	2.83	5.26	1.36
Other expenses	0.15	-	11.903	261.07	497.79	174.81
<b>Total Expenses - IV</b>	<b>0.15</b>	<b>-</b>	<b>191.98</b>	<b>436.85</b>	<b>1223.40</b>	<b>363.25</b>
<b>V. Profit / (Loss) before tax (III - IV)</b>	<b>-</b>	<b>-</b>	<b>0.68</b>	<b>21.65</b>	<b>32.11</b>	<b>21.16</b>
VI						
Exceptional Items	-	-	-	-	-	-
VI						
I Extraordinary Items	-	-	-	-	-	-
VI						
II <b>Tax expense:</b>						
(1) Current tax	-	-	0.14	5.27	8.98	4.76
(2) Deferred tax	-	-	0.92	1.68	0.16	0.03
<b>IX Profit/ (Loss) for the period (V +VI +VII - VIII)</b>	<b>-</b>	<b>-</b>	<b>(0.38)</b>	<b>14.69</b>	<b>22.95</b>	<b>16.37</b>

Restated Summary Statement of Cash Flows							
Sr. No.	Particulars	F.Y. 2013-14	F.Y. 2014-15	F.Y. 2015-16	F.Y. 2016-17	F.Y. 2017-18	30th June, 2018
<b>A.</b>	<b><u>Cash flow from Operating Activities</u></b>						
	Net Profit Before tax as per Statement of Profit/ Loss	-	-	0.68	21.65	32.11	21.16
	Adjustments for :						
	Depreciation & Amortisation Exp.	-	-	1.10	2.83	5.26	1.36
	Interest Expense	-	-	0.23	-	1.64	2.26
	<b>Operating Profit before working capital changes</b>	-	-	<b>2.03</b>	<b>24.48</b>	<b>39.01</b>	<b>24.79</b>
	<b>Changes in Working Capital</b>						
	Trade and Other Receivables	-	-	(4.52)	(11.24)	(48.32)	(13.02)
	Inventories	-	-	(24.58)	(3.64)	(161.59)	84.53
	Trade and Other Payables	-	-	2.89	11.98	440.53	(446.76)
	Other Current Liabilities	-	-	1.53	1.98	2.89	(1.20)
	Short Term Borrowings	-	-	-	-	120.99	(72.99)
	Short term Provisions	-	-	5.90	6.80	28.92	(47.25)
		-	-	(18.77)	5.87	(51.47)	(496.69)
	<b>Net Cash Flow from Operation</b>	-	-	(16.74)	30.35	(12.46)	(471.89)
	Less : Income Tax paid	-	-	-	0.14	5.27	-
	<b>Net Cash Flow from Operating Activities (A)</b>	-	-	<b>(16.74)</b>	<b>30.21</b>	<b>(17.74)</b>	<b>(471.89)</b>
<b>B.</b>	<b><u>Cash flow from investing Activities</u></b>						
	Purchase of Fixed Assets	-	-	(8.52)	(19.78)	(1.29)	(4.82)
	<b>Net Cash Flow from Investing Activities (B)</b>	-	-	<b>(8.52)</b>	<b>(19.78)</b>	<b>(1.29)</b>	<b>(4.82)</b>
<b>C.</b>	<b><u>Cash Flow From Financing Activities</u></b>						
	Proceeds From Issue of shares capital	1.00	-	-	-	-	147.00
	Increase in Securities Premium	-	-	-	-	-	24,7.30
	Increase/(Decrease) in Unsecured Loans	-	-	29.55	-	53.69	201.71
	(Increase)/ Decrease in Long Term Advances	-	-	(2.56)	0.08	0.97	(2.57)

	Increase/(Decrease) in Non Current Assets						(7.75)
	(Increase)/ Decrease in Short Term Advances					(1.50)	(3.10)
	Interest Paid	-	-	(0.23)	-	(1.64)	(2.26)
	<b>Net Cash Flow from Financing Activities (C)</b>	1.00	-	26.75	0.08	51.52	580.32
<b>D.</b>	<b>Net (Decrease)/ Increase in Cash &amp; Cash Equivalents (A+B+C)</b>	1.00	-	1.49	10.50	32.48	103.59
<b>E.</b>	Opening Cash & Cash Equivalents	-	1.00	1.00	2.49	12.99	45.48
<b>F.</b>	<b>Cash and cash equivalents at the end of the period</b>	<b>1.00</b>	<b>1.00</b>	<b>2.49</b>	<b>12.99</b>	<b>45.48</b>	<b>149.07</b>
<b>G.</b>	<b>Cash And Cash Equivalents Comprise</b>						
	Cash	1.00	1.00	1.40	5.96	3.08	1.82
	<b>Bank Balance :</b>						
	Current Account	-	-	1.08	7.03	42.40	14.725
	<b>Total</b>	1.00	1.00	2.49	12.99	45.48	149.07

#### **Annexure – IV : Significant Accounting Policies & Notes to Accounts**

##### **A. Basis of Preparation of Financial Statements**

- a) The financial statements are prepared under historical cost convention in accordance with the generally accepted accounting principles and the provisions of the Companies Act 2013 as adopted consistently by the Company.
- b) Accounting policies not specifically referred to otherwise are consistent with generally accepted accounting principles followed by the Company.

##### **B. Revenue Recognition :**

Revenue is recognized only when it can be reliably measured and it is reasonable to expect ultimate collection. Revenue from Operations include sale of goods. Interest income is recognized on time proportion basis taking into account the amount outstanding and the rate applicable.

##### **C. Use of Estimates**

The preparation of financial statements requires estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual result and estimates are recognized in the period in which the results are known / materialized.

##### **D. Fixed Assets**

Fixed assets are stated at the cost net of recoverable taxes and include amounts added on revaluation, less accumulated depreciation and impairment loss, if any. All costs, including financial cost till

commencement of commercial production, net charges on foreign exchange contracts and adjustments arising from exchange rates variations attributable to the fixed asset are capitalized.

**E. Depreciation**

Depreciation is provided on WDV method, at the rates and in the manner specified in Schedule II of the Companies Act, 2013.

**F. Borrowing Cost**

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalized as a part of cost of such assets. A qualifying asset is a one that necessarily takes substantial period of time to get ready for its intended use. All other borrowing costs are charged to the Statement of Profit and Loss.

**G. Inventories**

Items of inventories are measured at lower of cost and net realizable value after providing for obsolescence, if any. Cost of inventories comprises of cost of purchase, cost of conversion and other cost including overheads incurred in bringing them to their respective present location and condition.

**H. Investments**

Current investments are carried at lower of cost & net realizable value. Long term (noncurrent) investments are stated at cost. Provision for diminution in the value of long term investments is made only if such a decline is other than temporary.

**I. Extraordinary Items**

The extraordinary items are incomes or expenses that arise from events or transactions that are clearly distinct from the ordinary activities of the enterprise and therefore, are not expected to recur frequently or regularly. The nature and amount of each extraordinary item are identified and disclosed in the Statement of Profit and Loss in a manner that its impact on current profit or loss can be perceived.

**J. Income Tax Accounting**

- a) Current Tax provision is the amount of tax payable on the taxable income for the year as determined in accordance with the provisions of Income Tax Act, 1961.
- b) Deferred Tax is recognised, on timing difference, being the difference between taxable income and book profit that originate in one period and are capable of reversal in one or more subsequent periods.

**K. Provision and Contingent Liabilities**

A provision is recognized when the company has a present obligation as a result of a past event and it is probable that an outflow of resources would be required to settle the obligation and in respect of which a reliable estimate can be made. A disclosure of the contingent liability, if determinable, is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. But where is a possible obligation but the likelihood of outflow of resources is remote, no provision / disclosure is made.

**L. Impairment of Assets**

An asset is treated as impaired when the carrying cost of asset exceeds its recoverable value. An impairment loss is charged to the Statement of Profit & Loss in the year in which an asset is identified as impaired. The impairment loss recognized in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

**M. Provisions**

Provisions are recognised when the Company has a present obligation as a result of past events, for which it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount can be made.

**N. Cash and Cash Equivalents**

Cash and Cash equivalents includes cash and cheque on hand, demand deposits with banks, fixed deposits and other short term highly liquid investments with original maturities of three months or less.

**O. Employee Benefits**

Employee benefits payable wholly within twelve months of the end of the reporting period are classified as short term employee benefits and are recognized as the employee renders service on an undiscounted basis. Contribution to Defined Contribution Scheme such as Provident Fund, if any is charged to Statement of Profit and Loss as incurred. Retirement benefits to employees if any will be accounted for as and when paid.

**P. Earning Per Share**

In determining the Earnings Per share, the company considers the net profit after tax includes any post tax effect of any extraordinary / exceptional item. The number of shares used in computing basic earnings per share is the weighted average number of shares outstanding during the period.

The number of shares used in computing Diluted earnings per share comprises the weighted average number of shares considered for computing Basic Earnings per share and also the weighted number of equity shares that would have been issued on conversion of all potentially dilutive shares.

In the event of issue of bonus shares, or share split the number of equity shares outstanding is increased without an increase in the resources. The number of Equity shares outstanding before the event is adjusted for the proportionate change in the number of equity shares outstanding as if the event had occurred at the beginning of the earliest period reported.

**Q. Change in Accounting Policies in the year covered in Restated Financials**

There is no change in significant accounting policies during the reporting period. Further Accounting Policies has been changed as and when Accounting Standards issued by the Institute of Chartered Accountants of India / Companies (Accounting Standard) Rules, 2006 were made applicable on the relevant dates.

**R. Foreign Currency Transactions:**

Transactions denominated in foreign currencies are recorded at the exchange rates prevailing on the date of the transaction.

All exchange differences arising on settlement and conversion on foreign currency transaction are included in the Statement of Profit and Loss, except in cases where they relate to the acquisition of



fixed assets, in which case they are adjusted in the cost of the corresponding asset.

In respect of transactions covered by forward exchange contracts, the difference between the forward rate and the exchange rate at the date of transaction is recognised as income or expense over the life of the contract, except where it relates to fixed assets, in which case it is adjusted in the cost of the corresponding assets.

## **Notes to financial statements**

### **1. Segment Reporting**

The Company operates only in one reportable business segment. Hence, there are no reportable segments under AS – 17. The conditions prevailing in India being uniform no separate geographical disclosures are considered necessary.

2. In the opinion of the management of the Company, the Current Assets & Loan and Advances have a value on realization in the ordinary course in the Balance Sheet and provision for all known liabilities have been made in the accounts except as stated otherwise.
3. Balances whether in credit or debit are subject to confirmation of parties concerned.

## **Adjustments having no impact on Profit**

### **Material Regrouping**

W.e.f, April 1 2014, Schedule III notified under the Companies Act, 2013 has become applicable to the Company for preparation and presentation of its financial statements. Revised Schedule VI notified under the Companies Act, 1956, for preparation and presentation of its financial statements. The adoption of Schedule III / Revised Schedule VI does not impact recognition and measurement principles followed for preparation of financial statements.

There is no significant impact on the presentation and disclosures made in the financial statements on adoption of Schedule III as compared to Revised Schedule VI. Appropriate adjustments have been made in the Restated Summary Statements, wherever required, by a reclassification of the corresponding items of income, expenses, assets, liabilities and cash flows in order to bring them in line with the groupings as per the audited financial statements of the Company, prepared in accordance with Schedule III and the requirements of the Securities and Exchange Board of India (Issue of Capital & Disclosure Requirements) Regulations, 2009 (as amended).

### **Major Event Occurring After Balance Sheet Date i.e 30<sup>th</sup> June, 2018**

There are no such major events occurring after latest Balance Sheet Date i.e 30<sup>th</sup> June, 2018, which need to report.

SHARE CAPITAL												
(Rs. In Lakhs)												
	As at 31st March 2014		As at 31st March 2015		As at 31st March 2016		As at 31st March 2017		As at 31st March 2018		As at 30th June, 2018	
	Number	Amt. Rs.	Number	Amt. Rs.	Number	Amt. Rs.	Number	Amt. Rs.	Number	Amt. Rs.	Number	Amt. Rs.
<b>Authorised</b>												
Equity Shares of Rs.10 each	0.10	1.00	0.10	1.00	0.10	1.00	0.10	1.00	60.00	600.00	70.00	700.00
<b>Issued</b>	-	-	-	-	-	-	-	-	-	-	-	-
Equity Shares of Rs.10 each	0.10	1.00	0.10	1.00	0.10	1.00	0.10	1.00	1.40	14.00	40.78	407.81
<b>Subscribed &amp; Paid up</b>	-	-	-	-	-	-	-	-	-	-	-	-
Equity Shares of Rs.10 each fully paid up	0.10	1.00	0.10	1.00	0.10	1.00	0.10	1.00	1.40	14.00	40.78	407.81
<b>Total</b>	0.10	1.00	0.10	1.00	0.10	1.00	0.10	1.00	1.40	14.00	40.78	407.81

DEVI PANDYA												
(Rs. In Lakhs)												
Particulars	Equity Shares		Equity Shares		Equity Shares		Equity Shares		Equity Shares		Equity Shares	
	Number	Amt. Rs.	Number	Amt. Rs.	Number	Amt. Rs.	Number	Amt. Rs.	Number	Amt. Rs.	Number	Amt. Rs.
Shares outstanding at the beginning of the year	-	-	0.10	1.00	0.10	1.00	0.10	1.00	0.10	1.00	1.40	14.00
Shares Issued during the year	0.10	1.00	-	-	-	-	-	-	-	-	14.70	147.00
Shares Issued during the year - Bonus	-	-	-	-	-	-	-	-	1.30	13.00	24.68	246.81
Shares bought back during the year	-	-	-	-	-	-	-	-	-	-	-	-
Shares outstanding at the end of the year	0.10	1.00	0.10	1.00	0.10	1.00	0.10	1.00	1.40	14.00	40.78	407.81

**JIGAR PANDYA****(Rs. In Lakhs)**

Name of Shareholder	As at 31st March 2014		As at 31st March 2015		As at 31st March 2016		As at 31st March 2017		As at 31st March 2018		As at 30th June, 2018	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding	No. of Shares held	% of Holding	No. of Shares held	% of Holding	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Dinesh Pandya	5,000	50.00 %	5,000	50.00 %	5,000	50.00 %	5,000	50.00 %	70,000	50.00 %	3,881,200	95.17 %
Jayshree D. Pandya	5,000	50.00 %	5,000	50.00 %	5,000	50.00 %	5,000	50.00 %	70,000	50.00 %	196,875	4.83 %

**Annexure V****RESERVE AND SURPLUS****(Rs. In Lakhs)**

Particulars	As at 31 March 2014	As at 31 March 2015	As at 31st March 2016	As at 31st March 2017	As at 31st March 2018	As at 30th June, 2018
<b>A. Securities Premium Account</b>						
Opening Balance	-	-	-	-	-	-
Add : Securities premium credited on Share issue	-	-	-	-	-	247.30
<u>Less : Premium Utilised for various reasons</u>	-	-	-	-	-	-
For Issuing Bonus Shares	-	-	-	-	-	246.81
Closing Balance	-	-	-	-	-	0.49
<b>B. General Reserve</b>	-	-	-	-	-	-
Opening Balance	-	-	-	-	-	-
Add : Current Year Transfer	-	-	-	-	-	-
Less : Adjustment of Depreciation	-	-	-	-	-	-
Closing Balance	-	-	-	-	-	-
<b>C. Surplus</b>	-	-	-	-	-	-
Opening balance	-	-	-	(0.38)	14.31	24.27
(+) Net Profit/(Net Loss) For the current year	-	-	(0.38)	14.69	22.96	16.37
(-) Bonus Shares Issued	-	-	-	-	(13.00)	-
(-) Transfer to Reserves	-	-	-	-	-	-
Closing Balance	-	-	(0.38)	14.31	24.27	40.64
<b>Total</b>	-	-	<b>(0.38)</b>	<b>14.31</b>	<b>24.27</b>	<b>41.13</b>

**ANNEXURE VI**

<b>LONG TERM BORROWINGS</b>						
<b>(Rs. In Lakhs)</b>						
<b>Particulars</b>	<b>As at 31 March 2014</b>	<b>As at 31 March 2015</b>	<b>As at 31st March 2016</b>	<b>As at 31st March 2017</b>	<b>As at 31st March 2018</b>	<b>As at 30th June, 2018</b>
<b>Unsecured</b>						
<b>(a) Term loans</b>						
<b>From Bank &amp; Financial Institutions</b>	-	-	-	-	-	-
- Business Loan	-	-	-	-	-	230.87
Sub-total (a)	-	-	-	-	-	230.87
<b>Unsecured</b>	-	-	-	-	-	-
<b>(b) Loans and advances from Directors &amp; others</b>	-	-	-	-	-	-
Dinesh Pandya	-	-	29.55	17.55	71.24	54.09
Kanubhai Kheni	-	-	-	12.00	12.00	-
Sub-total (b)	-	-	29.55	29.55	83.24	54.09
<b>Total ( a+b)</b>	-	-	29.55	29.55	83.24	284.95

**ANNEXURE VII**

<b>SHORT TERM BORROWINGS</b>						
<b>(Rs. In Lakhs)</b>						
<b>Particulars</b>	<b>As at 31 March 2014</b>	<b>As at 31 March 2015</b>	<b>As at 31st March 2016</b>	<b>As at 31st March 2017</b>	<b>As at 31st March 2018</b>	<b>As at 30th June, 2018</b>
<b>Secured</b>	s					
<b>(a) Working Capital Loans : Cash Credit from a Bank</b>	-	-	-	-	121.00	48.00
( Secured Against Property of Director and guarantee)	-	-	-	-	-	-
<b>(b) Loan from NBFC/ Financial Institutions</b>	-	-	-	-	-	-
<b>Total</b>	-	-	-	-	121.00	48.00

## ANNEXURE VIII

<b>OTHER CURRENT LIABILITIES</b>						
(Rs. In Lakhs)						
<b>Particulars</b>	<b>As at 31 March 2014</b>	<b>As at 31 March 2015</b>	<b>As at 31st March 2016</b>	<b>As at 31st March 2017</b>	<b>As at 31st March 2018</b>	<b>As at 30th June, 2018</b>
(i) Current maturities of Long Term Debt	-	-	-	-	-	-
(ii) Statutory Remittance:	-	-	-	-	-	-
- Statutories Duties Payable	-	-	1.53	3.51	6.40	5.20
(iii) Due against Capital Expenditure	-	-	-	-	-	-
(iv) Other Payables:	-	-	-	-	-	-
-Advance from Customers	-	-	-	-	-	-
-Other Current Liabilities: Accrued Expenses	-	-	-	-	-	-
<b>Total</b>	-	-	1.53	3.51	6.40	5.20

## ANNEXURE IX

<b>SHORT TERM PROVISIONS</b>						
(Rs. In Lakhs)						
<b>Particulars</b>	<b>As at 31 March 2014</b>	<b>As at 31 March 2015</b>	<b>As at 31st March 2016</b>	<b>As at 31st March 2017</b>	<b>As at 31st March 2018</b>	<b>As at 30th June, 2018</b>
<b>Provision For</b>						
<b>(a) Employee benefits</b>	-	-	1.81	3.46	7.58	-
<b>(b) Others :</b>	-	-	-	-	-	-
(i) Provision for tax	-	-	0.15	5.28	8.99	5.75
(ii) TDS Provision	-	-	1.07	0.41	3.67	2.14
(iii) Commission Exp	-	-	2.17	7.10	30.19	-
(iii) Others	-	-	0.86	1.74	0.20	0.25
<b>Total</b>	-	-	6.05	17.99	50.63	8.14

## ANNEXURE X

(Rs. In Lakhs)

	Fixed Assets	Gross Block				Accumulated Depreciation				Net Block		
		Balance as at 1 April 2013	Additions	Disposals	Balance as at 31 March 2014	Balance as at 1 April 2013	Depreciation charge for the year	Adjustment due to revaluations	On disposals	Balance as at 31 March 2014	Balance as at 31 March 2014	Balance as at 31 March 2013
a	Tangible Assets											
	Total	-	-	-	-	-	-	-	-	-	-	-
b	Intangible Assets											
	Total	-	-	-	-	-	-	-	-	-	-	-
	Total	-	-	-	-	-	-	-	-	-	-	-

	Fixed Assets	Gross Block				Accumulated Depreciation				Net Block		
		Balance as at 1 April 2014	Additions	Disposals	Balance as at 31 March 2015	Balance as at 1 April 2014	Depreciation charge for the year	Adjustment due to revaluations	On disposals	Balance as at 31 March 2015	Balance as at 31 March 2015	Balance as at 31 March 2014
a	Tangible Assets											
	Total	-	-	-	-	-	-	-	-	-	-	-
b	Intangible Assets											
	Total	-	-	-	-	-	-	-	-	-	-	-
	Total	-	-	-	-	-	-	-	-	-	-	-

	Fixed Assets	Gross Block				Accumulated Depreciation				Net Block		
		Balance as at 1 April 2015	Additions/ (Disposals)	Disposals	Balance as at 31 March 2016	Balance as at 1 April 2015	Depreciation charge for the year	Adjustment due to revaluations	On disposals	Balance as at 31 March 2016	Balance as at 31 March 2016	Balance as at 31 March 2015
<b>a</b>	<b>Tangible Assets</b>											
	Furniture & Fixture	-	0.52	-	0.52	-	0.03	-	-	0.03	0.49	-
	Computers & Peripherals	-	2.57	-	2.57	-	0.57	-	-	0.57	1.99	-
	Office Equipments	-	0.98	-	0.98	-	0.03	-	-	0.03	0.95	-
	<b>Total</b>	-	4.07	-	4.07	-	0.63	-	-	0.63	3.44	-
<b>b</b>	<b>Intangible Assets</b>	-	-	-	-	-	-	-	-	-	-	-
	Software	-	4.45	-	4.45	-	0.48	-	-	0.48	3.98	-
	<b>Total</b>	-	4.45	-	4.45	-	0.48	-	-	0.48	3.98	-
	<b>Total</b>	-	<b>8.52</b>	-	<b>8.52</b>	-	<b>1.11</b>	-	-	<b>1.11</b>	<b>7.41</b>	-

	Fixed Assets	Gross Block				Accumulated Depreciation				Net Block		
		Balance as at 1 April 2016	Additions	Disposal/ Adjustment	Balance as at 31 March 2017	Balance as at 1 April 2016	Depreciation charge for the year	Amount Charged to Reserves (refer Note below)	Deductions/ Adjustments	Balance as at 31 March 2017	Balance as at 31 March 2017	Balance as at 31 March 2016
<b>a</b>	<b>Tangible Assets</b>											
	Furniture & Fixture	0.52	0.64	-	1.16	0.03	0.09	-	-	0.12	1.04	0.49
	Computers & Peripherals	2.57	2.97	-	5.54	0.57	1.29	-	-	1.86	3.68	1.99

	Office Equipments	0.98	1.14	-	2.12	0.03	0.06	-	-	0.09	2.03	0.95
	Telephone Equipment	-	0.05	-	0.05	-	0.00	-	-	0.00	0.05	-
	<b>Total</b>	<b>4.07</b>	<b>4.80</b>	<b>-</b>	<b>8.86</b>	<b>0.63</b>	<b>1.44</b>	<b>-</b>	<b>-</b>	<b>2.08</b>	<b>6.79</b>	<b>3.44</b>
<b>b</b>	<b>Intangible Assets</b>	-	-	-	-	-	-	-	-	-	-	-
	Software	4.45	14.99	-	19.45	0.48	1.39	-	-	1.87	17.58	3.98
	<b>Total</b>	<b>4.45</b>	<b>14.99</b>	<b>-</b>	<b>19.45</b>	<b>0.48</b>	<b>1.39</b>	<b>-</b>	<b>-</b>	<b>1.87</b>	<b>17.58</b>	<b>3.98</b>
	<b>Total</b>	<b>8.52</b>	<b>19.79</b>	<b>-</b>	<b>28.31</b>	<b>1.11</b>	<b>2.83</b>	<b>-</b>	<b>-</b>	<b>3.94</b>	<b>24.37</b>	<b>7.41</b>

	Fixed Assets	Gross Block				Accumulated Depreciation					Net Block	
		Balance as at 1 April 2017	Additions	Disposal/Adjustment	Balance as at 31 March 2018	Balance as at 1 April 2017	Depreciation charge for the year	Amount Charged to Reserves (refer Note below)	Deductions/Adjustments	Balance as at 31 March 2018	Balance as at 31 March 2018	Balance as at 31 March 2017
<b>a</b>	<b>Tangible Assets</b>											
	Furniture & Fixture	1.16	0.04	-	1.20	0.12	0.11	-	-	0.23	0.96	1.04
	Computers & Peripherals	5.54	0.29	-	5.83	1.86	1.78	-	-	3.65	2.19	3.68
	Office Equipments	2.12	0.25	-	2.36	0.09	0.13	-	-	0.23	2.14	2.03
	Telephone Equipment	0.05	0.22	-	0.26	0.00	0.01	-	-	0.01	0.26	-
	<b>Total</b>	<b>8.86</b>	<b>0.79</b>	<b>-</b>	<b>9.66</b>	<b>2.08</b>	<b>2.04</b>	<b>-</b>	<b>-</b>	<b>4.11</b>	<b>5.55</b>	<b>6.74</b>
<b>b</b>	<b>Intangible Assets</b>	-	-	-	-	-	-	-	-	-	-	-
	Software	19.45	0.50	-	19.95	1.87	3.22	-	-	5.09	14.86	17.58
	<b>Total</b>	<b>19.45</b>	<b>0.50</b>	<b>-</b>	<b>19.95</b>	<b>1.87</b>	<b>3.22</b>	<b>-</b>	<b>-</b>	<b>5.09</b>	<b>14.86</b>	<b>17.58</b>
	<b>Total</b>	<b>28.31088</b>	<b>1.29379</b>	<b>0</b>	<b>29.60467</b>	<b>3.94234</b>	<b>5.26062</b>	<b>0</b>	<b>0</b>	<b>9.20296</b>	<b>20.40171</b>	<b>24.32199</b>



	Fixed Assets	Gross Block				Accumulated Depreciation				Net Block		
		Balance as at 1 April 2018	Additions	Disposal/Adjustment	Balance as at 30th June, 2018	Balance as at 1 April 2018	Depreciation charge for the period	Amount Charged to Reserves (refer Note below)	Deductions/Adjustments	Balance as at 30th June, 2018	Balance as at 30th June, 2018	Balance as at 31 March 2018
<b>a</b>	<b>Tangible Assets</b>	-	-	-	-	-	-	-	-	-	-	-
	Furniture & Fixture	1.20	-	-	1.20	0.23	0.03	-	-	0.26	0.94	0.96
	Computers & Peripherals	5.83	1.87	-	7.71	3.65	0.46	-	-	4.11	3.60	2.19
	Vehicles	-	1.39	-	1.39	-	0.02	-	-	0.02	1.37	-
	Office Equipments	2.36	-	-	2.36	0.23	0.04	-	-	0.26	2.10	2.14
	Electrification	-	0.45	-	0.45	-	0.01	-	-	0.01	0.44	-
	Telephone Equipment	0.26	1.11	-	1.38	0.01	0.01	-	-	0.02	1.36	-
	<b>Total</b>	9.66	4.83	-	14.49	4.11	0.56	-	-	4.67	9.82	5.29
<b>b</b>	<b>Intangible Assets</b>	-	-	-	-	-	-	-	-	-	-	-
	Software	19.95	-	-	19.95	5.09	0.81	-	-	5.90	14.05	14.86
	<b>Total</b>	19.95	-	-	19.95	5.09	0.81	-	-	5.90	14.05	14.86
	<b>Total</b>	29.60467	4.82985	0	34.43452	9.20296	1.36574	0	0	10.5687	23.86582	20.1448

## ANNEXURE XI

LONG TERM LOANS AND ADVANCES						
(Rs. In Lakhs)						
Particulars	As at 31 March 2014	As at 31 March 2015	As at 31st March 2016	As at 31st March 2017	As at 31st March 2018	As at 30th June, 2018
(Unsecured and Considered Good)						
<b>a. Long Term Loans &amp; Advances recoverable from Directors/Pr omoters/Pro moter Group/ Associates/ Relatives of Directors/Gr oup Company</b>	-	-	-	-	-	-
<b>b. Other Long Term Loans &amp; Advances</b>	-	-	-	-	-	-
Security Deposits	-	-	2.56	2.48	1.50	4.07
Advance Tax	-	-	-	-	-	-
Advance against Capital Expenditure	-	-	-	-	-	-
Other Advances	-	-	-	-	-	-
<b>Total</b>	-	-	<b>2.56</b>	<b>2.48</b>	<b>1.50</b>	<b>4.07</b>

## ANNEXURE XII

INVENTORIES						
(Rs. In Lakhs)						
Particulars	As at 31 March 2014	As at 31 March 2015	As at 31st March 2016	As at 31st March 2017	As at 31st March 2018	As at 30th June, 2018
a. Raw Materials and components	-	-	-	-	-	-
(Valued at Cost as per FIFO Method)	-	-	-	-	-	-
b. Work-in-progress	-	-	-	-	-	-
(Valued At Estimated Cost)	-	-	-	-	-	-
c. Finished goods	-	-	24.59	28.24	189.83	105.29
(Valued At Lower of Cost or NRV)	-	-	-	-	-	-
d. Stock-in Trade	-	-	-	-	-	-
(Valued At Lower of Cost or NRV)	-	-	-	-	-	-
e. Stores and spares & Packing Materials	-	-	-	-	-	-
(Valued at Lower of Cost or NRV as per FIFO Method)	-	-	-	-	-	-
<b>Total</b>	-	-	<b>24.59</b>	<b>28.24</b>	<b>189.83</b>	<b>105.29</b>

## ANNEXURE XIII

TRADE RECEIVABLES						
(Rs. In Lakhs)						
Particulars	As at 31 March 2014	As at 31 March 2015	As at 31st March 2016	As at 31st March 2017	As at 31st March 2018	As at 30th June, 2018
(Unsecured and Considered Good)						
<b>a. From Directors/Promoters/Promoter Group/Associates/Relatives of Directors / Group Companies</b>						
Over Six Months	-	-	-	-	-	-
Others	-	-	-	-	-	-
<b>b. From Others</b>	-	-	-	-	-	-
a) Over Six Months	-	-	-	-	-	-
Considered good	-	-	-	-	-	-
Considered doubtful	-	-	-	-	-	-
Less: Provision for doubtful debts	-	-	-	-	-	-

Sub-total	-	-	-	-	-	-
b) Others	-	-	4.53	15.77	499.01	512.03
<b>Total</b>	-	-	<b>4.53</b>	<b>15.77</b>	<b>499.01</b>	<b>512.03</b>

**ANNEXURE XIV**

<b>CASH AND BANK BALANCES</b>						
<b>(Rs. In Lakhs)</b>						
<b>Particulars</b>	<b>As at 31 March 2014</b>	<b>As at 31 March 2015</b>	<b>As at 31st March 2016</b>	<b>As at 31st March 2017</b>	<b>As at 31st March 2018</b>	<b>As at 30th June, 2018</b>
<b>a. Cash &amp; cash equivalents</b>						
Cash on hand	1.00	1.00	1.41	5.96	3.08	1.82
Balances with banks	-	-	-	-	-	-
- In current accounts & Cheque in hand	-	-	1.08	7.04	42.40	147.25
<b>b. Balance in Deposit Accounts</b>	-	-	-	-	-	-
- Bank Deposits as Margin money	-	-	-	-	-	-
<b>Total</b>	<b>1.00</b>	<b>1.00</b>	<b>2.49</b>	<b>13.00</b>	<b>45.48</b>	<b>149.08</b>

**ANNEXURE XV**

<b>SHORT TERM LOANS AND ADVANCES</b>						
<b>(Rs. In Lakhs)</b>						
<b>Particulars</b>	<b>As at 31 March 2014</b>	<b>As at 31 March 2015</b>	<b>As at 31st March 2016</b>	<b>As at 31st March 2017</b>	<b>As at 31st March 2018</b>	<b>As at 30th June, 2018</b>
(Unsecured and Considered Good)						
<b>a. Loans and advances to Directors/Promoters /Promoter Group/ Associates/ Relatives of Directors/Group Company</b>	-	-	-	-	-	-
<b>b. Balance with Government Authorities</b>	-	-	-	-	-	-
<b>c. Others (specify nature)</b>	-	-	-	-	-	-

i) Prepaid Expenses	-	-	-	-	-	-
ii) <u>Advances Recoverable in cash or in kind</u>	-	-	-	-	-	-
Considered good	-	-	-	-	1.50	4.61
Considered doubtful	-	-	-	-	-	-
Less: Provision for doubtful advances	-	-	-	-	-	-
Sub-total	-	-	-	-	1.50	4.61
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1.50</b>	<b>4.61</b>

#### ANNEXURE XVI

#### CONTINGENT LIABILITIES AND COMMITMENTS:-

The Company do not have any Contingent Liabilities in the year ended on March 31,2018, 2017, 2016, 2015 and 2014 and for the period ended 30th June, 2018.

(Rs. In Lakhs)

Annexure No.	Particulars	For the Year Ended 31st March					30th June, 2018
		2014	2015	2016	2017	2018	
		Amt./RS.	Amt./RS.	Amt./RS.	Amt./RS.	Amt./RS.	Amt./RS.
<b>Annexure XVII</b>	<b><u>Revenue From Operations</u></b>	-	-	-	-	-	-
<b>I.</b>	<b><u>Sale of goods/services as applicable</u></b>	-	-	-	-	-	-
(a)	<b>Sales of goods</b>	-	-	-	-	-	-
i)	Sale of manufactured goods	-	-	-	-	-	-
	Less: Excise duty	-	-	-	-	-	-
	Sale of manufactured goods ( Net)	-	-	-	-	-	-
ii)	Sale of traded goods( Net of Discount)	-	-	192.67	455.41	1,254.90	384.41
	<b>Total</b>	-	-	192.67	455.41	1,254.90	384.41
(b)	Sale of services	-	-	-	-	-	-
	<b>TOTAL</b>	-	-	<b>192.67</b>	<b>455.41</b>	<b>1,254.90</b>	<b>384.41</b>
<b>II.</b>	<b><u>Other Operating Revenue</u></b>	-	-	-	-	-	-
i)	Other operating income	-	-	-	-	-	-
	<b>TOTAL</b>	-	-	-	-	-	-
	<b>GROSS TOTAL</b>	-	-	192.67	455.41	1,254.90	384.41
<b>Annexure XVIII</b>	<b><u>Other Income</u></b>	-	-	-	-	-	-
	Interest Income	-	-	-	-	-	-
	Misc Income	0.15	-	-	3.10	0.62	0.01
	<b>Total</b>	0.15	-	-	3.10	0.62	0.01
<b>Annexure XIX</b>	<b><u>Purchase of stock in trade</u></b>	-	-	-	-	-	-
	Purchase of Traded Goods	-	-	71.79	120.22	817.27	88.26
	<b>Total</b>	-	-	71.79	120.22	817.27	88.26

Annexure No.	Particulars	For the Year Ended 31st March					30th June, 2018
		2014	2015	2016	2017	2018	
		Amt./RS.	Amt./RS.	Amt./RS.	Amt./RS.	Amt./RS.	Amt./RS.
<b>Annexure XX</b>	<b>Changes in Inventory of finished goods, work-in-progress and stock in trade</b>	-	-	-	-	-	-
(a)	<b>Inventories at the end of year</b>	-	-	-	-	-	-
	Finished Goods - Traded	-	-	24.59	28.24	189.83	105.29
	<b>Sub-total</b>	-	-	24.59	28.24	189.83	105.29
(b)	<b>Inventories at the Beginning of the Year</b>	-	-	-	-	-	-
	Finished Goods - Traded	-	-	-	24.59	28.24	189.83
	<b>Sub-total</b>	-	-	-	24.59	28.24	189.83
	<b>Net (Increase)/Decrease</b>	-	-	(24.59)	(3.65)	(161.60)	84.54

**Annexure XXI**

**(Rs. In Lakhs)**

<b>Employee Benefit Expenses</b>	-	-	-	-	-	-
Salaries and incentives	-	-	15.30	46.75	32.73	6.13
Director Salary	-	-	8.80	8.75	28.50	-
Staff welfare expenses	-	-	-	-	0.38	-
<b>Total</b>	-	-	24.10	55.50	61.61	6.13

**(Rs. In Lakhs)**

<b>Annexure XXII</b>	<b>Finance Cost</b>	-	-	-	-	-	
(a)	Interest expense - Banks	-	-	-	-	1.64	2.26
(b)	Interest expense - Others	-	-	0.24	-	-	-
(c)	Bank Charges	-	-	0.30	0.88	1.43	5.88
	<b>Total</b>	-	-	0.53	0.88	3.07	8.14

(Rs. In Lakhs)

	<b>Other Expenses</b>		-	-	-	-	-	-
	Accounting Exp.		-	-	0.53	1.20	-	-
	Advertisement Exp.		-	-	0.78	0.48	0.38	-
	Award Reward Exp.		-	-	3.33	7.68	6.37	2.29
	Commission Exp.		-	-	51.00	170.11	302.57	124.12
	Kasar A/c		-	-	0.00	0.01	-	-
	Launching Exp.		-	-	5.90	-	-	-
	Legal Fees		0.13	-	0.59	0.95	1.95	0.49
	Office & Godown Exp.		-	-	9.30	13.24	4.10	2.46
	Office Exp.		-	-	4.24	4.27	9.11	5.05
	Outgoing Transportation Exp.		-	-	3.28	12.30	9.93	4.48
	Printing & Designing Exp.		-	-	6.42	1.02	4.33	0.09
	Software Exp.		-	-	0.18	2.74	3.24	0.78
	Telephone Exp.		-	-	1.24	1.05	0.80	0.26
	Tour & Travel Exp.		-	-	12.39	17.88	29.19	2.91
	Trainer Exp.		-	-	0.67	4.45	0.81	0.11
	Workshop Exp.		-	-	1.12	-	-	-
	Event Management Exp.		-	-	16.70	17.01	53.34	16.55
	Miscellaneous Exp.		0.02	-	-	-	0.17	-
	Electricity Exp.		-	-	0.75	1.15	0.70	0.40
	Transportation Exp.		-	-	0.61	1.33	-	-
	Discount Exp.		-	-	-	-	51.64	0.84
	ROC, Rate & Taxes		-	-	-	0.93	5.66	10.03
	Insurance Exp.		-	-	-	1.51	1.00	1.06
	Internet Exp.		-	-	-	0.31	0.13	-
	Stationery & Printing & Courier Exp.		-	-	-	1.33	10.93	2.40
	Audit Fees		-	-	-	0.12	0.20	0.05
	Donation		-	-	-	-	1.24	0.44
	<b>Gross Total</b>		<b>0.15</b>	<b>-</b>	<b>119.04</b>	<b>261.07</b>	<b>497.79</b>	<b>174.81</b>



## ANNEXURE XXIV

Summary of Accounting Ratios						
(Rs. In Lakhs)						
Ratios	For the year ended 31 March 2014	For the year ended 31 March 2015	For the year ended 31 March 2016	For the year ended 31 March 2017	For the year ended 31 March 2018	For the 3 Month ended 30th June 2018
A. Net Worth as per Restated Balance Sheet	1.00	1.00	0.62	15.31	38.27	448.94
B. Profit/ ( Loss) as per Restated Profit & Loss A/c	-	-	(0.38)	14.69	22.96	16.37
C. Weighted Number of equity shares o/s during the year	0.05	0.10	0.10	0.10	1.40	33.58
D. Adjusted Earning Per Share ( Rs ) ( B/C)	-	-	0.00	0.00	0.00	0.00
E.Number of Equity shares outstanding during the year	0.10	0.10	0.10	0.10	1.40	40.78
F. Net Assets Value ( Rs ) (A/E)	0.00	0.00	0.00	0.00	0.00	0.00
G. Return on Net Worth (%) (B/A)	-	-	0.00	0.00	0.00	0.00

## ANNEXURE XXV

STATEMENT OF TAX SHELTERS						
(Rs. In Lakhs)						
Particulars	Year ended March 31, 2014	Year ended March 31, 2015	Year ended March 31, 2016	Year ended March 31, 2017	Year ended March 31, 2018	3 Month s ended June 30, 2018
Normal Corporate Tax Rates	30.90 %	30.90 %	30.90 %	29.87 %	25.75 %	25.75%
Minimum Alternate Tax Rates	19.06 %	19.06 %	19.06 %	19.06 %	19.06 %	19.06%
A. Profit before tax as per Restated Profit & Loss Statement	-	-	0.69	21.65	32.11	21.17
<b>Adjustments</b>	-	-	-	-	-	-
<b>B. Permanent/ Temporary Difference</b>	-	-	-	-	-	-
Disallowed u/s 43B	-	-	-	-	-	-
Disallowed on account of other expenses	-	-	-	-	-	-
<b>Total ( B )</b>	-	-	-	-	-	-
C. Difference between Tax Depreciation and Book Depreciation & Other	-	-	(2.98)	(5.44)	(0.65)	(2.68)
<b>Total ( C )</b>	-	-	(2.98)	(5.44)	(0.65)	(2.68)
<b>D. Total Income ( A+B+C)</b>	-	-	(2.29)	16.21	31.46	18.49

Brought Forward Loss set off	-	-	-	-	-	-
E. Net Taxable Income ( Rounded Off)	-	-	(2.29)	16.21	31.46	18.49
<b>F. Tax Payable as per Normal Tax after adjusting MAT</b>	-	-	-	4.71	8.10	4.76
<b>G. Tax as per Minimum Alternate Tax (MAT)</b>	-	-	0.13	4.13	6.12	4.03
<b>Total Tax Payable or MAT whichever is higher</b>	-	-	0.13	4.71	8.10	4.76
<b>Tax Provision as Profit &amp; Loss A/c , Restated</b>	-	-	0.15	5.28	8.99	4.76
Provision on account of Interest on Income Tax	-	-	0.02	0.57	0.89	0.00

**ANNEXURE XXVI**

<b>CAPITALISATION STATEMENT AS AT LAST AUDITED PERIOD</b>		
<b>(Rs. In Lakhs)</b>		
<b>Particulars</b>	<b>Pre Issue</b>	<b>Post Issue</b>
<b>Borrowings</b>	-	-
Short term debt (A)	48.00	-
Long Term Debt (B)	284.95	-
<b>Total debts (C)</b>	332.95	-
<b>Shareholders' funds</b>	-	-
Equity share capital	407.81	647.41
Reserve and surplus - as restated	41.13	424.49
<b>Total shareholders' funds</b>	448.94	1,071.90
<b>Long term debt / shareholders funds</b>	0.63	-
<b>Total debt / shareholders funds</b>	0.74	-

**ANNEXURE XXVII**

<b>STATEMENT OF DIVIDEND PAID AS PER RESTATED</b>
The Company had not declared any Dividend till date.

**ANNEXURE XXVIII**

<b>RELATED PARTY TRANSACTION</b>	
<b>(Rs. In Lakhs)</b>	
(A) Names of Related Parties :	
1. Key Management Personnel:	
	Dinesh Pandya: Managing Director
	Jayshree Pandya: Director
	Kanubhai Khani: Director ( upto 19.04.2018)
	Shivani Panwar: Director ( upto 03.02.2018)
	Manusukh Suhagiya: Director ( upto 03.02.2018)
	Devang Pandya: Director
	Jigar Pandya: Director
	Devi Pandya: Director

	Ms. Falguni Shah: Company Secretary
	Devang Pandya: CFO
2. Relative of Key Management Personnel :	Arwind Panwar ( Husband of Shivani Panwar)
3. Associates over which Directors and/or their Relatives having Significant Influence :	
	Dada Organics ( Prop firm of Dinesh Pandhya)
	Dada Organics Pvt Ltd ( Company in which Director having interest)

**B. Transaction during the year**

Name	Nature of Transaction	Amount of Transaction during 2013-14	Amount Outstanding as on 31.03.14 (Payable)/ Receivable	Amount of Transaction during 2014-15	Amount Outstanding as on 31.03.15 (Payable)/ Receivable	Amount of Transaction during 2015-16	Amount Outstanding as on 31.03.16 (Payable)/ Receivable
Dinesh Pandya	Remuneration	-	-	-	-	2.20	(0.55)
Kanubhai Kheni	Remuneration	-	-	-	-	2.20	(0.55)
Arwind Panwar	Remuneration	-	-	-	-	2.20	(0.55)
Manusukh Suhagiya	Remuneration	-	-	-	-	2.20	(0.55)
Dinesh Pandya	Unsecured Loan	-	-	-	-	30.56	(29.55)

Name	Nature of Transaction	Amount of Transaction during 2016-17	Amount Outstanding as on 31.03.17 (Payable)/ Receivable	Amount of Transaction During 2017-18	Amount Outstanding as on 31.03.18 (Payable)/ Receivable	Amount of Transaction during 30th June, 18	a
Dinesh Pandya	Remuneration	2.37	0.50	2.50	-	-	
Kanubhai Kheni	Remuneration	2.13	0.50	2.50	-	-	
Manusukh Suhagiya	Remuneration	2.13	0.50	12.00	-	-	
Dinesh Pandya	Unsecured Loan	12.00	(17.55)	16.80	(71.24)	17.15	
Shivani Panwar	Remuneration	2.13	-	11.50	-	-	
Kanubhai Kheni	Unsecured Loan	12.00	(12.00)	-	(12.00)	12.00	
Dada Organic ( Prop. Dinesh Pandya)	Purchase	17.06	(4.69)	618.08	(411.90)	5.62	
Manusukh Suhagiya	Commission	-	-	18.00	-	-	
Shivani Panwar	Commission	-	-	19.98	-	-	
Dada Organics Pvt Ltd	Sales	-	-	-	-	115.80	
Dada Organics Pvt Ltd	Purchase	-	-	-	-	86.28	

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

*Some of the information contained in the following discussion, including information with respect to our plans and strategies, contain forward-looking statements that involve risks and uncertainties. You should read the chapter entitled 'Forward Looking Statements' for discussion of the risks and uncertainties related to those statements and also the section "Risk Factors" for discussion of certain factors that may affect our business, financial condition and results of operations.*

*Our actual results may differ materially from those expressed in or implied by these forward-looking statements. Our Company's Financial Year commences on April 1 and ends on March 31 of the following year, so all references to a particular Financial Year or Fiscal are to the twelve months ended March 31 of that year.*

*In this section, unless the context otherwise requires, any reference to "we", "us" or "our" refers to Add-Shop Promotions Limited, our Company. Unless otherwise indicated, financial information included herein are based on our Restated Financial Statements for Financial Years 2016, 2017 and 2018 included in this Draft Prospectus beginning on page 135*

### **BUSINESS OVERVIEW**

Our Company was originally incorporated as Add-Shop Promotions Private Limited at Rajkot, Gujarat as a Private Limited Company under the provisions of Companies Act, 1956 vide Certificate of Incorporation dated August 20, 2013 bearing Corporate Identification Number U51109GJ2013PTC076482 issued by Registrar of Companies, Dadar and Nagar Haveli, Gujarat. Subsequently our Company was converted into a Public Limited Company pursuant to special resolution passed by the shareholders at the Extraordinary General Meeting held on June 11, 2018 and fresh certificate of incorporation consequently upon change of name was issued by Registrar of Companies, Gujarat, Ahmedabad dated June 21, 2018 and name of our Company was changed to Add-Shop Promotions Limited. The Corporate Identification Number is U51109GJ2013PLC076482. For further details of change of name and registered office of our Company, please refer to the chapter titled "*Our History and Certain Other Corporate Matters*" beginning on page 109 of this Draft Prospectus."

Our Promoter and Managing Director Dineshbhai Pandya is visually impaired person and a first-generation entrepreneur, trainer and motivator. He has experience in the field of Ayurvedic and Pharma. He is awarded "*Golden Books of records*" for most village assemblies addressed by a differently able person. The Company was incorporated by him with a vision to find and implement solutions for two very deep-rooted challenges of our nation like unemployment & unhealthiness of our citizens.

Our Company is currently engaged in the business of marketing and distribution of products in the categories of ayurvedic products, food supplement products, agricultural products, animal feed supplement products and personal care products under the brand name "*Add-Shop Promotions*". In this present competitive era of medicines and food supplements, our company is aiming to focus on ways to bridge the nutrition gap, which is a recognized cause of any diseases, by promoting Ayurveda and its products.

We primarily cater to retailers and wholesalers where we supply products manufactured by select manufacturers under our brand. We procure the finished products from our G.M.P and I.S.O certified manufacturers and thereafter market the product through various intermediaries and sales agents. With an objective to penetrate major market, we have entered into agreement with various collecting and forwarding agents (C&F's). Our Company has entered into agreements with Panchlingeshwara Enterprises, in Karnataka., Just Need United Trading, Maharashtra and Good Life Enterprises Telangana.

Our Company distributes organic products to farmers for their agriculture use as well organic cattle feed products for their livestock. Our Company believes that the agriculture sector in India is expected to generate

better momentum in the next few years due to increased investments in agricultural infrastructure. The Government of India has also introduced several projects to assist the agriculture sector which is ensuring better growth prospects in the said Industry. Foreseeing the growth in the agricultural sector, our company intends to tap the growth opportunity by pushing sales through a wide range of agro products. Our Company is a fellow member of Federation of Direct Selling association vide membership number FDSA/F/10.

Our Company's total revenue as restated for the three months ended June, 2018 and for the Financial Year 2018, 2017 and 2016 was Rs.381.41 lakhs, Rs.1254.90 lakhs, Rs. 455.41 lakhs and Rs.192.67 lakhs, respectively. Our Company's profit/loss after tax as restated for the three months ended June, 2018 and Financial Year 2018, 2017 and 2016 was Rs. 16.37 lakhs, Rs. 22.96 lakhs, 14.69 lakhs and Rs. (0.38) lakhs, respectively.

#### **Factors that may affect the results of operations**

The business of our Company is subject to various risks and uncertainties including those discussed in section titled "Risk Factors" on page 17 of this Draft Prospectus. Our financial condition and results of operations are affected by various factors of which the following are of particular importance

- Changes in government regulations, tax regimes, laws and regulations that apply to our Industry;
- Changes in fiscal, economic or political conditions in India;
- Increasing competition in the Industry in which we operate;
- Any major fluctuation in the prices of our raw materials may affect our business operations and profitability

#### **SIGNIFICANT DEVELOPMENTS SUBSEQUENT TO LAST FINANCIAL YEAR**

In the opinion of the Board of Directors of our Company, since the date of the last financial statements disclosed in this Draft Prospectus, there have not arisen any circumstances 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 except implementation of Goods and Service Tax as compared to previous taxation structure

1. The Board of Directors passed a resolution for allotment of 6,70,000 Equity Shares against conversion of sundry creditors on April 20, 2018.
2. The Board of Directors passed a resolution for Issue of Bonus Shares in their meeting held on April 25, 2018.
3. The Board of Directors passed a resolution for allotment of 8,00,000 Equity Shares on May 05, 2018.
4. The Board of Directors designated Dineshbhai Pandya, Managing Director of our Company in the Board meeting held on May 26, 2018.
5. The Authorised Share Capital of our Company was increased to Rs. 7,00,00,000 consisting of 70,00,000 Equity Shares of Rs. 10 each in the Extra-ordinary General Meeting held on May 31, 2018.
6. The Board of Directors passed a resolution for allotment of 22,65,625 Equity Shares on June 02, 2018.
7. The Board of Directors passed a resolution for an Initial Public Offer in their meeting held on June 23, 2018.
8. The Board of Directors passed a resolution for appointment of Falguni Shah as Company Secretary and Compliance Officer in their meeting held on June 23, 2018
9. The Board of Directors appointed Kinjal Khunt, Yagnik Mundadiya, Rushabh Vora and Vivek Dadhania as Additional Independent Director of our Company in the Board meeting held on June 25, 2018 and

subsequently were regularised as Independent Director in the Extra-ordinary General Meeting held on June 27, 2018.

10. The Board of Directors passed a resolution for appointment of Devang Pandya as Chief Financial Officer in their meeting held on June 27, 2018
11. Our Company passed a special resolution on June 27, 2018 to authorize the Board of Directors to raise funds by making Initial Public Offer.
12. Our Company was converted into Public Company vide Special Resolution passed in the Extra -Ordinary General Meeting of the Company held on June 11, 2018 and the name of the Company was changed to “Add-Shop Promotions Limited vide a fresh certificate of Incorporation dated June 21, 2018.

## DISCUSSION ON RESULT OF OPERATION

The following discussion on results of operations should be read in conjunction with the audited financial results of our Company for the financial years ended March 2018, 2017 and 2016 and for the quarter ended June 30, 2018.

## OVERVIEW OF REVENUE & EXPENDITURE

### Revenues

#### Income from operations:

Our revenue from operations mainly comprises of Sale of traded goods

#### Other Income:

Our other income mainly includes income from kasar account etc.

Particulars	Till March 31,			For Quarter months ended June 30, 2018
	2016	2017	2018	
Revenue from Operations	192.67	455.41	1,254.90	384.41
As a % of Total Revenue	100.00	99.33%	99.95%	100.00%
Other Income	-	3.10	0.62	0.01
As a % of Total Revenue	-	0.67%	0.05%	-
<b>Total Revenue</b>	<b>192.67</b>	<b>458.51</b>	<b>1,255.51</b>	<b>384.42</b>

### Expenditure

Our total expenditure primarily consists of direct expenditure i.e. purchase of stock in trade, changes in inventories of finished goods, work-in-progress and stock-in-trade, finance cost, employee benefit expenses, depreciation and other expenses.

#### Direct Expenditure

Our direct expenditure includes purchase of stock in trade and changes in inventories of finished goods, work-in-progress and stock-intrade.

#### Employee benefits expense

Our employee benefits expense primarily comprise of director 's remuneration, salaries and incentives, staff welfare expenses.

#### Depreciation and Amortization expense

Our Depreciation and Amortization expense mainly consist of furniture & fixtures, computers & peripherals, office Equipments, Electrification, Telephone Equipment, etc.

## Finance Costs

Our finance costs include interest on term loan, cash credit facility, bank charges, interest on other borrowings, etc.

## Other Expenses

Other expenses mainly include operational expenses relating to trading expenses such as event management expenses, water charges, outgoing Transportation expenses, commission expenses, office & Godown expenses, tour and travel expenses, RoC rates and Taxes, printing stationery and courier expenses etc

## Statement of profits and loss

The following table sets forth, for the fiscal years indicated, certain items derived from our Company's audited restated financial statements, in each case stated in absolute terms and as a percentage of total sales and/or total revenue:

Amount (Rs. In Lakhs)

	Particulars	For the year ended 31 March 2016	For the year ended 31 March 2017	For the year ended 31 March 2018	For the Quarter ended 30 June 2018
<b>I.</b>	<b>Revenue from operations (Net of Excise)</b>				
	Sale of traded goods	192.67	455.41	1254.90	384.41
	% of total income	100.00%	99.33%	99.95%	100.00%
	Variance	100.00%	136.38%	175.55%	-
<b>II.</b>	<b>Other Income</b>				
	Other Income	-	3.10	0.62	0.01
	% of total income	-	0.67%	0.05%	0.00%
	Variance	-	100.00%	(79.94%)	
<b>III.</b>	<b>Total Revenue (I + II)</b>	<b>192.67</b>	<b>458.51</b>	<b>1255.51</b>	<b>384.42</b>
<b>IV.</b>	<b>Expenses:</b>				
	Purchase of stock in trade	71.79	120.22	817.27	88.26
	% of total income	37.26%	26.22%	65.09%	22.96%
	Variance	100%	67.46%	579.81%	-
	Changes in inventories of finished goods, work-in-progress and stock in trade	(24.58)	(3.64)	(161.59)	84.53
	% of total income	(12.76%)	(0.79%)	(12.87%)	21.99%
	Variance	100.00%	(85.19%)	4339.29%	-
	Employee benefits expense	24.09	55.49	61.60	6.12
	% of total income	12.50%	12.10%	4.91%	1.59%
	Variance	100.00%	130.34%	11.01%	-
	Finance costs	0.53	0.88	3.06	8.14
	% of total income	0.28%	0.19%	0.24%	2.12%
	Variance	100.00%	66.04%	247.73%	-
	Depreciation and amortization expense	1.1	2.83	5.26	1.36
	% of total income	0.57%	0.62%	0.42%	0.35%
	Variance	100.00%	157.27%	85.87%	-
	Other expenses	119.03	261.07	497.79	174.81
	% of total income	61.78%	56.94%	39.65%	45.47%
	Variance	100.00%	119.33%	90.67%	
	<b>Total Expenses</b>	<b>191.98</b>	<b>436.85</b>	<b>1223.40</b>	<b>363.25</b>



	Particulars	For the year ended 31 March 2016	For the year ended 31 March 2017	For the year ended 31 March 2018	For the Quarter ended 30 June 2018
	% of total income	99.65%	95.28%	97.44%	94.49%
	Variance	100.00%	127.55%	180.05%	
<b>V.</b>	<b>Profit / (Loss) before tax (VII- VIII)</b>	<b>0.68</b>	<b>21.65</b>	<b>32.11</b>	<b>21.17</b>
	% of total income	0.35%	4.72%	2.56%	5.51%
<b>VI</b>	<b>Exceptional Items</b>	-	-	-	-
<b>VII</b>	<b>Extraordinary Items</b>	-	-	-	-
<b>VIII</b>	<b>Tax expense:</b>				
	(1) Current tax	0.14	5.27	8.98	4.76
	(2) Deferred tax	0.92	1.68	0.16	0.03
	(3) MAT credit entitlement	0	0	0	0
<b>IX</b>	<b>Profit/ (Loss) for the period (XI + XIV)</b>	<b>(0.38)</b>	<b>14.69</b>	<b>22.95</b>	<b>16.37</b>
	% of total income	(0.20%)	3.20%	1.83%	4.26%
	Variance	100.00%	(3965.79%)	56.23%	

#### REVIEW FOR THE QUARTER ENDED JUNE, 30, 2018.

##### Revenue from Operations (Net of Excise Duty)

Our total revenue from operations was Rs.384.41 Lakhs which is 100.00 % of our total revenue for the period of quarter months ended on June 30, 2018 which includes sales for traded goods i.e. [•].

##### Other Income

Our total other Income was Rs. 0.01 Lakhs which includes income from kasar account [•].

##### Expenditure

##### Purchase of stock in trade

Our total purchase of stock in trade was Rs. 88.26 Lakhs which is about 22.96 % of our total revenue for the period of quarter months ended on June 30, 2018 which includes purchase of finished goods.

##### Changes in inventories of finished goods, work-in-progress and stock in trade.

Our total changes in inventories of finished goods, work-in-progress and stock in trade was Rs. 84.53 Lakhs which is about 21.99% of our total revenue for the period of quarter months ended on June 30, 2018.

##### Employee Benefit Expenses

Our total employee benefit expenses was Rs. 6.12 Lakhs which is about 1.59% of our total revenue for the period of quarter months ended on June 30, 2018.

##### Depreciation and Amortization expense

Our total Depreciation and Amortization expense was Rs. 1.36 Lakhs which is about 0.35 % of our total revenue for the period of quarter months ended on June 30, 2018.

##### Finance Cost

Our total Finance Cost was Rs. 8.14 lakhs which is about 2.12% of our total revenue for the period of quarter months ended on June 30, 2018 which includes interest on term loan, cash credit facility, bank charges, interest on other borrowings, etc.

##### Other expenses

Our total Other expenses was Rs. 174.81 lakhs which is about 45.47% of our total revenue for the period of quarter months ended on June 30, 2018 includes management expenses, water charges, outgoing Transportation expenses, commission expenses, office & Godown expenses, tour and travel expenses, RoC rates and Taxes, printing stationery and courier expenses.

*Net profit / loss after Tax*

Net profit / loss after Tax Rs. 16.37 lakhs which is about 4.26% of our total revenue for the period of quarter months ended on June 30, 2018.

**COMPARISON OF RESULTS OF OPERATIONS YEAR ENDED ON MARCH 31, 2018 COMPARED TO YEAR ENDED ON MARCH 31, 2017**

**Revenue from Operations (Net of Excise Duty)**

Our total revenue from operations increased to Rs. 1,254.90 Lakhs for the year ended on March 31, 2018, as compared to Rs 455.41 lakhs for the year ended on March 31, 2017, representing increase of 175.55% which was due to increase in [•].

*Other Income*

Our other income decreased to Rs 0.62 lakhs for the year ended on March 31, 2018, as compared to Rs. 3.10 Lakhs for the year ended on March 31, 2017, representing a decrease of 79.94%.

**Expenditure**

Our expenditure increased to Rs. 1,223.40 Lakhs for the year ended on March 31, 2018, as compared to Rs 436.85 lakhs for the year ended on March 31, 2017, representing an increase of 180.05% which in line of scale of operations.

*Direct Expenditure*

Our Direct expenditure increased to Rs. 655.68 Lakhs for the year ended March 31, 2018 as compared to Rs. 116.58 Lakhs for the year ended on March 31, 2017, representing an increase of 462.43% which was due to increase in purchase of finished goods and change in inventories.

*Employee Benefit Expenses*

Our Employee Benefit Expenses consumed increased to Rs. 61.60 Lakhs for the year ended on March 31, 2018, as compared to Rs. 55.49 Lakhs for the year ended on March 31, 2017, representing an increase of 11.01% which was due to increase in directors remuneration and staff welfare expenses.

*Depreciation and Amortization expense*

The Depreciation increased to Rs.5.26 Lakhs for the year ended on March 31, 2018, as compared to Rs 2.83 Lakhs for the year ended on March 31, 2017, representing an increase of 85.87% which was due to [•].

*Finance Cost*

The finance Cost increased to Rs. 3.06 Lakhs for the year ended on March 31, 2018, as compared to Rs 0.88 Lakhs for the year ended on March 31, 2017, representing an increase of 247.73% which was due to increase in bank charges and interest on bank borrowings.

*Other expenses*

Our other expenses increased to Rs. 497.79 lakhs for the year ended on March 31, 2018, as compared to Rs. 261.07 lakhs for the year ended on March 31, 2017, representing an increase of 90.67% which was due to increase in commission expenses, office expenses, tour & Travel expenses, event management expenses, etc.

*Net profit / loss after Tax*

Our Net profit after tax increased to Rs. 22.95 Lakhs for the year ended on March 31, 2018, as compared to Rs. 14.69 Lakhs for the year ended on March 31, 2017, representing an increase of 56.22%.

## **COMPARISON OF RESULTS OF OPERATIONS YEAR ENDED ON MARCH 31, 2017 COMPARED TO YEAR ENDED ON MARCH 31, 2016**

### **Revenue from Operations (Net of Excise Duty)**

Our total revenue from operations increased to Rs. 455.41 Lakhs for the year ended on March 31, 2017, as compared to Rs. 192.67 lakhs for the year ended on March 31, 2016, representing an increase of 136.38% which is due to increase in scale of operations.

#### *Other Income*

Our other income increased to Rs. 3.10 lakhs for the year ended on March 31, 2017, as compared to Rs. NIL lakhs for the year ended on March 31, 2016, representing an increase of 100.00%.

### **Expenditure**

Our expenditure increased to Rs. 436.85 lakhs for the year ended on March 31, 2017, as compared to Rs. 191.98 lakhs for the year ended on March 31, 2016, representing an increase of 127.55% which was due to increase in purchase of traded goods, inventories of finished goods and Employee Benefit Expenses, etc.

#### *Direct Expenditure*

Our Direct expenditure increased to Rs. 116.58 Lakhs for the year ended March 31, 2017 from Rs. 47.21 Lakhs for the year ended on March 31, 2016, representing an increase of 462.43% which was due to increase in purchase of finished goods and change in inventories.

#### *Employee Benefit Expenses*

Our Employee Benefit Expenses increased to Rs. 55.49 Lakhs for the year ended on March 31, 2017, as compared to Rs. 24.09 Lakhs for the year ended on March 31, 2016, representing an increase of 130.34% which was due to increase in salaries and incentives.

#### *Depreciation and Amortization expense*

The Depreciation increased to Rs. 2.83 Lakhs for the year ended on March 31, 2017, as compared to Rs. 1.10 lakhs for the year ended on March 31, 2016, representing an increase of 157.27% which was due to increase in tangible assets.

#### *Finance Cost*

The finance Cost increased to Rs. 0.88 Lakhs for the year ended on March 31, 2017, as compared to Rs. 0.53 Lakhs for the year ended on March 31, 2016, representing an increase of 66.04% which was due to increase in bank charges.

#### *Other expenses*

Our other Expenses increased to Rs. 261.07 lakhs for the year ended on March 31, 2017, as compared to Rs. 119.03 lakhs for the year ended on March 31, 2016, representing an increase of 119.33 % increase was due to commission expenses, outgoing transportation expenses, tour & travel expense and trainer expenses, etc.

#### *Net profit / loss after Tax*

Our Net profit after tax increased to Rs. 14.69 Lakhs for the year ended on March 31, 2017, as compared to Net loss after tax Rs. 0.38 Lakhs for the year ended on March 31, 2016, representing an increase of 3965.78%.

**An analysis of reasons for the changes in significant items of income and expenditure is given hereunder:**

#### **1) Unusual or infrequent events or transaction**

There have been no events to the best of our knowledge, other than as described in this Draft Prospectus, which may be called “unusual” or “infrequent”.

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

Other than as mentioned under the heading entitled ‘*Factors that may affect the results of operations*’ in this chapter, to the knowledge of the management of our Company, there are no other significant economic changes that materially affect or are likely to affect income from continuing operations.

**3) Income and Sales on account of major product/main activities**

Income and sales of our Company on account of major products/ main activities derives from manufacturing activities.

**4) Whether the company has followed any unorthodox procedure for recording sales and revenues**

Our Company has not followed any unorthodox procedure for recording sales and revenues

**5) 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 chapter titled “Risk Factors” and “Management’s Discussion and Analysis of Financial Conditions and Result of Operations”, beginning on page 17 and 164 respectively of this Draft Prospectus respectively to our knowledge there are no known trends or uncertainties that have or had or are expected to have a material adverse impact on revenues or income of our company from continuing operations

**6) 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 the chapter titled “Risk Factors” beginning on page 17 of this Draft Prospectus, to our knowledge there are no factors, which will affect the future relationship between costs and income or which are expected to have a material adverse impact on our operations and finances.

**7) The 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**

Increase in revenue is by and large linked to increases in volume of business activity by the Company.

Changes in revenues during the last quarter years are as explained in the part ‘Year ended on March 31, 2017 compared to year ended on March 31, 2016’, ‘Year ended on March 31, 2016 compared to year ended on March 31, 2015’ and ‘Year ended on March 31, 2015 compared to year ended on March 31, 2014’ in this chapter.

**8) Total turnover of each major industry segment in which the issuing company operated**

Our Company is engaged in manufacturing and dispatch of drug intermediates and chemicals like amine hydrochloride and specialty fine chemicals for pharmaceutical industry. Relevant Industry data, as available, has been included in the chapter titled “Industry Overview” on page 86

**9) Status of any publicly announced new products or business segment**

Our Company has not announced any new projects or business segments, other than disclosed in the Draft Prospectus.

**10) The extent to which business is seasonal**

None of our businesses are seasonal in nature.

**11) Any significant dependence on a single or few suppliers or customers**

Our Company is dependent on a single customer with whom we have manufacturing and marketing agreement and we are not dependent on one or few suppliers as on the date of this Draft Prospectus

**12) Competitive conditions**

We face competition from existing and potential competitors which is common for any business. We have, over a period of time, developed certain competitive strengths which have been discussed in the chapter titled “Our Business” beginning on page 96.

## FINANCIAL INDEBTEDNESS

Our Company utilizes the below mentioned credit facilities availed from bank for conducting its business.

A summary of outstanding secured borrowings together with a brief description of certain significant terms of such financing arrangements is as under:

### SECURED BORROWINGS

#### 1. Loan of Rs 146.00 lakhs from Axis Bank Limited as per the sanction letter dated March 07, 2018.

Nature of Facility	Purpose	Time Period	Guarantor	Interest Rate	Amount (Rs in lakhs)	Outstanding as on 31 <sup>st</sup> March, 2018
Cash Credit Limit	To meet day to day working capital requirements	One Year	Personal Guarantee: 1. Dineshbhai Pandya 2. Jayshree Pandya 3. Kanubhai Kheni 4. Devang Pandya	MCLR (3M) + 2.1% i.e. 10.25% per annum..	146.00	48.00

#### Security

##### Primary

Exclusive first hypothecation charge of Stock in Trade, Book debts, Current Assets, Receivables
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##### Collateral

<b>Property</b>	Commercial of property situated at 202 & 203, Surbhi Complex, Makkam Chowk, Gondal Road, Rajkot, Gujarat
	Commercial of property situated at Plot No. B-304, Imperial Height, 150 FT Ring Road, Rajkot, Gujarat

#### Restrictive Covenants

- Borrower will take prior permission from AXIS Bank for taking any credit facility from other bank/financial institution.
- In case of foreclosure of credit facility, a penal charge of 2% plus applicable GST shall be levied on the sanctioned limit. Foreclosure charges shall not be levied on individual borrowers for floating rates loans.

### UNSECURED LOANS AS ON JUNE 30, 2018

Sr. No	Name of Party	Amount (in Lakhs)
1.	Aditya Birla Finance Limited	14.45
2.	Bajaj Finance Limited	19.26
3.	Edelwise Finance Limited	19.15
4.	HDFC Bank Limited	24.11
5.	ICICI Bank Rarog Limited	19.30
6.	India Infoline Finance Limited	24.08
7.	Kotak Finance Limited	19.26
8.	Mahindra Magma Bank Ltd	24.09

9.	Fincorp	14.45
10.	RBL	14.45
11.	Shriram City union finance limited	19.26
12.	Tata capital Financialise	19.00
13.	Dineshbhai Pandya	54.09
<b>Total</b>		<b>284.95</b>

**SECTION VII- LEGAL AND OTHER INFORMATION**  
**OUTSTANDING LITIGATION AND MATERIAL DEVELOPMENTS**

Except as stated in this section, there are no outstanding: (i) criminal proceedings; (ii) actions taken by statutory/regulatory authorities; (iii) indirect and direct tax proceedings; (iv) material litigation(s) involving our Company, our Directors, our Promoter, our Group Companies and (v) any litigation involving our Company, our Directors, our Promoter, our Subsidiaries or any other person whose outcome could have a material adverse effect on the operations or financial position of our Company or (vi) outstanding dues to creditors of our Company as determined to be material by our Company's Board of Directors in accordance with the SEBI ICDR Regulations and dues to small scale undertakings and other creditors.

For the purpose of material litigation in (iv) above, our Board has, in its meeting held on June 23, 2018 has decided that litigation by or against our Company/ its Promoters/ Directors/ Group Companies where the amount involved exceeds Rs. 15 Lakhs shall be considered material.

Our Company, our Promoters and/or our Directors, have not been declared as willful defaulters by the RBI or any governmental authority, have not been debarred from dealing in securities and/or accessing capital markets by the SEBI and no disciplinary action has been taken by the SEBI or any stock exchanges against our Company, our Promoters or our Directors, that may have a material adverse effect on our business or financial position, nor, so far as we are aware, are there any such proceedings pending or threatened.

Unless otherwise stated, all proceedings are pending as of the date of this Draft Prospectus. All information provided below is as of the date of this Draft Prospectus.

**A. LITIGATION INVOLVING OUR COMPANY**

**(i) Litigation against our Company**

**(a) Criminal Proceedings**

Except as disclosed in this Chapter, no criminal proceedings have been filed against our Company

**(b) Actions by statutory/regulatory authorities**

Except as disclosed in the Chapter, there are no actions against our Company by statutory/regulatory authorities.

**(c) Tax proceedings**

There are no tax proceedings involving our Company, our Promoters, our Directors or our Group Companies:

**(d) Material pending litigations:**

Except as disclosed in this Chapter, no Material Pending Litigation have been filed against our Company.

**(ii) Litigation by our Company**

**(a) Criminal Proceedings**

There are no criminal proceedings filed by our Company.

**(b) Actions by statutory/regulatory authorities**

There are no actions initiated before any statutory/regulatory authorities by our Company.

**(c) Tax proceedings**

There are no tax proceedings filed by our Company.

**(d) Material pending litigations**



There are no material pending litigations filed by our Company.

## **B. LITIGATION INVOLVING OUR PROMOTERS/GROUP COMPANIES**

### **(i) Litigation against our Promoters/Group Companies/Subsidiaries**

#### **(a) Criminal Proceedings**

There are no criminal complaints or proceedings pending against our Promoters/Group Companies/Subsidiaries.

#### **(b) Actions by statutory/regulatory authorities**

There are no actions initiated by statutory/regulatory authorities against our Promoters/Group Companies/Subsidiaries.

#### **(c) Tax proceedings**

There are no tax proceedings against our Promoters/Group Companies/Subsidiaries.

#### **(d) Material pending litigations**

Except as disclosed in this Chapter, no material pending litigation have been filed against our Company.

### **(iii) Litigation by our Promoters/Group Companies/Subsidiaries**

#### **(a) Criminal Proceedings**

There are no criminal complaints or proceedings pending by our Promoters/Group Companies/Subsidiaries.

#### **(b) Actions by statutory/regulatory authorities**

There are no actions initiated before any statutory/regulatory authorities by our Promoters/Group Companies//Subsidiaries.

#### **(c) Tax proceedings**

There are no tax proceedings pending litigations by our Promoters/Group Companies//Subsidiaries.

#### **(d) Material pending litigations**

Except as disclosed in this Chapter, no Material Pending Litigation have been filed by our Company.

## **C. LITIGATION INVOLVING OUR DIRECTORS**

#### **(a) Criminal Proceedings**

There are no criminal proceedings filed by or against our Directors.

#### **(b) Actions by statutory/regulatory authorities**

There are no actions initiated before any statutory/regulatory authorities by or against our Directors.

#### **(c) Tax proceedings**

There are no tax proceedings filed by or against our Directors.

#### **(d) Material pending litigations**

There are no material pending litigations filed by or against our Directors.

## **D. OUTSTANDING DUES TO CREDITORS**

As on June 30, 2018, our Company had 23 creditors, to whom an aggregate amount of Rs. 8.66 lakhs were outstanding. Further the said amount is outstanding to creditors other than micro enterprises and small enterprises based on available information.

**E. FURTHER CONFIRMATION**

Except as disclosed above, there are no regulatory actions initiated/taken against our Company, any of, our Group Companies, our Promoters and our Directors in their individual capacities by various agencies/regulatory bodies. Further, except as disclosed above there are no show cause notices received by our Company, our Group Companies, our Promoter, or our Directors in their individual capacities (pending any investigation) for any regulatory lapse.

**F. CHANGE IN ACCOUNTING POLICIES IN THE LAST THREE YEARS**

There has been no change in accounting policies in the last three years.

**G. MATERIAL DEVELOPMENTS**

For details of material developments, see “*Management’s Discussion and Analysis of Financial Condition And Results Of Operation*” on page 164

## GOVERNMENT AND OTHER STATUTORY APPROVALS

We have received the necessary consents, licenses, permissions and approvals from the Government and various governmental agencies required for our present business (as applicable on date of this Draft Prospectus) and except as mentioned below, no further approvals are required for carrying on our present business.

In view of the approvals listed below, we can undertake this Issue and our current/proposed business activities and no further major approvals from any governmental or regulatory authority or any other entity are required to be undertaken in respect of the Issue or continue our business activities. It must be distinctly understood that, in granting these approvals, the Government of India does not take any responsibility for our financial soundness or for the correctness of any of the statements made or opinions expressed in this behalf. Unless otherwise stated, these approvals are all valid as of the date of this Draft Prospectus.

The main objects clause of the Memorandum of Association and objects incidental to the main objects enable our Company to carry out its activities.

The following statement sets out the details of licenses, permissions and approvals taken by us under various central and state laws for carrying out business

### Approvals in relation to the Issue

#### *Approval of the Company*

1. The Board of Directors has, pursuant to a resolution passed at its meeting held on June 23, 2018, authorised the Issue subject to the approval of the shareholders of the Company under Section 62(1)(c) of the Companies Act and approvals by such other authorities as may be necessary.
2. The shareholders of the Company have, pursuant to a resolution dated June 27, 2018 passed in the Extra Ordinary General Meeting under Section 62(1)(c) of the Companies Act authorised the Issue.

#### *Approval of Stock Exchange*

1. In-principle listing approval from the SME platform of the BSE dated [•]

#### *Approval from Depositories*

1. The Company has entered into an agreement dated [•] with the Central Depository Services (India) Limited (CDSL) and the Registrar and Transfer Agent, who in this case is Cameo Corporate Services Limited, for the dematerialization of its shares.
2. Similarly, the Company has also entered into an agreement dated [•] with the National Securities Depository Limited ("NSDL") and the Registrar and Transfer Agent, who in this case is Cameo Corporate Services Limited, for the dematerialization of its shares.
3. The Company's International Securities Identification Number ("ISIN") is: [•].

### Material Approvals in Relation to the Business of our Company

We have received the following significant government and other approvals pertaining to our business

Sr. No	Nature of License/ Approval Granted	Issuing Authority	Registration/ CIN / License No	Date of Granting/ Renewal of License/ Approval	validity
<b>A. Corporate Approvals</b>					
1.	Certificate of Incorporation as "Add- Shop	The Registrar of Companies, Dadar and Nagar Haveli	U51109GJ2013PTC 076482	August 20, 2013	Until Cancellation

	Promotions Private Limited”				or Winding up
2.	Fresh Certificate of Incorporation Consequent upon Conversion from Private Company to Public Company	The Registrar of Companies, Ahmedabad	U51109GJ2013PLC 076482	June 21, 2018	Until Cancellation or Winding up
<b>B. Tax Related Approvals</b>					
3.	Allotment of Permanent Account Number (PAN) under the provisions of Income Tax Act, 1961	Income Tax Department, Govt. of India	AAMCA0240P	October 10, 2013	Until cancelled or surrendered
4.	Allotment of Tax Deduction Account No. (TAN)	Income Tax Department, Govt. of India	RKTA04657C	July 28, 2015	Until cancelled or surrendered
5.	Certificate of Registration of Goods and Services Tax	Government of India	24AAMCA0240P1Z N	September 19, 2017	Until cancelled or surrendered
<b>C. Miscellaneous Certifications/ Approvals</b>					
Sr. No.	Particulars	Mark	Registration Certificate No.	Issue Date	Validity
1.	Trademark Registration		1576813	July 14, 2016	10 Years from the date of application
2.	Fellow Membership of Federation of Direct Selling Association	Federation of Direct Selling Association	644/2011	June 09, 2017	March 31, 2019

**Licenses / Approvals which have been applied for but yet not been approved / granted :-** As on date of draft prospectus we have not any outstanding application for any licenses / approval which we have been applied for but yet not been approved / granted.

## 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 June 23, 2018 and approved by the shareholders of our Company vide a special resolution at the EGM held on June 27, 2018 pursuant to Section 62(1)(c) of the Companies Act.

The Company has obtained approval from BSE SME vide letter dated [●] to use the name of BSE SME in this Draft Prospectus for listing of Equity Shares on the SME Platform of BSE. BSE SME is the Designated Stock Exchange.

### PROHIBITION BY SEBI, RBI OR OTHER GOVERNMENTAL AUTHORITIES

Neither our Company nor any of its Directors, Promoter, relatives of Promoter and our Promoter Group 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, Promoter, relatives of Promoter or Directors have not been prohibited from accessing or operating in the capital markets under any order or direction passed by SEBI or any other government authority. Neither our Promoter, nor any of our Directors or persons in control of our Company were or is a promoter, director or person in control of any other company which is debarred from accessing the capital market under any order or directions made by SEBI or any other governmental authorities.

The listing of any securities of our Company has never been refused at any time by any of the stock exchanges in India.

We confirm that none of our Directors are associated with the securities market in any manner and no action has been initiated against these entities by SEBI at any time except as may be stated under the chapters titled “Risk Factors”, “Our Promoter & Promoter Group” and “Our Group Companies” and “Outstanding Litigations and Material Developments” beginning on page 17, 126, 130 and 175 respectively, of this Draft Prospectus.

### ELIGIBILITY FOR THIS ISSUE

Our Company is an “Unlisted Issuer” in terms of SEBI ICDR Regulations; and this Issue is an “Initial Public Offer” in terms of SEBI ICDR Regulations.

Our Company is eligible for the Issue in accordance with regulation 106M (1) and other provisions of chapter XB of SEBI ICDR Regulations as the post issue face value capital does not exceed Rupees 1,000 Lakhs. Our Company also complies with the eligibility conditions laid by the BSE SME for listing of our Equity Shares.

#### We confirm that:

- a. In accordance with Regulation 106P of SEBI ICDR Regulations, this Issue has been 100% underwritten and that the Lead Manager to the Issue has underwritten at least 15% of the total Issue Size. For further details pertaining to underwriting, please refer to chapter titled “General Information” beginning on page 47 of this Draft Prospectus.
- b. In accordance with Regulation 106R of 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 (8) days from the date our Company becomes liable to repay it, then our Company and every officer in default shall, on and from expiry of eight (8) days, be liable to repay such application money with interest as prescribed under Section 40 of the Companies Act and SEBI ICDR Regulations.
- c. In accordance with Regulation 106O of 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

Lead Manager submits the copy of Draft Prospectus/ Prospectus along with a due diligence certificate including additional confirmations as required to SEBI at the time of filing the Draft Prospectus/Prospectus with Stock Exchange and the Registrar of Companies.

- d. In accordance with Regulation 106V of SEBI ICDR Regulations, we have entered into an agreement with the Lead Manager and Market Maker to ensure compulsory Market Making for a minimum period of three (3) years from the date of listing of Equity Shares offered in this Issue. For further details of the arrangement of market making please refer to chapter on “*General Information*” beginning on page 47 of this Draft Prospectus.
- e. Our Company has net tangible assets of at least Rs. 300 Lakhs as per the latest audited financial results.
- f. The net worth (excluding revaluation reserves) of our Company is atleast Rs. 300 Lakhs as per the latest audited financial results.
- g. Our Company has track record of distributable profits in terms of sec. 123 of Companies Act for at least two years out of immediately preceding three financial years and each financial year has been a period of at least 12 months.
- h. The distributable Profit, Net tangible Assets and Net worth of our Company as per the restated financial statements for the period ended as at June 30, 2018, March 31, 2018, 2017 and 2016 is as set forth below:

(Rs. In Lakhs)

Particulars	For the Month ended 30th June, 2018	For the year ended 31 March 2018	For the year ended 31 March 2017	For the year ended 31 March 2016
Distributable Profit <sup>(1)</sup>	16.37	22.96	14.69	(0.38)
Net Tangible Assets <sup>(2)</sup>	323.30	(168.91)	(30.74)	(28.13)
Net Worth <sup>(3)</sup>	441.19	38.27	15.31	0.62

<sup>(1)</sup> *Distributable profits have been computed in terms section 123 of the Companies Act.*

<sup>(2)</sup> *Net Tangible Assets are defined as the sum of fixed assets (including capital work in-progress and excluding revaluation reserve) investments, current assets (excluding deferred tax assets) less current liabilities (excluding deferred tax liabilities) and secured as well as unsecured long-term liabilities excluding intangible assets as defined in Accounting Standard 26 (AS 26) issued by the Institute of Chartered Accountants of India.*

<sup>(3)</sup> *Net Worth has been computed as the aggregate of equity shares capital and reserves (excluding revaluation reserves) and after deducting miscellaneous expenditure not written off, if any.*

- i. Our Company has not been referred to the Board for Industrial and Financial Reconstruction (BIFR) under the erstwhile Sick Industrial Companies (Special Provisions) Act, 1985 and/or to the National Company Law Tribunal under Insolvency and Bankruptcy Code, 2016.
- j. There is no winding up petition against the Company, which has been admitted by the court, nor has a liquidator been appointed.
- k. There has been no change in the Promoter(s) of the Company in the preceding one (1) year from date of filing application to BSE SME for listing.
- l. Our Company shall mandatorily facilitate trading in demat securities and has entered into an agreement with both the depositories.
- m. We have a website: [www.addshop.co](http://www.addshop.co)
- n. We are not a stock / commodity broking company since incorporation.

- o. We are not a finance company since incorporation.

We further confirm that we shall be complying with all the other requirements as laid down for such an Issue under Chapter XB of SEBI ICDR Regulations, as amended from time to time and subsequent circulars and guidelines issued by SEBI and the BSE SME.

As per Regulation 106M (3) of SEBI ICDR Regulations, the provisions of Regulations 6(1), 6(2), 6(3), Regulation 8, Regulation 9, Regulation 10, Regulation 25, Regulation 26, Regulation 27 and sub-regulation (1) of Regulation 49 of SEBI ICDR Regulations shall not apply to us in this Issue.

#### **Disclosure**

The Issuer, the Directors, our Promoter and Promoter Group have confirmed that they have not been identified as wilful defaulters by the RBI or any other Governmental Authority.

#### **DISCLAIMER CLAUSE OF SEBI**

**IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF THE DRAFT PROSPECTUS TO SEBI SHOULD NOT IN ANY WAY BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE ISSUE IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE DRAFT PROSPECTUS. THE LEAD MANAGER I.E. FEDEX SECURITIES LIMITED, HAS CERTIFIED THAT THE DISCLOSURES MADE IN THE DRAFT PROSPECTUS ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE SEBI (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 FOR THE TIME BEING IN FORCE. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING INVESTMENT IN THE PROPOSED ISSUE.**

**IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE ISSUER IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN DRAFT PROSPECTUS, THE LEAD MANAGER IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE ISSUER DISCHARGES ITS RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE LEAD MANAGER, HAS FURNISHED TO THE STOCK EXCHANGE A DUE DILIGENCE CERTIFICATE AND WHICH SHALL BE SUBMITTED TO SEBI AFTER REGISTERING THE PROSPECTUS WITH ROC AND BEFORE OPENING THE ISSUE IN ACCORDANCE WITH THE SEBI (MERCHANT BANKERS), REGULATIONS, 1992, WHICH IS REPRODUCED HEREUNDER-**

**“WE, THE UNDER NOTED LEAD MANAGER TO THE ABOVE MENTIONED FORTHCOMING ISSUE STATE AND CONFIRM AS FOLLOWS:**

- 1. WE HAVE EXAMINED VARIOUS DOCUMENTS INCLUDING THOSE RELATING TO LITIGATION LIKE COMMERCIAL DISPUTES, PATENT DISPUTES, DISPUTES WITH COLLABORATORS, ETC., AND OTHER MATERIAL IN CONNECTION WITH THE FINALISATION OF THE DRAFT 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, 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 DRAFT PROSPECTUS FILED WITH YOU 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 SECURITIES AND EXCHANGE BOARD OF INDIA, THE CENTRAL GOVERNMENT AND ANY OTHER COMPETENT AUTHORITY IN THIS BEHALF HAVE BEEN DULY COMPLIED WITH; AND
- c) THE DISCLOSURES MADE IN THE DRAFT 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 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 DRAFT PROSPECTUS ARE ALSO REGISTERED WITH SEBI AND THAT TILL DATE SUCH REGISTRATION IS VALID.
4. WE HAVE SATISFIED OURSELVES ABOUT THE CAPABILITY OF THE UNDERWRITERS TO FULFIL THEIR UNDERWRITING COMMITMENTS – NOTED FOR COMPLIANCE.
5. WE CERTIFY THAT WRITTEN CONSENT FROM THE PROMOTER HAS BEEN OBTAINED FOR INCLUSION OF THEIR SPECIFIED SECURITIES AS PART OF THE PROMOTER'S CONTRIBUTION SUBJECT TO LOCK-IN AND THE SPECIFIED SECURITIES PROPOSED TO FORM PART OF THE PROMOTER'S CONTRIBUTION SUBJECT TO LOCK-IN SHALL NOT BE DISPOSED / SOLD / TRANSFERRED BY THE PROMOTER DURING THE PERIOD STARTING FROM THE DATE OF FILING THE DRAFT PROSPECTUS WITH SEBI TILL THE DATE OF COMMENCEMENT OF THE LOCK-IN PERIOD AS STATED IN THE DRAFT 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 DRAFT PROSPECTUS. – 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 AUDITOR'S CERTIFICATE TO THIS EFFECT SHALL BE DULY SUBMITTED TO THE SEBI. WE FURTHER CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT PROMOTERS' CONTRIBUTION SHALL BE KEPT IN AN ESCROW ACCOUNT WITH A SCHEDULED COMMERCIAL BANK AND SHALL BE RELEASED TO THE ISSUER ALONG WITH THE PROCEEDS OF THE PUBLIC ISSUE – NOT APPLICABLE.
8. WE CERTIFY THAT THE PROPOSED ACTIVITIES OF THE COMPANY FOR WHICH THE FUNDS ARE BEING RAISED IN THE PRESENT ISSUE FALL WITHIN THE 'MAIN OBJECTS' LISTED IN THE OBJECT CLAUSE OF THE MEMORANDUM OF



**ASSOCIATION OR OTHER CHARTER OF THE COMPANY AND THAT THE ACTIVITIES WHICH HAVE BEEN CARRIED OUT UNTIL NOW ARE VALID IN TERMS OF THE OBJECT CLAUSE OF ITS MEMORANDUM OF ASSOCIATION – COMPLIED WITH 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 COMPANIES ACT, 2013 AND THAT SUCH MONEYS SHALL BE RELEASED BY THE SAID BANK ONLY AFTER PERMISSION IS OBTAINED FROM THE STOCK EXCHANGE MENTIONED IN THE DRAFT PROSPECTUS. WE FURTHER CONFIRM THAT THE AGREEMENT TO BE ENTERED INTO BETWEEN THE BANKERS TO THE ISSUE AND THE ISSUER SPECIFICALLY CONTAIN THIS CONDITION – NOTED FOR COMPLIANCE.**
- 10. WE CERTIFY THAT A DISCLOSURE HAS BEEN MADE IN THE DRAFT PROSPECTUS THAT THE INVESTORS SHALL BE GIVEN AN OPTION TO GET THE EQUITY SHARES IN DEMAT OR PHYSICAL MODE – NOT APPLICABLE, AS IN TERMS OF PROVISIONS OF SECTION 29 OF COMPANIES ACT, 2013 THE EQUITY SHARES ARE TO BE ISSUED IN DEMAT FORM ONLY.**
- 11. WE CERTIFY THAT ALL 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 DRAFT PROSPECTUS:**
  - a) AN UNDERTAKING FROM THE COMPANY THAT AT ANY GIVEN TIME THERE SHALL BE ONLY ONE DENOMINATION FOR THE EQUITY SHARES OF THE COMPANY; AND**
  - b) AN UNDERTAKING FROM THE COMPANY THAT IT SHALL COMPLY WITH SUCH DISCLOSURE AND ACCOUNTING NORMS SPECIFIED BY 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 HAS BEEN EXERCISED BY US IN VIEW OF THE NATURE OF CURRENT BUSINESS BACKGROUND OF THE ISSUER, SITUATION AT WHICH THE PROPOSED BUSINESS STANDS, RISK FACTORS, PROMOTER EXPERIENCE ETC.**
- 15. WE ENCLOSE A CHECKLIST CONFIRMING REGULATION-WISE COMPLIANCE WITH THE APPLICABLE PROVISIONS OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, CONTAINING DETAILS SUCH AS THE REGULATION NUMBER, ITS TEXT, THE STATUS OF COMPLIANCE, PAGE NUMBER OF THE DRAFT PROSPECTUS WHERE THE REGULATION HAS BEEN COMPLIED WITH AND OUR COMMENTS, IF ANY.**
- 16. WE ENCLOSE STATEMENT ON ‘PRICE INFORMATION OF PAST ISSUES HANDLED BY MERCHANT BANKER BELOW (WHO ARE RESPONSIBLE FOR PRICING THIS**

ISSUE)', AS PER FORMAT SPECIFIED BY SEBI THROUGH CIRCULAR DATED SEPTEMBER 27, 2011. – ANNEXURE-A

17. WE CERTIFY THAT THE 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 THIS DRAFT PROSPECTUS.
18. WE CERTIFY THAT THE ENTITY IS ELIGIBLE UNDER 106Y(1)(A) OR (B) (AS THE CASE MAY BE) TO LIST ON THE INSTITUTIONAL TRADING PLATFORM, UNDER CHAPTER XC OF THESE REGULATIONS (IF APPLICABLE) – NOT APPLICABLE

ADDITIONAL CONFIRMATIONS/ CERTIFICATIONS TO BE GIVEN BY MERCHANT BANKER IN DUE DILIGENCE CERTIFICATE TO BE GIVEN ALONG WITH OFFER DOCUMENT REGARDING SME EXCHANGE.

WE CONFIRM THAT NONE OF THE INTERMEDIARIES NAMED IN THE OFFER DOCUMENT HAVE BEEN DEBARRED FROM FUNCTIONING BY ANY REGULATORY AUTHORITY.

WE CONFIRM THAT ALL THE MATERIAL DISCLOSURES IN RESPECT OF THE ISSUER HAVE BEEN MADE IN THE DRAFT 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.

WE CONFIRM THAT THE ABRIDGED PROSPECTUS SHALL CONTAIN ALL THE DISCLOSURES AS SPECIFIED IN THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009. – NOTED FOR COMPLIANCE.

WE CONFIRM THAT AGREEMENTS HAVE BEEN ENTERED INTO WITH THE DEPOSITORIES FOR DEMATERIALISATION OF THE SPECIFIED SECURITIES OF THE ISSUER – NOTED FOR COMPLIANCE.

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 DRAFT PROSPECTUS.

WE CONFIRM THAT UNDERWRITING AND 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 WILL BE MADE PRIOR TO FILING THE PROSPECTUS. –NOTED FOR COMPLIANCE

#### **DISCLAIMER STATEMENT FROM OUR COMPANY AND THE LEAD MANAGER**

Our Company, its Directors and the Lead Manager accept no responsibility for statements made otherwise than in this Draft 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.fedsec.in would be doing so at his or her own risk.

#### **CAUTION**

The Lead Manager accepts no responsibility, save to the limited extent as provided in the Agreement entered into among the Lead Manager and our Company dated June 29, 2018, the Underwriting Agreement dated June

29, 2018 entered into among the Underwriter and our Company and the Market Making Agreement dated [●] entered into among the Market Maker, Lead Manager and our Company.

Our Company and the Lead Manager shall make all information available to the public and investors at large and no selective or additional information would be available for a section of the investors in any manner whatsoever including at road show presentations, in research or sales reports or at collection centers, etc.

The Lead Manager and its associates and affiliates may engage in transactions with and perform services for, our Company and associates of our Company in the ordinary course of business and may in future engage in the provision of services for which they may in future receive compensation. Fedex Securities Limited is not an associate of the Company and is eligible to be appointed as the Lead Manager in this Issue, under 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 Lead Manager and their respective directors, officers, agents, affiliates and representatives accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire Equity Shares.

#### **PRICE INFORMATION AND THE TRACK RECORD OF THE PAST ISSUES HANDLED BY THE LEAD MANAGER**

For details on the issues handled by the Lead Manager in past three (3) years as specified in circular no. CIR/CFD/DIL/7/2015 dated October 30, 2015 issued by SEBI, please refer Annexure A of this Draft Prospectus.

#### **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, Mutual Funds, 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, 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 Draft Prospectus does not, however, constitute an invitation to purchase shares offered hereby in any jurisdiction other than India to any person to whom it is unlawful to make an offer or invitation in such jurisdiction. Any person into whose possession this Draft Prospectus comes is required to inform himself or herself about, and to observe, any such restrictions. Any dispute arising out of this Issue will be subject to the jurisdiction of appropriate court(s) in Mumbai only.

No action has been, or will be, taken to permit a public offering in any jurisdiction where action would be required for that purpose, except that the Draft Prospectus had been filed with BSE SME for its observations and BSE SME gave its observations on the same. Accordingly, the Equity Shares represented hereby may not be offered or sold, directly or indirectly, and this Draft Prospectus may not be distributed, in any jurisdiction, except in accordance with the legal requirements applicable in such jurisdiction. Neither the delivery of this Draft Prospectus nor any sale hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of our Company since the date hereof or that the information contained herein is correct as of any time subsequent to this date.

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

Further, each Applicant where required agrees that such Applicant will not sell or transfer any Equity Shares or create any economic interest therein, including any off-shore derivative instruments, such as participatory notes, issued against the Equity Shares or any similar security, other than pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S Securities Act and in compliance with applicable laws, legislations and Draft Prospectus in each jurisdiction, including India.

#### **DISCLAIMER CLAUSE OF THE SME PLATFORM OF BSE**

“BSE Limited ("BSE") has given vide its letter dated [•], permission to this Company to use its name in this offer document as one of the stock exchanges on which this company's securities are proposed to be listed on the SME Platform. BSE has scrutinized this offer document for its limited internal purpose of deciding on the matter of granting the aforesaid permission to this Company. BSE does not in any manner:

- (i) warrant, certify or endorse the correctness or completeness of any of the contents of this offer document; or
- (ii) warrant that this Company's securities will be listed or will continue to be listed on BSE; or
- (iii) take any responsibility for the financial or other soundness of this Company, its promoter, its management or any scheme or project of this Company; and it should not for any reason be deemed or construed that this offer document has been cleared or approved by BSE. Every person who desires to apply for or otherwise acquires any securities of this Company may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against BSE whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription/acquisition whether by reason of anything stated or omitted to be stated herein or for any other reason whatsoever”.

#### **DISCLAIMER CLAUSE UNDER RULE 144A OF U.S. SECURITIES ACT**

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

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

#### **FILING**

The Draft Prospectus has not been filed with SEBI in terms of Regulation 106O (1) of SEBI ICDR Regulations, nor has SEBI issued any observation on the offer document in terms of Regulation 106M (3) of SEBI ICDR Regulations. However, a copy of the Prospectus shall be filed with SEBI at The Regional Director, Unit No: 002, Ground Floor, SAKAR I, Near Gandhigram Railway Station Opp. Nehru Bridge Ashram Road, Ahmedabad - 380009, Gujarat and shall be simultaneously filed online through SEBI Intermediary Portal at <https://siportal.sebi.gov.in>.

A copy of the Prospectus along with the documents required to be filed under Section 32 of the Companies Act will be delivered to the RoC situated at RoC Bhavan, Opposite Rupal Park Society, Behind Ankur Bus Stop, Naranpura, Ahmedabad – 380 013.

#### **LISTING**

In terms of Chapter XB of SEBI ICDR Regulations, the application will be made to BSE SME for obtaining permission to deal in and for an official quotation of our Equity Shares. BSE SME will be the Designated Stock Exchange, with which the Basis of Allotment will be finalized.

BSE SME has given its in-principle approval for using its name in our Draft Prospectus *vide* its letter dated [●].

If the permission to deal in and for an official quotation of the Equity Shares on the SME Platform is not granted by BSE SME, our Company shall forthwith repay, without interest, all moneys received from the Applicants in pursuance of the Prospectus. The Allotment Advice shall be issued or application money shall be refunded / unblocked within fifteen (15) days from the closure of the Issue or such lesser time as may be specified by SEBI or else the application money shall be refunded to the Applicants forthwith, failing which interest shall be due to be paid to the Applicants at the rate of fifteen (15) per cent per annum for the delayed period as prescribed under Companies Act, SEBI ICDR Regulations and other applicable law.

Our Company shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at the SME Platform of BSE mentioned above are taken within six (6) Working Days from the Issue Closing Date.

### **CONSENTS**

Consents in writing of:(a) the Directors, Statutory Auditor & Peer Reviewed Auditor, the Company Secretary & Compliance Officer, Chief Financial Officer, Banker to the Company and (b) Lead Manager, Underwriter, Market Maker, Registrar to the Issue, Public Issue Bank / Banker to the Issue and Refund Banker to the Issue, Legal Advisor to the Issue to act in their respective capacities have been obtained and is filed along with a copy of the Prospectus with the RoC, as required under Section 26 of the Companies Act and such consents shall not be withdrawn up to the time of delivery of the Prospectus for registration with the RoC.

Our Peer Review Auditor Hitesh Loonia, Chartered Accountants have given their written consent to the inclusion of their report dated July 05, 2018 on restated Financial Statements of our Company and Statement of Tax Benefits dated July 05, 2018 in the form and context in which it appears in the Draft Prospectus and such consent and report shall not be withdrawn up to the time of filing of this Draft Prospectus.

## **EXPERT OPINION**

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

Our Company has received a written consent from our Peer Review Auditor Hitesh Loonia, Chartered Accountants, with respect to the report on the Financial Statements dated June 05, 2018 and the Statement of Tax Benefits dated June 05, 2018 to include their name in this Draft Prospectus, as required under section 26(1)(a)(v) of the Companies Act read with SEBI ICDR Regulations as “expert”, defined in section 2(38) of the Companies Act and such consent has not been withdrawn as on the date of this Draft Prospectus. However, the term “expert” shall not be construed to mean an “expert” as defined under the U.S. Securities Act.

## **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 and listing fees. For details of total expenses of the Issue, please refer to chapter titled “Objects of the Issue” beginning on page 67 of this Draft Prospectus. The total fees payable to the Lead Manager will be as per the (i) Issue Agreement dated June 29, 2018 with the Lead Manager, Fedex Securities Limited, (ii) the Underwriting Agreement dated June 29, 2018 with Fedex Securities Limited and (iii) the Market Making Agreement dated [●] with [●], a copy of which is available for inspection at our Registered Office from 10.00 a.m. to 5.00 p.m. (IST) on Working Days from the date of the Draft Prospectus until the Issue Closing Date.

## **FEES PAYABLE TO THE REGISTRAR TO THE ISSUE**

The fees payable to the Registrar to the Issue will be as per the agreement between our Company and the Registrar to the Issue dated June 28, 2018, a copy of which is available for inspection at our Company’s 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 to the Registrar to the Issue to enable it to make refunds in any of the modes described in this Draft Prospectus or send Allotment Advice by registered post/speed post.

## **FEES PAYABLE TO OTHERS**

The total fees payable to the Legal Advisor, Auditor’s and advertisers, etc. will be as per the terms of their respective engagement letters, if any.

## **PREVIOUS RIGHTS AND PUBLIC ISSUES SINCE THE INCORPORATION**

For details, please refer to chapter titled “*Capital Structure*” beginning on page 56 of this Draft Prospectus. Further, our Company have not made any rights and/or public issues under SEBI ICDR Regulations since incorporation and are an Unlisted Issuer in terms of SEBI ICDR Regulations and this Issue is an Initial Public Offering in terms of SEBI ICDR Regulations.

## **PREVIOUS ISSUES OF SECURITIES OTHERWISE THAN FOR CASH**

Except as disclosed in chapter titled “*Capital Structure*” beginning on page 56 of this Draft Prospectus, our Company has not made any issue of securities for consideration other than cash.

## **COMMISSION AND BROKERAGE ON PREVIOUS ISSUES**

Since this is the IPO 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.

## **PREVIOUS CAPITAL ISSUE DURING THE PREVIOUS THREE YEARS BY LISTED SUBSIDIARIES, GROUP COMPANIES AND ASSOCIATES OF OUR COMPANY**

None of Group Companies and Associates are listed and have undertaken any public or rights issue in the three (3) years preceding the date of this Draft Prospectus.

### **PROMISE VERSUS PERFORMANCE FOR OUR COMPANY**

Our Company is an “Unlisted Issuer” in terms of SEBI ICDR Regulations, and this Issue is an Initial Public Offering in terms of 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 Draft 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 SEBI ICDR Regulations, and this Issue is an Initial Public Offering in terms of 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 Company has appointed Cameo Corporate Services Limited as the Registrar to the Issue, to handle the investor grievances in co-ordination with our Company. All grievances relating to the present Issue may be addressed to the Registrar with a copy to the Compliance Officer, giving full details such as name, address of the Applicant, number of Equity Shares applied for, amount paid on application and name of bank and branch. The Company would monitor the work of the Registrar to the Issue to ensure that the investor grievances are settled expeditiously and satisfactorily.

The Registrar to the Issue will handle investor’s grievances pertaining to the Issue. A fortnightly status report of the complaints received and redressed by them would be forwarded to the Company. The Company would also be coordinating with the Registrar to the Issue in attending to the grievances to the investor.

All grievances relating to the ASBA process may be addressed to the SCSBs, giving full details such as name, address of the Applicant, number of Equity Shares applied for, amount paid on application and the Designated Branch of the SCSB where the Application Form was submitted by the ASBA Applicant. We estimate that the average time required by us or the Registrar to the Issue or the SCSBs for the redressal of routine investor grievances will be seven (7) business days from the date of receipt of the complaint. In case of non-routine complaints and complaints where external agencies are involved, we will seek to redress these complaints as expeditiously as possible.

The Company has also appointed Falguni Shah as the Company Secretary & Compliance Officer and he may be contacted at the following address:

#### **Falguni Shah**

**Address:** B-304 Imperial Height 150, Ring Road, Rajkot-360005, Gujarat, India.

**Tel No:** 0281-2580499

**Fax No:** Not available

**E-mail:** investor@addshop.co

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.

### **STATUS OF INVESTOR COMPLAINTS**

We confirm that there is no investor complaints filed against the Company.

**DISPOSAL OF INVESTOR GRIEVANCES BY LISTED COMPANIES UNDER THE SAME MANAGEMENT AS THE COMPANY**

No company under the same management as the Company within the meaning of Section 370(1B) of the Companies Act, 1956 has made any public issue (including any rights issues to the public) during the last three (3) years and hence there are no pending investor grievances.

**CHANGES IN AUDITORS DURING THE LAST THREE (3) FINANCIAL YEARS**

There has been no change in auditor since incorporation of our Company. Since, our Company was incorporated on August 20, 2013 and we have appointed Chetan Gajera as our Statutory auditor.

**CAPITALISATION OF RESERVES OR PROFITSs**

Save and except as stated in the chapter titled “*Capital Structure*” beginning on page 56 of this Draft Prospectus, our Company has not capitalized its reserves or profits since its incorporation.

**REVALUATION OF ASSETS**

Our Company has not revalued its assets since incorporation.



## SECTION VIII – ISSUE INFORMATION

### TERMS OF THE ISSUE

The Equity Shares 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 GoI, BSE SME, 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 GoI, BSE SME, the RoC and any other authorities while granting their approval for the Issue.

Please note that, in terms of SEBI circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 all the Applicants applying in a public issue shall use only ASBA facility for making the payment. Further vide the said circular, Designated Intermediaries have also been authorised to collect the Application Forms. Investors may visit the official website of the 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 shall be subject to the provisions of the Companies Act, Memorandum and Articles of Association, and shall rank pari passu in all respects with the other existing shares of our Company including in respect of the rights to receive dividends. The Allottees of the Equity Shares in the Issue shall be entitled to dividends and other corporate benefits, if any, declared by our Company after the date of Allotment. For further details, see the section titled “*Main Provisions of Articles of Association*” beginning on page 246 of this Draft Prospectus.

#### **Mode of payment of dividend**

Our Company shall pay dividends, if declared, to the shareholders of our Company in accordance with the provisions of the Companies Act, the Memorandum of Association and Articles of Association and SEBI Listing Regulations. The declaration and payment of dividends will be recommended by our Board of Directors and approved by our shareholders, at their discretion, and will depend on a number of factors, including but not limited to our earnings, capital requirements and overall financial condition of our Company. For further details, see the chapter/section titled “*Dividend Policy*” and “*Main Provisions of Articles of Association*” beginning on pages 134 and 246 respectively, of this Draft Prospectus.

#### **Face Value and Issue Price**

The face value of each Equity Share is Rs. 10. The Issue Price of Equity Shares is Rs. 26 per Equity Share. The Issue Price shall be determined by our Company in consultation with the LM and is justified under the section titled “*Basis for Issue Price*” beginning on page 77 of this Draft Prospectus.

At any given point of time there shall be only one (1) denomination of Equity Shares of our Company, subject to applicable law.

## **Compliance with the disclosure and accounting norms**

Our Company shall comply with all the applicable disclosure and accounting norms as specified by SEBI from time to time.

## **Rights of the Equity Shareholder**

Subject to applicable laws, rules, regulations and guidelines and the Articles of Association, the equity shareholders of our Company shall have the following rights:

- the right to receive dividend, if declared;
- the right to attend general meetings and exercise voting powers, unless prohibited by law;
- the right to vote on a poll either in person or by proxy;
- the right to receive offers for rights shares and be allotted bonus shares, if announced;
- the right to receive surplus on liquidation subject to any statutory and other preferential claims being satisfied;
- the right of free transferability of equity shares, subject to applicable law, including RBI rules and regulations, if any; and
- such other rights, as may be available to a shareholder of a listed public company under the Companies Act, the terms of SEBI Listing Regulations and the Memorandum of Association and Articles of Association of our Company.

For a detailed description of the main provisions of the Articles of Association such as those dealing with voting rights, dividend, forfeiture and lien, transfer and transmission and / or consolidation / splitting, please refer section titled “*Main Provisions of Articles of Association*” beginning on page 246 of this Draft Prospectus.

## **Minimum Application Value, Market Lot and Trading Lot**

Pursuant to Section 29 of the Companies Act, the Equity Shares shall be Allotted only in dematerialised form. As per SEBI ICDR Regulations, the trading of the Equity Shares shall only be in dematerialised form. In this context, two agreements will be signed by our Company with the respective Depositories and the Registrar to the Issue before filing the Prospectus:

- Tripartite agreement dated [●] among CDSL, our Company and the Registrar to the Issue; and
- Tripartite agreement dated [●] among NSDL, our Company and the Registrar to the Issue

Since trading of the Equity Shares is in dematerialised form, the tradable lot is 4,000 Equity Share. Allotment in this Issue will be only in electronic form and in multiples of 4,000 Equity Shares subject to a minimum Allotment of 4,000 Equity Shares to the successful Applicants in terms of SEBI circular no. CIR/MRD/DSA/06/2012 dated February 21, 2012. For details of allocation and allotment, please refer to chapter titled “*Issue Procedure*” beginning on page 202 of this Draft Prospectus.

## **Joint holders**

Subject to our Articles, where two or more persons are registered as the holders of any Equity Shares, they will be deemed to hold the same as joint-tenants, with benefits of survivorship.

## **Jurisdiction**

Exclusive jurisdiction for the purpose of the Issue is with the competent courts/authorities at Mumbai, Maharashtra, India.

**The Equity Shares have not been and will not be registered under the U.S Securities Act or any other applicable law of the United States and, unless so registered, may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S Securities Act and applicable state securities laws. Accordingly, the Equity Shares are only being offered and sold (i) within the United States only to persons reasonably believed to be “qualified institutional buyers” (as defined in Rule 144A under the U.S Securities Act and referred to in this Draft Prospectus as “U.S. QIBs”, for the avoidance of doubt, the term U.S. QIBs does not refer to a category of institutional investor defined under applicable Indian regulations and referred to in this Draft Prospectus as “QIBs”) in transactions exempt from, or not subject to, the registration requirements of the U.S Securities Act, and (ii) outside the United States in offshore transactions in reliance on Regulation S under the U.S Securities Act and the applicable laws of the jurisdiction where those offers and sales occur.**

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

## **Nomination Facility to the Investor**

In accordance with Section 72 of the Companies Act read with Companies (Share Capital and Debentures) Rules, 2014, the sole or the first Applicant, along with other joint Applicant, may nominate any one person in whom, in the event of the death of sole Applicant or in case of joint Applicants, death of all the Applicants, as the case may be, the Equity Shares Allotted, if any, shall vest. A person, being a nominee, entitled to the Equity Shares by reason of the death of the original holder(s), shall in accordance with Section 72 of the Companies Act, 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 the 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 Company’s Registered Office or to the Registrar to the Issue.

Any person who becomes a nominee by virtue of the provisions of Section 72 of the Companies Act shall upon production of such evidence, as may be required by the Board, elect either:

1. to register himself or herself as the holder of the equity shares; or
2. 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 (90) days, the Board may thereafter withhold payment of all dividends, bonuses or other monies payable in respect of the equity shares, until the requirements of the notice have been complied with.

Since the allotment of Equity Shares in the Issue will be made only in dematerialized 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 investors require changing the nomination, they are requested to inform their respective depository participant.

### **Application Period**

Applicants may submit their Applications only during the Issue Period. The Issue Opening Date is [●] and the Issue Closing Date is [●].

### **Minimum Subscription**

In accordance with Regulation 106P (1) of SEBI ICDR Regulations, this Issue is 100% underwritten. Also, in accordance with explanation to Regulation 106P (1) of SEBI ICDR Regulations, the underwriting shall not be restricted to any minimum subscription level. This Issue is 100% underwritten and the details of the same have been disclosed under chapter titled “*General Information*” beginning on page 47 of this Draft Prospectus.

As per section 39 of the Companies Act, if the “stated minimum amount” has not been subscribed and the sum payable on application is not received within a period of thirty (30) days from the date of issue of Prospectus, the application money has to be returned within such period as may be prescribed.

If our Company does not receive the subscription of 100% of the Issue through the Prospectus including devolvement of Underwriters within sixty (60) days from the date of Issue Closing Date, our Company shall forthwith refund/unblock the entire subscription amount received, as the case maybe. If there is a delay beyond eight (8) days after our Company becomes liable to pay the amount, our Company shall pay interest prescribed under section 73 of the Companies Act and applicable law.

Further, in accordance with Regulation 106R of SEBI ICDR Regulations, the minimum number of Allottees in this Issue shall be fifty (50). In case the minimum number of prospective Allottees is less than fifty (50), no allotment will be made pursuant to this Issue and the amounts in the ASBA Account shall be unblocked forthwith.

Further, in accordance with Regulation 106Q of SEBI ICDR Regulations the minimum application size in terms of number of specified securities shall not be less than Rs. 1,00,000 in value 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.

### **Arrangement for disposal of odd lot**

The trading of the Equity Shares will happen in the minimum contract size of 4,000 Equity Shares in terms of 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 BSE SME.

### **Restriction on Transfer of Equity Shares**

Except for, lock-in of pre-Issue equity shareholding, Promoters’ minimum contribution and for a period of thirty (30) days from the date of Allotment, as detailed in the chapter “*Capital Structure*” beginning on page 56 of this Draft Prospectus and except as provided in the Articles of Association, there are no restrictions on

transfers of Equity Shares. Further, there are no restrictions on transmission of Equity Shares and on their consolidation/splitting except as provided in the Articles of Association. Please refer section titled “*Main Provisions of Articles of Association*” beginning on page 246 of this Draft Prospectus.

### **Issue of Equity Shares in dematerialized form in the Issue**

In accordance with SEBI ICDR Regulations and Section 29 of the Companies Act, Equity Shares will be issued and Allotted only in the dematerialized form to the Allottees. Allottees will have the option to re-materialize the Equity Shares, if they so desire, as per the provisions of the Companies Act and the Depositories Act.

### **New Financial Instruments**

As on the date of this Draft Prospectus, there are no outstanding warrants, new financial instruments or any rights, which would entitle the shareholders of our Company, including our Promoters, to acquire or receive any Equity Shares after the Issue. Further, our Company is not issuing any new financial instruments through this Issue.

### **Withdrawal of the Issue**

Our Company, in consultation with the LM, reserves the right not to proceed with the Issue anytime after the Issue Opening Date but before the Allotment. In such an event, our Company would issue a public notice in the same newspapers, in which the pre-Issue advertisements were published, within two (2) days of the Issue Closing Date, providing reasons for not proceeding with the Issue and the BSE SME shall be informed promptly in this regard. The LM, through the Registrar to the Issue, shall notify the SCSBs to unblock the bank accounts of the ASBA Applicants within one (1) Working Day from the date of receipt of such notification.

If our Company withdraws the Issue after the Issue Closing Date and thereafter determine that we will proceed with an initial public offering of the Company’s Equity Shares, the Company shall file a fresh draft prospectus with BSE SME. Notwithstanding the foregoing, the Issue is also subject to obtaining (i) the final listing and trading approvals of the BSE SME, which the Company shall apply for after Allotment, and (ii) the final RoC approval of the Prospectus after it is filed with the RoC.

### **MIGRATION TO MAIN BOARD**

In accordance with the BSE circular dated November 26, 2012, our Company will have to be mandatorily listed and traded on the BSE SME for a minimum period of two (2) years from the date of listing and only after that it can migrate to the main board of the BSE as per the guidelines specified by SEBI and as per the procedures laid down under Chapter XB of SEBI ICDR Regulations. As per the provisions of the Chapter XB of SEBI ICDR Regulations, our Company may migrate to the main board of BSE from the BSE SME on a later date, subject to the following:

- If the paid-up capital of the Company is likely to increase above Rs. 2,500 Lakhs by virtue of any further issue of capital by way of rights, preferential issue, bonus issue etc. (which has been approved by a special resolution through postal ballot wherein the votes cast by the shareholders other than the Promoters in favour of the proposal amount to at least two (2) 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 of BSE), we shall have to apply to BSE for listing our equity shares on its Main Board subject to the fulfilment of the eligibility criteria for listing of specified securities laid down by the main board.

- If the paid-up capital of the Company is more than Rs. 1000 Lakhs but below Rs. 2500 Lakhs, we may still apply for migration to the main board if the same has been approved by a special resolution through postal ballot wherein the votes cast by the shareholders other than the Promoters in favour of the proposal amount to at least two (2) times the number of votes cast by shareholders other than Promoter shareholders against the proposal.

## MARKET MAKING

The Equity Shares issued through this Issue are proposed to be listed on BSE SME, wherein [●] is the Market Maker to this Issue and shall ensure compulsory Market Making for a minimum period of three (3) years from the date of listing on BSE SME. For further details of the agreement entered into between our Company, the LM and the Market Maker please refer to chapter titled "General Information" beginning on page 47 of this Draft Prospectus.

## ISSUE PROGRAMME

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

Particulars	Date
Issue opens on	[●]
Issue closes on	[●]
Finalisation of Basis of Allotment with BSE SME	[●]
Initiation of Allotment / Refunds/ un-blocking of ASBA Accounts	[●]
Credit of Equity Shares to demat accounts of the Allottees	[●]
Commencement of trading of the Equity Shares on BSE SME	[●]

The above timetable is indicative and does not constitute any obligation on our Company or the LM.

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 BSE SME are taken within six (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 BSE SME. The Commencement of trading of the Equity Shares will be entirely at the discretion of BSE SME and in accordance with the applicable laws.

Application Forms and any revisions to the same will be accepted only between 10.00 a.m. to 5.00 p.m. (IST) during the Issue Period (except for the Issue Closing Date). On the Issue Closing Date, the Application Forms will be accepted only between 10.00 a.m. to 3.00 p.m. (IST) for retail and non-retail Applicants. The time for applying for Retail Individual Applicants on Issue Closing Date maybe extended in consultation with the LM, RTA and BSE SME taking into account the total number of applications received up to the closure of timings

Due to the limitation of time available for uploading the Application Forms on the Issue Closing Date, Applicants are advised to submit their applications one (1) day prior to the Issue Closing Date and, in any case, not later than 3.00 p.m. (IST) on the Issue Closing Date. Any time mentioned in this Draft Prospectus is IST. Applicants are cautioned that, in the event a large number of Application Forms are received on the Issue Closing Date, as is typically experienced in public issues, some Application Forms may not get uploaded due to the lack of sufficient time. Such Application Forms that cannot be uploaded will not be considered for allocation under this Issue.

Applications will be accepted only on Working Days, i.e., Monday to Friday (excluding any public holidays). Neither our Company nor the LM is liable for any failure in uploading the Application Forms due to faults in any software/hardware system or otherwise.

In accordance with SEBI ICDR Regulations, QIBs and Non-Institutional Applicants are not allowed to withdraw or lower the size of their Application (in terms of the quantity of the Equity Shares or the Application amount) at any stage. Retail Individual Applicants can revise or withdraw their Application Forms prior to the Issue Closing Date. Allocation to Retail Individual Applicants, in this Issue will be on a proportionate basis.

In case of discrepancy in the data entered in the electronic book vis-à-vis the data contained in the physical Application Form, for a particular Applicant, the details as per the file received from BSE SME may be taken as the final data for the purpose of Allotment. In case of discrepancy in the data entered in the electronic book vis-à-vis the data contained in the physical or electronic Application Form, for a particular ASBA Applicant, the Registrar to the Issue shall ask the relevant SCSBs / RTAs / DPs / stock brokers, as the case may be, for the rectified data.

## ISSUE STRUCTURE

This Issue is being made in terms of Regulation 106M (1) of Chapter XB of SEBI ICDR Regulations, whereby, an issuer's post issue face value capital does not exceed Rs. 1,000.00 Lakhs, may issue shares to the public and propose to list the same on the Small and Medium Enterprise Exchange ("SME Exchange", in this case being BSE SME). For further details regarding the salient features and terms of this Issue, please refer chapters titled "Terms of the Issue" and "Issue Procedure" beginning on pages 192 and 202 respectively, of this Draft Prospectus.

### Present Issue Structure

The present Issue of 23,96,000 Equity Shares for cash at a price of Rs. 26.00 (including a premium of Rs. 16) aggregating up-to Rs. 622.96 Lakhs by our Company. The Issue comprises a net offer to the public of up-to 22,64,000 Equity shares (the "Net Offer"). The Issue will constitute 37.01% of the post- Issue paid-up Equity Share capital of our Company and the Net Issue will constitute 34.97% of the post- Issue paid-up Equity Share capital of our Company.

The Issue comprises a reservation of up to 1,32,000 Equity Shares of Rs. 10.00 each for subscription by the designated Market Maker (the "Market Maker Reservation Portion").

Particulars of the Issue	Net Issue to Public	Market Maker Reservation Portion
<b>Number of Equity Shares available of allocation</b>	22,64,000 Equity Shares	1,32,000 Equity Shares
<b>Percentage of Issue Size available for allocation</b>	94.49% of the Issue size	5.51% of Issue size
<b>Basis of Allotment</b>	Proportionate subject to minimum allotment of 4,000 equity shares and further allotment in multiples of 4,000 equity shares each.  For further details please refer to "Basis of Allotment" under chapter titled "Issue Procedure" beginning on page 202 of this Draft Prospectus.	Firm allotment
<b>Mode of Application</b>	Through ASBA process only	Through ASBA process only
<b>Minimum Application Size</b>	<b>For QIB and NII</b> Such number of Equity Shares in multiples of 4,000 Equity Shares such that the Application size exceeds Rs. 2,00,000  <b>For Retail Individual Applicants</b> Such number of Equity shares where the application size is of atleast Rs. 1,00,000.	4,000 Equity Shares
<b>Maximum Application Size</b>	<b>For QIB and NII:</b>	Application size shall be 1,32,000 Equity Shares since there is firm



	Such number of Equity Shares in multiples of 4,000 Equity Shares such that the application size does not exceed the Issue size.  <b>For Retail Individuals:</b> Such number of Equity Shares and in multiples of 4,000 Equity Shares such that the application value does not exceed Rs.2,00,000.	allotmet
<b>Mode of Allotment</b>	Dematerialized mode	Dematerialized mode
<b>Trading Lot</b>	4,000 Equity Shares	4,000 Equity Shares, however, the Market Maker may accept odd lots if any, in the market as permitted under SEBI ICDR Regulations.
<b>Terms of payment</b>	The entire application amount will be payable at the time of submission of the Application Form.	
<b>Application</b>	4,000 Equity Shares and in multiples of 4,000 Equity Shares thereafter	

**Note:**

1. In case of joint applications, the Application Form should contain only the name of the First Applicant whose name should also appear as the first holder of the beneficiary account held in joint names. The signature of only such First Applicant would be required in the Application Form and such First Applicant would be deemed to have signed on behalf of the joint holders.
2. Applicants will be required to confirm and will be deemed to have represented to our Company, the LM, their respective directors, officers, agents, affiliates and representatives that they are eligible under applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares in this Issue.
3. SCSBs applying in the Issue must apply through an ASBA Account maintained with any other SCSB.

**Lot Size**

SEBI vide circular CIR/MRD/DSA/06/2012 dated February 21, 2012 (the “Circular”) standardized the lot size for Initial Public Offer proposing to list on SME exchange/platform and for the secondary market trading on such exchange/platform, as under:

Issue Price (in Rs.)	Lot Size (No. of shares)
Upto 14	10,000
More than 14 upto 18	8,000
More than 18 upto 25	6,000
More than 25 upto 35	4,000
More than 35 upto 50	3,000
More than 50 upto 70	2,000
More than 70 upto 90	1,600
More than 90 upto 120	1,200
More than 120 upto 150	1,000
More than 150 upto 180	800
More than 180 upto 250	600
More than 250 upto 350	400
More than 350 upto 500	300
More than 500 upto 600	240

More than 600 upto 750	200
More than 750 upto 1000	160
Above 1000	100

Further to the Circular, at the initial public offer stage the Registrar to Issue in consultation with Lead Manager, our Company and BSE shall ensure to finalize the basis of allotment in minimum lots and in multiples of minimum lot size, as per the above given table. The secondary market trading lot size shall be the same, as shall be the initial public offer lot size at the application/allotment stage, facilitating secondary market trading.

### **Withdrawal of the Offer**

Our Company in consultation with the LM, reserves the right not to proceed with the Issue at any time before the Issue Opening Date, without assigning any reason thereof. Notwithstanding the foregoing, the Issue is also subject to obtaining the following:

- (i) The final listing and trading approvals of BSE SME for listing and trading of the Equity Shares issued through this Issue, which the Company shall apply for after Allotment;
- (ii) The final RoC approval of the Prospectus after it is filed with the RoC.
- (iii) In case, our Company wishes to withdraw the Issue after the Issue Opening Date but before Allotment, our Company will give public notice giving reasons for withdrawal of the Issue. The public notice will appear in all editions of English daily newspaper, a Hindi daily newspaper and edition of regional language newspaper, each with wide circulation.

The LM, through the Registrar to the Issue, will instruct the SCSBs to unblock the ASBA Accounts / refund the amount, as the case maybe, within one (1) Working Day from the day of receipt of such instruction. The notice of withdrawal will be issued in the same newspapers where the pre-Issue advertisements have appeared and BSE SME will also be informed promptly about the same. If our Company withdraws the Issue after the Issue Closing Date and subsequently decides to undertake a public issue of equity shares, our Company will file a fresh Issue draft prospectus with BSE SME where the equity shares may be proposed to be listed.

Application Forms and any revisions to the same will be accepted only between 10.00 a.m. to 5.00 p.m. (IST) during the Issue Period at the Collection Centres mentioned in the Application Form. On the Issue Closing Date, the Application Forms will be accepted only between 10.00 a.m. to 3.00 p.m. (IST) for Retail and non-Retail Applicants. The time for applying for Retail Individual Applicants on Issue Closing Date maybe extended in consultation with the LM, RTA and BSE SME taking into account the total number of applications received up to the closure of timings

Due to the limitation of time available for uploading the Application Forms on the Issue Closing Date, Applicants are advised to submit their applications one (1) day prior to the Issue Closing Date and, in any case, not later than 3.00 p.m. (IST) on the Issue Closing Date. Any time mentioned in this Draft Prospectus is IST. Applicants are cautioned that, in the event a large number of Application Forms are received on the Issue Closing Date, as is typically experienced in public issues, some Application Forms may not get uploaded due to the lack of sufficient time. Such Application Forms that cannot be uploaded will not be considered for allocation under this Issue.

Applications will be accepted only on Working Days, i.e., Monday to Friday (excluding any public holidays). Neither our Company nor the LM is liable for any failure in uploading the Application Forms due to faults in any software/hardware system or otherwise.

## ISSUE PROCEDURE

*All Applicants should review the General Information Document for Investing in public issues prepared and issued in accordance with the SEBI circular no. CIR/CFD/DIL/12/2013 dated October 23, 2013 notified by SEBI (the "General Information Document") included below under section "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, SCRA, SCRR and SEBI ICDR Regulations. The General Information Document has been updated to include reference to the SEBI FPI Regulations and certain notified provisions of the Companies Act, to the extent applicable to a public issue. The General Information Document is also available on the websites of the BSE SME and the LM. Please refer to the relevant portions of the General Information Document which are applicable to the Issue.*

*All Designated Intermediaries in relation to the Issue should ensure compliance with SEBI circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015, as amended and modified by SEBI circular no. SEBI/HO/CFD/DIL/CIR/P/2016/26 dated January 21, 2016, in relation to clarifications on streamlining the process of public issue of equity shares and convertibles.*

*Please note that the information stated/covered in this section may not be complete and/or accurate and as such would be subject to modification/change. Our Company and the Syndicate Members would not be liable for any amendment, modification or change in applicable law, which may occur after the date of this Draft Prospectus. Applicants are advised to make their independent investigations and ensure that their Applications are submitted in accordance with applicable laws and do not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or as specified in the Prospectus.*

*Pursuant to the SEBI (Issue of Capital and Disclosure Requirements) (Fifth Amendment) Regulations, 2015, the ASBA process has become mandatory for all investors excluding Anchor Investors w.e.f. January 1, 2016 and it allows the registrar, share transfer agents, depository participants and stock brokers to accept Application forms. All Applicants shall ensure that the ASBA Account has sufficient credit balance such that the full Application Amount can be blocked by the SCSB at the time of submitting the Application. Applicants applying through the ASBA process should carefully read the provisions applicable to such applications before making their application through the ASBA process. Please note that all Applicants are required to make payment of the full Application Amount along with the Application Form. In case of ASBA Applicants, an amount equivalent to the full Application Amount will be blocked by the SCSBs.*

*ASBA Applicants are required to submit ASBA Applications to the selected branches / offices of the RTAs, DPs, Designated Bank Branches of SCSBs. The lists of banks that have been notified by SEBI to act as SCSB (Self Certified Syndicate Banks) for the ASBA Process are provided on <http://www.sebi.gov.in>. For details on designated branches of SCSB collecting the Application Form, please refer the above mentioned SEBI link. The list of Stock Brokers, Depository Participants ("DP"), Registrar to an Issue and Share Transfer Agent ("RTA") that have been notified by BSE to act as intermediaries for submitting Application Forms are provided on <http://www.bseindia.com>. For details on their designated branches for submitting Application Forms, please see the above mentioned BSE website.*

### Part – A

#### Fixed Price Issue Procedure

Pursuant to Regulation 106(M)(1) of Chapter XB of the SEBI ICDR Regulations, this Issue is being made through the Fixed Price Issue Process, wherein upto 50% of the Net Issue shall be offered to Retail Individual

Applicants and the balance shall be offered to Non Retail Category i.e. QIBs and Non-Institutional Applicants. However, if the aggregate demand from the Retail Individual Applicants is less than 50%, then the balance Equity Shares in that portion will be added to the non retail portion offered to the remaining investors including QIBs and NIIs and vice-versa subject to valid Applications being received from them at or above the Issue Price.

Subject to the valid Applications being received at or above the Issue Price, allocation to all categories in the Net Issue, shall be made on a proportionate basis, except for the Retail Portion where Allotment to each Retail Individual Applicants shall not be less than the minimum lot, subject to availability of Equity Shares in Retail Portion, and the remaining available Equity Shares, if any, shall be allotted on a proportionate basis. Under subscription if any, in any category, except in the QIB Portion, 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 LM and the BSE SME.

The Equity Shares, on Allotment, shall be traded only in the dematerialized segment of the BSE SME.

Investors should note that the Equity Shares will be allotted to all successful Applicants only in dematerialized form. **The Application Forms which do not have the details of the Applicant's depository account, including DP ID, Client ID and PAN, shall be treated as incomplete and will be rejected.** In case DP ID, Client ID and PAN mentioned in the Application Form and entered into the electronic system of the stock exchange, do not match with the DP ID, Client ID and PAN available in the depository database, the application is liable to be rejected. Applicants will not have the option of getting allotment of the Equity Shares in physical form. The Equity Shares on allotment shall be traded only in the dematerialised segment of the BSE SME. Applicants will not have the option of being allotted Equity Shares in physical form.

### **Application Form**

All Applicants are required to mandatorily participate in the Issue only through the ASBA process. Copies of the Application Forms and the Abridged Prospectus will be available with the LM, Designated Intermediaries and the Registered Office of our Company. An electronic copy of the Application Form will also be available on the website of the BSE SME ([www.bseindia.com](http://www.bseindia.com)), the SCSBs, the Registered Brokers, the RTAs and the CDPs at least one (1) day prior to the Issue Opening Date.

All Applicants shall ensure that their Applications are made on ASBA Forms bearing the stamp of a Designated Intermediary and submitted at the Collection Centres only (except in case of electronic ASBA Forms) and the ASBA Forms not bearing such specified stamp are liable to be rejected. Additionally, ASBA Applicants must provide bank account details and authorization to block funds in the relevant space provided in the ASBA Form, and ASBA Forms that do not contain such details are liable to be rejected. ASBA Applicants are also required to ensure that the ASBA Account has sufficient credit balance of an amount equivalent to the full Application Amount that can be blocked by the SCSB at the time of submitting the Application.

The prescribed colour of the Application Form for the various categories is as follows:

<b>Category</b>	<b>Colour of Application Form *</b>
Resident Indians including resident QIBs, Non- Institutional Investors, Retail Individual Applicants and Eligible NRIs applying on a non-repatriation basis	White
Non-Residents including FPIs and Eligible NRIs, applying on a repatriation basis	Blue

*\*Excluding electronic Application Form*

Designated Intermediaries shall submit Application Forms to SCSBs only.

### **Who can apply**

In addition to the category of Applicants set forth under chapter titled “*Issue Procedure – Part – B- General Information Document for Investing in Public Issues – Category of Investors Eligible to Participate in an Issue*” beginning on page 202 of this Draft Prospectus, the following persons are also eligible to invest in the Equity Shares under all applicable laws, regulations and guidelines, including:

- FPIs 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;
- Mutual Funds registered with SEBI;
- VCFs registered with SEBI;
- FVCIs registered with SEBI;
- Multilateral and bilateral development financial institutions;
- State Industrial Development Corporations;
- Insurance companies registered with Insurance Regulatory and Development Authority;
- Provident Funds with a minimum corpus of ₹ 250 million and who are authorised under their constitution to hold and invest in equity shares;
- Pension Funds with a minimum corpus of ₹ 250 million and who are authorised under their constitution to hold and invest in equity shares;
- National Investment Fund set up by resolution no. F.NO.2/3/2005-DDII dated November 23, 2005 of the GoI, published in the Gazette of India;
- Insurance funds set up and managed by the army, navy or air force of the Union of India and by the Department of Posts, India;
- Nominated Investor and Market Maker
- Scientific and/or industrial research organisations authorised in India to invest in the Equity Shares.
- Any other person eligible to apply in this Issue, under the laws, rules, regulations, guidelines and polices applicable to them.

### **Applications not to be made by:**

- Minors (except through their Guardians)
- Partnership firms or their nominations
- Overseas Corporate Bodies.

**The Equity Shares have not been and will not be registered under the U.S Securities Act or any other applicable law of the United States and, unless so registered, and may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S Securities Act and applicable state securities laws. Accordingly, the Equity Shares are only being offered and sold (i) within the United States only to persons reasonably believed to be “qualified institutional buyers” (as defined in Rule 144A under the U.S Securities Act and referred to in this Draft Prospectus as “U.S. QIBs”, for the avoidance of doubt, the term U.S. QIBs does not refer to a category of institutional investor defined under applicable Indian regulations and referred to in this Draft Prospectus as “QIBs”) in transactions exempt from, or not subject to, the registration requirements of the U.S Securities Act, and (ii) outside the United States in offshore transactions in reliance on Regulations S under the U.S Securities Act and the applicable laws of the jurisdiction where those offers and sales occur.**

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

### **Participation by associates/ affiliates of Lead Manager and Syndicate Members**

The LM and the Syndicate Members shall not be allowed to subscribe to the Equity Shares in this Issue in any manner, except towards fulfilling their underwriting obligations. However, the associates and affiliates of the LM and the Syndicate Members may subscribe to or purchase the Equity Shares in the Issue, including in the QIB Portion or in the Non-Institutional Category as may be applicable to such Applicants, where the allocation is on a proportionate basis and such subscription may be on their own account or on behalf of their clients. All categories of investors, including associates or affiliates of the LM and Syndicate Members, shall be treated equally for the purpose of allocation to be made on a proportionate basis.

### **Applications by eligible NRIs**

Eligible NRIs may obtain copies of Application Form from the Designated Intermediaries. Eligible NRI Applicants applying on a repatriation basis by using the Non-Resident Forms should authorize their SCSB to block their Non-Resident External (“NRE”) accounts, or Foreign Currency Non-Resident (“FCNR”) ASBA Accounts, and eligible NRI Applicants applying on a non-repatriation basis by using Resident Forms should authorize their SCSB to block their Non-Resident Ordinary (“NRO”) accounts for the full Application Amount, at the time of the submission of the Application Form.

Eligible NRIs applying on a repatriation basis are advised to use the Application Form meant for Non-Residents (blue in colour).

Eligible NRIs applying on non-repatriation basis are advised to use the Application Form for residents (white in colour).

Pursuant to the provisions of the FEMA regulations, investments by NRIs under the Portfolio Investment Scheme (“PIS”) is subject to certain limits, i.e., 10.00% of the paid-up equity share capital of the company. Such limit for NRI investment under the PIS route can be increased by passing a board resolution, followed by a special resolution by the shareholders, subject to prior intimation to the RBI. Our Company has not passed any resolution to increase this limit and hence investments by NRIs under the PIS will be subject to a limit of 10% of the paid-up equity capital of the Company.

### **Applications by FIIs and FIIIs**

In terms of SEBI FPI Regulations, an FII which holds a valid certificate of registration from SEBI shall be deemed to be a registered FPI until the expiry of the block of three (3) years for which fees have been paid as per SEBI FII Regulations. Accordingly, such FIIIs can participate in this Issue in accordance with Schedule 2 of the FEMA Regulations. An FII shall not be eligible to invest as an FII after registering as an FPI under SEBI FPI Regulations. However, existing FIIIs and their sub accounts may continue to buy, sell or deal in securities till the expiry of their existing SEBI registration. Further, a QFI who had not obtained a certificate of registration as an FPI could only continue to buy, sell or otherwise deal in securities until January 6, 2015. Hence, such QFIs who have not registered as FPIs under SEBI FPI Regulations shall not be eligible to participate in this Issue.

In terms of SEBI FPI Regulations, the purchase of Equity Shares and total holding by a single FPI or an investor group (which means the same set of ultimate beneficial owner(s) investing through multiple entities) must be

below 10% of our post-Issue Equity Share capital. Further, in terms of the FEMA Regulations, the total holding by each FPI shall be below 10% of the total paid-up Equity Share capital of our Company and the total holdings of all FPIs put together shall not exceed 24% of the paid-up Equity Share capital of our Company. The aggregate limit of 24% may be increased up to the sectoral cap by way of a resolution passed by the Board of Directors followed by a special resolution passed by the shareholders of our Company. 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% and 24% of the total paid-up Equity Share capital of our Company, respectively. Our Company through its Board resolution dated June 23, 2018 and as approved by our shareholders in their meeting on June 27, 2018, has increased the limit of FII / FPI shareholding in our Company up to 49% of the post issue Equity Share capital of our Company.

As per the circular issued by SEBI on November 24, 2014, these investment restrictions shall also apply to subscribers of offshore derivative instruments (“ODIs”). Two or more subscribers of ODIs having a common beneficial owner shall be considered together as a single subscriber of the ODI. In the event an investor has investments as a FPI and as a subscriber of ODIs, these investment restrictions shall apply on the aggregate of the FPI and ODI investments held in the underlying company.

FPIs are permitted to participate in the Issue subject to compliance with conditions and restrictions which may be specified by the GoI from time to time. FPIs who wish to participate in the Issue are advised to use the Application Form for non-residents. FPIs are required to apply through the ASBA process to participate in the Issue.

Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of Regulation 22 of SEBI FPI Regulations, an FPI, other than Category III Foreign Portfolio Investors and unregulated broad based funds, which are classified as Category II Foreign Portfolio Investors by virtue of their investment manager being appropriately regulated, may issue or otherwise deal in offshore derivative instruments (as defined under SEBI FPI Regulations as any instrument, by whatever name called, which is issued overseas by a FPI against securities held by it that are listed or proposed to be listed on any recognised stock exchange in India, as its underlying security) directly or indirectly, only if (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. Further, pursuant to a circular dated November 24, 2014 issued by SEBI, FPIs are permitted to issue offshore derivative instruments only to subscribers that (i) meet the eligibility conditions set forth in Regulation 4 of SEBI FPI Regulations; and (ii) do not have “opaque structures”, as defined under SEBI FPI Regulations.

In case of Applications made by FPIs, a verified true copy of the certificate of registration issued under SEBI FPI Regulations is required to be attached along with the Application form, failing which our Company reserves the right to reject any application without assigning any reason. An FII or sub-account may, subject to payment of conversion fees under the SEBI FPI Regulations, participate in the Issue, until the expiry of its registration as a FII or sub-account, or until it obtains a certificate of registration as FPI, whichever is earlier. Further, in case of Applications 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 Application Form, failing which our Company reserves the right to reject any Application without assigning any reason.

#### **Applications by SEBI registered VCFs, AIFs and FVCIs**

SEBI VCF Regulations and SEBI FVCI Regulations inter alia prescribe the investment restrictions on the VCFs and FVCIs registered with SEBI. Further, SEBI AIF Regulations prescribe, among others, the investment restrictions on AIFs.

Accordingly, the holding by any individual VCF registered with SEBI in one (1) 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.

Category I and II AIFs cannot invest more than 25% of their corpus in one (1) investee company. A category III AIF cannot invest more than 10% of their investible funds in one (1) investee company. A venture capital fund registered as a category I AIF, as defined in SEBI AIF Regulations, cannot invest more than 1/3<sup>rd</sup> 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 SEBI AIF Regulations shall continue to be regulated by SEBI VCF Regulations 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 SEBI AIF Regulations.

Further, according to SEBI ICDR Regulations, the shareholding of VCFs and category I AIFs or FVCI held in a company prior to making an initial public offering would be exempt from lock-in requirements provided that such equity shares held are locked in for a period of at least one (1) year from the date of purchase by such VCF or category I AIFs or FVCI.

All non-resident investors should note that refunds (in case of Anchor Investors), dividends and other distributions, if any, will be payable in Indian Rupees only and net of bank charges and commission.

Our Company or the LM will not be responsible for loss, if any, incurred by the Applicant on account of conversion of foreign currency. There is no reservation for Eligible NRIs, FPIs and FVCIs and all Applicants will be treated on the same basis with other categories for the purpose of allocation.

#### **Application by provident funds/ pension funds**

In case of Applications made by provident funds/pension funds, subject to applicable laws, with minimum corpus of Rs. 2,500 Lakhs, a certified copy of certificate from a chartered accountant certifying the corpus of the provident fund/ pension fund must be attached to the Application Form. Failing this, our Company reserves the right to reject their Application, without assigning any reason thereof

#### **Applications by limited liability partnerships**

In case of Applications made by limited liability partnerships registered under the Limited Liability Partnership Act, 2008, a certified copy of certificate of registration issued under the Limited Liability Partnership Act, 2008, must be attached to the Application Form. Failing this, our Company reserves the right to reject their Application without assigning any reason thereof.

#### **Applications under Power of Attorney**

In case of Applications made pursuant to a power of attorney or by limited companies, corporate bodies, registered societies, FIIs, FPIs, Mutual Funds, Eligible QFIs, insurance companies, insurance funds set up by the army, navy or air force of the Union of India, insurance funds set up by the Department of Posts, India or the National Investment Fund, provident funds with a minimum corpus of Rs. 2,500 Lakhs and pension funds with a minimum corpus of Rs. 2,500 Lakhs (in each case, subject to applicable law and in accordance with their respective constitutional documents), 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, as applicable must be lodged along with the Application Form. Failing this, our Company reserves the right to accept or reject their Application 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:

- With respect to Applications by FIIs and Mutual Funds, a certified copy of their SEBI registration certificate must be lodged along with the Application Form.
- With respect to Applications by insurance companies registered with the Insurance Regulatory and Development Authority, in addition to the above, a certified copy of the certificate of registration issued by the Insurance Regulatory and Development Authority must be lodged along with the Application Form.
- With respect to Applications 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 Application Form.
- With respect to Applications made by limited liability partnerships registered under the Limited Liability Partnership Act, 2008, a certified copy of certificate of registration issued under the Limited Liability Partnership Act, 2008, must be attached to the Application Form. Our Company in its absolute discretion, reserves the right to relax the above condition of simultaneous lodging of the power of attorney along with the Application form, subject to such terms and conditions that our Company and the Lead Manager may deem fit.

**The above information is given for the benefit of the Applicants. Our Company and the LM are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Draft Prospectus. Applicants are advised to make their independent investigations and Applicants are advised to ensure that any single Application from them does not exceed the applicable investment limits or maximum number of Equity Shares that can be held by them under applicable law or regulation or as specified in this Draft Prospectus.**

#### **Applications by SCSBs**

SCSBs participating in the Issue are required to comply with the terms of SEBI circulars dated September 13, 2012 and January 2, 2013. Such SCSBs are required to ensure that for making applications on their own account using ASBA, they should have a separate account in their own name with any other SEBI registered SCSBs. Further, such account shall be used solely for the purpose of making application in public issues and clear demarcated funds should be available in such account for ASBA applications.

#### **Applications by banking companies**

In case of Applications made by banking companies registered with the RBI, certified copies of: (i) the certificate of registration issued by the RBI, and (ii) the approval of such banking company's investment committee are required to be attached to the Application Form, failing which our Company reserves the right to reject any Application by a banking company, without assigning any reason therefor.

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 Master Direction – Reserve Bank of India (Financial Services provided by Banks) Directions, 2016, is 10% of the paid-up share capital of the investee company or 10% of the banks' own paid-up share capital and reserves, whichever is less. Further, the aggregate

investment by a banking company in subsidiaries and other entities engaged in financial and non-financial services company cannot exceed 20% of the bank's paid-up share capital and reserves. A banking company may hold up to 30% of the paid-up share capital of the investee company with the prior approval of the RBI provided that the investee company is engaged in non-financial activities in which banking companies are permitted to engage under the Banking Regulation Act.

### **Applications by insurance companies**

In case of Applications made by insurance companies registered with the IRDA, a certified copy of certificate of registration issued by IRDA must be attached to the Application Form. Failing this, our Company reserves the right to reject their Application 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:

- a) 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;
- b) the entire group of the investee company: not more than 15% of the respective fund in case of a life insurer or 15% of investment assets in case of a general insurer or reinsurer or 15% of the investment assets in all companies belonging to the group, whichever is lower; and
- c) the industry sector in which the investee company 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 IRDA from time to time including the Insurance Regulatory and Development Authority (Investment) Regulations, 2016 ("IRDA Investment Regulations").

### **Applications by OCBs**

In accordance with RBI regulations, OCBs cannot participate in this Issue.

### **Applications by Mutual Funds**

Applications made by asset management companies or custodians of Mutual Funds shall specifically state names of the concerned schemes for which such Applications are made. In case of a mutual fund, a separate Application can be made in respect of each scheme of the mutual fund registered with SEBI and such Applications in respect of more than one (1) scheme of the mutual fund will not be treated as multiple Applications, provided, that the Applications clearly indicate the scheme concerned for which the Application has been made.

With respect to Applications by Mutual Funds, a certified copy of their SEBI registration certificate must be attached with the Application Form. Failing this, our Company reserves the right to reject their Application in whole or in part, in either case, without assigning any reason thereof.

No mutual fund scheme shall invest more than 10% of its net asset value in the equity shares or equity related instruments of any single company provided that the limit of 10% shall not be applicable for investments in

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.

### **Maximum and Minimum Application Size**

#### **a) For Retail Individual Applicants:**

The Application must be for a minimum of 4,000 Equity Shares and in multiples of 4,000 Equity Shares thereafter, so as to ensure that the Application Amount payable by the Applicant does not exceed Rs. 200,000. In case of revision of the Application, the Retail Individual Applicants have to ensure that the Application Amount does not exceed Rs. 200,000.

#### **b) For Other Applicants (Non-Institutional Applicants and QIBs):**

The Application must be for a minimum of such number of Equity Shares such that the Application Amount exceeds Rs. 200,000 and in multiples of 4,000 Equity Shares thereafter. Application cannot be submitted for more than the Issue Size. However, the maximum application size by a QIB investor should not exceed the investment limits prescribed for them by applicable laws. A QIB and a Non-Institutional Applicant cannot withdraw or lower the size of their Application at any stage and are required to pay the entire Application Amount upon submission of the Application.

The identity of QIBs applying in the Net Issue shall not be made public during the Issue Period. In case of revision in Application, the Non-Institutional Applicants, who are individuals, have to ensure that the Application Amount is greater than Rs. 200,000 for being considered for allocation in the Non-Institutional Portion.

### **Pre- Issue Advertisement**

Subject to Section 30 of the Companies Act, 2013 the Company shall, after registering the Prospectus with the ROC, publish a pre-Issue advertisement, in the form prescribed by the SEBI Regulations, in one widely circulated English language national daily newspaper; one widely circulated Hindi language national daily newspaper and one regional newspaper with wide circulation. This advertisement, in addition to the information that has to be set out in the statutory advertisement, shall indicate the Issue Price.

### **Information for the Applicants**

In addition to the instructions provided to the Applicants set forth in the sub-section "*Issue Procedure – Part B – General Information Document for Investing in Public Issues*" beginning on page 202 of this Draft Prospectus, Applicants are requested to note the following additional information in relation to the Issue.

- a) Our Company shall file the Prospectus with the RoC at least three working days before the Issue Opening Date.
- b) Our Company shall, after registering the Prospectus with the RoC, make a pre-Issue advertisement, in the form prescribed under the SEBI ICDR Regulations, in one widely circulated English language national daily newspaper; one widely circulated Hindi language national daily newspaper and one regional newspaper with wide circulation.
- c) Copies of the Application Form and the abridged prospectus will be available at the offices of the LM, the Designated Intermediaries, and Registered Office of our Company. An electronic copy of the Application

Form will also be available for download on the websites of the BSE ([www.bseindia.com](http://www.bseindia.com)), the SCSBs, the Registered Brokers, the RTAs and the CDPs at least one day prior to the Issue Opening Date.

- d) Applicants who are interested in subscribing to the Equity Shares should approach any of the Application Collecting Intermediaries or their authorized agent(s).
- e) Application should be submitted in the prescribed Application Form only. Application Forms submitted to the SCSBs should bear the stamp of the respective intermediary to whom the application form is submitted. Application Forms submitted directly to the SCSBs should bear the stamp of the SCSBs and / or the Designated Branch.
- f) The Application Form can be submitted either in physical or electronic mode, to the Application Collecting Intermediaries. Further Application Collecting Intermediary may provide the electronic mode of collecting either through an internet enabled collecting and banking facility or such other secured, electronically enabled mechanism for applying and blocking funds in the ASBA Account.

**The Applicants should note that in case the PAN, the DP ID and Client ID mentioned in the Application Form and entered into the electronic system of the stock exchange does not match with the PAN, DP ID and Client ID available in the database of Depositories, the Application Form is liable to be rejected.**

#### **Signing of the Underwriting Agreement and the RoC Filing**

Our Company has entered into an Underwriting Agreement dated June 29, 2018. For terms of the Underwriting Agreement, please see chapter titled “General Information” beginning on page 47 of this Draft Prospectus. The Prospectus will contain details of the Issue Price, Issue size, and underwriting arrangements and will be complete in all material respects. Our Company will file a copy of the Prospectus with the Roc in terms of Section 26 and all other applicable provisions of Companies Act.

#### **General Instructions**

In addition to the general instructions provided in the sub-section titled “*Part B – General Information Document for Investing in Public Issues*” beginning on page 217 of this Draft Prospectus, Applicants are requested to note the additional instructions provided below.

Do’s:

1. Check if you are eligible to apply as per the terms of the Prospectus and under applicable law, rules, regulations, guidelines and approvals;
2. Read all the instructions carefully and complete the Application Form;
3. Ensure that the details about the PAN, DP ID and Client ID are correct and the Applicants depository account is active, as Allotment of the Equity Shares will be in the dematerialised form only;
4. Ensure that your Application Form, bearing the stamp of a Designated Intermediary is submitted to the Designated Intermediary at the Collection Centre within the prescribed time, except in case of electronic forms;
5. Ensure that the signature of the First Applicant in case of joint Applications, is included in the Application Forms;

6. If the first applicant is not the account holder, ensure that the Application Form is signed by the account holder. Ensure that you have mentioned the correct bank account number in the Application Form;
7. All Applicants (other than Anchor Investors) should apply through the ASBA process only;
8. With respect to Applications by SCSBs, ensure that you have a separate account in your own name with any other SCSB having clear demarcated funds for applying under the ASBA process and that such separate account (with any other SCSB) is used as the ASBA Account with respect to your Application;
9. Ensure that you request for and receive a stamped acknowledgement of your Application;
10. Ensure that you have funds equal to the Application Amount in the ASBA Account maintained with the SCSB before submitting the ASBA Form to any of the Designated Intermediaries;
11. Instruct your respective banks to not release the funds blocked in the ASBA Account under the ASBA process;
12. Submit revised Applications to the same Designated Intermediary, as applicable, through whom the original Application was placed and obtain a revised TRS;
13. Except for Applications (i) on behalf of the central or state governments and the officials appointed by the courts, who, in terms of SEBI circular dated June 30, 2008, may be exempt from specifying their PAN for transacting in the securities market and (ii) Applications by persons resident in the state of Sikkim, who, in terms of SEBI circular dated July 20, 2006, may be exempted from specifying their PAN for transacting in the securities market, all Applicants 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 Applicants 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;
14. Ensure that the Demographic Details are updated, true and correct in all respects;
15. 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;
16. Ensure that the name(s) given in the 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 application, the Application Form should contain only the name of the First Applicant whose name should also appear as the first holder of the beneficiary account held in joint names;
17. Ensure that the category and sub-category under which the Application is being submitted is clearly specified in the Application Form;
18. Ensure that in case of Applications under power of attorney or by limited companies, corporate, trust etc., relevant documents are submitted;
19. If you are resident outside India, ensure that Applications by you are in compliance with applicable foreign and Indian laws;

20. Ensure that the DP ID, the Client ID and the PAN mentioned in the Application Form and entered into the online IPO system of the BSE SME by the relevant Designated Intermediary, match with the DP ID, Client ID and PAN available in the Depository database;
21. Applicants should note that in case the DP ID, Client ID and the PAN mentioned in their Application Form and entered into the online system of BSE SME by the relevant Designated Intermediary, do not match with the DP ID, Client ID and PAN available in the Depository database, then such Applications are liable to be rejected. Where the 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 Application Form;
22. In relation to the ASBA Applications, ensure that you use the ASBA Form bearing the stamp of the relevant Designated Intermediary (in the Specified Locations) (except in case of electronic forms);
23. Ensure that the Application Forms are delivered by the Applicants within the time prescribed as per the Application Form and the Prospectus;

Ensure that while applying through a Designated Intermediary, the ASBA Form is submitted to a Designated Intermediary in a Collection Centre and that the SCSB where the ASBA Account, as specified in the ASBA Form, is maintained has named at least one (1) branch at that location for the Designated Intermediary to deposit ASBA Forms (a list of such branches is available on the website of SEBI at <http://www.sebi.gov.in>). Ensure that you have mentioned the correct ASBA Account number in the Application Form;

24. Submit revised Applications to the same Designated Intermediary, through whom the original Application was placed and obtain a revised acknowledgement;
25. Ensure that you have mentioned the correct ASBA Account number in the Application Form;
26. Ensure that you have correctly signed the authorisation/undertaking box in the Application Form, or have otherwise provided an authorisation to the SCSB via the electronic mode, for blocking funds in the ASBA Account equivalent to the Application Amount mentioned in the Application Form at the time of submission of the Application;
27. Ensure that you receive an acknowledgement from the concerned Designated Intermediary, for the submission of your Application Form;

The Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.

**Don'ts:**

1. Do not apply for lower than the minimum Application size;
2. Do not apply at a Price different from the Price mentioned herein or in the Application Form;
3. Do not pay the Application Amount in cash, cheque, by money order or by postal order or by stock invest or any mode other than stated herein;
4. Do not send Application / ASBA Forms by post, instead submit the same to the Designated Intermediary only;

5. Do not submit the Application Forms with the Banker(s) to the Issue (assuming that such bank is not a SCSB), our Company, the LM or the Registrar to the Issue (assuming that the Registrar to the Issue is not one of the RTAs) or any non-SCSB bank;
6. Do not apply on an Application Form that does not have the stamp of the Designated Intermediary;
7. If you are a Retail Individual Applicant, do not apply for an exceeding Rs. 200,000;
8. Do not fill up the Application Form such that the Equity Shares applied for exceeds the Issue size and/or investment limit or maximum number of 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 Prospectus;
9. Do not submit the General Index Register number instead of the PAN;
10. As an ASBA Applicant, do not submit the Application without ensuring that funds equivalent to the entire Application Amount are available to be blocked in the relevant ASBA Account;
11. As an ASBA Applicant, do not instruct your respective banks to release the funds blocked in the ASBA Account;
12. Do not submit incorrect details of the DP ID, Client ID and PAN or provide details for a beneficiary account which is suspended or for which details cannot be verified by the Registrar to the Issue;
13. Do not submit Applications on plain paper or on incomplete or illegible Application Forms or on Application Forms in a colour prescribed for another category of Applicant;
14. If you are a QIB, do not submit your Application after 3.00 pm on the Issue Closing Date for QIBs;
15. If you are a Non-Institutional Applicant or Retail Individual Applicant, do not submit your Application after 3.00 pm on the Issue Closing Date;
16. Do not submit an Application in case you are not eligible to acquire Equity Shares under applicable law or your relevant constitutional documents or otherwise;
17. Do not submit an Application 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 Depositories);
18. If you are a QIB or a Non-Institutional Applicant, do not withdraw your Application or lower the size of your Application (in terms of quantity of the Equity Shares or the Application Amount) at any stage;
19. Do not submit more than five (5) ASBA Forms per ASBA Account;
20. Do not submit ASBA Forms to a member of the Syndicate at a location other than the Specified Locations or to the brokers other than the Registered Brokers at a location other than the Broker Centres; and
21. Do not submit ASBA Forms to a Designated Intermediary at a Collection Centre unless the SCSB where the ASBA Account is maintained, as specified in the ASBA Form, has named at least one (1)

branch in the relevant Collection Centre, for the Designated Intermediary to deposit ASBA Forms (a list of such branches is available on the website of SEBI at <http://www.sebi.gov.in>).

The Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.

### **Undertakings by our Company**

We undertake as follows:

1. That if our Company does not proceed with the Issue after the Issue Closing Date, the reason thereof shall be given as a public notice which will be issued by our Company within two (2) days of the Issue Closing Date. The public notice shall be issued in the same newspapers where the pre-Issue advertisements were published. BSE SME on which the Equity Shares are proposed to be listed shall also be informed promptly;
2. That if our Company withdraws the Issue after the Issue Closing Date, our Company shall be required to file a fresh draft prospectus with BSE SME/ RoC/ SEBI, in the event our Company subsequently decides to proceed with the Issue;
3. The Equity Shares proposed to be issued by it in the Issue shall be allotted and credited to the successful applicants within the specified time in accordance with the instruction of the Registrar to the Issue;
4. That the complaints received in respect of the Issue shall be attended to by our Company expeditiously and satisfactorily;
5. All steps for completion of the necessary formalities for listing and commencement of trading at all the stock exchanges where the Equity Shares are proposed to be listed are taken within six Working Days of the Issue Closing Date;
6. If the Allotment is not made, application monies will be refunded/unblocked in the ASBA Accounts within fifteen (15) days from the Issue Closing Date or such lesser time as specified by SEBI, failing which interest will be due to be paid to the Applicants at the rate of 15% per annum for the delayed period;
7. That where refunds (to the extent applicable) are made through electronic transfer of funds, a suitable communication shall be sent to the Applicant within fifteen (15) days from the Issue Closing Date, or such lesser time as specified by SEBI, giving details of the bank where refunds shall be credited along with amount and expected date of electronic credit of refund;
8. That the Promoters' contribution in full, if required, shall be brought in advance before the Issue opens for subscription;
9. That the allotment of equity shares/ refund confirmation to the Eligible NRIs shall be despatched within specified time;
10. That funds required for making refunds to unsuccessful applicants as per the mode(s) disclosed shall be made available to the Registrar to the Issue by our Company;
11. That our Company shall not have recourse to the Issue Proceeds until the final approval for listing and trading of the Equity Shares from SME where listing is sought has been received.



12. That no further issue of Equity Shares shall be made until the Equity Shares offered through the Prospectus are listed or until the Application monies are refunded on account of non-listing, under-subscription etc.
13. That adequate arrangements shall be made to collect all Application Forms; and
14. That it shall comply with such disclosure and account norms specified by SEBI from time to time.

#### **Utilization of Net Proceeds of the Issue**

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;
2. details of all monies utilised out of the Issue referred in sub-item 1, shall be disclosed, and continue to be disclosed till the time any part of the Issue proceeds remains unutilised, under an appropriate head in the balance sheet of our Company indicating the purpose for which such monies have been utilised;
3. details of all unutilised monies out of the Issue referred in sub-item 1, if any, shall be disclosed under an appropriate separate head in the balance sheet indicating the form in which such unutilised monies have been invested;
4. Our Company shall comply with the requirements of SEBI LODR Regulations in relation to the disclosure and monitoring of the utilization of the proceeds of the Issue.
5. Our Company shall not have recourse to the Issue Proceeds until the approval for listing and trading of the Equity Shares from the Stock Exchange where listing is sought has been received.
6. Our Company declares that all monies received out of the Issue shall be credited/ transferred to a separate bank account other than the bank account referred to in sub-section (3) of Section 40 of the Companies Act.

## **PART B – General Information Document for Investing In Public Issues**

*All Applicants should review the General Information Document for Investing in Public Issues prepared and issued in accordance with the SEBI circular no. CIR/CFD/DIL/12/2013 dated October 23, 2013 notified by SEBI (the “General Information Document”) 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 SCRA, the SCRR and SEBI ICDR Regulations. The General Information Document has been updated to reflect amendments to SEBI ICDR Regulations including reference to SEBI FPI Regulations and certain notified provisions of the Companies Act, to the extent applicable to a public issue. The General Information Document is also available on the websites of BSE SME and the LM. Please refer to the relevant provisions of the General Information Document, which are applicable to the Issue.*

*Our Company and the LM 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 the Prospectus. Applicants are advised to make their independent investigations and ensure that their Applications are submitted in accordance with applicable laws and do not exceed the investment limits or maximum number of the Equity Shares that can be held by them under applicable law or as specified in the Prospectus.*

### **SECTION 1: PURPOSE OF THE GENERAL INFORMATION DOCUMENT (GID)**

This document is applicable to the public issues undertaken through the Book-Building Process as well as to the Fixed Price Issues. The purpose of the “General Information Document for Investing in Public Issues” is to provide general guidance to potential Applicants in IPOs and FPOs, on the processes and procedures governing IPOs and FPOs, undertaken in accordance with the provisions of SEBI ICDR Regulations. Applicants should note that investment in equity and equity related securities involves risk and Applicant 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 will be set out in the Prospectus that will be filed by the Issuer with the Registrar of Companies (“RoC”).

Applicants should carefully read the entire Prospectus and the 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 Prospectus, the disclosures in the Prospectus shall prevail. The Prospectus of the Issuer is available on the website of BSE SME, on the website(s) of the LM(s) to the Issue and on the website of Securities and Exchange Board of India (“SEBI”) at [www.sebi.gov.in](http://www.sebi.gov.in).

### **SECTION 2: BRIEF INTRODUCTION TO IPOs/ FPOs**

#### **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 either Regulation 26(1) or Regulation 26(2) of SEBI ICDR Regulations. For details of compliance with the eligibility requirements by the Issuer, Applicants may refer to the Prospectus.

An issuer may also undertake IPO under of chapter XB of SEBI ICDR Regulations, wherein as per:

- Regulation 106M (1): An issuer whose post- issue face value capital does not exceed Rs. 1,000 Lakhs 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 Rs. 1,000 Lakhs and up to Rs. 2,500 Lakhs, may also issue specified securities in accordance with provisions of this Chapter.

The present Issue is being made under Regulation 106M (1) of Chapter XB of SEBI ICDR Regulation.

## **2.2. Further public offer (FPO) – Not applicable to us**

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 SEBI ICDR Regulations. For details of compliance with the eligibility requirements by the Issuer, Applicants may refer to the Prospectus.

## **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 SEBI ICDR Regulations, the Companies Act, the Companies Act, 1956 (to the extent applicable), 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 (1) of Chapter XB of SEBI ICDR Regulation:

- (a) In accordance with regulation 106P of SEBI ICDR Regulations, issue has to be 100% underwritten;
- (b) In accordance with Regulation 106R of SEBI ICDR Regulations, total number of proposed Allottees in the issue shall be greater than or equal to fifty (50), otherwise, the entire application money will be refunded forthwith. If such money is not repaid within eight (8) 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 (8) 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 106O 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 LM shall submit the copy of Prospectus along with a due diligence certificate including additional confirmations as required to SEBI at the time of filing the Prospectus with BSE SME and the Registrar of Companies;
- (d) In accordance with Regulation 106V of SEBI ICDR Regulations, the LM has to ensure compulsory market making for a minimum period of three (3) years from the date of listing of Equity Shares offered in the issue;
- (e) The post issue paid up capital of the company (face value) shall not be more than Rs. 1,000 Lakhs;
- (f) The issuer shall mandatorily facilitate trading in demat securities;
- (g) The issuer should not have been referred to Board for Industrial and Financial Reconstruction;

- (h) No petition for winding up is admitted by a court or a liquidator has not been appointed of competent jurisdiction against the Company;
- (i) No material regulatory or disciplinary action should have been taken by any stock exchange or regulatory authority in the past three (3) years against the issuer;
- (j) 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 BSE SME.

As per Regulation 106M (3) of SEBI ICDR Regulations, the provisions of Regulations 6(1), 6(2), 6(3), Regulation 8, Regulation 9, Regulation 10, Regulation 25, Regulation 26, Regulation 27 and sub-regulation (1) of Regulation 49 of SEBI ICDR Regulations shall not apply to this issue.

Thus, the Company is eligible for the Issue in accordance with regulation 106M (1) and other provisions of chapter XB of SEBI ICDR Regulations as the post issue face value capital does not exceed Rs. 1,000 Lakhs. Company also complies with the eligibility conditions laid by BSE SME for listing of our Equity Shares

For details in relation to the above, the Applicants may refer to the Prospectus.

#### **2.4. Types of Public Issues – Fixed Price Issues and Book Built Issues**

In accordance with the provisions of SEBI ICDR Regulations, an issuer can either determine the Issue Price through the Book Building Process (“Book Built Issue”) or undertake a Fixed Price Issue (“Fixed Price Issue”). An Issuer may mention Floor Price or Price Band in the Red Herring Prospectus (in case of a Book Built Issue) and a Price or Price Band in the Draft Prospectus (in case of a fixed price 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 (5) Working Days before the Issue Opening Date, in case of an IPO and at least one (1) Working Day before the 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. Applicants should refer to the Prospectus or Issue advertisements to check whether the Issue is a Book Built Issue or a Fixed Price Issue.

Applicants should refer to the 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 (3) Working Days (for all category of Applicants) and not more than ten (10) Working Days. Applicants are advised to refer to the Application Form and Abridged Prospectus or Prospectus for details of the Issue Period. Details of Issue Period are also available on the website of BSE SME.

In case of a Book Built Issue, the Issuer may close the Issue Period for QIBs one (1) Working Day prior to the Issue Closing Date if disclosures to that effect are made in the Prospectus. In case of revision of the Floor Price or Price Band in Book Built Issues the Issue Period may be extended by at least three (3) Working Days, subject

to the total Issue Period not exceeding ten (10) Working Days. For details of any revision of the Floor Price or Price Band, Applicants may check the announcements made by the Issuer on the websites of BSE SME, and the advertisement in the newspaper(s) issued in this regard.

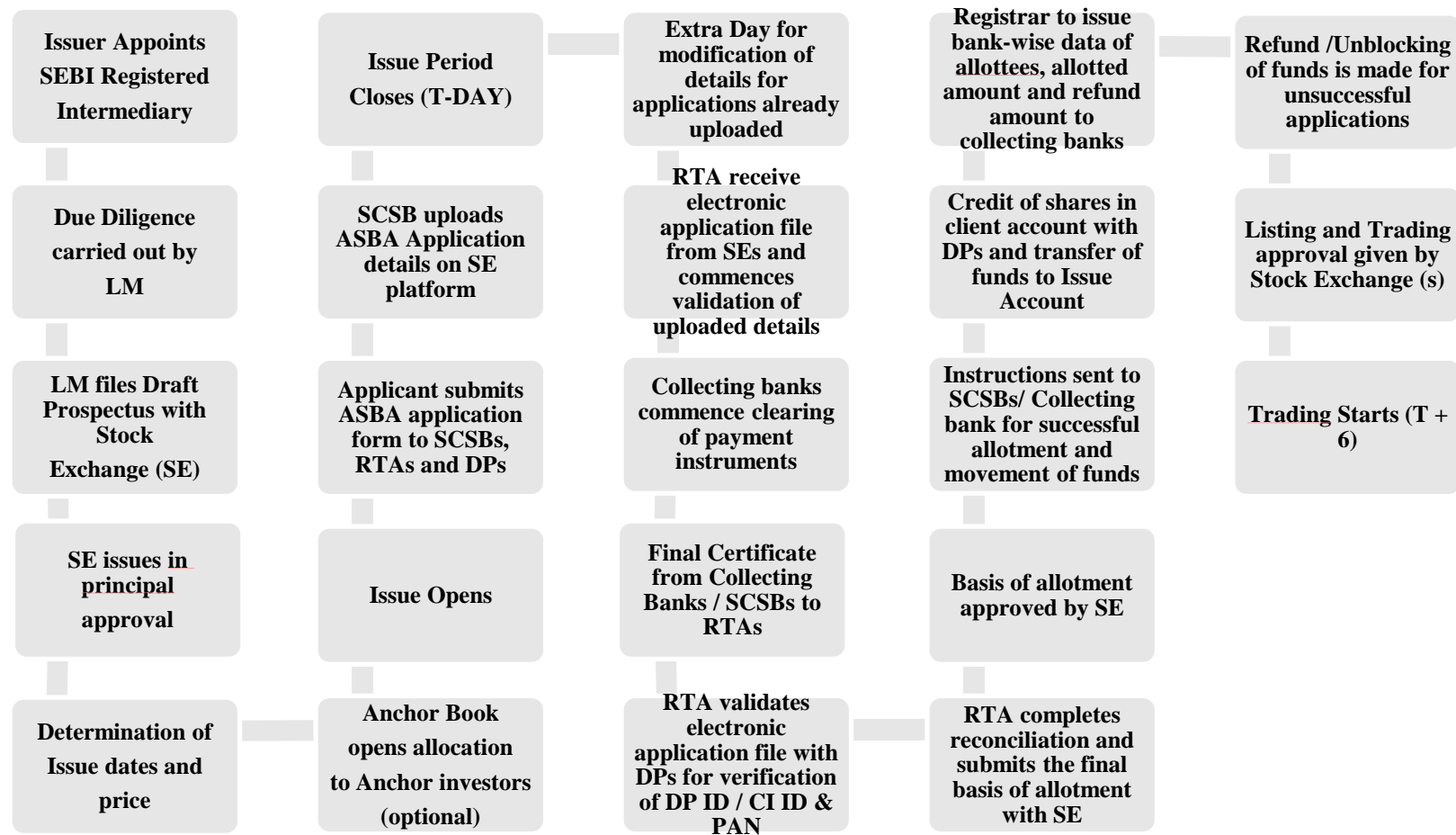
## 2.6. FLOWCHART OF TIMELINES

A flow chart of process flow in Fixed Price and Book Built Issues is as follows. Applicants may note that this is not applicable for Fast Track FPOs.

In case of Issue other than Book Built Issue (Fixed Price Issue) the process at the following of the below mentioned steps shall be read as:

Step 7: Determination of Issue Date and Price

Step 10: Applicant submits Application Form with Designated Branch of SCSB.



### SECTION 3: CATEGORY OF INVESTORS ELIGIBLE TO PARTICIPATE IN AN ISSUE

Each Applicant should check whether it is eligible to apply under applicable law. Furthermore, certain categories of Applicants, such as NRIs, FIIs, 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. Applicants are requested to refer to the Prospectus for more details.

Subject to the above, an illustrative list of Applicants is as follows:

- Indian nationals resident in India who are competent to contract under the Indian Contract Act, 1872, in single or joint names (not more than three);
- Applications belonging to an account for the benefit of a minor (under guardianship);
- Hindu Undivided Families or HUFs, in the individual name of the karta. The Applicant should specify that the Application is being made in the name of the HUF in the Application Form as follows: “Name of sole or first Applicant: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the karta”. Applications by HUFs may be considered at par with Applications from individuals;
- Companies, corporate bodies and societies registered under applicable law in India and authorised to invest in equity shares;
  - QIBs;
  - Eligible NRIs on a repatriation basis or on a non-repatriation basis subject to applicable law. NRIs other than Eligible NRIs are not eligible to participate in this issue;
  - Indian Financial Institutions, scheduled commercial banks (excluding foreign banks), regional rural banks, co-operative banks (subject to RBI regulations and SEBI ICDR Regulations and other laws, as applicable);
  - FIIs and sub-accounts registered with SEBI, other than a sub-account which is a foreign corporate or foreign individual, applying under the QIBs category;
  - Sub-accounts of FIIs registered with SEBI, which are foreign corporates or foreign individuals only under the Non Institutional Investors (“NIIs”) category;
  - FPIs other than Category III foreign portfolio investors applying under the QIBs category;
  - FPIs which are Category III foreign portfolio investors, applying under the NIIs category;
  - Scientific and/or industrial research organisations authorised in India to invest in the Equity Shares;
  - Trusts/societies registered under the Societies Registration Act, 1860, or under any other law relating to trusts/societies and who are authorised under their respective constitutions to hold and invest in equity shares;
  - Limited liability partnerships registered under the Limited Liability Partnership Act, 2008;
  - Any other person eligible to apply in the Issue, under the laws, rules, regulations, guidelines and policies applicable to them and under Indian laws; and
  - As per the existing regulations, OCBs are not allowed to participate in an Offer.

### SECTION 4: APPLYING IN THE ISSUE

**Book Built Issue:** Applicants should only use the specified ASBA Form (or in case of Anchor Investors, the Anchor Investor Application Form) bearing the stamp of a Designated Intermediary, as available or downloaded from the websites of the BSE SME. Application Forms are available with the LM, the Designated Intermediaries at the Collection Centres and at the registered office of the Issuer. Electronic Application Forms will be available on the website of the BSE SME at least one day prior to the Issue Opening Date. For further details, regarding availability of Application Forms, Applicants may refer to the Red Herring Prospectus/Prospectus.

**Fixed Price Issue:** Applicants should only use the specified 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.

Applicants should ensure that they apply in the appropriate category. The prescribed colour of the Application Form for various categories of Applicants is as follows:

<b>Category</b>	<b>Colour of the Application Form <sup>(1)</sup></b>
Resident Indian, Eligible NRIs applying on a non-repatriation basis	White
NRIs, FVCIs, FIIs, their sub-accounts other than sub-accounts which are foreign corporate(s) or foreign individuals applying under the QIB), FPIs, on a repatriation basis	Blue

<sup>(1)</sup> excluding electronic Application Form

Securities issued in an IPO can only be in dematerialized form in compliance with Section 29 of the Companies Act. Applicants will not have the option of getting the Allotment of Equity Shares in physical form. However, they may get the Equity Shares rematerialized subsequent to Allotment.

#### **4.1 INSTRUCTIONS FOR FILLING THE APPLICATION FORM**

Applicants may note that forms not filled completely or correctly as per instructions provided in this GID, the Prospectus and the Application Form are liable to be rejected.

Instructions to fill each field of the Application Form can be found on the reverse side of the Application Form. Specific instructions for filling various fields of the Resident Application Form and Non- Resident Application Form and samples are provided below.

The samples of the Application Form for resident Applicants and the Application Form for non-resident Applicants are reproduced below:



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**COMMON APPLICATION FORM**

**XYZ LIMITED - INITIAL PUBLIC ISSUE - R**  
Registered Office: Abcd, Abcd, Abcd, Abcd, Abcd, Abcd, Abcd, Abcd.  
Tel. No.: +91 1234567890; Fax No.: +91 1234567890;  
E-mail: abcd@abcd.com; Website: www.abcd.com; CIN NO: 1234567890

**FOR RESIDENT INDIANS, INCLUDING RESIDENT QIBs AND ELIGIBLE NRIs APPLYING ON A NON-REPATRIATION BASIS**

To,  
The Board of Directors  
XYZ LIMITED

**FIXED PRICE SME ISSUE**  
ISIN - XXXXXXXX

Date: \_\_\_\_\_  
Application Form No. \_\_\_\_\_

<b>BROKER'S / SCSB / DP / RTA STAMP &amp; CODE</b>	<b>SUB-BROKER'S / SUB-AGENT'S STAMP &amp; CODE</b>	<b>1. NAME &amp; CONTACT DETAILS OF SOLE/FIRST APPLICANT</b>	
		Mr. / Ms	Age
		Address	
		Email	
		Tel No (with STD code) / Mobile	
<b>SCSB / BANK BRANCH STAMP &amp; CODE</b>	<b>SCSB / BANK BRANCH SERIAL NO.</b>	<b>2. PAN OF SOLE/FIRST APPLICANT</b>	

<b>3. INVESTOR'S DEPOSITORY ACCOUNT DETAILS</b>	<input type="checkbox"/> NSDL	<input type="checkbox"/> CDSL	<b>6. INVESTOR STATUS</b>
For NSDL enter 8 Digit DP ID followed by 8 Digit Client ID / For CDSL enter 16 Digit Client ID.			<input type="checkbox"/> Individual(s) - IND <input type="checkbox"/> Non-Resident Indians (Non-Repatriation Basis) - NRI <input type="checkbox"/> Hindu Undivided Family* - HUF <input type="checkbox"/> Bodies Corporate - CO <input type="checkbox"/> Banks & Financial Institutions - FI <input type="checkbox"/> Mutual Funds - MF <input type="checkbox"/> National Investment Funds - NIF <input type="checkbox"/> Insurance Funds - IF <input type="checkbox"/> Insurance Companies - IC <input type="checkbox"/> Venture Capital Funds - VCF <input type="checkbox"/> Alternative Investment Funds - AIF <input type="checkbox"/> Others (Please Specify) - OTH

<b>4. APPLICATION DETAILS</b>	<b>5. CATEGORY</b>
No. of Equity Shares of ₹ 10/- each applied at the Issue Price i.e. at ₹ [*] /- per share <sup>1 &amp; 2</sup>	<input type="checkbox"/> Retail Individual <input type="checkbox"/> Non-Institutional <input type="checkbox"/> QIB
(In Figures) _____ (In Words) _____	
<sup>1</sup> Please note that applications must be made in minimum of [*] shares and further multiples of [*] shares accordingly. <sup>2</sup> Please note that the trading of equity shares will be only in dematerialised mode on the [*]	

<b>7. PAYMENT DETAILS</b>	<b>PAYMENT OPTION : Full Payment</b>
Amount Blocked (₹ in Figures) _____ (₹ in words) _____	
ASBA Bank A/c No. _____	
Bank Name & Branch _____	

I/WE (ON BEHALF OF JOINT APPLICANTS, IF ANY), HEREBY CONFIRM THAT I/WE HAVE READ AND UNDERSTOOD THE TERMS AND CONDITIONS OF THIS APPLICATION FORM AND THE ATTACHED ABRIDGED PROSPECTUS AND THE GENERAL INFORMATION DOCUMENT FOR INVESTING IN THE PUBLIC ISSUE ("GID") AND HEREBY AGREE AND CONFIRM THE "INVESTOR UNDERTAKING" AS GIVEN OVERLEAF. I/WE (ON BEHALF OF JOINT APPLICANTS, IF ANY) HEREBY CONFIRM THAT I/WE HAVE READ THE INSTRUCTIONS FOR FILLING UP THE APPLICATION FORM GIVEN OVERLEAF.

<b>8 A. SIGNATURE OF SOLE / FIRST APPLICANT</b>	<b>8 B. SIGNATURE OF ASBA BANK ACCOUNT HOLDER(S) (AS PER BANK RECORDS)</b>	<b>BROKER / SCSB / DP / RTA STAMP (Acknowledging upload of Application in Stock Exchange System)</b>
Date _____, 2018	I/We authorize the SCSB to do all acts as are necessary to make the Application in the issue 1) _____ 2) _____ 3) _____	

PLEASE FILL IN BLOCK LETTERS

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<b>XYZ LIMITED - INITIAL PUBLIC ISSUE - R</b>	<b>Acknowledgement Slip for Registered Broker/SCSB/CDP/RTA</b>	<b>Application Form No.</b>
DPID / CLID _____	PAN of Sole/First Bidder _____	
Amount Blocked (₹ in figures) _____ Bank & Branch _____	Stamp & Signature of SCSB Branch _____	
ASBA Bank A/c No. _____		
Received from Mr./Ms. _____		
Telephone / Mobile _____ Email _____		

<b>XYZ LIMITED - INITIAL PUBLIC ISSUE - R</b>	In Figures	In Words	<b>Stamp &amp; Signature of Registered Broker / SCSB / CDP / RTA</b>	<b>Name of Sole / First Applicant</b>
	No of Equity Shares			
	Amount Blocked (₹)			
	ASBA Bank A/c No.:			<b>Acknowledgement Slip for Applicant</b>
	Bank & Branch:			<b>Application Form No.</b>

www.sapprints.com

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<b>COMMON APPLICATION FORM</b>	<b>XYZ LIMITED - INITIAL PUBLIC ISSUE - NR</b> Registered Office: Abcd, Abcd, Abcd, Abcd, Abcd, Abcd, Abcd. Tel. No.: +91 1234567890; Fax No.: +91 1234567890; E-mail: abcd@abcd.com; Website: www.abcd.com; CIN NO: 1234567890	<b>FOR NON-RESIDENT INCLUDING ELIGIBLE NRIs, FPIs or FVCIs ETC. APPLYING ON A REPATRIATION BASIS</b>
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To,  
The Board of Directors  
XYZ LIMITED

FIXED PRICE SME ISSUE  
ISIN - XXXXXXXX

Application Form No. \_\_\_\_\_

Date : \_\_\_\_\_

<b>BROKER'S / SCSB / DP / RTA STAMP &amp; CODE</b>	<b>SUB-BROKER'S / SUB-AGENT'S STAMP &amp; CODE</b>	<b>1. NAME &amp; CONTACT DETAILS OF SOLE/FIRST APPLICANT</b>	
		Mr. / Ms. _____ Age _____	
		Address _____	
		Email _____	
		Tel. No (with STD code) / Mobile _____	
<b>SCSB / BANK BRANCH STAMP &amp; CODE</b>	<b>SCSB / BANK BRANCH SERIAL NO.</b>	<b>2. PAN OF SOLE/FIRST APPLICANT</b>	
		_____	

<b>3. INVESTOR'S DEPOSITORY ACCOUNT DETAILS</b> <input type="checkbox"/> NSDL <input type="checkbox"/> CDSL	<b>6. INVESTOR STATUS</b>
For NSDL enter 8 Digit DP ID followed by 8 Digit Client ID / For CDSL enter 16 Digit Client ID.	<input type="checkbox"/> Non-Resident Indians (Repatriation basis) NRI
<b>4. APPLICATION DETAILS</b>	<input type="checkbox"/> FI or Sub Account not a Corporate / Foreign Individual FI
No. of Equity Shares of ₹ 10/- each applied at the Issue Price i.e. at ₹ [●] /- per share <sup>1 &amp; 2</sup>	<input type="checkbox"/> FI Sub Account Corporate/ Individual FI SA
(In Figures) _____ (In Words) _____	<input type="checkbox"/> Foreign Venture Capital Investor FVCI
<small><sup>1</sup> Please note that applications must be made in minimum of [●] shares and further multiples of [●] shares accordingly. <sup>2</sup> Please note that the trading of equity shares will be only in dematerialised mode on the [●].</small>	<input type="checkbox"/> Foreign Portfolio Investors FPI
<b>5. CATEGORY</b>	<input type="checkbox"/> Others (Please: Specify) OTH
<input type="checkbox"/> Retail Individual	
<input type="checkbox"/> Non-Institutional	
<input type="checkbox"/> QIB	

<b>7. PAYMENT DETAILS</b>	<b>PAYMENT OPTION : Full Payment</b>
Amount Blocked (₹ in Figures) _____ (₹ in words) _____	
ASBA Bank A/c No. _____	
Bank Name & Branch _____	

I/WE (ON BEHALF OF JOINT APPLICANTS, IF ANY), HEREBY CONFIRM THAT I/WE HAVE READ AND UNDERSTOOD THE TERMS AND CONDITIONS OF THIS APPLICATION FORM AND THE ATTACHED ABRIDGED PROSPECTUS AND THE GENERAL INFORMATION DOCUMENT FOR INVESTING IN THE PUBLIC ISSUE ("GID") AND HEREBY AGREE AND CONFIRM THE "INVESTOR UNDERTAKING" AS GIVEN OVERLEAF. I/WE (ON BEHALF OF JOINT APPLICANTS, IF ANY) HEREBY CONFIRM THAT I/WE HAVE READ THE INSTRUCTIONS FOR FILLING UP THE APPLICATION FORM GIVEN OVERLEAF.

<b>8 A. SIGNATURE OF SOLE / FIRST APPLICANT</b>	<b>8 B. SIGNATURE OF ASBA BANK ACCOUNT HOLDER(S) (AS PER BANK RECORDS)</b>	<b>BROKER / SCSB / DP / RTA STAMP (Acknowledging upload of Application in Stock Exchange System)</b>
Date: _____, 2018	I/We authorize the SCSB to do all acts as are necessary to make the Application in the issue	
	1) _____	
	2) _____	
	3) _____	

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<b>XYZ LIMITED - INITIAL PUBLIC ISSUE - NR</b>	Acknowledgement Slip for Registered Broker/SCSB/CDP/RTA	Application Form No. _____
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DPID / CLID	PAN of Sole/First Bidder	
Amount Blocked (₹ in figures)	Bank & Branch	Stamp & Signature of SCSB Branch
ASBA Bank A/c No.		
Received from Mr./Ms.		
Telephone / Mobile	Email	

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<b>XYZ LIMITED - INITIAL PUBLIC ISSUE - NR</b>	<table border="1" style="width: 100%;"> <tr> <td style="width: 15%;">No of Equity Shares</td> <td style="width: 15%;">In Figures</td> <td style="width: 15%;">In Words</td> </tr> <tr> <td>Amount Blocked (₹)</td> <td></td> <td></td> </tr> </table>	No of Equity Shares	In Figures	In Words	Amount Blocked (₹)			Stamp & Signature of Registered Broker / SCSB / CDP / RTA	Name of Sole / First Applicant
No of Equity Shares	In Figures	In Words							
Amount Blocked (₹)									
ASBA Bank A/c No.:									
Bank & Branch:									
<b>Acknowledgement Slip for Applicant</b>									
Application Form No. _____									

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www.sapprints.com

#### **4.1.1. FIELD NUMBER 1: NAME AND CONTACT DETAILS OF THE SOLE/FIRST APPLICANT**

- (a) Applicants should ensure that the name provided in this field is exactly the same as the name in which the Depository Account is held.
- (b) **Mandatory Fields:** Applicants should note that the name and address fields are compulsory and e-mail and/or telephone number/mobile number fields are optional. Applicants should note that the contact details mentioned in the Application Form may be used to dispatch communications (including letter notifying the unblocking of the bank account of Applicants) 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 Application Form may be used by the Issuer, the Designated Intermediaries and the Registrar to the Issue only for correspondence(s) related to an Issue and for no other purposes.
- (c) **Joint Applications:** In the case of Joint Applications, the Applications should be made in the name of the Applicant 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 Applicant would be required in the Application Form and such first Applicant would be deemed to have signed on behalf of the joint holders.
- (d) **Impersonation:** Attention of the Applicants is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act, 2013 which is reproduced below:

*“Any person who:*

- a. makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or*
- b. makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or*
- c. otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name, shall be liable for action under Section 447.”*

The liability prescribed under Section 447 of the Companies Act, 2013 includes imprisonment for a term which shall not be less than six months extending up to 10 years (provided that where the fraud involves public interest, such term shall not be less than three years) and fine of an amount not less than the amount involved in the fraud, extending up to three times of such amount.

#### **(e) Nomination Facility to Applicant:**

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 Applicants should inform their respective DP.

#### **4.1.2. FIELD NUMBER 2: PAN OF SOLE/FIRST APPLICANT**

- (a) PAN (of the sole/first Applicant) provided in the 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 Applications on behalf of the Central or State Government, Applications by officials appointed by the courts and Applications by Applicants residing in Sikkim (“PAN Exempted Applicants”). Consequently, all Applicants, other than the PAN Exempted Applicants, are required to disclose their PAN in the Application Form, irrespective of the Application Amount. Applications by the Applicants 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 Applicants 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) Application Forms which provide the GIR Number instead of PAN may be rejected.
- (e) Applications by Applicants 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. FIELD NUMBER 3: APPLICANTS DEPOSITORY ACCOUNT DETAILS**

- (a) Applicants should ensure that DP ID and the Client ID are correctly filled in the Application Form. The DP ID and Client ID provided in the Application Form should match with the DP ID and Client ID available in the Depository database, otherwise, the Application Form is liable to be rejected.
- (b) Applicants should ensure that the beneficiary account provided in the Application Form is active.
- (c) Applicants should note that on the basis of the DP ID and Client ID as provided in the Application Form, the Applicant may be deemed to have authorized the Depositories to provide to the Registrar to the Issue, any requested Demographic Details of the Applicant as available in the records of the Depositories. These Demographic Details may be used, among other things, for other correspondence(s) related to an Issue.
- (d) Applicants 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 Applicants’ sole risk.

#### **4.1.4. FIELD NUMBER 4: APPLICATION DETAILS**

- (a) The Issuer may mention Issue Price in the Draft Prospectus. However, a prospectus registered with RoC contains one price.
- (b) Minimum And Maximum Application Size
  - i For Retail Individual Applicants

The Application must be for a minimum of 4,000 Equity Shares. As the Issue Price payable by the Retail Individual Applicants cannot exceed Rs. 2,00,000, they can make Application for only minimum Application size i.e. for 4,000 Equity Shares.

ii For Other Applicants (Non Institutional Applicants and QIBs):

The Application must be for a minimum of such number of Equity Shares such that the Application amount exceeds Rs. 2,00,000 and in multiples of 4,000 Equity Shares thereafter. An Application cannot be submitted for more than the Issue Size. However, the maximum Application by a QIB investor should not exceed the investment limits prescribed for them by applicable laws. Under existing SEBI Regulations, a QIB Applicant cannot withdraw its Application after the Issue Closing Date and is required to pay 100% QIB Margin upon submission of Application. In case of revision in Applications, the Non Institutional Applicants, who are individuals, have to ensure that the Application Amount is greater than Rs. 2,00,000 for being considered for allocation in the Non Institutional Portion. Applicants are advised to ensure that any single Application from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or regulation or as specified in the Prospectus.

(c) Multiple Applications: An Applicant should submit only one (1) Application Form. Submission of a second Application Form to either the same or to another Designated Intermediary and duplicate copies of Application Forms bearing the same application number shall be treated as multiple Applications and are liable to be rejected.

(d) Applicants are requested to note the following procedures may be followed by the Registrar to the Issue to detect multiple applications:

- i. All applications may be checked for common PAN as per the records of the Depository. For Applicants other than Mutual Funds and FII sub-accounts, applications bearing the same PAN may be treated as multiple applications by an Applicant and may be rejected.
- ii. For applications from Mutual Funds and FII sub-accounts, submitted under the same PAN, as well as applications on behalf of the PAN Exempted Applicants, the Application Forms may be checked for common DP ID and Client ID. Such applications which have the same DP ID and Client ID may be treated as multiple applications and are liable to be rejected.

(e) The following applications may not be treated as multiple applications:

- i. Applications by Reserved Categories Applicants in their respective Reservation Portion as well as applications made by them in the Issue portion in public category.
- ii. Separate applications by Mutual Funds in respect of more than one scheme of the mutual fund provided that the applications clearly indicate the scheme for which the application has been made.
- iii. Applications 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.

#### **4.1.5. FIELD NUMBER 5: CATEGORY OF APPLICANTS**

(a) The categories of Applicants identified as per SEBI ICDR Regulations, for the purpose of Application, allocation and Allotment in the Issue are RIIs, NIIs and QIBs.

(c) An Issuer can make reservation for certain categories of Applicants as permitted under SEBI ICDR Regulations. For details of any reservations made in the Issue, Applicants may refer to the Prospectus.

- (d) SEBI ICDR Regulations, specify the allocation or Allotment that may be made to various categories of Applicants 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, an Applicant may refer to the Prospectus.

#### **4.1.6. FIELD NUMBER 6: INVESTOR STATUS**

- (a) Each Applicant 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 Applicants, such as NRIs, FPIs and FVCIs may not be allowed to apply in the Issue or hold Equity Shares exceeding certain limits specified under applicable law. Applicants are requested to refer to the Prospectus for more details.
- (c) Applicants 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 Application Form and Non-Resident Application Form.
- (d) Applicants should ensure that their investor status is updated in the Depository records.

#### **4.1.7. FIELD NUMBER 7: PAYMENT DETAILS**

- (a) The full Application Amount (net of any discount, as applicable) shall be blocked in the ASBA Account based on the authorisation provided in the ASBA Form. If discount is applicable in the Issue, RIIs should indicate the full Application Amount in the Application Form and funds shall be blocked for the Application Amount net of discount. Only in cases where the Prospectus indicates that part payment may be made, such an option can be exercised by the Applicant.
- (b) All Applicants (except Anchor Investors) have to participate in the Issue only through the ASBA mechanism.
- (c) Application Amount cannot be paid in cash, cheque, demand drafts, through money order or through postal order.

##### **4.1.7.1 Instructions for Anchor Investors:**

- (a) Anchor Investors may submit their Applications with a Lead Manager.
- (b) Payments should be made either by RTGS, NEFT or cheque/ demand draft drawn on any bank (including a co-operative bank), which is situated at, and is a member of or sub-member of the bankers' clearing house located at the centre where the Anchor Investor Application Form is submitted. Cheques/bank drafts drawn on banks not participating in the clearing process may not be accepted and applications accompanied by such cheques or bank drafts are liable to be rejected.
- (c) If the cheque or demand draft accompanying the Application Form is not made favoring the Escrow Account, the Application is liable to be rejected.

- (d) The Escrow Collection Banks shall maintain the monies in the Escrow Account for and on behalf of the Anchor Investors until the Designated Date.
- (e) Anchor Investors are advised to provide the number of the Anchor Investor Application Form and PAN on the reverse of the cheque or bank draft to avoid any possible misuse of instruments submitted.

#### **4.1.7.2 Payment instructions for Applicants**

- (a) Applicants may submit the ASBA Form either
  - i. in physical mode to the Designated Branch of an SCSB where the Applicants have ASBA Account, or
  - ii. 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 Application Form, or
  - iii. in physical mode to any Designated Intermediary.
- (b) Applicants must specify the bank account number in the Application Form. The Application Form submitted by Applicants and which is accompanied by cash, demand draft, cheque, 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) Applicants should ensure that the Application Form is also signed by the ASBA Account holder(s) if the Applicant is not the ASBA Account holder.
- (d) Applicants shall note that for the purpose of blocking funds under ASBA facility clearly demarcated funds shall be available in the account.
- (e) From one (1) ASBA Account, a maximum of five (5) Application Forms can be submitted.
- (f) Applicants submitted through a member of the Syndicate should ensure that the Application Form is submitted to a member of the Syndicate only at the Specified Locations. Applicants should also note that Application Forms submitted to the Syndicate at the Specified Locations may not be accepted by the member of the Syndicate if the SCSB where the ASBA Account, as specified in the Application Form, is maintained has not named at least one branch at that location for the members of the Syndicate to deposit Application Forms (a list of such branches is available on the website of SEBI at <http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries>).
- (g) Applicants applying through a Designated Intermediary, other than a SCSB, should note that ASBA Forms submitted to such Designated Intermediary may not be accepted, if the SCSB where the ASBA Account, as specified in the Application Form, is maintained has not named at least one (1) branch at that location for such Designated Intermediary, to deposit ASBA Forms.
- (h) Applicants applying directly through the SCSBs should ensure that the ASBA Form is submitted to a Designated Branch of a SCSB where the ASBA Account is maintained.

- (i) Upon receipt of the ASBA Form, the Designated Branch of the SCSB may verify if sufficient funds equal to the Application Amount are available in the ASBA Account, as mentioned in the Application Form.
  - (j) If sufficient funds are available in the ASBA Account, the SCSB may block an amount equivalent to the Application Amount mentioned in the ASBA Form and for application directly submitted to SCSB by investor, may upload the application in the stock exchange platform.
  - (k) If sufficient funds are not available in the ASBA Account, the Designated Branch of the SCSB may not accept such Applications and such Applications are liable to be rejected.
  - (l) Upon submission of a completed ASBA Form each Applicant may be deemed to have agreed to block the entire Application Amount and authorized the Designated Branch of the SCSB to block the Application Amount specified in the ASBA Form in the ASBA Account maintained with the SCSBs.
- (m) The Application Amount may remain blocked in the aforesaid ASBA Account until finalisation of the Basis of Allotment and consequent transfer of the Application Amount against the Allotted Equity Shares to the Public Issue Account, or until withdrawal or failure of the Issue, or until withdrawal or rejection of the Application, as the case may be.
- (n) SCSBs applying in the Issue must apply through an account maintained with any other SCSB; else their Applications are liable to be rejected.

#### **4.1.7.2.1 Unblocking of ASBA Account**

- (a) Once the Basis of Allotment is approved by BSE SME, 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 applications 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 Application, (ii) the amount to be transferred from the relevant bank account to the Public Issue Account, for each Application, (iii) the date by which funds referred to in (ii) above may be transferred to the Public Issue Account, and (iv) details of rejected Applications, 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 Applicant 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 ASBA Form and for unsuccessful Applications, the Registrar to the Issue may give instructions to the SCSB to unblock the Application Amount in the relevant ASBA Account within six (6) Working Days of the Issue Closing Date.

#### **4.1.7.3 Discount (if applicable)**

- (a) The discount is stated in absolute rupee terms.
- (b) Applicants applying under RII category and Retail Individual Shareholder only eligible for discount. For discounts offered in the Issue, Applicants may refer to the Prospectus.



- (c) The Applicants entitled to the applicable discount in the Issue may block the Application Amount less Discount.

Applicants may note that in case the net amount blocked (post discount) is more than Rs. 2 Lakhs, the system automatically considers such applications for allocation under Non-Institutional Category. These applications are neither eligible for discount nor fall under RII category.

#### **4.1.8 FIELD NUMBER 8: SIGNATURES AND OTHER AUTHORISATIONS**

- (a) Only the First Applicant is required to sign the Application Form. Applicants 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 Applicant, then the signature of the ASBA Account holder(s) is also required.
- (c) The signature has to be correctly affixed in the authorisation/undertaking box in the 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 Application Amount mentioned in the Application Form.
- (d) Applicants must note that Application Form without signature of Applicant and/or ASBA Account holder is liable to be rejected.

#### **4.1.9 ACKNOWLEDGEMENT AND FUTURE COMMUNICATION**

- (a) Applicants should ensure that they receive the Acknowledgement Slip duly signed and stamped by the Designated Intermediary, as applicable, for submission of the ASBA Form.
- (b) All communications in connection with Applications made in the Issue may be addressed as under:
- In case of queries related to Allotment, non-receipt of Allotment Advice, credit of Allotted Equity shares, refund orders, the Applicants should contact the Registrar to the Issue.
  - In case of Applications submitted to the Designated Branches of the SCSBs, the Applicants should contact the relevant Designated Branch of the SCSB.
  - In case of queries relating to uploading of Applications by a Syndicate Member, the Applicants should contact the relevant Syndicate Member.
  - In case of queries relating to uploading of Applications by a Registered Broker, the Applicants should contact the relevant Registered Broker
  - In case of Applications submitted to the RTA, the Applicants should contact the relevant RTA.
  - In case of Applications submitted to the DP, the Applicants should contact the relevant DP.
  - Applicant may contact our Company Secretary and Compliance Officer or LM(s) in case of any other complaints in relation to the Issue.

The following details (as applicable) should be quoted while making any queries:

- full name of the sole or first Applicant, Application Form number, Applicant' DP ID, Client ID, PAN, number of the Equity Shares applied for, amount paid on application;
- name and address of the Designated Intermediary where the Application Form was submitted by the Applicant;

- In case of Applications other than from Anchor Investors, ASBA Account number in which the amount equivalent to the Application Amount was blocked.
- In case of Anchor Investor applications cheque or draft number and the name of the issuing bank thereof.

Further, the investor shall also enclose a copy of the TRS duly received from the Designated Intermediaries in addition to the information mentioned hereinabove.

For further details, Applicant may refer the Prospectus and the Application Form.

#### **4.2 INSTRUCTIONS FOR FILING THE REVISION FORM**

- (a) During the Issue Period, any Applicant (other than QIBs and NIIs, who can only revise their application amount upwards) who has registered his or her interest in the Equity Shares at a particular number of shares is free to revise number of shares applied using revision forms available separately.
- (b) RII may revise/withdraw their applications till the Issue Closing Date.
- (c) Revisions can be made in both the desired number of Equity Shares and the Application Amount by using the Revision Form.
- (d) The Applicant can make this revision any number of times during the Issue Period.

However, for any revision(s) in the Application, the Applicants will have to use the services of the same Designated Intermediary through which such Applicant had placed the original Application. Applicants are advised to retain copies of the blank Revision Form and the Application(s) must be made only in such Revision Form or copies thereof.

A sample revision form is reproduced below:

<b>COMMON APPLICATION FORM</b>	<b>XYZ LIMITED - INITIAL PUBLIC ISSUE REVISION - R</b> Registered Office: Abcd, Abcd, Abcd, Abcd, Abcd, Abcd, Abcd. Tel. No.: +91 1234567890; Fax No.: +91 1234567890; E-mail: abcd@abcd.com; Website: www.abcd.com; CIN NO: 1234567890	FOR RESIDENT INDIANS, INCLUDING RESIDENT QIBs AND ELIGIBLE NRIs APPLYING ON A NON-REPATRIATION BASIS
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To,  
The Board of Directors  
XYZ LIMITED

FIXED PRICE SME ISSUE  
ISIN - XXXXXXXX

Application Form No.

Date: \_\_\_\_\_

<b>BROKER'S / SCSB / DP / RTA STAMP &amp; CODE</b>	<b>SUB-BROKER'S / SUB-AGENT'S STAMP &amp; CODE</b>	<b>L. NAME &amp; CONTACT DETAILS OF SOLE/FIRST APPLICANT</b>	
		Mr./Ms./M/s. _____	
		Address _____	
		Email _____	
		Tel. No (with STD code) / Mobile _____	
<b>SCSB / BANK BRANCH STAMP &amp; CODE</b>	<b>SCSB / BANK BRANCH SERIAL NO.</b>	<b>2. PAN OF SOLE/FIRST APPLICANT</b>	
		_____	
		<b>3. INVESTOR'S DEPOSITORY ACCOUNT DETAILS</b> <input type="checkbox"/> NSDL <input type="checkbox"/> CDSL	
		For NSDL enter 8 Digit DP ID followed by 8 Digit Client ID / For CDSL enter 16 Digit Client ID	

PLEASE CHANGE MY APPLICATION  PHYSICAL

**4. FROM (as per last Application or Revision)**

Options	No. of Equity Shares applied (Application must be in multiples of [•] equity shares)		Price per Equity Share (₹) [•]/-			
	(In Figures)		(In Figures)	Issue Price	Discount, if any	Net Price
Option 1						
(OR) Option 2						
(OR) Option 3						

**5. TO (Revised Application)**

Options	No. of Equity Shares applied (Application must be in multiples of [•] equity shares)		Price per Equity Share (₹) [•]/-			
	(In Figures)		(In Figures)	Issue Price	Discount, if any	Net Price
Option 1						
(OR) Option 2						
(OR) Option 3						

**7. PAYMENT DETAILS** **PAYMENT OPTION : Full Payment**

Amount Blocked (₹ in Figures) \_\_\_\_\_ (₹ in words) \_\_\_\_\_

ASBA Bank A/c No. \_\_\_\_\_

Bank Name & Branch \_\_\_\_\_

I/WE (ON BEHALF OF JOINT APPLICANTS, IF ANY), HEREBY CONFIRM THAT I/WE HAVE READ AND UNDERSTOOD THE TERMS AND CONDITIONS OF THIS APPLICATION FORM AND THE ATTACHED ABRIDGED PROSPECTUS AND THE GENERAL INFORMATION DOCUMENT FOR INVESTING IN THE PUBLIC ISSUE ("GID") AND HEREBY AGREE AND CONFIRM THE "INVESTOR UNDERTAKING" AS GIVEN OVERLEAF. I/WE (ON BEHALF OF JOINT APPLICANTS, IF ANY) HEREBY CONFIRM THAT I/WE HAVE READ THE INSTRUCTIONS FOR FILLING UP THE APPLICATION FORM GIVEN OVERLEAF.

<b>8 A. SIGNATURE OF SOLE / FIRST APPLICANT</b>	<b>8 B. SIGNATURE OF ASBA BANK ACCOUNT HOLDER(S) (AS PER BANK RECORDS)</b>	<b>BROKER / SCSB / DP / RTA STAMP</b> (Acknowledging upload of Application in Stock Exchange System)
Date: _____, 2018	<small>I/We authorize the SCSB to do all acts as are necessary to make the Application in the issue</small>	
	1) _____	
	2) _____	
	3) _____	

<b>XYZ LIMITED - INITIAL PUBLIC ISSUE - REVISION - R</b>	Acknowledgement Slip for Registered Broker/SCSB/CDP/RTA	Application Form No.
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DPID / CLID: \_\_\_\_\_ PAN: \_\_\_\_\_

Additional Amount Blocked (₹ in figures) \_\_\_\_\_ Bank & Branch \_\_\_\_\_ SCSB Branch Stamp & Signature \_\_\_\_\_

ASBA Bank A/c No. \_\_\_\_\_

Received from Mr./Ms. \_\_\_\_\_

Telephone / Mobile \_\_\_\_\_ Email \_\_\_\_\_

<b>XYZ LIMITED - INITIAL PUBLIC ISSUE - REVISION - R</b>		Option 1	Option 2	Option 3	<b>Stamp &amp; Signature of Registered Broker/SCSB/CDP/RTA</b>	<b>Name of Sole / First Applicant</b>
	No. of Equity Shares					
	Issue Price					
	Additional Amount Blocked (₹)					
ASBA Bank A/c No.:						<b>Acknowledgment Slip for Applicant</b>
Bank & Branch:						<b>Application Form No.</b>

**COMMON APPLICATION FORM**

**XYZ LIMITED - INITIAL PUBLIC ISSUE - REVISION - NR**

Registered Office: Abed, Abed, Abed, Abed, Abed, Abed, Abed.  
Tel. No.: +91 1234567890; Fax No.: +91 1234567890;  
E-mail: abed@abcd.com; Website: www.abcd.com; CIN NO: 1234567890

**FOR NON-RESIDENT INCLUDING ELIGIBLE NRIs, FPIs or FVCIs ETC. APPLYING ON A REPATRIATION BASIS**

To,  
The Board of Directors  
XYZ LIMITED

**FIXED PRICE SME ISSUE**  
ISIN - XXXXXXXX

Application Form No.

Date: \_\_\_\_\_

BROKER'S / SCSB / DP / RTA STAMP & CODE		SUB-BROKER'S / SUB-AGENT'S STAMP & CODE		<b>1. NAME &amp; CONTACT DETAILS OF SOLE/FIRST APPLICANT</b>			
				Mr./Ms./M/s.			
				Address			
				Email			
SCSB / BANK BRANCH STAMP & CODE		SCSB / BANK BRANCH SERIAL NO.		Tel. No (with STD code) / Mobile			
				<b>2. PAN OF SOLE/FIRST APPLICANT</b>			
				<b>3. INVESTOR'S DEPOSITORY ACCOUNT DETAILS</b> <input type="checkbox"/> NSDL <input type="checkbox"/> CDSL			
				For NSDL enter 8 Digit DP ID followed by 8 Digit Client ID / For CDSL enter 16 Digit Client ID			

PLEASE CHANGE MY APPLICATION  PHYSICAL

Options	No. of Equity Shares applied (Application must be in multiples of [*] equity shares) (In Figures)	Price per Equity Share (₹) [*/]- (In Figures)		
		Issue Price	Discount, if any	Net Price
Option 1				
(OR) Option 2				
(OR) Option 3				

Options	No. of Equity Shares applied (Application must be in multiples of [*] equity shares) (In Figures)	Price per Equity Share (₹) [*/]- (In Figures)		
		Issue Price	Discount, if any	Net Price
Option 1				
(OR) Option 2				
(OR) Option 3				

<b>7. PAYMENT DETAILS</b>		<b>PAYMENT OPTION : Full Payment</b>	
Amount Blocked (₹ in Figures)		(₹ in words)	
ASBA Bank A/c No.			
Bank Name & Branch			

I/WE (ON BEHALF OF JOINT APPLICANTS, IF ANY), HEREBY CONFIRM THAT I/WE HAVE READ AND UNDERSTOOD THE TERMS AND CONDITIONS OF THIS APPLICATION FORM AND THE ATTACHED ABRIDGED PROSPECTUS AND THE GENERAL INFORMATION DOCUMENT FOR INVESTING IN THE PUBLIC ISSUE ("GID") AND HEREBY AGREE AND CONFIRM THE "INVESTOR UNDERTAKING" AS GIVEN OVERLEAF. I/WE (ON BEHALF OF JOINT APPLICANTS, IF ANY) HEREBY CONFIRM THAT I/WE HAVE READ THE INSTRUCTIONS FOR FILLING UP THE APPLICATION FORM GIVEN OVERLEAF.

<b>8 A. SIGNATURE OF SOLE / FIRST APPLICANT</b>	<b>8 B. SIGNATURE OF ASBA BANK ACCOUNT HOLDER(S) (AS PER BANK RECORDS)</b>	<b>BROKER / SCSB / DP / RTA STAMP</b> (Acknowledging upload of Application in Stock Exchange System)
	I/We authorize the SCSB to do all acts as are necessary to make the Application in the issue	
Date: _____, 2018	1) _____ 2) _____ 3) _____	

TEAR HERE

**XYZ LIMITED - INITIAL PUBLIC ISSUE - REVISION - NR**

Acknowledgement Slip for Registered Broker/SCSB/CDP/RTA

Application Form No.

DPID / CLID		PAN	
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Additional Amount Blocked (₹ in figures)	Bank & Branch	SCSB Branch Stamp & Signature
ASBA Bank A/c No.		
Received from Mr./Ms.		
Telephone / Mobile	Email	

TEAR HERE

Stamp & Signature of Registered Broker/SCSB/CDP/RTA	Name of Sole / First Applicant			
	No. of Equity Shares	Option 1	Option 2	Option 3
	Issue Price			
	Additional Amount Blocked (₹)			
ASBA Bank A/c No.:				
Bank & Branch:				
Acknowledgement Slip for Applicant		Application Form No.		

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XYZ LIMITED - INITIAL PUBLIC ISSUE - REVISION - NR

Instructions to fill each field of the Revision Form can be found on the reverse side of the Revision Form. Other than instructions already highlighted at paragraph 4.1 above, point wise instructions regarding filling up various fields of the Revision Form are provided below:

**4.2.1 FIELDS 1, 2 AND 3: NAME AND CONTACT DETAILS OF SOLE/FIRST APPLICANTS, PAN OF SOLE/FIRST APPLICANT & DEPOSITORY ACCOUNT DETAILS OF THE APPLICANT**

Applicants should refer to instructions contained in paragraphs 4.1.1, 4.1.2 and 4.1.3.

**4.2.2 FIELD 4 & 5: APPLICATION REVISION ‘FROM’ AND ‘TO’**

- (i) Apart from mentioning the revised number of shares in the Revision Form, the Applicant must also mention the details of shares given in his or her Application Form or earlier Revision Form.
- (ii) In case of revision of Applications by RIIs and Retail Individual Shareholders, such Applicants should ensure that the Application Amount, subsequent to revision, does not exceed Rs. 2 Lakhs. In case the Application Amount exceeds Rs. 2 Lakhs (in case of RIIs) due to revision of the Application or for any other reason, the Application may be considered, subject to eligibility, for allocation under the Non-Institutional Category.

**4.2.3 FIELD 6: PAYMENT DETAILS**

- (i) All Applicants are required to make payment of the full Application Amount (less discount (if applicable) alongwith the Revision Form.
- (ii) Applicants may offer instructions to block the revised amount in the ASBA Account, to the same Designated Intermediary through whom such Applicant had placed the original application to enable the relevant SCSB to block the additional Application Amount, if any.

**4.2.4 FIELDS7: SIGNATURES AND ACKNOWLEDGEMENTS**

Applicants may refer to instructions contained at paragraphs 4.1.8 and 4.1.9 for this purpose.

**4.3 SUBMISSION OF REVISED FORM / APPLICATION FORM**

**4.3.1 Applicants may submit completed application form / Revision Form in the following manner**

<b>Mode of Acquisition</b>	<b>Submission of Application Form</b>
Anchor Investors Application Form	To the Lead Manager at the locations mentioned in the Anchor Investors Application Form
ASBA Form	<ul style="list-style-type: none"> <li>a. To members of the Syndicate in the Specified Locations or Registered Brokers at the Broker Centres or the RTA at the Designated RTA Location or the DP at the Designated DP Location.</li> <li>b. To the Designated Branches of the SCSBs.</li> </ul>

- (a) Applicants should submit the Revision Form to the same Designated Intermediary through which such Applicant had placed the original Application.
- (b) Upon submission of the Application Form, the Applicant will be deemed to have authorized the Issuer to make the necessary changes in the Prospectus and the Application Form as would be

required for filing Prospectus with the RoC and as would be required by the RoC after such filing, without prior or subsequent notice of such changes to the relevant Applicant.

- (c) Upon determination of the Issue Price and filing of the Prospectus with the RoC, the Application Form will be considered as the application form.

## **SECTION 5: ISSUE PROCEDURE IN FIXED PRICE ISSUE**

Applicants may note that there is no Application Form in a Fixed Price Offer. As the Issue Price is mentioned in the Fixed Price Issue therefore on filing of the Prospectus with the RoC, the Application so submitted is considered as the application form.

Applicants may only use the specified Application Form for the purpose of making an Application in terms of the Prospectus which may be submitted through the Designated Intermediary.

Applicants may submit an Application Form either in physical form to the any of the Designated Intermediaries or in the electronic form to the SCSB or the Designated Branches of the SCSBs authorising blocking of funds that are available in the bank account specified in the Application Form only (“ASBA Account”). The Application Form is also made available on the websites of the BSE SME at least one day prior to the Issue Opening Date.

In a fixed price Issue, allocation in the net offer to the public category is made as follows: minimum fifty per cent to Retail Individual Applicants; and remaining to (i) individual investors other than Retail Individual Applicants; and (ii) other Applicants including corporate bodies or institutions, irrespective of the number of specified securities applied for. The unsubscribed portion in either of the categories specified above may be allocated to the Applicants in the other category. For details of instructions in relation to the Application Form, Applicants may refer to the relevant section of the GID.

### **5.1 GROUNDS FOR TECHNICAL REJECTIONS**

Application Forms can be rejected on the below mentioned technical grounds either at the time of their submission to any of the Designated Intermediaries, or at the time of finalisation of the Basis of Allotment. Applicants are advised to note that the Applications are liable to be rejected, which have been detailed at various placed in this GID:-

- (a) Application by persons not competent to contract under the Indian Contract Act, 1872, as amended, (other than minors having valid Depository Account as per Demographic Details provided by Depositories);
- (b) Applications by OCBs;
- (c) In case of partnership firms, Application for Equity Shares made in the name of the firm. However, a limited liability partnership can apply in its own name;
- (d) In case of Applications under power of attorney or by limited companies, corporate, trust, etc., relevant documents are not being submitted along with the Application Form;
- (e) Applications by persons prohibited from buying, selling or dealing in the shares directly or indirectly by SEBI or any other regulatory authority;

- (f) Applications by persons in the United States excluding persons who are a U.S. QIB (as defined in this Prospectus);
- (g) Applications by any person outside India if not in compliance with applicable foreign and Indian laws;
- (h) PAN not mentioned in the Application Form except for Applications by or on behalf of the central or state government and officials appointed by the court and by the investors residing in the State of Sikkim, provided such claims have been verified by the Depository Participant;
- (i) In case no corresponding record is available with the Depositories that matches the DP ID, the Client ID and the PAN;
- (j) Applications for lower number of Equity Shares than the minimum specified for that category of investors;
- (k) Applications at a price other than the Fixed Price of the Issue;
- (l) The amounts mentioned in the Application Form do not tally with the amount payable for the value of the Equity Shares Applied for;
- (m) Applications for amounts greater than the maximum permissible amounts prescribed by the regulations;
- (n) Applications for shares more than the prescribed limit by BSE SME for each category.
- (o) Submission of more than five (5) ASBA Forms/ Application Forms per ASBA Account;
- (p) Applications for number of Equity Shares which are not in multiples of such Equity Shares as specified in the Prospectus;
- (q) Multiple Applications as defined in this GID and the Prospectus;
- (r) Application Forms are not delivered by the Applicants within the time prescribed as per the Application Form, Issue Opening Date advertisement and as per the instructions in the Prospectus and the Application Forms;
- (s) Inadequate funds in the bank account to block the Application Amount specified in the ASBA Form at the time of blocking such Application Amount in the bank account;
- (t) In case of Anchor Investors, Applications where sufficient funds are not available in Escrow Accounts as per final certificate from the Escrow Collection Banks;
- (u) Where no confirmation is received from SCSB for blocking of funds;
- (v) Applications by Applicants (other than Anchor Investors) not submitted through ASBA process;
- (w) Applications submitted to Designated Intermediaries at locations other than the Application Centers or to the Banker(s) to the Issue (assuming that such bank is not a SCSB where the ASBA Account is maintained), to the Issuer or the Registrar to the Issue;

- (x) Applications not uploaded on the terminals of BSE SME ;
- (y) Applications by SCSBs wherein a separate account in its own name held with any other SCSB is not mentioned as the ASBA Account in the Application Form.

For details of instructions in relation to the Application Form, Applicants may refer to the relevant section the GUID.

## **SECTION 6: ISSUE PROCEDURE IN BOOK BUILT ISSUE**

This being Fixed Price Offer, this section is not applicable for this Issue.

## **SECTION 7: ALLOTMENT PROCEDURE AND BASIS OF ALLOTMENT**

### **7.1 BASIS OF ALLOTMENT**

Allotment will be made in consultation with the SME Platform of BSE Ltd. (The Designated Stock Exchange). In the event of oversubscription, the allotment will be made on a proportionate basis in marketable lots as set forth hereunder:

- (a) The total number of Equity Shares to be allocated to each category as a whole shall be arrived at on a proportionate basis i.e. the total number of Equity Shares applied for in that category multiplied by the inverse of the over subscription ratio (number of Applicants in the category x number of Equity Shares applied for).
- (b) The number of Shares to be allocated to the successful Applicants will be arrived at on a proportionate basis in marketable lots (i.e. Total number of Shares applied for into the inverse of the over subscription ratio).
- (c) For applications where the proportionate allotment works out to less than 4000 equity shares the allotment will be made as follows:
  - i Each successful Applicant shall be allotted 4,000 equity shares; and
  - ii The successful Applicants out of the total applicants for that category shall be determined by the drawl of lots in such a manner that the total number of Equity Shares allotted in that category is equal to the number of Shares worked out as per (2) above.
- (d) If the proportionate allotment to an Applicant works out to a number that is not a multiple of 4,000 equity shares, the Applicant would be allotted Equity Shares by rounding off to the nearest multiple of 4,000 equity shares subject to a minimum allotment of 4,000 equity shares.
- (e) If the Equity Shares allotted on a proportionate basis to any category is more than the Shares allotted to the Applicants in that category, the balance available Equity Shares or allocation shall be first adjusted against any category, where the allotted Equity Shares are not sufficient for proportionate allotment to the successful Applicants in that category, the balance Shares, if any, remaining after such adjustment will be added to the category comprising Applicants applying for the minimum number of Equity Shares. If as a result of the process of rounding off to the nearest multiple of 4,000 Equity Shares, results in the actual allotment being higher than the shares offered, the final allotment may be higher at the sole discretion of the Board of Directors, up to 110% of the size of the issue specified under the Capital Structure mentioned in this Draft Prospectus.



- (f) The above proportionate allotment of Equity Shares in an Issue that is oversubscribed shall be subject to the reservation for Retail individual Applicants as described below:
- i As per Regulation 43(4) of SEBI ICDR Regulations, as the retail individual investor category is entitled to more than fifty per cent on proportionate basis, the retail individual investors shall be allocated that higher percentage.
  - ii The balance net offer of shares to the public shall be made available for allotment to:
    - individual applicants other than retails individual investors and
    - other investors, including corporate bodies/institutions irrespective of number of shares applied for.
  - iii The unsubscribed portion of the net offer to any one of the categories specified in a) or b) shall/may be made available for allocation to applicants in the other category, if so required.

'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 BSE.

The Executive Director / Managing Director of the Designated Stock Exchange in addition to Lead Manager and Registrar to the Public Issue shall be responsible to ensure that the basis of allotment is finalized in a fair and proper manner in accordance with the SEBI (ICDR) Regulations.

## **7.6 DESIGNATED DATE AND ALLOTMENT OF EQUITY SHARES**

- (a) **Designated Date:** On the Designated Date, the Banker(s) to the Issue 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 Applicants applying in the Anchor Investor Portion shall be made from the Refund Account as per the terms of the Escrow Agreement and the Prospectus. On the Designated Date, the Registrar to the Issue shall instruct the SCSBs to transfer 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 BSE SME, 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. Applicants 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 Applicants 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) credit of shares to the successful Applicants Depository Account will be completed within six (6) Working Days of the Issue Closing Date. The Issuer also ensures the credit of shares to the successful Applicant's depository account is completed within two Working Days from the date of Allotment.

## **SECTION 8: INTEREST AND REFUNDS**

### **8.1 COMPLETION OF FORMALITIES FOR LISTING & COMMENCEMENT OF TRADING**

The Issuer shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at BSE SME is taken within six (6) Working Days of the Issue Closing Date. The Registrar to the Issue may initiate corporate action for credit to Equity Shares the beneficiary account with Depositories within six (6) Working Days of the Issue Closing Date.

## **8.2 GROUNDS FOR REFUND**

### **8.2.1 NON-RECEIPT OF LISTING PERMISSION**

An Issuer makes an application to BSE SME for permission to deal in/list and for an official quotation of the Equity Shares. The details of BSE SME from where such permission is sought disclosed in Prospectus. BSE SME shall be the stock exchange with whom the Basis of Allotment will finalised and as disclosed in the Prospectus.

If the Issuer fails to make an application to BSE SME or obtain permission for listing of the Equity Shares, in accordance with the provisions of Section 40 of the Companies Act, the Issuer shall be punishable with a fine which shall not be less than Rs. 5 Lakhs but which may extend to Rs. 50 Lakhs and every officer of the Issuer who is in default shall be punishable with imprisonment for a term which may extend to one (1) year or with fine which shall not be less than Rs. 0.5 Lakh but which may extend to Rs. 3 Lakhs, or with both.

If the permissions to deal in and an official quotation of the Equity Shares are not granted by BSE SME, the Issuer may forthwith take steps to refund, without interest, all moneys received from Applicants.

If such money is not refunded to the Applicants within the prescribed time 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 such period, be liable to repay the money, with interest at such rate, as disclosed in the Prospectus.

### **8.2.2 NON RECEIPT OF MINIMUM SUBSCRIPTION**

The requirement for 90% minimum subscription in terms of Regulation 14 of SEBI ICDR Regulations is not applicable to the Issue. In terms of Regulation 106P (1) of SEBI ICDR Regulations, the Issue is not restricted to any minimum subscription level and is 100% underwritten.

If there is a delay beyond the prescribed time after the Issuer becomes liable to pay the amount received from Applicants, then the Issuer and every director of the Issuer who is an officer in default may on and from expiry of fifteen (15) Working Days, be jointly and severally liable to repay the money, with interest at the rate of 15% per annum in accordance with the Companies (Prospectus and Allotment of Securities) Rules, 2014, as amended.

### **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 fifty (50) failing which the entire application monies may be refunded forthwith.

### **8.2.4 INCASE OF ISSUES MADE UNDER COMPULSORY BOOK BUILDING – NOT APPLICABLE**

In case an Issuer not eligible under Regulation 26(1) of SEBI ICDR Regulations comes for an Issue under Regulation 26(2) of SEBI ICDR Regulations but fails to Allot at least 75% of the Net Issue to QIBs, in such case full subscription money is to be refunded.

### **8.3 MODE OF REFUND**

- (a) **In case of ASBA Applications:** Within six (6) Working Days of the Issue Closing Date, the Registrar to the Issue may give instructions to SCSBs for unblocking the amount in ASBA Accounts for unsuccessful Applications or for any excess amount blocked on Application.
- (b) **In case of Anchor Investors:** Within six (6) Working Days of the Issue Closing Date, the Registrar to the Issue may dispatch the refund orders 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 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 Depositories. Failure to do so may result in delays in dispatch of refund orders or 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 Banks, 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. Please note that refunds shall be credited only to the bank account from which the Application Amount was remitted to the Escrow Bank.

#### **8.3.1 Electronic mode of making refunds for Anchor Investors**

The payment of refund, if any, may be done through various electronic modes as mentioned below:

**8.3.1.1 NECS**—Payment of refund may be done through NECS for Applicants having an account at any of the centers specified by the RBI. This mode of payment of refunds may be subject to availability of complete bank account details including the nine-digit MICR code of the Applicant as obtained from the Depository;

**8.3.1.2 NEFT**—Payment of refund may be undertaken through NEFT wherever the branch of the Anchor Investors' bank is NEFT enabled and has been assigned the Indian Financial System Code ("IFSC"), which can be linked to the MICR of that particular branch. The IFSC Code may be obtained from the website of RBI as at a date prior to the date of payment of refund, duly mapped with MICR numbers. Wherever the Anchor Investors have registered their nine-digit MICR number and their bank account number while opening and operating the demat account, the same may be duly mapped with the IFSC Code of that particular bank branch and the payment of refund may be made to the Anchor Investors through this method. In the event NEFT is not operationally feasible, the payment of refunds may be made through any one of the other modes as discussed in this section;

**8.3.1.3 RTGS**—Anchor Investors having a bank account at any of the centers notified by SEBI where clearing houses are managed by the RBI, may have the option to receive refunds, if any, through RTGS.

**8.3.1.4 Direct Credit**—Anchor Investors having their bank account with the Refund Banker may be eligible to receive refunds, if any, through direct credit to such bank account;

Please note that refunds through the abovementioned modes shall be credited only to the bank account from which the Application Amount was remitted to the Escrow Bank.

For details of levy of charges, if any, for any of the above methods, Anchor Investors may refer to Prospectus.

#### **8.4 INTEREST IN CASE OF DELAY IN ALLOTMENT OR REFUND**

The Issuer may pay interest at the rate of 15% per annum if Allotment is not made and refund instructions have not been given to the clearing system in the disclosed manner/instructions for unblocking of funds in the ASBA Account are not dispatched within the fifteen (15) days of the Issue Closing Date.

The Issuer may pay interest at 15% per annum for any delay beyond fifteen (15) days from the Issue Closing Date, if Allotment is not made.

## RESTRICTION ON FOREIGN OWNERSHIP OF INDIAN SECURITIES

Foreign investment in Indian securities is regulated through the consolidated FDI Policy and FEMA. The government bodies responsible for granting foreign investment approvals are the concerned ministries/departments of the Government of India and the RBI. The union cabinet has recently approved phasing out the FIPB, as provided in the press release dated May 24, 2017. The DIPP issued the Standard Operating Procedure ('SOP') for Processing FDI Proposals on June 29, 2017 (the "SOP"). The SOP provides a list of the competent authorities for granting approval for foreign investment for sectors/activities requiring Government approval. For sectors or activities that are currently under automatic route but which required Government approval earlier as per the extant policy during the relevant period, the concerned administrative ministry/department shall act as the competent authority (the "Competent Authority") for the grant of postfacto approval for foreign investment. In circumstances where there is a doubt as to which department shall act as the Competent Authority, DIPP shall identify the Competent Authority.

The GoI has from time to time made policy pronouncements on FDI through press notes and press releases. The Consolidated FDI Policy superseded all previous press notes, press releases and clarifications on FDI issued by the DIPP that were in force and effect as on August 28, 2017. RBI has issued Master Directions - Foreign Investments in India dated January 4, 2018. In terms of the said Master Directions, an Indian company may issue fresh shares to person resident outside India (who are 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 said Master Directions.

The transfer of shares between an Indian resident and a non-resident does not require the prior approval of the RBI, provided that (i) the activities of the investee company are under the automatic route under the Consolidated FDI Policy and transfer does not attract the provisions of SEBI Takeover Regulations; (ii) the Non-Resident shareholding is within the sectoral limits under the Consolidated FDI policy; and (iii) the pricing is in accordance with the guidelines prescribed by SEBI/RBI.

As per the existing policy of the GoI, OCBs cannot participate in this Issue.

**The Equity Shares have not been and will not be registered under the U.S Securities Act or any other applicable law of the United States and, unless so registered, and may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S Securities Act and applicable state securities laws. Accordingly, the Equity Shares are only being offered and sold (i) within the United States only to persons reasonably believed to be "qualified institutional buyers" (as defined in Rule 144A under the U.S Securities Act and referred to in this Draft Prospectus as "U.S. QIBs", for the avoidance of doubt, the term U.S. QIBs does not refer to a category of institutional investor defined under applicable Indian regulations and referred to in this Draft Prospectus as "QIBs") in transactions exempt from, or not subject to, the registration requirements of the U.S Securities Act, and (ii) outside the United States in offshore transactions in reliance on Regulation S under the U.S Securities Act and the applicable laws of the jurisdiction where those offers and sales occur.**

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

The above information is given for the benefit of the Applicants. Our Company and the LM are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Draft Prospectus. Applicants are advised to make their independent investigations and ensure that the Applications are not in violation of laws or regulations applicable to them.

## SECTION IX- MAIN PROVISIONS OF ARTICLES OF ASSOCIATION

### THE COMPANIES ACT, 2013

#### [COMPANY LIMITED BY SHARES]

#### ARTICLES OF ASSOCIATION OF ADD-SHOP PROMOTIONS LIMITED (Incorporated under the Companies Act, 1956)

The following regulations comprised in these Articles of Association were adopted pursuant to the members' resolution passed through Extra-Ordinary General Meeting held on June 11, 2018 in substitution for, and to the entire exclusion of, the earlier regulations comprised in the extant.

Table F not to apply

1. The regulations contained in Table F in the first Schedule to the Companies Act, 2013 shall not 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, subject to any exercise of the statutory powers of the Company in reference to the repeal or alternation 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.
2. Interpretation In the interpretation of these Articles, the following words and expressions shall have the following meanings assigned thereunder, unless repugnant to the subject matter or content thereof; any reference to the singular shall include the plural and vice-versa; any references to the masculine, the feminine and the neuter shall include each other.
3. Definitions
  - (i) "The Act" or "the said Act"  
"The Act" means the Companies Act, 2013 and any statutory modification or re-enactment thereof for the time being in force and Companies Act, 1956 (to the extent not repealed/ not replaced by the Companies Act, 2013), as applicable.
  - (ii) "These Articles"  
"These Articles" means Articles of Association of the Company or the Articles of Association as altered from time to time by special resolution.
  - (iii) "Beneficial Owner"  
"Beneficial Owner" shall have the meaning assigned thereto in clause (a) of sub-section (1) of Section 2 of the Depositories Act, 1996.
  - (iv) "The Company" or "this Company"  
"The Company" or "this Company" means ADD-SHOP PROMOTIONS LIMITED.
  - (v) "Depository"  
"Depository" shall have the meaning assigned thereto by Section 2 (1) (e) of the Depositories Act, 1996.
  - (vi) "Depositories Act 1996"  
"Depositories Act 1996" includes any statutory modification or re- enactment thereof.
  - (vii) "The Board" or the "Board of Directors"  
"The Board" or the "Board of Directors" in relation to the Company shall mean the collective body of the Directors of the Company.
  - (viii) "The Directors"

“The Directors” shall mean the Directors of the Company appointed to the Board or as the case may be, the Directors assembled at a Board.

(ix) “The Court”

The Court shall mean Court as defined under the Act.

(x) “The Chairperson”

“The Chairperson” means the Chairperson of the Board of Directors of the Company for the time being.

(xi) “The Managing Director”

“The Managing Director” includes one or more persons appointed as such or any of such persons or Directors for the time being of the Company who may for the time being be the Managing Director of the Company.

(xii) “The Office”

“The Office” means the Registered Office for the time being of the Company.

(xiii) “Capital”

“Capital” means the share capital for the time being raised or authorised to be raised, for the purpose of the Company.

(xiv) “The Registrar”

“The Registrar” means the Registrar of Companies of the State in which the office of the Company is for the time being situated.

(xv) “Dividend”

“Dividend” includes any interim dividend.

(xvi) “Month”

“Month” means the calendar month.

(xvii) “Rules”

Rules shall mean the Rules made under the Act or any statutory modification or re-enactment thereof for the time being in force.

(xviii) “Seal”

“Seal” means the Common Seal for the time being of the Company.

(xix) “In Writing and Written”

“In Writing and Written” include printing, lithography and other modes of representing or reproducing words in a visible form.

(xx) “Persons”

“Persons” include bodies corporate, corporations and firms as well as individuals.

(xxi) “Securities & Exchange Board of India”

“Securities & Exchange Board of India” or SEBI means the Securities & Exchange Board of India established under Section 3 of the Securities & Exchange Board of India Act, 1992.

(xxii) “Year and Financial Year”

“Year” means the Calendar year and “Financial Year” shall have the meaning assigned thereto by Section 2(41) of the Act.

Expression in the Act to bear same as aforesaid, any words or expressions defined in the Act shall, except same meaning in the Articles where the subject or context forbids, bear the same meaning in these Articles. Marginal Notes The marginal notes hereto shall not affect the construction of these Articles.



#### COPIES OF MEMORANDUM AND ARTICLES TO BE FURNISHED BY THE COMPANY

4. Pursuant to Section 17 of the Act, Company shall, on being so required by a member, send to him within 7 (seven) days of the requirement and subject to the payment of a fee of Rs. [●] or such other fee as may be specified in the Rules, a copy of each of the following documents, as in force for the time being:
  - (i) The Memorandum;
  - (ii) The Articles, if any;
  - (iii) Every other agreement and every resolution referred to in Section 117(1) of the Act, if and in so far as they have not been embodied in the Memorandum or Articles.

#### CAPITAL AND SHARES

5. The Authorized Share Capital of the Company shall be as per clause V of the Memorandum of Association of the Company with all rights to the Company to alter the same in any way it thinks fit.
6. The Board may, from time to time, with the sanction of the Company in a general meeting, increase the share capital by such sum to be divided into shares of such amounts as the resolution shall prescribe.
7. The share capital shall be distinguished by its appropriate number provided that nothing in this clause shall apply to the shares held with a depository.

#### SHARES AT THE DISPOSAL OF THE DIRECTORS

8. Subject to the provisions of Section 62 of the Act and these Articles, the share capital of 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 proportion and on such terms and conditions and either at a premium or at par or (subject to the compliance with the provision of section 53 of the Act) at a discount 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.

#### FURTHER ISSUE OF SHARES

9. (1) Subject to the provisions of the Act, where at any time the company proposes to increase its subscribed capital by the issue of further shares, such shares shall be offered -
  - (a) to persons who at the date of the offer are holders of equity shares of the company in proportion, as nearly as circumstances admit to the paid-up share capital on those shares by sending a letter of offer subject to the following conditions, namely:-
    - (i) the offer shall be made by notice specifying the number of shares offered and limiting a time not being less than fifteen days and not exceeding thirty days from the date of the offer within which the offer, if not accepted, shall be deemed to have been declined;
    - (ii) unless the articles of the company otherwise provide, the offer aforesaid shall be deemed to include a right exercisable by the person concerned to renounce the shares offered to him or any of them in favour of any other person; and the notice referred to in clause (i) shall contain a statement of this right;
    - (iii) after the expiry of the time specified in the notice aforesaid, or on receipt of earlier intimation from the person to whom such notice is given that he declines to accept the shares offered, the Board of Directors may dispose of them in such manner which is not disadvantageous to the shareholders and the company;
  - (b) to employees under a scheme of employees' stock option, subject to special resolution passed by company and subject to such conditions as may be determined by central government; or
  - (c) to any persons, if it is authorized by a special resolution, whether or not those persons include the persons referred to in clause (a) or clause (b), either for cash or for a consideration other than cash, if the price of such

shares is determined by the valuation report of a registered valuer subject to such conditions as may be determined by central government.

(2) The notice referred to in sub-clause (i) of clause (1) (a) above shall be despatched through registered post or speed post or through electronic mode to all the existing shareholders at least three days before the opening of the issue.

(3) Nothing in this section shall apply to the increase of the subscribed capital of the Company caused by the exercise of an option as a term attached to the debentures issued or loan raised by the Company to convert such debentures or loans into shares in the company.

Provided that the terms of issue of such debentures or the terms of such loans containing such an option have been approved by a special resolution passed by the Company in general meeting before the issue of such debentures or raising of such loans.

#### POWER TO OFFER SHARES / OPTIONS TO ACQUIRE SHARES

10. (i) Without prejudice to the generality of the powers of the Board under any other Article of these Articles of Association, the Board or any Committee thereof duly constituted may, subject to the applicable provisions of the Act, rules notified there under and any other applicable laws, rules and regulations, at any point of time, offer existing or further shares (consequent to increase of share capital) of the Company, or options to acquire such shares (consequent to increase of share capital) of the Company, or options to acquire such shares at any point of time, whether such options are granted by way of warrants or in any other manner (subject to such consents and permissions as may be required) to its employees, including Directors (whether whole-time or not), whether at par, at discount, in case of shares issued as sweat equity shares as per section 54 of the Act or at a premium, for cash or for consideration other than cash, or any combination thereof as may be permitted by law for the time being in force.

In addition to the powers of the Board under Article 9 (i), the Board may also allot the Shares referred to in Article 9 (i) to any trust, whose principal objects would inter alia include further transferring such Shares to the Company's employees including by way of options, as referred to in Article 9 (i) in accordance with the directions of the Board or any Committee thereof duly constituted for this purpose. The Board may make such provision of moneys for the purposes of such trust, as it deems fit.

The Board, or any Committee thereof duly authorized for this purpose, may do all such acts, deeds, things, etc. as may be necessary or expedient for the purposes of achieving the objectives set out in Articles 9 (i) and (ii) above.

#### REDEEMABLE PREFERENCE SHARES

11. Subject to the provisions of Section 55 of the Act and these Articles, the Company shall have the power to issue redeemable preference shares liable to be redeemed at the option of the Company and the resolution authorizing such issues shall prescribe the manners, terms and conditions of redemption.

#### PROVISIONS APPLICABLE IN CASE OF REDEEMABLE PREFERENCE SHARES

12. On the issue of redeemable preference shares under the provisions of Article 10 hereof, the following provisions shall take effect.
- (a) No such shares shall be redeemed except out of the profits of the company which would otherwise be available for dividend or out of the proceeds of a fresh issue of shares made for the purposes of such redemption;
  - (b) No such shares shall be redeemed unless they are fully paid;
  - (c) where such shares are proposed to be redeemed out of the profits of the company, there shall, out of such profits, be transferred, a sum equal to the nominal amount of the shares to be redeemed, to a reserve, to be called the Capital Redemption Reserve Account and the provisions of this Act relating to reduction of share capital of a company shall apply as if the Capital Redemption Reserve Account were paid-up share capital of the company.

#### NEW CAPITAL SAME AS ORIGINAL CAPITAL

13. Except so far as otherwise provided by the conditions of issue or by these Articles, any capital raised by the creation of new shares shall be considered part of the initial capital and shall be subject to the provisions herein contained with reference to the payment of calls and installments; transfer and transmission, forfeiture, lien, surrender, voting and otherwise.

#### RESTRICTIONS ON PURCHASE BY COMPANY OR GIVING OF LOANS BY IT FOR PURCHASE OF ITS SHARES

14. (1) The company shall not have power to buy its own shares unless the consequent reduction of share capital is effected in accordance with provisions of the Act at the time of application.  
This Article is not to delegate any power which the Company would have if it were omitted.

(2) The company shall not give, whether directly or indirectly and whether by means of a loan, guarantee the provision of security or otherwise, any financial assistance for the purpose of, or in connection with, a purchase or subscription made or to be made, by any person of or for any shares in the company or in its holding company.

(3) Nothing in sub-clause (2) shall apply to –

(a) the company in accordance with any scheme approved by company through special resolution and in accordance with such requirements as may be determined by central government, for the purchase of, or subscription for, fully paid up shares in the company or its holding company, if the purchase of, or the subscription for, the shares held by trustees for the benefit of the employees or such shares held by the employee of the company;

(b) the giving of loans by a company to persons in the employment of the company other than its directors or key managerial personnel, for an amount not exceeding their salary or wages for a period of six months with a view to enabling them to purchase or subscribe for fully paid-up shares in the company or its holding company to be held by them by way of beneficial ownership:

Provided that disclosures in respect of voting rights not exercised directly by the employees in respect of shares to which the scheme relates shall be made in the Board's report in such manner as may be determined by central government.

#### REDUCTION OF CAPITAL

15. The Company may, subject to confirmation by the Court and the provisions of the Act, as applicable at the time of application from time to time by special resolution, reduce its capital and any capital redemption reserve account or any share premium account 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.

#### CONSOLIDATION AND DIVISION OF CAPITAL

16. The Company may in general meeting alter the conditions of its Memorandum of Association as follows:
- (a) Consolidate and divide all or any of its share capital into shares of a larger amount than its existing shares but no consolidation and division which results in changes in the voting percentage of shareholders shall take effect unless it is approved by the Court/ Tribunal on an application made in the prescribed manner;
- (b) Sub-divide its shares, or any of them, into shares of smaller amount than is fixed by the memorandum, so, however, that in the sub-division the proportion between the amount paid and the amount, if any, unpaid on each reduced share shall be the same as it was in the case of the share from which the reduced share is derived;
- (c) Cancel shares which at the date of the passing of the resolution in that behalf, have not been taken or agreed to be taken by any person, and diminish the amount of its share capital by the amount of the shares so cancelled. The cancellation of shares in pursuance of this sub-clause, shall not be deemed to be reduction of share capital within the meaning of the Act.

#### SALE OF FRACTIONAL SHARES

17. If and whenever as a result of issue of new shares of any consolidation or sub-division of shares any share become held by members in fractions, the Board shall, subject to the provisions of the Act and the Articles and to the directions of the Company in General Meeting, if any, sell those shares which members hold in fractions for the best price reasonably obtainable and shall pay and distribute to and amongst the members entitled to such shares in due proportions the net proceeds of the sale thereof. For the purpose of giving effect to any such sale, the Board may authorise any person to transfer the shares and the purchaser shall not be bound to see to the application of the purchase money nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings with reference to the sale.

#### MODIFICATION OF RIGHTS

18. Whenever the capital, by reason of the issue of Preference Shares or otherwise, is divided into classes of shares all or any of the rights and privileges attached to each class may subject to the provisions of the Companies Act, 2013 be modified, commuted, affected or abrogated, or dealt with by Agreement between the Company and any person purporting to contract on behalf of that class, provided such agreement is ratified in writing by holders of atleast three-fourths in nominal value of the issued shares of the class or is confirmed by a Special Resolution passed at a separate general meeting of the holders of shares of the class

#### ISSUE OF FURTHER SHARES ON PARI PASSU BASIS

19. The rights conferred upon the holders of shares of any class issued with preferred or other rights, not unless otherwise expressly provided by the terms of the issue of the shares of that class, be deemed to be varied by the creation or issue of further shares ranking pari passu therewith.

#### NO ISSUE WITH DISPROPORTIONATE RIGHTS

20. The Company shall not issue any shares (not being preference shares) which carry voting right or rights in the Company as to dividend, capital or otherwise which are disproportionate to the rights attached to the holders of other shares (not being preference shares).

#### POWER OF COMPANY TO DEMATERIALIZE AND REMATERIALIZE

(a) Notwithstanding anything contained in these Articles, the Company shall be entitled to dematerialize its existing shares, debentures and other securities and rematerialize its such shares, debentures and other securities held by it with the Depository and/ or offer its fresh shares and debentures and other securities in a dematerialized form pursuant to the Depositories Act, 1996 and the Rules framed there under, if any.

#### DEMATERIALIZATION OF SECURITIES

(b) Either on the Company or on the investor exercising an option to hold his securities with a depository in a dematerialized form, the Company shall enter into an agreement with the depository to enable the investor to dematerialize the Securities, in which event the rights and obligations of the parties concerned shall be governed by the Depositories Act.

#### INTIMATION TO DEPOSITORY

(c) Notwithstanding anything contained in this Article, where securities are dealt with in a Depository, the Company shall intimate the details of allotment of securities to Depository immediately on allotment of such Securities

#### OPTION FOR INVESTORS

(d) Every person subscribing to or holding securities of the Company shall have the option to receive security certificates or to hold the securities with a Depository. A beneficial owner of any security can at any time opt out of a Depository, if permitted by law, in the manner provided by the Depositories Act, 1996 and the Company shall, in the manner and within the time prescribed, issue to the beneficial owner the required certificates of securities.

#### THE COMPANY TO RECOGNIZE UNDER DEPOSITORIES ACT, INTEREST IN THE SECURITIES OTHER THAN THAT OF REGISTERED HOLDER

(e) The Company or the investor may exercise an option to issue, deal in, hold the securities (including shares) with Depository in electronic form and the certificates in respect thereof shall be, dematerialized in which event the rights and obligations of the parties concerned and matters connected therewith or incidental thereto shall be governed by the provisions of the Depositories Act, 1996.

#### SECURITIES IN DEPOSITORIES AND BENEFICIAL OWNERS

(f) All Securities held by a Depository shall be dematerialized and be in fungible form. Nothing contained in Sections 89 of the Act shall apply to a Depository in respect of the securities held by it on behalf of the beneficial owners.

#### RIGHTS OF DEPOSITORIES AND BENEFICIAL OWNERS

(g) (i) Notwithstanding anything to the contrary contained in the Act or these Articles, a depository shall be deemed to be the registered owner for the purpose of effecting transfer of ownership of security on behalf of the beneficial owner.

(ii) Save as otherwise provided in (i) above, the depository as the registered owner of the securities, shall not have any voting rights or any other rights in respect of the securities held by it.

(iii) Every person holding securities of the Company and whose name is entered as the beneficial owner in the records of the depository shall be deemed to be a member of the Company. The beneficial owner of securities shall be entitled to all the rights and benefits and be subject to all the liabilities in respect of the securities, which are held by a depository.

#### DEPOSITORY TO FURNISH INFORMATION

(h) Every Depository shall furnish to the Company information about the transfer of Securities in the name of the Beneficial Owner at such intervals and in such manner as may be specified by the bye-laws and the Company in that behalf.

#### SHARES AND CERTIFICATES

#### REGISTER AND INDEX OF MEMBERS

21. The Company shall cause to be kept at its Registered Office or at such other place as may be decided, Register and Index of Members in accordance with Sections 88 and other applicable provisions of the Act and the Depositories Act, 1996 with details of shares held in physical and dematerialized forms in any media as may be permitted by law including in any form of electronic media.

The Register and Index of beneficial owners maintained by a Depository under Section 11 of the Depositories Act, 1996 shall also be deemed to be the Register and Index of Members for the purpose of this Act. Subject to the provisions of Section 88, the Company shall have the power to keep in any state or country outside India, a Register of Members for the residents in that state or country.

#### SHARES TO BE NUMBERED PROGRESSIVELY

22. 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 sub-divided.

#### DIRECTORS MAY ALLOT SHARES FULLY PAID-UP

23. Subject to the provisions of the Act and of these Articles, the Board may allot and issue shares in the capital of the Company as payment or part payment for any property 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 shares and if so issued shall be deemed to be fully paid up shares.

#### APPLICATION OF PREMIUM RECEIVED ON SHARES

24. (1) Where a company issues shares at a premium, whether for cash or otherwise, a sum equal to the aggregate amount of the premium received on those shares shall be transferred to a "securities premium account" and the provisions of the Act relating to reduction of share capital of the Company shall, except as provided in this Article, apply as if the securities premium account were the paid-up share capital of the company.
- (2) Notwithstanding anything contained in clause (1) above, the securities premium account may be applied by the company -
- (a) towards the issue of unissued shares of the company to the members of the company as fully paid bonus shares;
  - (b) in writing off the preliminary expenses of the company;
  - (c) in writing off the expenses of, or the commission paid or discount allowed on, any issue of shares or debentures of the company;
  - (d) in providing for the premium payable on the redemption of any redeemable preference shares or of any debentures of the company; or
  - (e) for the purchase of its own shares or other securities under section 68.

#### ACCEPTANCE OF SHARES

25. Subject to the provisions of these Articles, any application signed by or on behalf of an applicant for shares in the Company followed by an allotment of any shares therein, shall be an acceptance of shares within the meaning of these Articles and every person who thus or otherwise accept any shares and whose name is on the Register of Members shall, for the purposes of these Articles, be a member, provided that no share shall be applied for or allotted to a minor, insolvent or person of unsound mind.

#### LIABILITY OF MEMBERS

26. Every member or his heir, executors or administrators shall pay to the Company the proportion 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 of Directors shall, from time to time, in accordance with the Company's regulations require or fix for the payment thereof.

#### LIMITATION OF TIME FOR ISSUE OF CERTIFICATE

27. The Company shall, unless the conditions of issue otherwise provide, within three months after the allotment of any of its shares or debentures and within one month after the application for the transfer of any such shares or debentures, complete and have ready for delivery the certificates of all shares and debentures allotted or transferred.

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 the Directors may from time to time determine) to several certificates, each for one or more of such shares and the Company shall complete and have ready for delivery such certificates within three months from the date of allotment, unless the conditions of issue thereof otherwise provide, or within one month of the receipt of application of registration of transfer, transmission, sub-division, consolidation or renewal of any of its shares as the case may be. Every certificate of shares may 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 to all such holders.

#### ISSUE OF NEW CERTIFICATE IN PLACE OF DEFACED, LOST OR DESTROYED

28. (1) 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.20/- for each certificate) as the Directors shall prescribe. Provided that no fees 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. Provided that notwithstanding what is stated above the Directors shall comply with such Rules or Regulations 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.

The provisions of this Article shall mutatis mutandis apply to debentures of the Company.

(2) When a new share certificate is issued in case of sub-division/ replacement/ consolidation, it shall state on the face of it to the effect that it is "Issued in lieu of Share Certificate No. \_\_\_ sub-divided/ replaced/ on consolidation."

(3) If a share certificate is lost or destroyed, a new certificate in lieu thereof shall be issued only with the prior consent of the Board and on such terms, if any as to evidence and indemnity and as to the payment of out of pocket expenses incurred by the Company in investigating evidence, as the Board thinks fit.

(4) When a new share certificate is issued in pursuance of clause (3) of this Article, it shall state on the face of it to the effect that it is a duplicate issued in lieu of Share Certificate No. [“ \_\_\_ ”]. The word "Duplicate" shall be stamped or punched in bold letters across the face of the share certificate.

(5) Where a new share certificate is issued in pursuance of clause (2) or clause (4) of this Article, particulars of every such share certificate shall be entered in the Register of Members; or renewed and duplicate certificates indicating the names of the persons to whom the certificate is issued, the number of shares, date of issue of the share certificate in lieu of which the new certificate is issued and the necessary changes shall be indicated in the Register of Members by suitable cross reference in the "Remarks" column.

#### RIGHT TO OBTAIN COPIES OF AND INSPECT TRUST DEED

29. A copy of any Trust Deed for securing any issue of debentures shall be forwarded to the holders of any such debentures or any member of the Company at his request and within seven days of the making thereof on payment not exceeding Rs.10/- (Rupees Ten) per page.

The Trust Deed referred to above shall also be open to inspection by any member or debenture holder of the Company in the same manner, to the same extent, and on payment of these same fees, as if it were the Register of members of the Company.

#### JOINT ALLOTTEES OF HOLDERS

30. Any two or more joint allottees or holders of shares shall, for the purpose of Articles, be treated as a single member and the certificate for any share, which may be the subject of joint ownership, may be delivered to that one of the joint owners who is first named on the register of members, or to such person and to such address as the joint holders may in writing direct.

#### COMPANY NOT BOUND TO RECOGNISE ANY INTEREST IN SHARE OTHER THAN THAT OF REGISTERED HOLDER

31. (i) The Company shall not be bound to recognize any equitable, contingent, future or partial interest in any share or (except only as is by these presents, otherwise expressly provided) any right in respect of a share other than an absolute right there to, in accordance with these presents in the person from time to time registered as the holder thereof, but the Board shall be at liberty at its sole discretion to register any share in the joint names of two or more persons or survivors of them.

(ii) Save as herein otherwise provided, the Company shall be entitled to treat the person whose name appears on the Register of Members as the holder of any share as the absolute owner thereof and accordingly shall not (except as ordered by a court of competent jurisdiction or as by Law required) be bound to recognize any benami trust or equitable, contingent, future, partial or other claim or claims or right to or interest in such share on the part of any other person whether or not it shall have express or implied notice thereof.

#### WHO MAY HOLD SHARES

Shares may be registered in the name of an incorporated Company or other body corporate but not in the name of a minor or in the name of a person of unsound mind or in the name of any firm or partnership.

32. The Directors shall have the power to offer, issue and allot Equity Shares in or Debentures (whether fully/partly convertible or not into Equity Shares) of the Company with or without Equity Warrants to such of the Officers, Employees, Workers of the Company or of its Subsidiary and / or Associate Companies or Managing and Whole Time Directors of the Company (hereinafter in this Article collectively referred to as “the Employees”) as may be selected by them or by the trustees of such trust as may be set up for the benefit of the Employees in accordance with the terms and conditions of the Scheme, trust plan or proposal that may be formulated, created, instituted or set up by the Board of Directors or the Committee thereof in that behalf on such terms and conditions as the Board may in its discretion deem fit.

#### SWEAT EQUITY

33. Subject to the provisions of the Act (including any statutory modification or re-enactment thereof, for the time being in force), shares of the Company may be issued at a discount or for consideration other than cash to Directors or employees who provide know-how to the Company or create an intellectual property right or other value addition.

#### DECLARATIONS IN RESPECT OF BENEFICIAL INTEREST IN ANY SHARES

34. (1) In pursuance of section 89 of the act, where the name of a person is entered in the register of members of the Company as the holder of shares of the Company but who does not hold the beneficial interest in such shares, such person shall make a declaration (within such time and in such form as may be determined by Central Govt.) to the Company specifying the name and other particulars of the person who holds the beneficial interest in such shares.

(2) Every person who holds or acquires a beneficial interest in share of the company shall make a declaration to the Company specifying the nature of his interest, particulars of the person in whose name the shares stand registered in the books of the Company and such other particulars (as may be determined by Central Govt.)

(3) Where any change occurs in the beneficial interest in such shares, the person referred to in clause (1) and the beneficial owner specified in clause (2) shall, within a period of thirty days from the date of such change, make a declaration to the Company in such form and containing such particulars (as may be determined by Central Govt.)

(4) The Company shall be bound to follow the rules as may be made by the Central Government to provide for the manner of holding and disclosing beneficial interest and beneficial ownership under this section.

(5) Where any declaration under this article is made to the Company, the Company shall make a note of such declaration in the register concerned and shall file, within thirty days from the date of receipt of declaration by it, a return in the prescribed form with the Registrar in respect of such declaration with such fees or additional fees as may be determined by central government, within the time specified under section 403 of the Act.



(6) No right in relation to any share in respect of which a declaration is required to be made under this article but not made by the beneficial owner, shall be enforceable by him or by any person claiming through him.

(7) Nothing in this Article shall be deemed to prejudice the obligation of a company to pay dividend to its members under this Act and the said obligation shall, on such payment, stand discharged.

#### FUNDS OF COMPANY NOT TO BE APPLIED IN PURCHASE OF SHARES OF THE COMPANY

35. No funds of the Company shall except as provided by Section 67 of the Act, be employed in the purchase of its own shares, unless the consequent reduction of capital is effected and sanctioned in pursuance of provisions of the Companies Act, 2013 as may be applicable at the time of application and these Articles or in giving either directly or indirectly and whether by means of a loan, guarantee, the provision of security or otherwise, any financial assistance for the purpose of or in connection with a purchase or subscription made or to be made by any person of or for any Share in the Company in its holding Company.

#### ISSUE OF SHARES WITHOUT VOTING RIGHTS

36. Subject to the provisions of the Act, the Directors may issue equity shares without voting rights attached to them upon such terms and conditions and with such rights and privileges annexed thereto as through fit and as may be permitted by law.

#### SECTIONS 45 OF ACT NOT TO APPLY

37. Notwithstanding anything to the contrary contained in the Articles,  
(i) Section 45 of the Act shall not apply to the Shares held with a Depository;

#### TRUST RECOGNIZED

38. Except as ordered by a Court of competent jurisdiction or as by law required, the Company shall not be bound to recognize, even when having notice thereof, 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 holder thereof but the Board shall be at liberty at their sole discretion to register any Share in the joint names of any two or more persons (but not exceeding 4 persons) or the survivor or survivors of them.

#### REGISTRATION OF CHARGES

39. The Company shall register the particulars of creation, modification or satisfaction of every charge created within or outside India, on its property or assets or any of its undertakings, whether tangible or otherwise, and situated in or outside India, with the Registrar of Companies, in such manner as prescribed in the Act or the Rules made thereunder.

Where a charge is created in India but comprised property outside India, the instrument, creating or purporting to create the charge under Section 77 of the Act or a copy thereof verified in the prescribed manner, may be filed for registration, notwithstanding that further proceedings may be necessary to make the charge valid or effectual according to the law of the country in which the property is situated, as provided by Section 77 of the Act.

Where any charge on any property of the Company required to be registered to be registered under Section 77 of the Act has been so registered, any person acquiring such property or any part thereof or any share or interest therein shall be deemed to have notice of the charge as from the date of such registration.

Any creditors or member of the Company and any other person shall have the right to inspect copies of instruments creating charges and the Company's Register of Charges in accordance with and subject to the provisions of Section 85 of the Act.

## UNDERWRITING AND BROKERAGE

### COMMISSION MAY BE PAID

40. The Company may, subject to the provisions of Section 40 and other applicable provisions, if any, of the Act any time pay a commission to any person in consideration of his subscribing or agreeing to subscribe (whether absolutely or conditionally) for any shares in or debentures of the Company. The commission may be satisfied by the payment of cash or the allotment of fully or partly paid shares or debentures, or partly in the one way and partly in the other.

### BROKERAGE MAY BE PAID

41. The Company may pay a reasonable sum for brokerage on any issue of shares and debentures.

## CALLS ON SHARES

### DIRECTORS MAY MAKE CALLS

42. The Board of Directors may from time to time by a resolution passed at meeting of the Board (and not by circular resolution) make such call as it may think fit upon the members in respect of all moneys unpaid on the shares held by them respectively (whether on account of the nominal value of the shares or by way of premium) and not by the conditions of allotment thereof made payable at a fixed time and each member shall pay the amount of every call so made on him to the persons and at the times and place appointed by the Board of Directors. A call may be made payable by installments.

### CALLS ON SHARES OF THE SAME CLASS TO BE MADE ON UNIFORM BASIS

43. Where any calls for further share capital are made on shares, such calls shall be made on a uniform basis on all shares falling under the same class. For the purpose of this Article shares of the same nominal value on which different amounts have been paid up shall not be deemed to fall under the same class.

### NOTICE OF CALLS

44. One month notice at least of every call payable otherwise than on allotment shall be given by the Company specifying the time and place of payment and to whom such call shall be paid.

### CALLS TO DATE FROM RESOLUTION

45. A call shall be deemed to have been made at the time when the resolution of the Board authorizing such call was passed at a meeting of the Board of Directors and may be made payable by the members on the Register of Members on a subsequent date to be fixed by the Board.

### DIRECTORS MAY EXTEND TIME

46. The Board of Directors may, from time to time, at its discretion, extend the time fixed for the payment of any call and may extend such times as to all or any of the members, who from residence at a distance or other cause, the Board of Directors may deem fairly entitled to such extension save as a matter of grace and favour.

### CALL TO CARRY INTEREST AFTER DUE DATE

47. If any member fails to pay a 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 of Directors, but nothing

in this Article shall render it compulsory upon the Board of Directors to demand or recover any interest from any such member.

#### PROOF ON TRIAL IN SUIT FOR MONEY DUE ON SHARES

48. Subject to the provisions of the Act and these Articles, 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 debt or money claimed to be due to the Company in respect of his shares, it 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 sought to be recovered is alleged to have become due, of the shares in respect of which such money is sought to be received, that the resolution making the call is duly recorded in the minute book and that notice of such call was duly given to the member or his representatives sued in pursuance of these presents and it shall not be necessary to prove the appointment of the Directors who made such call, nor that a quorum was present at the Board at which any call was made, nor that the meeting at which any call was made was duly convened or constituted nor any other matters whatsoever, but the proof of the matters aforesaid shall be conclusive evidence of the debt.

#### PAYMENT IN ANTICIPATION OF CALL MAY CARRY INTEREST

49. The Directors may, if they think fit, subject to the provisions of Section 50 of the Act, agree to and receive from any member willing to advance the same whole or any part of the moneys due upon the shares held by him beyond the sums actually called for, and upon the amount so paid or satisfied in advance, or so much thereof as from time to time exceeds the amount of the calls then made upon the shares in respect of which such advance has been made, the Company may pay interest at such rate not exceeding 12% unless the company in general meeting shall otherwise direct, as the member paying such sum in advance and the Directors agree upon provided that money paid in advance of calls shall not confer a right to participate in profits or dividend. The Directors may at any time repay the amount so advanced. The members shall not be entitled to any voting rights in respect of the moneys so paid by him until the same would but for such payment, become presently payable.

50. A call may be revoked or postponed at the discretion of the Board.

51. The joint-holders of a share shall be jointly and severally liable to pay all calls in respect thereof. The provisions of these Articles shall mutatis mutandis apply to the calls on debenture of the Company.

#### FORFEITURE, SURRENDER AND LIEN

##### IF CALL OR INSTALLMENT NOT PAID, NOTICE MAY BE GIVEN

52. If any member fails to pay any call or installment of a call in respect of any shares on or before the day appointed for the payment of the same, the Board may at any time hereafter during such time as the call or installment remains unpaid, serve a notice on such member or on the person (if any) entitled to the share by transmission requiring him to pay the same together with any interest that may have accrued and all expenses that may have been incurred by the Company by reason of such non-payment.

#### FORM OF NOTICE

53. The notice shall name a day (not being earlier than the expiry of fourteen days from the date of service of the notice) and a place or places on and at which such money, including the call or installment and such interest and expenses as aforesaid is to be paid. The notice shall also state that in the event of non-payment on or before the time and at the place appointed, the shares in respect of which the calls was made or installment was payable, will be liable to be forfeited.

#### IN DEFAULT TO PAYMENT SHARES TO BE FORFEITED

54. If the requirements of any such notice as aforesaid are not complied with, any share in respect of which the notice has been given may at any time thereafter, before all the calls or installments and interest and expenses due in respect thereof are paid, be forfeited by a resolution of the Board to that effect. Such forfeiture shall include all dividends and bonus declared in respect of the forfeited shares and not actually paid before forfeiture but provided that there shall be no forfeiture of unclaimed dividends before the claim becomes barred by law.

#### NOTICE OF FORFEITURE

55. When any share shall have been so forfeited, notice of the resolution 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 provided however that the failure to give the notice of the shares having been forfeited will not in any way invalidate the forfeiture.

#### FORFEITED SHARES TO BECOME PROPERTY OF THE COMPANY

56. Any shares so forfeited shall be deemed to be the property of the Company and the Board may sell, re-allot otherwise dispose of the same in such manner as it thinks fit.

#### POWER TO ANNUL FORFEITURE

57. The Board may, at any time before any share so forfeited shall have been sold, re-allotted or otherwise disposed off, annul the forfeiture thereof as a matter of grace and favour but not as of right upon such terms and conditions as it may think fit.

#### ARREARS TO BE PAID NOTWITHSTANDING FORFEITURE

58. Any member whose shares have been forfeited shall notwithstanding the forfeiture, be liable to pay and shall forthwith pay to the Company 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 forfeiture until payment at such rate not exceeding fifteen per cent per annum as the Board may determine and the Board may enforce the payment of such moneys or any part thereof if it thinks fit, but shall not be under any obligation so to do.

#### EFFECT OF FORFEITURE

59. The forfeiture of a share shall involve the extinction of all interest in and also of all claims and demands against the Company, in respect of the share and all other rights, incidental to the share except only such of those rights as are by these Articles expressly saved.

#### PROCEEDS HOW TO BE APPLIED

60. The net proceeds of any such sale shall be applied in or towards satisfaction of the said debts, liabilities or engagements and the residue (if any) paid to such member, his heirs, executors, administrators or assigns.

#### DECLARATION OF FORFEITURE

61. (a) A duly verified declaration in writing that the declarant is a Director, the Managing Director or the Manager of the Secretary of the Company, and that share in the Company has been duly forfeited in accordance with these Articles, on a date stated in the declaration, shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the Share.  
(b) The Company may receive the consideration, if any, given for the Share on any sale, re-allotment or other disposal thereof any may execute a transfer of the Share in favour of the person to whom the Share is sold or disposed off.

(c) The person to whom such Share is sold, re-allotted or disposed of shall thereupon be registered as the holder of the Share.

(d) Any such purchaser or allottee shall not (unless by express agreement) be liable to pay calls, amounts, installments, interests and expenses owing to the Company prior to such purchase or allotment nor shall be entitled (unless by express agreement) to any of the dividends, interests or bonuses accrued or which might have accrued upon the Share before the time of completing such purchase or before such allotment.

(e) Such purchaser or allottee shall not be bound to see to the application of the purchase money, if any, nor shall his title to the Share be effected by the irregularity or invalidity in the proceedings in reference to the forfeiture, sale re-allotment or other disposal of the Shares.

62. The declaration as mentioned in Article 59 (a) of these Articles shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the Share.

#### TITLE OF PURCHASER AND ALLOTTEE OF FORFEITED SHARES

63. The Company may receive the consideration, if any, given for the share on any sale, re-allotment or other disposal thereof and may execute a transfer of the share in favour of the person to whom the share is sold or disposed off and the person to whom such share is sold, re-allotted or disposed off may be registered as the holder of the share. Any such purchaser or allottee shall not (unless by express agreement to the contrary) be liable to pay any calls, amounts, installments, interest and expenses owing to the Company prior to such purchase or allotment, nor shall he be entitled (unless by express agreement to contrary) to any of the dividends, interest or bonuses accrued or which might have accrued upon the share before the time of completing such purchase or before such allotment. Such purchaser or allottee shall not be bound to see to the application of the purchase money, if any; nor shall his title to the share be affected by any irregularity or invalidity in the proceedings with reference to the forfeiture, sale, re-allotment or disposal of the share.

#### PARTIAL PAYMENT NOT TO PRECLUDE FORFEITURE

64. Neither a judgment nor a decree in favour of the Company for calls or other moneys due in respect of any shares nor any part payment or satisfaction thereof nor the receipt by the Company of a portion of any money which shall from time to time be due from any member in respect of any shares either by way of principal or interest nor any indulgence granted by the Company in respect of payment of any such money shall preclude the Company from thereafter proceeding to enforce a forfeiture of such shares as herein provided.

#### THE PROVISIONS OF THESE ARTICLES AS TO FORFEITURE TO APPLY IN CASE OF NON-PAYMENT OF ANY SUM

65. The provisions of these Articles as to forfeiture shall apply to the case of non-payment of any sum which by the terms of issue of a share becomes payable at a fixed time, whether on account of the nominal value of the Shares or by way of premium, as if the same had been payable by virtue of a call duly made and notified.

#### BOARD MAY ACCEPT SURRENDER OF SHARES

66. The Board may at any time, subject to the provisions of the Act, accept the surrender of any share from or by any member desirous of surrendering the same on such terms as the Board may think fit.

#### COMPANY'S LIEN ON SHARE/DEBENTURES

67. 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. The registration of a transfer of shares/debentures shall not operate as a waiver of the Company's lien if any, on such shares/debentures unless otherwise agreed by the

Board. The Directors may at any time declare any shares/debentures wholly or in part to be exempt from the provisions of this Article.

#### ENFORCING LIEN BY SALE

68. For the purpose of enforcing such lien, the Board may sell the shares subject thereto in such manner as it thinks fit but no sale shall be made until such time fixed as aforesaid shall have arrived and until notice in writing of the intention to sell, shall have been served on such member his heirs, executors, administrators or other legal representatives as the case may be and default shall have been made by him or them in payment, fulfillment or discharged of such debts, liabilities or engagements for fourteen days after the date of such notice.

#### APPLICATION OF PROCEEDS OF SALE

69. The net proceeds of any such sale shall be received by the Company and applied in or towards satisfaction of the said debts, liabilities or engagements and the residue, if any, shall be paid to such member, his heirs, executors, administrators or other legal representatives, as the case may be.

#### VALIDITY OF SALE IN EXERCISE OF LIEN AND AFTER FORFEITURE

70. Upon any sale after forfeiture or for enforcing a lien in purported exercise of the powers herein before given, the Board of Directors may appoint some person to execute an instrument of transfer of the shares sold and cause the purchaser's name to be entered in the register in respect of the shares sold and the purchaser shall not be bound to see to the regularity of the proceedings, nor 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.

#### BOARD OF DIRECTORS MAY ISSUE NEW CERTIFICATES

71. Where an shares under the powers in that behalf herein contained are sold by the Board of Directors after forfeiture or for enforcing a lien, the certificate or certificates originally issued in respect of the relative shares shall (unless the same shall voluntarily or on demand by the Company, have been previously surrendered to the Company by the defaulting member) stand cancelled and become null and void and of no effect and the Board of Directors may issue a new certificate or certificates for such shares distinguishing it or them in such manner as it may think fit from the certificate or certificates previously issued in respect of the said shares.

#### SUM PAYABLE ON ALLOTMENT TO BE DEEMED A CALL

72. For the purpose of the provisions of these Articles relating to forfeiture of shares, the sum payable upon allotment in respect of a share shall be deemed to be a call payable upon such shares on the day of allotment.

#### TRANSFER AND TRANSMISSION OF SHARES

#### REGISTER OF TRANSFER

73. The Company shall keep a book to be called the Register of Transfer and therein shall be fairly and distinctly entered the particulars of every transfer or transmission of any share.

#### EXECUTION OF TRANSFER

74. Subject to the Provisions of the Act and these Articles, the transfer of shares in or debentures of the Company shall not be registered unless a proper instrument of transfer duly stamped and executed by or on behalf of the transferor 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 if in existence or along with the letter of allotment of the shares or debentures. The transferor shall be deemed to remain the holder of such shares until the name of the transferee is entered in the register in respect thereof. Shares of different classes shall not be included in the same instrument of transfer.

#### INSTRUMENT OF TRANSFER

75. Every such instrument of transfer shall be signed both by the Transferor and transferee and the transferor shall be deemed to remain the holder of such share until the name of the transferee is entered in the Register of members in respect thereof.

#### FORM OF TRANSFER

76. The instrument of transfer shall be in writing and all the provisions of Section 56 of the Act and other applicable provisions, if any shall be duly complied with in respect of all transfers of shares and registration thereof.

#### NO TRANSFER TO A PERSON OF UNSOUND MIND, ETC

77. No transfer shall be made to a minor or a person of unsound mind or any partnership firm.

#### TRANSFER OF SHARES

78. (i) An application for the registration of a transfer of shares may be made either by the transferor or by the transferee.  
(ii) Where the application is made by the transferor and relates to partly paid shares, the transfer shall not be registered unless the Company gives notice of the application to the transferee and the transferee makes no objection to the transfer within two weeks from the receipt of the notice.  
  
(iii) For the purpose of clause (2) hereof notice to the transferee shall be deemed to have been duly given if it is dispatched by prepaid registered post to the transferee at the address given in the instruments 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.

#### DIRECTORS MAY REFUSE TO REGISTER TRANSFER

79. Subject to the Provisions of Section 58 and 59, these Articles and other applicable provisions of the Act or any other law for the time being in force, the Board may refuse whether in pursuance of any power of the company under these Articles or otherwise to register the transfer of, or the transmission by operation of law of the right to, any Shares or interest of a Member in or Debentures of the Company. The Company shall within one month from the date on which the instrument of transfer, or the intimation of such transmission, as the case may be, was delivered to Company, send notice of the refusal to the transferee and the transferor or to the person giving intimation of such transmission, as the case may be giving reasons for such refusal. Provided that the registration of a transfer shall not be refused person or persons indebted to the Company on any account whatsoever except where the Company has a lien on Shares. If the Company refuses to register the transfer of any share or transmission of right therein, the Company shall within one month from the date on which instrument of transfer or the intimation of transmission, as the case may be, was delivered to the Company, send notice of the refusal to the transferee and the transferor or to the person giving intimation of such transmission as the case may be. Nothing in these Articles shall prejudice any power of the Company to register as shareholder any person to whom the right to any shares of the Company has been transmitted by operation of law.

#### NO FEE ON TRANSFER OR TRANSMISSION

80. No fee shall be charged for registration of transfer, transmission, Probate, Succession, Certificate and Letters of administration, Certificate of Death or Marriage, Power of Attorney or similar other document.

#### TRANSFER TO BE LEFT AT OFFICE AS EVIDENCE OF TITLE GIVEN

81. Every instruments of transfer duly executed and stamped shall be left at the office for registration accompanied by the certificate of the shares to be transferred and such other evidence as the Company may require to prove the title of the transferor or his right to transfer the shares.

#### WHEN TRANSFER TO BE RETAINED

82. All instruments of transfer which are registered shall be retained by the Company but any instrument of transfer which the Board declines to register shall, on demand, be returned to the person depositing the same. The Board may cause to be destroyed all transfer deeds lying with the Company after such period not being less than eight years as it may determine.

#### DEATH OF ONE OR MORE JOINT HOLDERS OF SHARES

83. In the case of death of any one or more of the persons named in Register of Members as joint shareholders of any share, the survivors shall be the only persons recognized by the Company as having any title to or interest in such shares, but nothing herein contained shall be taken to release the estate of a joint shareholder from any liability to the Company on shares held by him jointly with any other person.

#### TITLE TO SHARES OF DECEASED HOLDER

84. Subject to Article 82 the heir, executor or administrator of a deceased shareholder shall be the only person recognized by the Company as having any title to his shares and the Company shall not be bound to recognize such heir, executor or administrator unless such heir, executor or administrator shall have first obtained probate, letters of administration or succession certificate.

#### REGISTRATION OF PERSONS ENTITLED TO SHARE OTHERWISE THAN BY TRANSFER

85. Subject to the provisions of Article 91 any person becoming entitled to any share in consequence of the death, lunacy, bankruptcy or insolvency of any member or by any lawful means other than by a transfer in accordance with these present, may with the consent of the Directors (which they shall not be under any obligation to give) upon producing such evidence that the sustains the character in respect of which he proposes to act under this Article or of such titles as the Directors shall think sufficient, either be registered himself as a member in respect of such shares or elect to have some person nominated by him and approved by the Directors registered as a 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 favor of his nominee on instrument of transfer in accordance with the provisions herein contained and until he does so, he shall not be free from any liability in respect of such shares.

A transfer of the share or other interest in the Company of a deceased member thereof made by his legal representative shall although the legal representative is not himself a member, be as valid as if he had been a member at the time of the execution of the instrument of transfer.

#### CLAIMANT TO BE ENTITLED TO SAME ADVANTAGE

86. The person entitled to a share by reason of the death, lunacy, bankruptcy or insolvency of the holder shall be entitled to the same dividends and other advantages to which he would be entitled as if he were registered holder of the shares except that he shall not before being registered as a member in respect of the share, be entitled in respect of it, to exercise any right conferred by membership in relation to the meeting of the Company provided that the Board may at any time give notice requiring any such persons to elect either to be registered himself or to transfer shares and if the notice is not complied within sixty days the Board shall thereafter withhold payment of all dividends, interests, bonuses or other moneys payable in respect of the share until the requirements of the notice have been compelled with.



## TRANSMISSION OF SHARE

87. Subject to the provisions of the Act and these Articles, any person becoming entitled to a share in consequence of the death, bankruptcy or 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 Board (which it shall not be under any obligation to give) upon producing such evidence as the Board think sufficient, either be registered himself as the holder of the share or elect to have some person nominated by him and approved by the Board registered as such holder, provided nevertheless that if such person shall elect to have his nominee registered, he shall testify the election by executing to his nominee an instrument of transfer of the share in accordance with the provisions herein contained and until he does so he shall not be freed from any liability in respect of the share.

## BOARD MAY REFUSE TO TRANSMIT

88. The Board shall have the same right to refuse on legal grounds to register a person entitled by transmission to any share or his nominee, as if he were the transferee named in any ordinary transfer presented for registration.

## BOARD MAY REQUIRE EVIDENCE OF TRANSMISSION

89. Every transmission of share shall be verified in such manner as the Board may require and if the Board so desires, be accompanied by such evidence as may be thought necessary and the Company may refuse to register any such transmission until the same be verified on requisite evidence produced or until or unless an indemnity be given to the Company with regard to such registration which the Board at its absolute discretion shall consider sufficient, provided nevertheless, that there shall not be any obligation on the Company or the Board to accept any indemnity.

## TRANSFER BY LEGAL REPRESENTATION

90. A transfer of a share in the Company of a deceased member thereof made by his legal representative shall, although the legal representative is not himself a member be as valid as if he had been a member at the time of the execution of instrument of transfer.

## CERTIFICATE OF TRANSFER

91. The Certification by the Company of any instrument of transfer of shares in or debentures of the Company, shall be taken as a representation by the Company to any person acting on the faith of the certification that there have been produced to the Company such documents as on the face of them show a prime facie title to the shares or debentures in the transferor named in the instrument of transfer, but not as a representation that the transferor has any title to the shares or debentures

## THE COMPANY NOT LIABLE FOR DISREGARD OF A NOTICE PROHIBITING REGISTRATION OF TRANSFER

92. The Company shall incur no liability or responsibility whatsoever in consequence of its registering or giving effect to any transfer or transmission of shares made or purporting to be made by any apparent legal owner thereof as shown or appearing in the Register of Members to the prejudice of persons having or claiming any equitable right, title or interest to or in the said shares, notwithstanding that the Company may have had notice of such equitable right, title or interest or notice prohibiting registration of such transfer any may have entered such notice or referred thereto in any book of the Company and the Company shall not be bound or required to regard or attend or give effect to any notice which may be given to it of any equitable right, title or interest or be under any liability whatsoever for refusing or neglecting so to do, though it may have been entered or referred to in some books of the Company but the Company shall nevertheless be at liberty to regard and attend to any such notice and give effect thereto if the Board shall so think fit.

## NOMINATION

93. (i) Every shareholder or debenture holder of the Company, may at any time, nominate a person to whom his shares or debentures shall vest in the event of his death in such manner as may be determined under the Act.
- (ii) Where the shares or debentures of the Company are held by more than one person jointly, joint holders may together nominate a person to whom all the rights in the shares or debentures, as the case may be shall vest in the event of death of all the joint holders in such manner as may be determined under the Act.
- (iii) Notwithstanding anything contained in any other law for the time being in force or in any disposition, whether testamentary or otherwise, where a nomination made in the manner aforesaid purports to confer on any person the right to vest the shares or debentures, the nominee shall, on the death of the shareholders or debenture holder or, as the case may be on the death of the joint holders become entitled to all the rights in such shares or debentures or, as the case may be, all the joint holders, in relation to such shares or debentures, to the exclusion of all other persons, unless the nomination is varied or cancelled in the manner as may be determined under the Act.
- (iv) Where the nominee is a minor, it shall be lawful for the holder of the shares or debentures, to make the nomination to appoint any person to become entitled to shares in, or debentures of, the Company in the manner prescribed under the Act, in the event of his death, during the minority.

#### “Option of Nominee”

94. (i) A nominee upon production of such evidence as may be required by the Board and subject as hereinafter provided, elect, either-(a) to register himself as holder of the share or debenture, as the case may be; (b) or to make such transfer of the shares and/or debentures, as the deceased shareholder or debenture holder, as the case may be, could have made.

If the nominee elects to be registered as holder of the shares or debentures, himself, as the case may be, he shall deliver or send to the Company, notice in writing signed by him stating that he so elects and such notice shall be accompanied with death certificate of the deceased shareholder or debenture holder, as the case may be

(ii) A nominee shall be entitled to the share dividend/interest and other advantages to which he would be entitled if he were the registered holder of the shares or debentures, provided that he shall not, before being registered as a member, be entitled to exercise any right conferred by membership in relation to the meeting of the Company.

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 shares or debentures, and if the notice is not complied within ninety days, the Board may thereafter withhold payment of all dividends, bonuses or other monies payable in respect of the shares or debentures, until the requirements of the notice have been complied with.

#### TRUST NOT RECOGNISED

95. Save as herein otherwise provided, the Company shall be entitled to treat the person whose names appear on the Register of Members/Debentures as the holder of any Shares/Debentures in the records of the Company and/or in the records of the Depository as the absolute owner thereof and accordingly shall not (except as may be ordered by a Court of competent jurisdiction or as may be required by law) be bound to recognize any benami trust or equitable, contingent, future or other claim or interest or partial interest in any such shares/debentures on the part of any other person or (except only as is by these Articles otherwise expressly provided) any right in respect of a share other than an absolute right thereto on the part of any other person whether or not it shall have express or implied notice thereof, but the Board shall be at liberty and at its sole discretion decided to register any share/debenture in the joint names of any two or more persons or the survivor or survivors of them.

#### TRANSFER OF SECURITIES

96. Nothing contained in Section 56(1) of the Act or these Articles shall apply to a transfer of securities affected by a transferor and transferee both of whom are entered as beneficial owners in the records of depository.

#### NOTICE OF APPLICATION WHEN TO BE GIVEN

97. 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.

#### REFUSAL TO REGISTER NOMINEE

98. Subject to the provisions of the Act and these Articles, the Directors shall have the same right to refuse to register a person entitled by transmission to any Share of his nominee as if he were the transferee named in an ordinary transfer presented for registration.

#### PERSON ENTITLED MAY RECEIVE DIVIDEND WITHOUT BEING REGISTERED AS A MEMBER

99. A person entitled to a Share by transmission shall subject to the right of the Directors to retain dividends or money as is herein provided, be entitled to receive and may give a discharge for any dividends or other moneys payable in respect of the Share.

#### BOARD MAY REFUSE TRANSFER TO MORE THAN THREE PERSONS

100. Subject to the provisions of the Act, the Board may refuse to transfer a share or shares in the joint names of more than three persons.

#### JOINT HOLDERS

101. If any share stands in the name of two or more persons, the person first named in the Register of Members shall, as regards receipt of dividends or bonus or service of notice and/or any other matter connected with the Company, except voting at meeting and the transfer of the share, be deemed the sole holder thereof, but the joint holders of a share be severally as well as jointly, liable for the payment of all installments and calls due in respect of such share and for all incidents thereof subject to the following and other provisions contained in these articles;

#### JOINT AND SEVERAL LIABILITIES FOR ALL PAYMENTS IN RESPECT OF SHARES

102.(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.

#### TITLE OF SURVIVORS

(b) On the death of any such joint holder, the survivor or survivors shall be the only person or persons 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 on shares held by him jointly with any other person.

#### EFFECTUAL RECEIPTS

(c) Any one of several persons who is registered as joint holder of any share may give effectual receipts for all dividends and payments on account of dividends in respect of such share.

#### DELIVERY OF CERTIFICATE AND GIVING OF NOTICE TO FIRST NAMED HOLDER

(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 certificates relating to such share or to receive documents (which expression shall be deemed to include all documents referred to in Article 29) from the Company and documents served on or sent to such person shall be deemed service on all the joint holders.

#### VOTES OF JOINT HOLDERS

(e) Any one or two or more joint holders may vote at any meeting either personally or by attorney or by proxy in respect of such shares as if he were solely entitled thereto and if more than one of such joint holders be present at any meeting personally or by proxy or by attorney than that one or such persons so present whose name stands first or higher (as the case may be) on the Register of Members in respect of such shares shall alone be entitled to vote in respect thereof but the others of the joint holders shall be entitled to be present at

the meeting; provided always that a joint holder present at any meeting personally shall be entitled to vote in preference to a joint holder present by attorney or by proxy although the name of such joint holder present by an attorney or by proxy although the name of such joint holder present by an attorney or proxy stands first or higher (as the case may be) in the register in respect of such shares. Several executors or administrators of a deceased members in whose (deceased member's) sole name any shares stand shall for the purpose of this Article, be deemed joint holders.

## CONVERSION OF SHARES INTO STOCK

### SHARES MAY BE CONVERTED INTO STOCK

103. The Board may, pursuant to section 61 and with the sanction of the General Meeting, convert any fully paid up share into stock and when any such shares have been converted into stock, the several holders of such stock may henceforth, transfer their respective interests therein or any part of such interest in the same manner as and subject to the same regulations, under which fully paid up share in the capital of the Company may be transferred or as near thereto as circumstances will admit, but the Board may, from time to time if it thinks fit, fix the minimum amount of stock transferable and direct that fractions of a rupee shall not be dealt with, power nevertheless at their discretion to waive such rules in any particular case.

### RIGHTS OF STOCK-HOLDERS

104. The stock shall confer on the holders thereof respectively the same rights, privileges and advantages as regards participation in the profits and voting at meetings of the Company and for other purposes as would have been conferred by shares of equal amount in the capital of the Company of the same class as the shares from which such stock was converted, but so that none of such privileges or advantages except participation in the profits of the Company or in the assets of the Company on a winding up, shall be conferred by any such equivalent part of consolidated stock as would not, if existing in shares have conferred such privileges or advantages. No such conversion shall effect or prejudice any preference or other special privileges attached to the shares so converted. Save as aforesaid, all the provisions herein contained shall, so far as circumstances will admit, apply to stock as well as to shares. The Company may at any time reconvert any such stock into fully paid up shares of any denomination.

### MEETING OF MEMBERS

105.(a) Subject to Section 96 of the Act, the Company shall in each year hold, in addition to any other meetings, a General Meeting as its Annual General Meeting and shall specify the meeting as such in the notices calling it and not more than fifteen months shall elapse between the date of the Annual General Meeting of the Company and that of the next, provided also that the Registrar may, for any special reason, extend the time by a period not exceeding three months within which any annual general meeting shall be held.

(b) Every Annual General Meeting shall be called for at a time during business hours that is between 9 a.m. and 6 p.m. on any day that is not a national holiday and shall be held either at the Registered Office of the Company or at some other place within the city or town or village in which the Registered Office of the Company is situated.

The Company shall in accordance with Section 92 of the Act, within 60 days from the day on which the Annual General Meeting is held, prepare and file with the Registrar an annual return together with the copy of the financial statements, including consolidated financial statement, if any, along with all the documents which are required to be or attached to such financial statements under this act, duly adopted at the Annual General Meeting of the company. A copy of the financial statements adopted at the Annual General Meeting shall be filed within 30 days of the annual general meeting in accordance with Section 137 of the Act.

### DISTINCTION BETWEEN ANNUAL GENERAL MEETING AND EXTRA-ORDINARY GENERAL MEETING

106. The General Meeting referred to in Article 103 shall be called and styled as an Annual General Meeting and all meetings other than the Annual General Meeting shall be called Extra-ordinary General Meetings.

## CALLING OF EXTRA-ORDINARY GENERAL MEETING

- 107.(1) The Board may, whenever it deems fit, call an extraordinary general meeting of the company.
- (2) The Board shall, at the requisition made by such number of members who hold, on the date of the receipt of the requisition, not less than one-tenth of such of the paid-up share capital of the company as on that date carries the right of voting power of all the members having on the said date a right to vote, call an extraordinary general meeting of the company within the period specified in clause (4).
- (3) The requisition made under clause (2) shall set out the matters for the consideration of which the meeting is to be called and shall be signed by the requisitionists and sent to the registered office of the company.
- (4) If the Board does not, within twenty-one days from the date of receipt of a valid requisition in regard to any matter, proceed to call a meeting for the consideration of that matter on a day not later than forty-five days from the date of receipt of such requisition, the meeting may be called and held by the requisitionists themselves within a period of three months from the date of the requisition.
- (5) A meeting under clause (4) by the requisitionists shall be called and held in the same manner in which the meeting is called and held by the Board.
- (6) Any reasonable expenses incurred by the requisitionists in calling a meeting under clause (4) shall be reimbursed to the requisitionists by the Company and the sums so paid shall be deducted from any fee or other remuneration under section 197 payable to such of the directors who were in default in calling the meeting.

## LENGTH OF NOTICE FOR CALLING MEETING

- 108.(1) A general meeting of the Company may be called by giving not less than clear twenty-one days' notice either in writing or through electronic mode in such manner as may be prescribed under the Act:  
Provided that a general meeting may be called after giving a shorter notice if consent is given in writing or by electronic mode by not less than ninety-five per cent of the members entitled to vote at such meeting.
- (2) Every notice of a meeting shall specify the place, date, day and the hour of the meeting and shall contain a statement of the business to be transacted at such meeting.
- (3) The notice of every meeting of the company shall be given to –
- (a) every member of the company, legal representative of any deceased member or the assignee of an insolvent member;
  - (b) the auditor or auditors of the company; and
  - (c) every director of the company.
- (4) Any accidental omission to give notice to, or the non-receipt of such notice by any member or other person who is entitled to such notice for any meeting shall not invalidate the proceedings of the meeting.

## EXPLANATORY STATEMENT TO BE ANNEXED TO NOTICE / SPECIAL BUSINESS

- 109.(1) Pursuant to section 102 a statement setting out the following material facts concerning each item of special business to be transacted at a general meeting, shall be annexed to the notice calling such meeting, namely: -
- (a) the nature of concern or interest, financial or otherwise, if any, in respect of each items of—
    - (i) every director and the manager, if any;
    - (ii) every other key managerial personnel; and
    - (iii) relatives of the persons mentioned in sub-clauses (i) and (ii);
  - (b) any other information and facts that may enable members to understand the meaning, scope and implications of the items of business and to take decision thereon.
- (2) For the purposes of clause (1),—
- (a) in the case of an annual general meeting, all business to be transacted thereat shall be deemed special, other than—
    - (i) the consideration of financial statements and the reports of the Board of Directors and auditors;
    - (ii) the declaration of any dividend;
    - (iii) the appointment of directors in place of those retiring;
    - (iv) the appointment of, and the fixing of the remuneration of, the auditors; And
  - (b) in the case of any other meeting, all business shall be deemed to be special:
- Provided that where any item of special business to be transacted at a meeting of the company relates to or affects any other company, the extent of shareholding interest in that other company of every promoter, director,

manager, if any, and of every other key managerial personnel of the first mentioned company shall, if the extent of such shareholding is not less than two per cent of the paid-up share capital of that company, also be set out in the statement.

(3) Where any item of business refers to any document, which is to be considered at the meeting, the time and place where such document can be inspected shall be specified in the statement under sub-clause (1).

110.No General Meeting, Annual or Extra-ordinary, shall be competent to enter upon, discuss or transact any business which has not been specifically mentioned in the notice or notices upon which it is convened.

#### QUORUM

111.(1)The quorum for a General Meeting of the Company shall be as under:

(i) five members personally present if the number of members as on the date of meeting is not more than one thousand; or

(ii) fifteen members personally present if the number of members as on the date of meeting is more than one thousand but up to five thousand; or

(iii) thirty members personally present if the number of members as on the date of the meeting exceeds five thousand; shall be the quorum for a meeting of the company.

(2) If the quorum is not present within half-an-hour from the time appointed for holding a meeting of the company –

(a) the meeting shall stand adjourned to the same day in the next week at the same time and place, or to such other date and such other time and place as the Board may determine; or

(b) the meeting, if called by requisitionists under section 100, shall stand cancelled:

Provided that in case of an adjourned meeting or of a change of day, time or place of meeting under clause (a), the Company shall give not less than three days notice to the members either individually or by publishing an advertisement in the newspapers (one in English and one in vernacular language) which is in circulation at the place where the registered office of the company is situated.

(3) If at the adjourned meeting also, a quorum is not present within half-an-hour from the time appointed for holding meeting, the members present shall be the quorum.

#### RESOLUTION PASSED AT ADJOURNED MEETING

112.Where a resolution is passed at an adjourned meeting of –

(a) the Company; or

(b) the holders of any class of shares in the Company; or

(c) the Board of Directors of the Company,

the resolution shall, for all purposes, be treated as having been passed on the date on which it was in fact passed, and shall not be deemed to have been passed on any earlier date.

#### REGISTRATION OF RESOLUTIONS AND AGREEMENTS

113.The Company shall comply with the provisions of Section 117 of the Act relating to registration of certain resolutions and agreements.

#### POWER TO ADJOURN GENERAL MEETING

114.(1) The Chairperson of the General Meeting at which the quorum is present may, and shall if so directed by the meeting, adjourn the same from time to time and from place to place, but no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.

(2) 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.

(3) Save as aforesaid, it shall not be necessary to give any notice of an adjournment of or of the business to be transacted at any adjourned meeting.

## CHAIRPERSON OF GENERAL MEETING

115. The Chairperson of the Board shall, if willing, preside as Chairperson at every General Meeting, Annual or Extraordinary, if there be no such Chairperson or if at any meeting he shall not be present within fifteen minutes after the time appointed for holding such meeting or being present declined to take the Chair, the Directors present may choose one of their members to be Chairperson and in default of their doing so, the members present shall choose one of the Directors to be Chairperson and if no Director present be willing to take the Chair, members shall, on a show of hands elect one of their numbers to be Chairperson, of the meeting, if a poll is demanded on the election of the Chairperson, it shall be taken forthwith in accordance with the provisions of the Act and these Articles and the Chairperson elected on a show of hands shall exercise all the powers of the Chairperson under the said provisions. If some other person is elected Chairperson as a result of the poll, he shall be the Chairperson for the rest of the meeting.

## BUSINESS CONFINED TO ELECTION OF CHAIRPERSON WHILE CHAIR VACANT

116. No business shall be discussed at any General Meeting except the election of a Chairperson while the chair is vacant.

## RESOLUTION MUST BE PROPOSED AND SECONDED

117. No resolution submitted to a meeting, unless proposed by the Chairperson of the meeting shall be discussed nor put to vote until the same has been proposed by a member present and entitled to vote at such meeting and seconded by another member present and entitled to vote at such meeting.

## POSTAL BALLOT

118. (1) Notwithstanding anything contained in this Act, the company –  
(a) shall, in respect of such items of business as the Central Government may, by notification, declare to be transacted only by means of postal ballot; and  
(b) may, in respect of any item of business, other than ordinary business and any business in respect of which directors or auditors have a right to be heard at any meeting, transact by means of postal ballot, in such manner as may be determined under the Act, instead of transacting such business at a general meeting.  
(2) If a resolution is assented to by the requisite majority of the shareholders by means of postal ballot, it shall be deemed to have been duly passed at a general meeting convened in that behalf.

## DECLARATION OF CHAIRPERSON TO BE CONCLUSIVE

119. A declaration by the Chairperson that a resolution has or has not been carried either unanimously or by a particular majority and an entry to that effect in the books containing the minutes of the proceedings of the Company shall be conclusive evidence of the fact, without proof of the number or proportion of the votes cast in favour of or against such resolution

## CIRCULATION OF MEMBERS' RESOLUTION

120. (1) The Company shall, on requisition in writing of such number of members, as required in section 100 of the Act,—  
(a) give notice to members of any resolution which may properly be moved and is intended to be moved at a meeting; and  
(b) circulate to members any statement with respect to the matters referred to in proposed resolution or business to be dealt with at that meeting.  
(2) The Company shall not be bound under this Article to give notice of any resolution or to circulate any statement unless  
(a) a copy of the requisition signed by the requisitionists (or two or more copies which, between them, contain the signatures of all the requisitionists) is deposited at the registered office of the Company,—  
(i) in the case of a requisition requiring notice of a resolution, not less than six weeks before the meeting;

- (ii) in the case of any other requisition, not less than two weeks before the meeting; and
- (b) there is deposited or tendered with the requisition, a sum reasonably sufficient to meet the Company's expenses in giving effect thereto:

Provided that if, after a copy of a requisition requiring notice of a resolution has been deposited at the registered office of the Company, an annual general meeting is called on a date within six weeks after the copy has been deposited, the copy, although not deposited within the time required by this sub-section, shall be deemed to have been properly deposited for the purposes thereof.

(3) The Company shall not be bound to circulate any statement as required by clause (b) of sub-section (1), if on the application either of the company or of any other person who claims to be aggrieved, the Central Government, by order, declares that the rights conferred by this section are being abused to secure needless publicity for defamatory matter.

(4) An order made under sub-section (3) may also direct that the cost incurred by the Company by virtue of this section shall be paid to the company by the requisitionists, notwithstanding that they are not parties to the application.

#### VOTES OF MEMBERS

#### VOTES MAY BE GIVEN BY PROXY OR ATTORNEY

121. Subject to the provisions of the Act and these Articles, votes may be given either personally or by an attorney or by proxy or in the case of a body corporate, also by a representative duly authorised under section 113 of the Act. A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights

Provided that a member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as proxy for any other person or shareholder.

#### VOTES OF MEMBERS

122.(1) Subject to the provisions of section 43 and sub-section (2) of section 50, -

(a) every member of the Company holding equity share capital therein, shall have a right to vote on every resolution placed before the company; and

(b) his voting right on a poll shall be in proportion to his share in the paid-up equity share capital of the Company.

(2) Every member of the Company holding any preference share capital therein shall, in respect of such capital, have a right to vote only on resolutions placed before the Company which directly affect the rights attached to his preference shares and, any resolution for the winding up of the Company or for the repayment or reduction of its equity or preference share capital and his voting right on a poll shall be in proportion to his share in the paid-up preference share capital of the Company:

Provided that the proportion of the voting rights of equity shareholders to the voting rights of the preference shareholders shall be in the same proportion as the paid-up capital in respect of the equity shares bears to the paid-up capital in respect of the preference shares:

Provided further that where the dividend in respect of a class of preference shares has not been paid for a period of two years or more, such class of preference shareholders shall have a right to vote on all the resolutions placed before the company.

#### RIGHT OF MEMBER TO USE HIS VOTES DIFFERENTLY

123. On a poll being taken at 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.

#### REPRESENTATION OF BODY CORPORATE



124. Pursuant to section 113 a body corporate, whether a company within meaning of the Act or not may, if it is a member or creditor of the Company including being a holder of debentures, may authorize such person by a resolution of its Board of Directors, as it thinks fit, to act as its representative at any meeting of members and creditors of the Company.

#### REPRESENTATION OF THE PRESIDENT OF INDIA OR GOVERNORS

125. The President of India or the Governor of State if he is a member of the Company may appoint such person as he thinks fit to act, as his representative at any meeting of the Company or at any meeting of any class of members of the Company in accordance with provisions of Section 112 of the Act or any other statutory provision governing the same.

A person appointed to act as aforesaid shall for the purposes of the Act be deemed to be a member of such a Company and shall be entitled to exercise the same rights and powers (including the right to vote by proxy) as the Governor could exercise, as member of the Company.

#### RESTRICTION ON EXERCISE OF VOTING RIGHT BY MEMBERS WHO HAVE NOT PAID CALLS

126. No member shall exercise any voting right in respect of any shares registered in his name on which any calls or other sums presently payable by him have not been paid or in regard to which the Company has and/or has exercised its right of lien.

#### RESTRICTION ON EXERCISE OF VOTING RIGHT IN OTHER CASES TO BE VOID

127. A member is not prohibited from exercising his voting right on the ground that he has not held his share or other interest in the Company for any specified period preceding the date on which the vote is taken, or on any other ground not being a ground set out in Article 125.

#### HOW MEMBER NON-COMPOS MENTIS MAY VOTE

128. If any member be a lunatic or non-compos mentis, the vote in respect of his share or shares shall be his committee or other legal guardian provided that such evidence of the authority of the person claimed to vote as shall be acceptable by the Board shall have been deposited at the office of the Company not less than forty eight hours before the time of holding a meeting.

#### INSTRUMENT OF PROXY

129. The instrument appointing a proxy shall be in writing and signed by the appointer or his attorney duly authorized in writing or if the appointer is a body corporate be under its seal or be signed by an officer or attorney duly authorized by it.

#### INSTRUMENT OF PROXY TO BE DEPOSITED AT OFFICE

130. The instrument appointing a proxy and the power of attorney or other authority (if any) under which it is signed or a notarially certified copy of that power of attorney or authority shall be deposited at the registered office of the Company not less than forty eight hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote and in default, the instrument of proxy shall not be treated as valid. No instrument of proxy shall be valid after the expiration of twelve months from the date of its execution.

#### WHEN VOTE BY PROXY VALID THOUGH AUTHORITY REVOKED

131. A vote given in accordance with the terms of an instrument of proxy shall be valid, notwithstanding the previous death or insanity of the principal or the revocation of the proxy or of the authority under which the proxy was executed or the transfer of the share in respect of which the vote is given. Provided that no intimation in writing of such death, insanity, revocation or transfer shall have been received by the Company at its office before the commencement of the meeting or adjourned meeting at which the proxy is used.

#### FORM OF PROXY

132. Every instrument of proxy shall be in the form as prescribed under Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014.

#### TIME FOR OBJECTION TO VOTE

133. No objection shall be made to the validity of any vote except at the meeting or poll at which such vote shall be so tendered and every vote whether given personally or by proxy and not disallowed at such meeting or poll shall be deemed valid for all purposes of such meeting or poll whatsoever.

#### CHAIRPERSON OF ANY MEETING TO BE THE JUDGE OF VALIDITY OF ANY VOTE

134. The Chairperson of any meeting shall be sole judge of the validity of every vote tendered at such meeting. The Chairperson present at the time of taking of a poll shall be the sole judge of the validity of every vote tendered at such poll.

#### DIRECTORS

135. Unless otherwise determined by members of the Company by passing a special resolution and subject to the provisions of Section 149 of the Act, the number of Directors shall not be more than fifteen.  
At any time, the Company shall have a Board of Directors consisting of at least three directors.

#### POWER OF DIRECTORS TO APPOINT ADDITIONAL DIRECTORS

136. The Board of Directors shall have the power to appoint any person, other than a person who fails to get appointed as a director in a general meeting, as an additional director at any time who shall hold office up to the date of the next annual general meeting or the last date on which the annual general meeting should have been held, whichever is earlier.

#### ALTERNATE DIRECTORS

137. The Board of Directors shall have the power to appoint a person, not being a person holding any alternate directorship for any other director in the Company, to act as an alternate director for a director during his absence for a period of not less than three months from India:

Provided that no person shall be appointed as an alternate director for an independent director unless he is qualified to be appointed as an independent director under the provisions of the Act:

Provided further that an alternate director shall not hold office for a period longer than that permissible to the director in whose place he has been appointed and shall vacate the office if and when the director in whose place he has been appointed returns to India:

Provided also that if the term of office of the original director is determined before he so returns to India, any provision for the automatic re-appointment of retiring directors in default of another appointment shall apply to the original, and not to the alternate director.

#### NOMINEE DIRECTORS

138. The Board shall have the power to 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 or by the Central Government or the State Government by virtue of its shareholding in a Government company.

#### CASUAL VACANCY

139. If the office of any director appointed by the Company in general meeting is vacated before his term of office expires in the normal course, the resulting casual vacancy may, in default of and subject to any regulations in these Articles, be filled by the Board of Directors at a meeting of the Board:

Provided that any person so appointed shall hold office only up to the date up to which the director in whose place he is appointed would have held office if it had not been vacated.

A Director need not hold any qualification shares.

#### REMUNERATION OF DIRECTORS

140. (1) Subject to the provisions of the Act, a Managing Director or any other Director, who is in the whole time employment of the Company may be paid remuneration either by way of a monthly payment or at a specified percentage of the net profits of the Company or partly by one way and partly by the other.

(2) Subject to the provisions of the Act, the remuneration payable to a director who is neither in the whole-time employment nor a Managing Director shall not exceed the limits prescribed under Section 197 of the Act:

(3) The fees payable to Director (including a Managing or whole-time Director, if any) for attending a meeting of the Board or Committee shall be decided by the Board of Directors from time to time, however the amount thereof shall not exceed the limit provided in the Companies Act, 2013 and rules, if any, framed there under.

(4) If any Director be called upon to perform extra services or special exertion or efforts (which expression shall include work done by a Director as member of any committee formed by the Directors), the Board may arrange with such Directors for such special remuneration for such extra services or special exertions or either by a fixed sum or otherwise as may be determined by the Board and such remuneration may be either in addition to or in substitution for his remuneration above provided subject to the provision of Section 197(4) of the Act.

#### INCREASE IN REMUNERATION OF DIRECTORS TO REQUIRE GOVERNMENT SANCTION

141. Any provision relating to the remuneration of any Director including the Managing Director or Joint Managing Director or whole time Director or executive Director whether contained in his original appointment or which purports to increase or has the effect of increasing whether directly or indirectly the amount of such remuneration and whether that provisions are contained in the articles or in any agreement entered into by the Board of Directors shall be subject to the provisions of Section 196, 197 and 203 of the Act and in accordance with the conditions specified in Schedule V and to the extent to which such appointment or any provisions for remuneration thereof is not in accordance with the Schedule V, the same shall not have any effect unless approved by the Central Government and shall be effective for such period and be subject to such conditions as may be stipulated by the Central Government and to the extent to which the same is not approved by the Central Government, the same shall become void and not enforceable against the Company.

#### TRAVELLING EXPENSES INCURRED BY A DIRECTOR NOT A BONAFIDE RESIDENT OR BY DIRECTOR GOING OUT ON COMPANY'S BUSINESS

142. The Board may allow and pay to any Director who is not a bonafide resident of the place where the meetings of the Board or committee thereof are ordinarily held and who shall come to a such place for the purpose of attending any meeting, such sum as the Board may consider fair compensation or for traveling, boarding, lodging and other expenses, in addition to his fee for attending such meeting as above specified and if any Director be called upon to go or reside out of the ordinary place of his residence on the Company's business, he shall be entitled to be repaid and reimbursed any travelling or other expenses, incurred in connection with business of the Company.

#### DIRECTORS MAY ACT NOTWITHSTANDING ANY VACANCY

143. The continuing Directors may act notwithstanding any vacancy in the Board, but if and so long as the number is reduced below the quorum fixed by the Act or by these Articles for a meeting of the Board, the continuing Directors or Director may act for the purpose of increasing the number of Directors to that fixed for the quorum or for summoning a General Meeting of the Company but for no other purpose.

#### DISCLOSURE OF INTEREST OF DIRECTORS

144.(1) Every director shall at the first meeting of the Board in which he participates as a director and thereafter at the first meeting of the Board in every financial year or whenever there is any change in the disclosures already made, then at the first Board meeting held after such change, disclose his concern or interest in any company or companies or bodies corporate, firms, or other association of individuals which shall include the shareholding, in such manner as may be determined by central government.

(2) Every director of the Company who is in any way, whether directly or indirectly, concerned or interested in a contract or arrangement or proposed contract or arrangement entered into or to be entered into—

(a) with a body corporate in which such director or such director in association with any other director, holds more than two per cent. shareholding of that body corporate, or is a promoter, manager, Chief Executive Officer of that body corporate; or

(b) with a firm or other entity in which, such director is a partner, owner or member, as the case may be, shall disclose the nature of his concern or interest at the meeting of the Board in which the contract or arrangement is discussed and shall not participate in such meeting:

Provided that where any director who is not so concerned or interested at the time of entering into such contract or arrangement, he shall, if he becomes concerned or interested after the contract or arrangement is entered into, disclose his concern or interest forthwith when he becomes concerned or interested or at the first meeting of the Board held after he becomes so concerned or interested.

(3) A contract or arrangement entered into by the Company without disclosure under sub-section (2) or with participation by a director who is concerned or interested in any way, directly or indirectly, in the contract or arrangement, shall be voidable at the option of the Company.

(4) Nothing in this Article-

(a) shall be taken to prejudice the operation of any rule of law restricting a director of the Company from having any concern or interest in any contract or arrangement with the Company;

(b) shall apply to any contract or arrangement entered into or to be entered into between two companies where any of the directors of the Company or two or more of them together holds or hold not more than two per cent of the paid-up share capital in the other company.

#### INTERESTED DIRECTOR NOT TO PARTICIPATE OR VOTE ON BOARD'S PROCEEDINGS

145. No Director of the Company shall, as Director, take any part in the discussion of or vote on any contract or arrangement entered into or to be entered into by or on behalf of the Company if he is in any way whether directly or indirectly, concerned or interested in the contract or arrangement, nor shall his presence count for the purpose of forming a quorum at the time of any such discussion or vote and if he does vote his vote shall be void, provided however that Directors may vote on any contract of indemnity against any loss which the Directors or any one or more of them may suffer by reason of becoming or being sureties or surety for the Company.

#### BOARD'S SANCTION TO BE REQUIRED FOR CERTAIN CONTRACTS IN WHICH PARTICULAR DIRECTOR IS INTERESTED

146.(1) Except with the consent of the Board of Directors of the Company and of the Shareholders where applicable, the Company, shall not enter into any contract with a Related Party in contravention of Section 188 of the Act and the Rules made thereunder—

for the sale, purchase or supply of any goods, materials or services; or

selling or otherwise disposing of, or buying, property of any kind;

leasing of property of any kind;

(iv) availing or rendering of any services;

(v) appointment of any agent for purchase or sale of goods, materials, services or property;

(vi) such Related Party's appointment to any office or place of profit in the Company, its subsidiary company or associate company;

(vii) underwriting the subscription of any securities or derivatives thereof, of the Company:

(2) Nothing contained in clause (1) shall affect any transactions entered into by the Company in its ordinary course of business other than transactions which are not on an arm's length basis.

(3) Notwithstanding anything contained in sub-clauses (1) and (2) a Related Party may, in circumstances of urgent necessity enter, without obtaining the consent of the Board, into any contract with the Company; but in such a case the consent of the Board shall be obtained at a meeting within three months of the date of which the contract was entered into or such other period as may be prescribed under the Act. (S.188 (3))

(4) Every consent of the Board required under this Article shall be accorded by a resolution of the Board and the consent required under Clause (1) shall not be deemed to have been given within the meaning of that clause unless the consent is accorded before the contract is entered into or within three months of the date on which it was entered into or such other period as may be prescribed under the Act.

(5) If the consent is not accorded to any contract under this Article anything done in pursuance of the contract will be voidable at the option of the Board.

#### SPECIAL DIRECTOR

147. In connection with any collaboration arrangement with any company or corporation or any firm or person for supply of technical know-how and/or machinery or technical advice the directors may authorize such company, corporation, firm or person herein-after in this clause referred to as "collaborator" to appoint from time to time any person as director of the company (hereinafter referred to as "special director") and may agree that such special director shall not be liable to retire by rotation and need not possess any qualification shares to qualify him for office of such director, so however that such special director shall hold office so long as such collaboration arrangement remains in force unless otherwise agreed upon between the Company and such collaborator under the collaboration arrangements or at any time thereafter.

The collaborators may at any time and from time to time remove any such special director appointed by it and may at the time of such removal and also in the case of death or resignation of the person so appointed, at any time appoint any other person as special director in his place and such appointment or removal shall be made in writing signed by such company or corporation or any partner or such person and shall be delivered to the Company at its registered office.

It is clarified that every collaborator entitled to appoint a director under this article may appoint one such person as a director and so that if more than one collaborator is so entitled there may be at any time as many special directors as the collaborators eligible to make the appointment.

#### DIRECTORS' SITTING FEES

148. The fees payable to a Director for attending each Board meeting shall be such Sum as may be fixed by the Board of Directors not exceeding such as may be prescribed under the Act for each of the meetings of the Board or a committee thereof and adjournments thereto attended by him.

#### DIRECTORS AND MANAGING DIRECTOR MAY CONTRACT WITH COMPANY

149. Subject to the provisions of the Act the Directors (including a Managing Director And whole time Director) shall not be disqualified by reason of his or their office as such from holding office under the Company or from contracting with the Company either as vendor, purchaser, lender, agent, broker, lessor or lessee or Otherwise, nor shall any such contract or any contracts or arrangement entered into by or on behalf of the Company with any Director or with any company or Partnership of or in which any Director shall be a member or otherwise interested be avoided nor shall any Director so contracting be liable to account to the Company for any profit realized by such contract or arrangement by reason only Of such director holding that office or of the fiduciary relation thereby established, but it is declared that the nature of his interest shall be disclosed as Provided by Section 188

of the Act and in this respect all the provisions of Section 179, 180, 184, 185, 186, 188, 189 and 196 of the Act shall be duly observed and complied with.

#### **DIRECTOR MAY BE DIRECTOR OF COMPANIES PROMOTED BY THE COMPANY**

150. Subject to provisions of Section 203 of the Act, a Director may be or become a director of any company promoted by the Company, or in which it may be interested as a vendor, shareholder, or otherwise and no such Director shall be accountable for any benefit received as director or Shareholder of such company except in so far Section 197 or Section 188 of the Act may be applicable.

#### **RETIREMENT AND ROTATION OF DIRECTORS**

##### **RETIREMENT OF DIRECTORS BY ROTATION**

151. Not less than two-thirds of the total number of Directors (excluding independent director) of the Company shall be persons whose periods of office shall be liable to determination by retirement of Directors by rotation and save and otherwise expressly provided in the Act and these Articles, be appointed by the Company in General Meeting. The remaining directors shall be appointed in accordance with the provisions of these Articles and the Act. At the Annual General Meeting in each year, one-third of the Directors for the time being as are liable to retire by rotation, or if their number is not three or multiple of three, then the number nearest to one-third shall retire from office.

Subject to the provisions of the Act and these Articles, the Directors to retire by rotation at every Annual General Meeting shall be those who have been longest in office since their last appointment, but as between persons who became Directors on the same day, those who are to retire shall, in default of and subject to any agreement among themselves, be determined by lot. Subject to the provisions of the Act, a retiring Director shall retain office until the conclusion of the meeting at which his re-appointment is decided or his successor is appointed.

If the vacancy of the retiring director is not so filled-up and the meeting has not expressly resolved not to fill the vacancy, the meeting shall stand adjourned till the same day in the next week, at the same time and place, or if that day is a national holiday, till the next succeeding day which is not a holiday, at the same time and place.

If at the adjourned meeting also, the vacancy of the retiring director is not filled up and that meeting also has not expressly resolved not to fill the vacancy, the retiring director shall be deemed to have been re-appointed at the adjourned meeting, unless -

- (i) at that meeting or at the previous meeting a resolution for the re-appointment of such director has been put to the meeting and lost;
- (ii) the retiring director has, by a notice in writing addressed to the Company or its Board of directors, expressed his unwillingness to be so re-appointed;
- (iii) he is not qualified or is disqualified for appointment;
- (iv) a resolution, whether special or ordinary, is required for his appointment or re-appointment by virtue of any provisions of this Act; or
- (v) section 162 is applicable to the case.

##### **APPOINTMENT OF DIRECTOR TO BE VOTED INDIVIDUALLY**

152. (1) At a general meeting of the Company, a motion for the appointment of two or more persons as directors of the Company by a single resolution shall not be moved unless a proposal to move such a motion has first been agreed to at the meeting without any vote being cast against it.

(2) A resolution moved in contravention of sub-section (1) shall be void, whether or not any objection was taken when it was moved.

(3) A motion for approving a person for appointment, or for nominating a person for appointment as a director, shall be treated as a motion for his appointment.

##### **APPOINTMENT OF DIRECTORS**

153. (1) A person who is not a retiring director in terms of section 152 shall, subject to the provisions of this Act, be eligible for appointment to the office of a director at any general meeting, if he, or some member intending to propose him as a director, has, not less than fourteen days before the meeting, left at the registered office of the Company, a notice in writing under his hand signifying his candidature as a director or, as the case may be, the intention of such member to propose him as a candidate for that office, along with the deposit of one lakh rupees or such higher amount as may be determined under the Act which shall be refunded to such person or, as the case may be, to the member, if the person proposed gets elected as a director or gets more than twenty-five per cent of total valid votes cast either on show of hands or on poll on such resolution.
- (2) The Company shall inform its members of the candidature of a person for the office of director under sub-section (1) in such manner as may be determined by central government.

#### REGISTER OF DIRECTORS AND KEY MANAGERIAL PERSONNEL AND NOTIFICATION OF CHANGES TO REGISTRAR

154. The Company shall keep at its registered office, a Register of Director, Managing Director, Manager and Secretary and key managerial personnel of the Company containing the particulars as required by Section 170 of the Act and shall send to the Registrar a return in the prescribed form containing the particulars specified in the said register and shall notify to the Registrar any change among its Directors, Managing Directors, Manager, Secretary and key managerial personnel or any of the particulars contained in the register as required by Section 170 of the Act.

#### APPOINTMENT OF TECHNICAL OR EXECUTIVE DIRECTORS

155. a) The Board of Directors shall have the right from time to time to appoint any person or persons as Technical Director or Executive Director/s and remove any such persons from time to time without assigning any reason whatsoever. A Technical Director or Executive Director shall not be required to hold any qualification shares and shall not be entitled to vote at any meeting of the Board of Directors.
- b) 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 these Articles be filled by the Board of Directors at the meeting of the Board and the Director so appointed 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.

#### REMOVAL OF DIRECTORS

156. (1) The Company may, by ordinary resolution, remove a director, not being a director appointed by the Tribunal under section 242 of the Act, before the expiry of the period of his office after giving him a reasonable opportunity of being heard:
- Provided that nothing contained in this Article shall apply where the Company has availed itself of the option given to it under section 163 of the Act to appoint not less than two thirds of the total number of directors according to the principle of proportional representation.
- (2) A special notice shall be required of any resolution, to remove a director under this section, or to appoint somebody in place of a director so removed, at the meeting at which he is removed.
- (3) On receipt of notice of a resolution to remove a director under this section, the Company shall forthwith send a copy thereof to the director concerned, and the director, whether or not he is a member of the Company, shall be entitled to be heard on the resolution at the meeting.
- (4) Where notice has been given of a resolution to remove a director under this section and the director concerned makes with respect thereto representation in writing to the Company and requests its notification to members of the Company, the Company shall, if the time permits it to do so,—
- (a) in any notice of the resolution given to members of the Company, state the fact of the representation having been made; and

(b) send a copy of the representation to every member of the Company to whom notice of the meeting is sent (whether before or after receipt of the representation by the Company), and if a copy of the representation is not sent as aforesaid due to insufficient time or for the Company's default, the director may without prejudice to his right to be heard orally require that the representation shall be read out at the meeting:

Provided that copy of the representation need not be sent out and the representation need not be read out at the meeting if, on the application either of the Company or of any other person who claims to be aggrieved, the Tribunal is satisfied that the rights conferred by this sub-section are being abused to secure needless publicity for defamatory matter; and the Tribunal may order the Company's costs on the application to be paid in whole or in part by the director notwithstanding that he is not a party to it.

(5) A vacancy created by the removal of a director under this section may, if he had been appointed by the company in general meeting or by the Board, be filled by the appointment of another director in his place at the meeting at which he is removed, provided special notice of the intended appointment has been given under sub-clause (2) of this Article.

(6) The director so appointed shall hold office till the date up to which his predecessor would have held office if he had not been removed.

(7) If the vacancy is not filled under sub-clause (5) of this Article, it may be filled as a casual vacancy in accordance with the provisions of this Act:

Provided that the director who was removed from office shall not be re-appointed as a director by the Board of Directors.

(8) Nothing in this section shall be taken -

(a) as depriving a person removed under this section of any compensation or damages payable to him in respect of the termination of his appointment as director as per the terms of contract or terms of his appointment as director, or of any other appointment terminating with that as director; or

(b) as derogating from any power to remove a director under other provisions of this Act.

#### ELIGIBILITY FOR RE-ELECTION

157. A retiring Director shall be eligible for re-appointment.

#### PROCEEDINGS OF DIRECTORS

#### MEETINGS OF BOARD

158.(1) A minimum number of four meetings of the Board of Directors every year in such a manner that not more than one hundred and twenty days shall intervene between two consecutive meetings of the Board:

(2) The participation of directors in a meeting of the Board may be either in person or through video conferencing or other audio visual means, as may be determined, which are capable of recording and recognising the participation of the directors and of recording and storing the proceedings of such meetings along with date and time:

(3) A meeting of the Board shall be called by giving not less than seven days' notice in writing to every director at his address registered with the Company and such notice shall be sent by hand delivery or by post or by electronic means:

Provided that a meeting of the Board may be called at shorter notice to transact urgent business subject to the condition that at least one independent director, if any, shall be present at the meeting:

Provided further that in case of absence of independent directors from such a meeting of the Board, decisions taken at such a meeting shall be circulated to all the directors and shall be final only on ratification thereof by at least one independent director, if any.

#### QUORUM

159. (1) The quorum for a meeting of the Board of Directors of the Company shall be one third of its total strength or two directors, whichever is higher, and the participation of the directors by video conferencing or by other audio visual means shall also be counted for the purposes of quorum.



(2) 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 and for no other purpose.

(3) Where at any time the number of interested directors exceeds or is equal to two thirds of the total strength of the Board of Directors, the number of directors who are not interested directors and present at the meeting, being not less than two, shall be the quorum during such time.

(4) Where a meeting of the Board could not be held for want of quorum, then, unless these Articles otherwise provide, the meeting shall automatically stand adjourned to the same day at the same time and place in the next week or if that day is a national holiday, till the next succeeding day, which is not a national holiday, at the same time and place.

#### DECISION OF QUESTIONS

160. Subject to the provisions of the Act, question arising at any meeting of the Board shall be decided by a majority of votes and in case of an equality of votes, the Chairperson shall have a second or casting vote.

#### BOARD MAY APPOINT CHAIRPERSON, CO-CHAIRPERSON AND VICE CHAIRPERSON

161. The Board may elect a Chairperson, a Co-Chairperson and a Vice Chairperson of their Meetings and of the Company and determine the period for which he is to hold office. The Chairperson or in his absence the Co-Chairperson or the Vice Chairperson shall be entitled to take the Chair at every General Meeting, whether Annual or Extraordinary, or if there be no such Chairperson or Co-Chairperson or Vice Chairperson of the Board of Directors, or if at any Meeting neither of these shall be present within fifteen minutes of the time appointed for holding such Meeting, the Directors present may choose one of their members to be the Chairperson of the Meeting of their meetings and determine the period for which he is to hold office, but if no such Chairperson is elected or if at any meeting the Chairperson is not present within ten minutes after the time appointed for holding the meeting, the Directors present may choose one of their members to be the Chairperson of the Meeting.

#### POWER OF BOARD MEETING

162. A meeting of the Board at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions which by or under the Act or these Articles are for the time being vested in or exercisable by the Board generally.

163. Subject to the restrictions contained in Section 179 of the Act, the Board may delegate any of its power to a Committee of the Board consisting of such member or members of its body or any other person as it thinks fit and it may from time to time revoke and discharge any such committee of the Board so formed, shall in the exercise of the power so delegated conform to any regulations that may from time to time be imposed on it by the Board. All acts done by such Committee of the Board in conformity with such regulations and in fulfillment of the purposes of their appointment but not otherwise, shall have the like force and effect as if done by the Board.

#### MEETING OF THE COMMITTEE HOW TO BE GOVERNED

164. The meeting and proceedings of any such Committee of the Board consisting of two or more persons shall be governed by the provisions herein contained for regulating the meetings and proceedings of the Board, so far as the same are applicable thereto and are not superseded by any regulations made by the Board under the last preceding Article.

#### DEFECTS IN APPOINTMENT OF DIRECTORS NOT TO INVALIDATE ACTIONS TAKEN

165. No act done by a person as a director shall be deemed to be invalid, notwithstanding that it was subsequently noticed that his appointment was invalid by reason of any defect or disqualification or had terminated by virtue of any provision contained in this Act or in the articles of the company:

Provided that nothing in this section shall be deemed to give validity to any act done by the director after his appointment has been noticed by the company to be invalid or to have terminated.

## PASSING OF RESOLUTION BY CIRCULATION

166.(1) No resolution shall be deemed to have been duly passed by the Board or by a committee thereof by circulation, unless the resolution has been circulated in draft, together with the necessary papers, if any, to all the directors, or members of the committee, as the case may be, at their addresses registered with the Company in India by hand delivery or by post or by courier, or through such electronic means as may be determined by central government and has been approved by a majority of the directors or members, who are entitled to vote on the resolution:

Provided that, where not less than one-third of the total number of directors of the Company for the time being require that any resolution under circulation must be decided at a meeting, the Chairperson shall put the resolution to be decided at a meeting of the Board.

(2) A resolution under sub-section (1) above shall be noted at a subsequent meeting of the Board or the committee thereof, as the case may be, and made part of the minutes of such meeting.

## SPECIAL NOTICE

167. Where by any provision contained in the Act or in these Articles special notice is required for any resolution, notice of the intention to move the resolution shall be given to the Company by such number of members holding not less than one per cent of total voting power or holding shares on which such aggregate sum not exceeding five lakh rupees, as may be prescribed, has been paid-up, not less than fourteen days before the meeting at which it is to be moved exclusive of the day on which the notice is served or deemed to be served and the day of the meeting. The Company shall immediately after the notice of the intention to move any such resolution has been received by it, give its members notice of the resolution in the same manner as it gives notice of the meeting, or if that is not practicable, shall give them notice thereof either by advertisement in a newspaper having an appropriate circulation or in any other mode allowed by these presents not less than seven days before the meeting.

## GENERAL POWERS OF THE BOARD

168.(1) The Board of Directors of the Company shall be entitled to exercise all such powers, and to do all such acts and things, as the Company is authorized to exercise and do:

Provided that in exercising such power or doing such act or thing, the Board shall be subject to the provisions contained in that behalf in this Act, or in the Memorandum or these Articles, or in any regulations not inconsistent therewith and duly made thereunder, including regulations made by the Company in general meeting:

Provided further that the Board shall not exercise any power or do any act or thing which is directed or required, whether under this Act or by the Memorandum or these Articles otherwise, to be exercised or done by the Company in general meeting.

(2) 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.

## CERTAIN POWERS TO BE EXERCISED BY THE BOARD ONLY AT MEETINGS

169. The Board of Directors of the Company shall exercise the following powers on behalf of the Company by means of resolutions passed at meetings of the Board, namely: -

- (a) to make calls on shareholders in respect of money unpaid on their shares;
- (b) to authorize buy-back of securities under section 68;
- (c) to issue securities, including debentures, whether in or outside India;
- (d) to borrow monies;
- (e) to invest the funds of the Company;
- (f) to grant loans or give guarantee or provide security in respect of loans;
- (g) to approve financial statement and the Board's report;
- (h) to diversify the business of the Company;
- (i) to approve amalgamation, merger or reconstruction;
- (j) to take over a company or acquire a controlling or substantial stake in another company;
- (k) to make political contributions;
- (l) to appoint or remove key managerial personnel (KMP);
- (m) to take note of appointment(s) or removal(s) of one level below the Key Managerial Personnel;

- (n) to appoint internal auditors and secretarial auditor;
- (o) to take note of disclosure of director's interest and shareholding;
- (p) to buy, sell investments held by the company (other than trade investments) constituting five percent or more of the paid up share capital and free reserve of the investee company;
- (q) to invite and accept or renew public deposits and related matters;
- (r) to review or change the terms and conditions of public deposit;
- (s) to approve quarterly, half yearly and annual financial statements or financial results as the case may be.

Provided that the Board may, by a resolution passed at a meeting, delegate to any committee of directors, the managing director, the manager or any other principal officer of the Company or in the case of a branch office of the Company, the principal officer of the branch office, the powers specified in clauses (d) to (f) on such conditions as it may specify:

Nothing in this section shall be deemed to affect the right of the Company in general meeting to impose restrictions and conditions on the exercise by the Board of any of the powers specified in this section.

#### RESTRICTIONS ON POWERS OF BOARD

170. Subject to the provisions of the Act, the Board of Directors of the Company shall exercise the following powers only with the consent of the Company by a special resolution, namely: -

- (a) to sell, lease or otherwise dispose of the whole or substantially the whole of the undertaking of the company or where the Company owns more than one undertaking, of the whole or substantially the whole of any of such undertakings.
- (b) to invest otherwise in trust securities the amount of compensation received by it as a result of any merger or amalgamation;
- (c) to borrow money, where the money to be borrowed, together with the money already borrowed by the Company will exceed aggregate of its paid-up share capital and free reserves, apart from temporary loans obtained from the Company's bankers in the ordinary course of business:
- (d) to remit, or give time for the repayment of, any debt due from a director.

(2) Every special resolution passed by the Company in general meeting in relation to the exercise of the powers referred to in abovementioned sub-clause (c) shall specify the total amount up to which monies may be borrowed by the Board of Directors.

(4) Any special resolution passed by the Company consenting to the transaction as is referred to in sub-clause (a) may stipulate such conditions as may be specified in such resolution, including conditions regarding the use, disposal or investment of the sale proceeds which may result from the transactions:

Provided that this sub-section shall not be deemed to authorise the Company to effect any reduction in its capital except in accordance with the provisions contained in this Act.

(5) No debt incurred by the Company in excess of the limit imposed by sub-clause (c) shall be valid or effectual, unless the lender proves that he advanced the loan in good faith and without knowledge that the limit imposed by that clause had been exceeded.

#### POWER TO BORROW

171. Subject to the provisions of Sections 73 and 180 of the Act, the Board may, from time to time at its discretion and by means of resolutions passed at its meeting accept deposits from members either in advance of calls or otherwise and generally, raise or borrow or secure the payment or any sum or sums of money for the purposes of the Company.

172. All the provisions applicable to nomination facility available to shareholder(s) and debenture holder(s) enumerated in these Articles shall equally apply to deposit holder(s) and the provisions of Section 72 of the Act shall also apply.

#### THE PAYMENT OR REPAYMENT OF MONEYS BORROWED

173. The payment or repayment of moneys borrowed as aforesaid may be secured in such manner and upon such terms and conditions in all respects as the Board of Directors may think fit, and in particular in pursuance of a resolution passed at a meeting of the Board (and not by circular resolution) by the issue of bonds, debentures or debentures stock of the Company, charged upon all or any part of the property of the Company, (both present and future),

including its un-called capital for the time being and the debentures and the debenture stock and other securities may be made assignable free from any equities between the Company and the person to whom the same may be issued.

#### BONDS, DEBENTURES, ETC. TO BE SUBJECT TO CONTROL OF DIRECTORS

174. Any bonds, debentures, debenture-stock or other securities issued or to be issued by the Company shall be under the control of the Directors who may issue them upon such terms and condition and in such manner and for such consideration as they shall consider to be for the benefit of the Company.

Provided that bonds, debentures, debenture-stock or other securities so issued or to be issued by the Company with the right to allotment of or conversion into shares shall not be issued except with the sanction of the Company in general meeting.

#### CONDITION ON WHICH MONEY MAY BE BORROWED

175. The Board may raise or secure the payment of such sum or sums in such manner and upon such terms and conditions in all respects as it thinks fit and in particular by the issue of bonds, perpetual or redeemable debenture-stock or any mortgage, charge or other security on the undertaking of the whole or any part of the Company (both present and future) including its uncalled capital for the time being. The Board shall exercise such power only by means of resolutions passed at its meetings and not by circular resolutions.

#### TERMS OF ISSUE OF DEBENTURES

176. 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.

#### DEBENTURES WITH VOTING RIGHTS NOT BE ISSUED

177. (1) The Company may issue debentures with an option to convert such debentures into shares, either wholly or partly at the time of redemption:

Provided that the issue of debentures with an option to convert such debentures into shares, wholly or partly, shall be approved by a special resolution passed at a general meeting.

(2) The Company shall not issue any debentures carrying any voting rights.

(3) Secured debentures may be issued by the Company subject to such terms and conditions as may be determined under the Act.

(4) Where debentures are issued, the Company shall create a debenture redemption reserve account out of the profits of the Company available for payment of dividend and the amount credited to such account shall not be utilized by the Company except for the redemption of debentures.

(5) The Company shall not issue a prospectus or make an offer or invitation to the public or to its members exceeding five hundred for the subscription of its debentures, unless the Company has, before such issue or offer, appointed one or more debenture trustees and the conditions governing the appointment of such trustees shall be such as may be prescribed under the Act.

(6) The debenture trustee so appointed in accordance with the abovementioned provisions shall take steps to protect the interests of the debenture holders and redress their grievances in accordance with such rules as may be prescribed.

(7) Any provision contained in the trust deed executed for securing the issue of debentures, or in any contract with the debenture-holders secured by a trust deed, shall be void in so far as it would have the effect of exempting the trustee thereof from, or indemnifying him against, any liability for breach of trust, where he fails to show the degree of care and due diligence required of him as a trustee, having regard to the provisions of the trust deed conferring on him any power, authority or discretion:

Provided that the liability of the debenture trustee shall be subject to such exemptions as may be agreed upon by a majority of debenture-holders holding not less than three fourths in value of the total debentures at a meeting held for the purpose.

(8) The Company shall pay interest and redeem the debentures in accordance with the terms and conditions of their issue.

(9) Where at any time the debenture trustee comes to a conclusion that the assets of the Company are insufficient or are likely to become insufficient to discharge the principal amount as and when it becomes due, the debenture trustee may file a petition before the Tribunal and the Tribunal may, after hearing the Company and any other person interested in the matter, by order, impose such restrictions on the incurring of any further liabilities by the Company as the Tribunal may consider necessary in the interests of the debenture-holders.

(10) Where the Company fails to redeem the debentures on the date of their maturity or fails to pay interest on the debentures when it is due, the Tribunal may, on the application of any or all of the debenture-holders, or debenture trustee and, after hearing the parties concerned, direct, by order, the Company to redeem the debentures forthwith on payment of principal and interest due thereon.

(12) A contract with the company to take up and pay for any debentures of the company may be enforced by a decree for specific performance.

#### EXECUTION OF INDEMNITY

178.If the Directors or any of them or any other persons shall become personally liable for the payment of any sum primarily due from the Company, the Board may execute or cause to be executed any mortgage, charge or security over or affecting the whole or any part of the assets of the Company by way of indemnity against any loss which the Directors or any one or more of them may suffer by reason of becoming or being sureties or surety for the company.

#### CERTAIN POWERS OF THE BOARD

179.Without prejudice to the general powers conferred by these Articles and so as not in any way to limit or restrict those powers, but subject however to the provisions of the Act, it is hereby expressly declared that the Board shall have the following powers:

1) To pay the costs, charges and expenses preliminary and incidental to the promotion, formation, establishment, and registration of the Company.

2) Subject to Sections 179 and 188 and other applicable provisions of the Act, to purchase or otherwise acquire for the Company any property, movable or immovable, rights or privileges which the Company is authorized to acquire at or for such price or consideration and generally on such terms and conditions as they may think fit and in any such purchase or other acquisition to accept such title as the Board may believe or may be advised to be reasonably satisfactory.

3) At its discretion and subject to the provisions of the Act, to pay for any property, rights, privileges acquired by or services rendered to the Company, either wholly or partially in cash or in shares, bonds, debentures, mortgages or other securities of the Company and any such shares may be issued either as fully paid up or with such amount credited as fully paid up thereon as may be agreed upon and any such bonds, debentures, mortgages or other securities may be either specifically charges upon all or any part of the property of the Company including its uncalled capital or not so charges.

4) To secure the fulfillment of any contracts, agreements or engagements entered into by the Company by mortgage of charge of all or any of the property of the Company and its uncalled capital for the time being or in such manner as they may think fit.

5) To appoint and at its discretion, remove or suspend, such managers, secretaries, officers, clerks, agents and employees for permanent, temporary or special services as it may from time to time think fit and to determine their power and duties and fix their salaries, emoluments remuneration and to require security in such instances and of such amounts as it may think fit.

6) To accept from any member subject to the provisions of the Act, a surrender of his share or any part thereof on such terms and condition as shall be agreed.

7) To appoint any person or persons (whether incorporated or not) to accept and hold in trust for the Company any property belonging to the Company or in which it is interested or for any other purpose and to execute and 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.

8) To institute, conduct, defend, compound or abandon any legal proceedings by or against the Company or its officers or otherwise concerning the affairs of the Company and also to compound and allow time for payment or satisfaction of any debts due or any claims or demands by or against the Company and to refer any difference to arbitration and observe and perform the terms of any awards made therein either according to Indian Law or according to Foreign Law and either in India or abroad and observe and perform or challenge any award made therein.

9) To refer any claims or demands by or against the Company or any difference to arbitration and observe and perform the awards.

10) To act on behalf of the Company in all matters relating to bankruptcy and insolvency.

11) To make and give receipts, releases and other discharges for money payable to the Company and for the claims and demands of the Company.

12) To open and operate Bank Accounts, to determine from time to time who shall be entitled to sign, on the Company's behalf, bills, notes, receipts, acceptances, endorsements, cheques, dividend warrants, releases, contracts and documents and to give the necessary authority for such purposes.

13) Subject to the provisions of the Act and these Articles from time to time to provide for the management of the affairs of the Company in or outside India in such manner as it may think fit and in particular to appoint any person to be the attorneys or agents of the Company with such person (including the power to sub-delegate) and upon such terms as may be thought fit.

14) Subject to the provisions of Sections 179, 180, 185 of Act and other applicable provisions of the Act and these Articles, to invest and deal with the moneys of the Company not immediately required for the purpose thereof in or upon such security (not being shares in this Company) or without security and in such manner as it may think fit and from time to time to vary or realize such investments save as provided in Section 187 of the Act, all investments shall be made and held in the Company's own name.

15) 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 for the benefit of the Company, such mortgages of the Company's property (present and future) as it thinks fit and any such mortgage may contain a power of sale and such other powers, covenants and provisions as shall be agreed upon.

16) To distribute by way of bonus amongst the staff of the Company a share or shares in the profits of the Company and to give to any Director, officer or other person employed by the Company a commission on the profits of any particular business or transaction and to charge such bonus or commission as a part of working expenses of the Company.

17) To provide for the welfare of employees or ex-employees of the Company and the wives and families or the dependents or connections of such persons by building or contributing to the building of houses, dwellings or chawls or by grants of money, pension, gratuity, annuities, allowances, bonuses or other payments or by creating and from time to time subscribing or contributing to, provident fund and other associations institutions, funds or trusts and by providing or subscribing or contributing towards places of instruction or recreations, hospitals and dispensaries, medical and other attendance and other assistance as the Board shall think fit.

18) To subscribe, incur expenditure or otherwise to assist or to guarantee money to charitable, benevolent, religious, scientific, national or any other institutions or objects which shall have any moral or other claim to support or aid by the Company either by reason of locality of operation or of public and general utility or otherwise.

19) Before recommending any dividend, to set aside, out of the profits of the Company, such sums as it may think proper for depreciation or to a depreciation fund or to an insurance fund or as a reserve fund or sinking fund or any special fund to meet contingencies to repay debentures or for debenture-stock or for special dividends or for equalizing dividends or for repairing, improving, extending and maintaining any of the property of the Company and for such other purposes (including the purposes referred to in the last two preceding clauses) as the Board of Directors, may in its absolute discretion think conducive to the interest of the Company and subject to Section 292 of the Act to invest the several sums so set aside or so much thereof as is required to be invested, upon such investments (other than shares of this Company) as it may think fit and from time to time deal with and vary such investments and dispose off and apply and expend all or any part thereof for the benefit of the Company, in such manner & for such purposes as the Board of Directors in its absolute discretion think conducive to the interest of the Company notwithstanding that the matters to which the Board of Directors applies or upon which it expends the same or any part thereof may be matters to or upon which the capital moneys of the Company might rightly be applied or expended and to divide the general reserve fund into such special funds as the Board of Directors may think fit with full power to transfer the whole or any portion of a reserve fund or division of reserve fund to another reserve fund and with full power to employ the asset constituting all or any of the above funds including the depreciation fund in the business of the Company or in the purchase or repayment of debentures or debenture-stock and that without being bound to keep the same separate from the other assets and without being bound to pay interest on the same with power however to the Board of Directors at its discretion to pay or allow to the credit of such funds, interest at such rate as the Board of Directors may think proper.

20) To pay and charge to the capital account of the Company any commission or interest lawfully payable thereunder under the provisions of the Act and of the provision contained in these presents.

21) From time to time make, vary and repeal by-laws for regulation of the business of the Company, its officers and servants.

22) To redeem redeemable preference shares.

23) Subject to provisions of the Act, for or in relation to any of the matters aforesaid or otherwise for the purpose of the Company to enter in to 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.

24) To undertake any branch or kind of business which the company is expressly or by implication authorized to undertake at such time or times as it shall think fit and to keep in abeyance any such branch or kind of business even though it may have been actually commenced or not, so long as the Board may deem it expedient not to commence or proceed with such branch or kind of business.

#### APPOINTMENT OF INDEPENDENT DIRECTOR

180. Pursuant to section 149 and rules as may be applicable and subject to the provisions of Schedule IV the Company shall appoint such number of independent directors from time to time as may be prescribed under the Act.

Every independent director shall at the first meeting of the Board in which he participates as a director and thereafter at the first meeting of the Board in every financial year or whenever there is any change in the circumstances which may affect his status as an independent director, give a declaration that he meets the criteria of independence.

Notwithstanding anything contained in any other provision of this Act, but subject to the provisions of sections 197 and 198, an independent director shall not be entitled to any stock option and may receive remuneration by way of sitting fees, reimbursement of expenses for participation in the Board and other meetings and profit related commission as may be approved by the members.

Subject to the provisions of section 152 of the Act, an independent director shall hold office for a term up to five consecutive years on the Board of the Company, but shall be eligible for reappointment on passing of a special resolution by the Company and disclosure of such appointment in the Board's report.

No independent director shall hold office for more than two consecutive terms, but such independent director shall be eligible for appointment after the expiration of three years of ceasing to become an independent director: Provided that an independent director shall not, during the said period of three years, be appointed in or be associated with the company in any other capacity, either directly or indirectly.

Notwithstanding anything contained in this Act -

(i) an independent director;

(ii) a non-executive director not being promoter or key managerial personnel,

shall be held liable, only in respect of such acts of omission or commission by the Company which had occurred with his knowledge, attributable through Board processes, and with his consent or connivance or where he had not acted diligently.

The provisions of retirement of directors by rotation shall not be applicable to appointment of independent directors.

## KEY MANAGERIAL PERSONNEL

### APPOINTMENT OF KEY MANAGERIAL PERSONNEL

181.(1) Subject to the provisions of Sections 203 and other applicable provisions, if any of the Act, Company shall appoint whole-time key managerial personnel by means of a resolution of the Board containing the terms and conditions of the appointment including the remuneration.

(2) A whole-time key managerial personnel shall not hold office in any other Company except in the subsidiary of the Company at the same time.

A key managerial personnel may be appointed as a director of the Company with the permission of the Board.

The Company may appoint or employ a person as its managing director, if he is the managing director or manager of one, and of not more than one, other company and such appointment or employment is made or approved by a resolution passed at a meeting of the Board with the consent of all the directors present at the meeting and of which meeting, and of the resolution to be moved thereat, specific notice has been given to all the directors then in India.

(3) If the office of any whole-time key managerial personnel is vacated, the resulting vacancy shall be filled-up by the Board at a meeting of the Board within a period of six months from the date of such vacancy.

### REMUNERATION OF KEY MANAGERIAL PERSONNEL

182.The remuneration of Key Managerial Personnel shall from time to time, be fixed by the Board and may be by way of salary or commission or participation in profits or by any or all of these modes or in any other form and shall be subject to the limitations prescribed in Schedule V along with Sections 196 and 197 of the Act.

### DIRECTORS MAY CONFER POWER ON MANAGING DIRECTOR

183.Subject to the provisions of the Act and to the restrictions contained in these Articles, Board may from time to time entrust to and confer upon a Managing Director for the time being such of the powers exercisable by the Board under these Articles as it may think fit and may confer such powers for such time and to be exercised for such objects and purposes and upon such terms and conditions and with such restrictions as it thinks expedient.

### CERTAIN PERSONS NOT TO BE APPOINTED AS MANAGING DIRECTORS

184.The Company shall not appoint or continue the employment of any person as managing director, whole-time director or manager who -

(a) is below the age of twenty-one years or has attained the age of seventy years:



Provided that appointment of a person who has attained the age of seventy years may be made by passing a special resolution in which case the explanatory statement annexed to the notice for such motion shall indicate the justification for appointing such person;

(b) is an undischarged insolvent or has at any time been adjudged as an insolvent;

(c) has at any time suspended payment to his creditors or makes, or has at any time made, a composition with them; or

(d) has at any time been convicted by a court of an offence and sentenced for a period of more than six months.

A person shall not be eligible for appointment as a director of the Company if such person suffers any of the disqualifications provided under Section 164 of the Act.

185. Special to any contract between him and the Company, a Managing or Wholetime Director shall not, while he continues to hold that office, be subject to retirement by rotation and he shall not be reckoned as a Director for the purpose of determining the rotation of retirement of Directors or in fixing the number of Directors to retire but (subject to the provisions of any contract between him and the Company), he shall be subject to the same provisions as to resignation and removal as the Directors of the Company and shall, ipso facto and immediately, cease to be a Managing Director if he ceases to hold the office of Director from any cause.

186. The Company shall not appoint or employ at the same time more than one of the following categories of managerial personnel namely:-

a) Managing Director and

b) Manager.

and shall duly observe the provisions of Section 196 of the Act regarding prohibition of simultaneous appointment of different categories of managerial personnel therein referred to.

#### THE SECRETARY

187. The Board may, from time to time, appoint and at its discretion, remove any individual (hereinafter called the Secretary) to perform any function which by the Act are to be performed by the Secretary and to execute any other ministerial or administrative duties which may from time to time be assigned to the Secretary by the Board. The Board may also at any time appoint some persons (who need not be the Secretary) to keep the registers required to be kept by the Company. The appointment of Secretary shall conform to the provisions of Section 203 of the Act.

#### THE SEAL, ITS CUSTODY AND USE

188. The Board of Directors shall provide a Common Seal for the purpose of the Company and shall have power from time to time to destroy the same and substitute a new Seal in lieu thereof and shall provide for the safe custody of the Seal for time being and the Seal of the Company shall not be affixed to any instrument except by the authority of a resolution of the Board of Directors and except in the presence of at least two Director or such other person as the Directors may appoint for the purpose and the Directors or other persons aforesaid shall sign every instrument to which the Seal of the Company is so affixed in their presence.

#### MINUTES

189.(1) The Company shall cause minutes of all proceedings of every General Meeting and all proceedings of every meeting of its Board of /directors or of every Committee of the Board to be kept by making within thirty days of the conclusion of every such meeting concerned, entries thereof in books kept for that, their pages consecutively numbered.

(2) Each page of every such book shall be initialed or signed and the last Page of the record of proceedings of each meeting in such books shall be dated and signed.

(a) in the case of minutes of proceedings of a meeting of the Board or of a committee thereof, by the Chairperson of the next succeeding meeting.

(b) In the case of minutes of proceedings of a General Meeting, by the Chairperson of the same meeting within the aforesaid period of thirty Days or in the event of the death or inability of that Chairperson within that period, by a Director duly authorized by the Board for the purpose.

190. Minutes of proceedings of every General Meeting and of the proceedings of every meeting of the Board kept in accordance with the provisions of Article 198 above, shall be evidence of the proceedings recorded therein.

191. Where minutes of the proceedings of every General Meeting of the Company or of any meeting of the Board or of a Committee of the Board have been kept in accordance with the provisions of article 199 above then, until the contrary is proved the meeting shall be deemed to have been duly called and held and all proceedings thereat to have duly taken place and in particular all appointments of Directors or liquidators made at the meeting shall be deemed to be valid.

(1) The books containing the minutes of the proceedings of any General Meeting of the Company shall be kept at the registered office of the Company and shall be open for inspection of members without charge between the hours 2 p.m. and 5 p.m. during business hours on each working day except Saturday

(2) Any member of the Company shall be entitled to be furnished, within seven days after he has made a request in writing in that behalf to the Company, with a copy of any minutes referred above on payment of such sum not exceeding Ten Rupees for every page thereof required to be copied.

(3) In no case the minutes of proceedings of a meeting shall be attached to any such book as aforesaid by pasting or otherwise.

(4) The minutes of different meetings shall contain a fair and correct summary of proceedings thereat.

(5) All appointments of officers made at any of the meetings aforesaid shall be included in the minutes of the meeting.

(6) In the case of a meeting of the Board of Directors or of a committee of the Board, the minutes shall also contain -

(a) the names of the directors present at the meeting; and

(b) in the case of each resolution passed at the meeting, the names of the directors, if any, dissenting from, or not concurring with the resolution.

(7) Nothing contained in clauses (1) to (6) there shall not be included in the minutes, any matter which, in the opinion of the Chairperson of the meeting -

(a) is or could reasonably be regarded as defamatory of any person; or

(b) is irrelevant or immaterial to the proceedings; or

(c) is detrimental to the interests of the company.

The Chairperson shall exercise an absolute discretion in regard to the inclusion or non-inclusion of any matters in the minutes on the grounds specified in this clause.

#### PRESUMPTIONS TO BE DRAWN WHERE MINUTES DULY DRAWN AND SIGNED.

192. Where minutes of the proceedings of any general meeting of the Company or of any meeting of its Board of Directors or of a Committee of the Board have been kept in accordance with the provisions of Section 118 of the act then, until the contrary is proved, the meeting shall be deemed to have been duly called and held, and all proceedings thereat to have duly taken place and in particular all appointments of directors or Liquidators made at the meeting shall be deemed to be valid and the minutes shall be evidence of the proceedings recorded therein.

#### DIVIDENDS

193. (1) No dividend shall be declared or paid by the Company for any financial year except -

(a) out of the profits of the Company for that year arrived at after providing for depreciation or out of the profits of the Company for any previous financial year or years arrived at after providing for depreciation in accordance with the provisions of the Act and remaining undistributed, or out of both; or

(b) out of money provided by the Central Government or a State Government for the payment of dividend by the Company in pursuance of a guarantee given by that Government:

Provided that the Company may, before the declaration of any dividend in any financial year, transfer such percentage of its profits for that financial year as it may consider appropriate to the reserves of the Company: Provided further that where, owing to inadequacy or absence of profits in any financial year, the Company proposes to declare dividend out of the accumulated profits earned by it in previous years and transferred by it to the reserves, such declaration of dividend shall not be made except in accordance with such rules as may be prescribed in this behalf:

No dividend shall be declared or paid by the Company from its reserves other than free reserves.

(2) The depreciation shall be provided in accordance with the provisions of Schedule II of the Act.

(3) The Board of Directors of the Company may declare interim dividend during any financial year out of the surplus in the profit and loss account and out of profits of the financial year in which such interim dividend is sought to be declared:

Provided that in case the Company has incurred loss during the current financial year up to the end of the quarter immediately preceding the date of declaration of interim dividend, such interim dividend shall not be declared at a rate higher than the average dividends declared by the company during the immediately preceding three financial years.

(4) The amount of the dividend, including interim dividend, shall be deposited in a scheduled bank in a separate account within five days from the date of declaration of such dividend.

(5) No dividend shall be paid by the Company in respect of any share therein except to the registered shareholder of such share or to his order or to his banker and shall not be payable except in cash:

Provided that nothing in this sub-section shall be deemed to prohibit the capitalization of profits or reserves of the Company for the purpose of issuing fully paid-up bonus shares or paying up any amount for the time being unpaid on any shares held by the members of the Company:

Provided further that any dividend payable in cash may be paid by cheque or warrant or in any electronic mode to the shareholder entitled to the payment of the dividend.

(6) The Company shall not declare any dividend on its equity shares till the time default in the repayment of deposits continues, if any.

#### DIVIDEND TO JOINT HOLDERS

194. Any one of several persons who are registered as joint holders of any Shares may give effectual receipts for all dividends or bonus and payments on account of dividends in respect of such Shares.

195. 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.

No amount paid or credited as paid on a share in advance of calls shall be treated as paid up on the share.

#### APPORTIONMENT OF DIVIDENDS

196. All dividends shall be apportioned and paid proportionate 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.

#### DECLARATION OF DIVIDENDS

197. The Company in General Meeting may, subject to the provisions of Section 123 of the Act, declare a dividend to be paid to the members according to their right and interests in the profits and may fix the time for payment.

#### RESTRICTION ON AMOUNT OF DIVIDEND

198.No larger dividend shall be declared than is recommended by the Board, but the Company in General Meeting may declare a smaller dividend.

#### DIVIDEND OUT OF PROFITS ONLY AND NOT TO CARRY INTEREST

199. (1) No dividend shall be payable except out of the profits of the Company arrived at as stated in Section 123 of the Act.

(2) The declaration of the Board as to the amount of the net profits of the Company shall be conclusive.

#### INTERIM DIVIDENDS

200.The Board of Directors may from time to time pay the members such interim dividends as appears to it to be justified by the profits of the Company in accordance with Section 123 of the Act.

#### DEBTS MAY BE DEDUCTED

201.The Board may retain any dividends payable on shares 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 lien exists.

#### DIVIDEND AND CALL TOGETHER

202.Any General Meeting declaring an dividend may make a call on the members of such amount as the meeting fixes but so that the call on each members shall not exceed the dividend payable on him and so that the call may be made payable at the same time as the dividend and dividend may; if so arranged between the Company and the member, be set off against the call.

#### EFFECT OF TRANSFER

203.Right to dividend, right shares and bonus shares shall be held in abeyance pending registration of transfer of shares in conformity with the provision of Section 126 of the Act.

#### RETENTION IN CERTAIN CASES

204.The Board may retain the dividends payable upon share in respect of which any person is, under Articles entitled to become a member, or which any person under that Article is entitled to transfer, until such person shall become a member, in respect of such shares or shall duly transfer the same.

#### NO MEMBER TO RECEIVE INTEREST OR DIVIDEND WHILST INDEBTED TO THE COMPANY AND COMPANY'S RIGHT TO REIMBURSEMENT THERE OUT

205.No member shall be entitled to receive payment of an interest or dividend in respect of his own share or shares whilst any money may be due or owing from him to the Company in respect of such share or shares otherwise howsoever either alone or jointly with any other person or persons and the Board may deduct from the interest or dividend payable to any shareholder all sums or money so due from him to the Company.

#### PAYMENT BY POST

206.Any dividend payable in cash may be paid by cheque or warrant sent through the post directly to the registered address of the shareholder entitled to the payment of the dividend or in the case of joint shareholders to the registered address of that one whose name stands first on the Register of Members in respect of the joint shareholding or to such persons and to such address as the shareholders of the joint shareholders may in writing direct and every cheque or warrant so sent shall be made payable to the order of the person to whom it is sent and the Company shall not be responsible or liable for any cheque or warrant lost in transit or for any dividend lost to the member or person entitled thereto by the forged endorsement of any cheque or warrant of the fraudulent recovery thereof by any other means. The Company may, if it thinks fit, call upon the shareholders when applying

for dividends or bonus to produce their share certificates at the registered office or other place where the payment of dividend is to be made.

#### DIVIDEND TO BE PAID WITHIN THIRTY DAYS

207. The Company shall pay dividend or send the warrant in respect thereof to the shareholder entitled to the payment of the dividend within Thirty days from the date of the declaration of the dividend unless:

- (a) the dividend could not be paid by reason of the operation of any law or
- (b) a shareholder has given directions to the Company regarding the payment of dividend and these directions can not be complied with or
- (c) there is dispute, regarding the right to receive the dividend or
- (d) the dividend has been lawfully adjusted by the Company against any sum due to it from the shareholder or
- (e) for any other reason, the failure to pay the dividend or to post the warrant within the period aforesaid was not due to any default on the part of the Company.

#### UNPAID OR UNCLAIMED DIVIDEND

208. (1) Where a dividend has been declared by the Company but has not been paid or claimed within thirty days from the date of the declaration to any shareholder entitled to the payment of the dividend, the company shall, within seven days from the date of expiry of the said period of thirty days, transfer the total amount of dividend which remains unpaid or unclaimed to a special account to be opened by the company in that behalf in any scheduled bank to be called the Unpaid Dividend Account.

(2) The Company shall, within a period of ninety days of making any transfer of an amount under sub-section (1) to the Unpaid Dividend Account, prepare a statement containing the names, their last known addresses and the unpaid dividend to be paid to each person and place it on the website of the company, if any, and also on any other website approved by the Central Government for this purpose, in such form, manner and other particulars as may be determined by central government.

(3) If any default is made in transferring the total amount referred to in sub-section (1) or any part thereof to the Unpaid Dividend Account of the company, it shall pay, from the date of such default, interest on so much of the amount as has not been transferred to the said account, at the rate of twelve per cent per annum and the interest accruing on such amount shall endure to the benefit of the members of the company in proportion to the amount remaining unpaid to them.

(4) Any person claiming to be entitled to any money transferred under sub-section (1) to the Unpaid Dividend Account of the Company may apply to the company for payment of the money claimed.

(5) Any money transferred to the Unpaid Dividend Account of the Company in pursuance of this section which remains unpaid or unclaimed for a period of seven years from the date of such transfer shall be transferred by the company along with interest accrued, if any, thereon to the Fund established under sub-section (1) of section 125 and the Company shall send a statement in the prescribed form of the details of such transfer to the authority which administers the said Fund and that authority shall issue a receipt to the Company as evidence of such transfer.

(6) All shares in respect of which unpaid or unclaimed dividend has been transferred under sub-section (5) shall also be transferred by the Company in the name of Investor Education and Protection Fund along with a statement containing such details as may be determined by central government:

Provided that any claimant of shares transferred above shall be entitled to claim the transfer of shares from Investor Education and Protection Fund in accordance with such procedure and on submission of such documents as may be determined by central government.

#### CAPITALIZATION OF RESERVES

209. (a) Any General Meeting may, upon the recommendation of the Board resolve that any moneys, investments or other assets forming part of the undistributed profits of the Company standing to the credit of any of the profit and loss account or any capital redemption reserve fund or in hands of the Company and available for dividend or representing premium received on the issue of shares and standing to the credit of the share premium account be capitalized and distributed amongst such of the shareholders as would be entitled to receive the same if distributed by way of dividend and in the same proportions on the footing that they become entitled thereto as capital and that all or any part of such capitalized fund shall not be paid in cash but shall be applied subject to the provisions contained in clause (b) hereof on behalf of such shareholders in full or towards:

(1) Paying either at par or at such premium as the resolution may provide any unissued shares or debentures or debenture-stock of the Company which shall be allotted, distributed and credited as fully paid up to and amongst such members in the proportions aforesaid; or

(2) Paying up any amounts for the time being remaining unpaid on any shares or debentures or debenture-stock held by such members respectively; or

(3) Paying up partly in the way specified in sub-clause (1) and partly in that specified in sub-clause (2) and that such distribution or payment shall be accepted by such shareholders in full satisfaction of their interest in the said capitalized sum.

(b) (1) Any moneys, investments or other assets representing premium received on the issue of shares and standing to the credit of share premium account; and

(2) If the Company shall have redeemed any redeemable preference shares, all or any part of any capital redemption fund arising from the redemption of such shares may, by resolution of the Company be applied only in paying up unissued shares of the Company to be issued to members of the Company as fully paid bonus shares to be issued to such members of the Company as the General Meeting may resolve upto an amount equal to the nominal amount of the shares so issued.

(c) Any General Meeting may resolve that any surplus moneys arising from the realization of any capital assets of the Company or any investments representing the same or any other undistributed profits of the Company not subject to charge for income-tax be distributed amongst the members on the footing that they receive the same as capital.

(d) For the purpose of giving effect to any such resolution, the Board may settle any difficulty which may arise in regard to the distribution of payment as aforesaid as it thinks expedient and in particular it may issue fractional certificates and may fix the value for distribution of any specific assets and may determine that cash payments be made to any members on the footing of the value so fixed and may vest any such cash, share, debentures, debenture-stock, bonds or other obligation in trustees upon such trust for the persons entitled thereto as may seem expedient to the Board and generally may make such arrangement for acceptance, allotment and sale of such shares, debentures, debenture-stock, bonds or other obligations and fractional certificates or otherwise as it may think fit.

(e) If and whenever any share becomes held by any member in fraction, the Board may subject to the provisions of the Act and these Articles and to the directions of the Company in General Meeting, if any, sell the shares which members hold in fractions for the best price reasonably obtainable and shall pay and distribute to and amongst the members entitled to such shares in due proportion the net proceeds of the sale thereof, for the purpose of giving effect to any such sale, the Board may authorize any person to transfer the shares sold to the purchaser thereof, comprised in any such transfer and he shall not be bound to see to the application of the purchase money nor shall his title to the shares be affected by any irregularity or of invalidity in the proceedings with reference to the sale.

(f) Where required; a proper contract shall be delivered to the Registrar for registration in accordance with Section 39 of the Companies Act 2013 and the Board may appoint any person to sign such contract on behalf of the persons entitled to the dividend or capitalized fund and such appointment shall be effective.

## FRACTIONAL CERTIFICATES

210. (1) Whenever such a resolution as aforesaid shall have been passed, the Board shall;
- (a) make all appropriations and applications of the undivided profits resolved to be capitalized thereby and all allotments and issues of fully paid Shares and
  - (b) Generally do all acts and things required to give effect thereto.
- (2) The Board shall have full power:
- (a) to make such provision by the issue of fractional cash certificate or by payment in cash or otherwise as it thinks fit, in the case of Shares becoming distributable in fractions, also
  - (b) to authorize any person to enter, on behalf of all the Members entitled thereto, into an agreement with the Company providing for the allotment to them respectively, credited as fully 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 thereof of the respective proportions of the profits resolved to be capitalised of the amounts remaining unpaid on their existing Shares.
- (3) Any agreement made under such authority shall be effective and binding on all such Members.
- (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 question or difficulties that may arise in regard to any issue including distribution of new Shares and fractional certificates as they think fit.

## DIVIDEND IN CASH

211. No dividends shall be payable except in cash, provided that nothing in this Article shall be deemed to prohibit the capitalization of the profits or reserves of the Company for the purpose of issuing fully paid up bonus Shares or paying up any amount for the time being unpaid on any Shares held by Members of the Company.
212. The Board shall give effect to the resolution passed by the Company in pursuance of all the above Articles.

## BOOKS OF ACCOUNTS

### BOOKS OF ACCOUNTS TO BE KEPT

213. The Company shall cause to be kept proper books of account with respect to:
- (i) all sums of money received and expended by a company and matters in relation to which the receipts and expenditure take place;
  - (ii) all sales and purchases of goods and services by the company;
  - (iii) the assets and liabilities of the company; and
  - (iv) the items of cost as may be determined by central government under section 148 in the case of a company which belongs to any class of companies specified under that section;

### BOOKS WHERE TO BE KEPT AND INSPECTION

214. (1) The Company shall prepare and keep at its registered office books of account and other relevant books and papers and financial statement for every financial year which give a true and fair view of the state of the affairs of the company, including that of its branch office or offices, if any, and explain the transactions effected both at the registered office and its branches and such books shall be kept on accrual basis and according to the double entry system of accounting.
- All or any of the books of account aforesaid and other relevant papers may be kept at such other place in India as the Board of Directors may decide and where such a decision is taken, the Company shall, within seven days thereof, file with the Registrar a notice in writing giving the full address of that other place. The Company may keep such books of account or other relevant papers in electronic mode in such manner as may be determined by central government.

(2) Where a company has a branch office in India or outside India, it shall be deemed to have complied with the provisions of sub-clause (1), if proper books of account relating to the transactions effected at the branch office are kept at that office and proper summarized returns periodically are sent by the branch office to the company at its registered office or the other place referred to in sub-clause (1).

(3) The books of account of the Company relating to a period of not less than eight financial years immediately preceding a financial year together with the vouchers relevant to any entry in such books of account shall be kept in good order.

(4) The Company may keep such books of accounts or other relevant papers in electronic mode in such manner as may be prescribed.

#### INSPECTION BY MEMBERS

215. The Board of Directors shall, from time to time, determine whether and to what extent and at what times and places and under what conditions or regulations accounts and the books and the documents of the Company or any of them shall be open to the inspection of the members and 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 statute or authorised by the Board of Directors or by a resolution of the Company in General Meeting.

#### TRANSFER BOOKS AND REGISTER OF MEMBERS WHEN CLOSED

216. The Board shall have power on giving not less than seven days' previous notice by advertisement in some newspaper circulating in the district in which the office of the Company is situated, to close the Transfer books, the Register of members or Register of debenture 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 in each year.

If the transfer books have not been closed at any time during a year, the Company shall at least once a year, close the books at the time of its Annual General Meeting. The minimum time gap between the two book closures and/or record dates would be at least 30 (thirty) days.

#### STATEMENT OF ACCOUNTS TO BE LAID IN GENERAL MEETING

217. The Board of Directors shall from time to time, in accordance with Sections 129 and 134 of the Act, cause to be prepared and to be laid before the Company in General Meeting, such Balance Sheets, Profits & Loss Accounts and reports as are required by these Sections.

#### FINANCIAL STATEMENT

218. Subject to the provisions of Section 129 of the Act, every Financial Statement of the Company shall be in the forms set out in Schedule II of the Act, or as near there to as circumstances admit. So long as the Company is a holding Company having a subsidiary the Company shall conform to Section 129 and other applicable provisions of the Act.

If in the opinion of the Board, any of the current assets of the Company have not a value on realization in the ordinary course of business at least equal to the amount at which they are stated, the fact that the Board is of that opinion shall be stated.

#### AUTHENTICATION OF FINANCIAL STATEMENT

219. The Financial Statements shall be signed in accordance with the provisions of Section 134 of the said Act. The Financial Statement, shall be approved by the Board of Directors before they are submitted to the auditors for report thereon. Profit and Loss Accounts to be Annexed and Auditors' Report to be attached to the Balance Sheet. The Profit and Loss Account shall be annexed to the Balance and the Auditors' Report including the Auditor's separate, special or supplementary report, if any, shall be attached thereon.

#### BOARD'S REPORT TO BE ATTACHED TO FINANCIAL STATEMENT



220. Every Financial Statement laid before the Company in General Meeting shall have attached to it a Report by the Board of Directors with respect to the State of the Company's affairs and such other matters as prescribed under Section 134 of the Act and the Rules made thereunder. The Report shall so far as it is material for the appreciation of the state of the Company's affairs by its members and will not in the Board's opinion be harmful to the business of the Company or of any of its subsidiaries deal with any changes which have occurred during the financial year in the nature of the Company of Company's business, or of the Company's subsidiaries or in the nature of the business in which the Company has an interest. The board shall also give the fullest information and explanation in its Report or in cases falling under the proviso to Section 129 of the Act in an addendum to that Report, on every reservation, qualification or adverse remark contained in the Auditor's Report. The Board's Report and addendum (if any) thereto shall be signed by its Chairperson if he is authorized in that behalf by the Board; and where he is not so authorized shall be signed by such number of Directors as are required to sign the Financial Statements of the Company by virtue of sub-clauses (a) and (b) of Article 229. The Board shall have the right to charge any person not being a Director with the duty of seeing that the provisions of sub-clauses (a) and (b) of this Article are complied with. Every Financial Statement of the Company when audited and approved and adopted by the members in the annual general meeting shall be conclusive except as regards in matters in respect of which modifications are made thereto as may from time to time be considered necessary by the Board of Directors and or considered proper by reason of any provisions of relevant applicable statutes and approved by the shareholders at a subsequent general meeting.

#### RIGHT OF MEMBERS TO COPIES OF FINANCIAL STATEMENT AND AUDITOR'S REPORT

221. A copy of every Financial Statement and the auditor's report and every other document required by law to be annexed or attached, as the case may be; to the balance sheet which is to be laid before the Company in General Meeting, shall be made available for inspection at the Registered Office of the Company during the working hours for a period of 21 days before the date of the meeting. A statement containing the salient features of such documents in the prescribed form or copies of the documents aforesaid as may be permitted by Section 136 of the Act and as the Company may deem fit, will be sent to every member of the Company and to every Trustees for the holders of any debentures issued by the Company, not less than 21 days before the meeting as laid down in Section 136 of the Act. Provided that it shall not be necessary to send copies of the documents aforesaid to:

(a) to a member or holder of the debenture of the Company who is not entitled to have the notice of general meeting of the Company sent to him and whose address the Company is unaware;

(b) to more than one of the joint holder of any shares or debentures some of whom are and some of whom are not entitled to have such notice sent to them, by those who are not so entitled.

#### A COPY OF THE FINANCIAL STATEMENT ETC. TO BE FILED WITH REGISTRAR

222. After the Financial Statements have been laid before the Company at the annual general Meeting, a copy of the Financial Statement duly signed as provided under Section 137 of the Act together with a copy of all documents which are required to be annexed there shall be filed with the Registrar so far as the same be applicable to the Company.

#### RIGHT OF MEMBER TO COPIES OF AUDITED FINANCIAL STATEMENT

223. (1) Without prejudice to the provisions of section 101, a copy of the financial statements, including consolidated financial statements, if any, auditor's report and every other document required by law to be annexed or attached to the financial statements, which are to be laid before a company in its general meeting, shall be sent to every member of the company, to every trustee for the debenture-holder of any debentures issued by the company, and to all persons other than such member or trustee, being the person so entitled, not less than twenty-one days before the date of the meeting.

The provisions of this clause shall be deemed to be complied with, if the copies of the documents are made available for inspection at its registered office during working hours for a period of twenty-one days before the date of the meeting and a statement containing the salient features of such documents in the prescribed form or copies of the documents, as the company may deem fit, is sent to every member of the company and to every

trustee for the holders of any debentures issued by the company not less than twenty-one days before the date of the meeting unless the shareholders ask for full financial statements.

The Central Government may prescribe the manner of circulation of financial statements of companies having such net worth and turnover as may be determined by central government and company shall also place its financial statements including consolidated financial statements, if any, and all other documents required to be attached thereto, on its website, which is maintained by or on behalf of the company.

Provided also that every subsidiary or subsidiaries shall -

- (a) place separate audited accounts in respect of each of its subsidiary on its website, if any;
- (b) provide a copy of separate audited financial statements in respect of each of its subsidiary, to any shareholder of the company who asks for it.

(2) The Company shall allow every member or trustee of the holder of any debentures issued by the Company to inspect the documents stated under sub-clause (1) at its registered office during business hours.

#### ACCOUNTS TO BE AUDITED

224. (1) Once at least in every year they accounts of the Company shall be examined by one or more Auditors who shall report to the shareholders as to whether the Balance Sheet reflects a true and fair view of the state of affairs of the Company as at that date and the Profit and Loss Account discloses a true and fair view of the profit and loss incurred by the Company during the year under review.

(2) The appointment, remuneration, rights, powers & duties of the Company's Auditor shall be regulated in accordance with the provision of the Act.

#### APPOINTMENT OF AUDITORS

225. (1) Auditors shall be appointed and their qualifications, rights and duties regulated in accordance with Section 139 to 143, 145 and 146 of the Act and rules made thereunder.

(2) The Company shall, at the first annual general meeting, appoint an individual or a firm as an auditor who shall hold office from the conclusion of that meeting till the conclusion of its sixth annual general meeting and thereafter till the conclusion of every sixth meeting and the manner and procedure of selection of auditors by the members of the Company at such meeting shall be according to the provisions of the Act.

The Company shall place the matter relating to such appointment for ratification by members at every annual general meeting.

Provided further that before such appointment is made, the written consent of the auditor to such appointment, and a certificate from him or it that the appointment, if made, shall be in accordance with the conditions as may be determined by central government, shall be obtained from the auditor:

Provided also that the certificate shall also indicate whether the auditor satisfies the criteria provided in Section 141:

Provided also that the Company shall inform the auditor concerned of his or its appointment, and also file a notice of such appointment with the Registrar within fifteen days of the meeting in which the auditor is appointed.

(3) At any Annual General Meeting a retiring Auditor by whatsoever authority appointed shall be reappointed unless:

- (a) he is not disqualified for re-appointment;
- (b) he has not given the company a notice in writing of his unwillingness to be re-appointed; and
- (c) a special resolution has not been passed at that meeting appointing some other auditor or providing expressly that he shall not be re-appointed.

(4) The company shall not appoint or reappoint -

- (a) an individual as auditor for more than one term of five consecutive years; and
- (b) an audit firm as auditor for more than two terms of five consecutive years:

Provided that—

(i) an individual auditor who has completed his term under clause (a) shall not be eligible for re-appointment as auditor in the same company for five years from the completion of his term.

(ii) an audit firm which has completed its term under clause (b), shall not be eligible for re-appointment as auditor in the same company for five years from the completion of such term.

(5) Where at any annual general meeting, no auditor is appointed or re-appointed, the existing auditor shall continue to be the auditor of the Company.

#### POWER OF BOARD TO MODIFY FINAL ACCOUNTS

226. Every Balance Sheet and Profit and Loss Account of the Company when audited and adopted by the Company in General Meeting shall be conclusive.

#### DOCUMENTS AND NOTICE

##### SERVICES OF DOCUMENTS ON MEMBER BY COMPANY

227. Save as provided in this Act or the rules made thereunder for filing of documents with the Registrar in electronic mode, a document may be served on Registrar or any member by sending it to him by post or by registered post or by speed post or by courier or by delivering at his office or address, or by such electronic or other mode as may be determined by central government:

Provided that a member may request for delivery of any document through a particular mode, for which he shall pay such fees as may be determined by the company in its annual general meeting.

##### SERVICE OF DOCUMENTS ON COMPANY

228. A document may be served on a company or an officer thereof by sending it to the company or the officer at the registered office of the company by registered post or by speed post or by courier service or by leaving it at its registered office or by means of such electronic or other mode as may be determined by central government:

Provided that where securities are held with a depository, the records of the beneficial ownership may be served by such depository on the company by means of electronic or other mode.

“Service of documents on the Company”

Where securities are held in a Depository, the records of the beneficial ownership may be served by such Depository on the Company by means of electronic mode or other mode in accordance with the Act and rules made thereunder.

#### AUTHENTICATION OF DOCUMENTS AND PROCEEDINGS

229. Save as otherwise expressly provided in the Act, the rules made thereunder and these Articles, a document or proceeding requiring authentication by a company; or contracts made by or on behalf of a company, may be signed by any key managerial personnel or an officer of the company duly authorized by the Board in this behalf.

#### REGISTERS AND DOCUMENTS

##### REGISTERS AND DOCUMENTS TO BE MAINTAINED BY THE COMPANY

230. The Company shall keep and maintain registers, books and documents required by the Act or these Articles, including the following:

- (a) Register of investments made by the Company but not held in its own name, as required by Section 187(3) of the Act.
- (b) Register of mortgages and charges as required by Section 85 of the Act.
- (c) Register and index of Member and debenture holders as required by Section 88 of the Act.
- (d) Register of contracts, with companies and firms in which Directors are interested as required by Section 189 of the Act.
- (e) Register of Directors and key managerial personnel and their shareholding under Section 170 of the Act.

(f) Register of loans, guarantee, security and acquisition made by the company under Section 186 (9) of the Act.

(g) Copies of annual returns prepared under Section 92 of the Act together with the copies of certificates and documents required to be annexed thereto.

#### MAINTENANCE AND INSPECTION OF DOCUMENTS IN ELECTRONIC FORM

231. Without prejudice to any other provisions of this Act, any document, record, register, minutes, etc.,—

(a) required to be kept by the Company; or

(b) allowed to be inspected or copies to be given to any person by the Company under the Act, may be kept or inspected or copies given, as the case may be, in electronic form in such form and manner as may be determined by the Central Government.

#### INDEMNITY

232. Every officer of the company shall be indemnified out of the assets of the company against any liability incurred by him in defending any proceedings, whether civil or criminal, in which judgment is given in his favour or in which he is acquitted or in which relief is granted to him by the court or the Tribunal.

#### WINDING UP

##### DISTRIBUTION OF ASSETS

233. (a) If the Company shall be wound up, whether voluntarily or otherwise, the Liquidator may, with the sanction of a Special Resolution, divide amongst the contributories in specie or kind, any part of the assets of the Company and may, with the like sanction, vest any part of the assets of the Company in trustees upon such trusts for the benefit of the contributories or any of them, as the liquidator, with the like sanction, shall think fit.

(b) If thought expedient any such division may subject to the provisions of the Act be otherwise than in accordance with the legal rights of the contributions (except where unalterably fixed by the Memorandum of Association and in particular any class may be given preferential or special rights or may be excluded altogether or in part but in case any division otherwise than in accordance with the legal rights of the contributories, shall be determined on any contributory who would be prejudicial thereby shall have a right to dissent and ancillary rights as if such determination were a Special Resolution passed pursuant to Section 319 of the Act.

(c) In case any Shares to be divided as aforesaid involve a liability to calls or otherwise any person entitled under such division to any of the said Shares may within ten days after the passing of the Special Resolution by notice in writing direct the Liquidator to sell his proportion and pay him the net proceeds and the Liquidator shall, if practicable act accordingly.

#### RIGHT OF SHAREHOLDERS IN CASE OF SALE

234. A Special Resolution sanctioning a sale to any other Company duly passed pursuant to provisions of the Companies Act, 2013 may subject to the provisions of the Act in like manner as aforesaid determine that any Shares or other consideration receivable by the liquidator be distributed against the Members otherwise than in accordance with their existing rights and any such determination shall be binding upon all the Members subject to the rights of dissent and consequential rights conferred by the said sanction

#### SECURITY CLAUSE

235. No member or other person (not being a Director) shall be entitled to visit or inspect any property or premises or works of the Company without the permission of the Board or to require discovery of or any information respecting any detail of the Company's trading or any matter which is or may be in the nature of a trade secret, mystery of trade, secret process or any other matter which may relate to the conduct of the business of the Company and which in the opinion of the Board, it would be inexpedient in the interest of the Company to disclose Secrecy undertaking.

Every Director, Manager, Auditor, Treasurer, Trustee, Member of a Committee agents, officer, servant, accountant or other person employed in the business of the Company shall, when required, sign a declaration pledging himself to observe strict secrecy respecting all transactions of the Company with the customers and the state of accounts with individual and in matters relating thereto and shall by such declaration pledge himself not to reveal any of the matters which may come to his knowledge in the discharge of his duties, except when required so to do by the Board or by any meeting of the shareholders, if any or by a Court of Law the person to whom matters relate and except so far as may be necessary in order to comply with any of the provision in these present contained.

#### KNOWLEDGE IMPLIED

236. Each member of the Company, present and future, is to be deemed to join the Company with full knowledge of all the contents of these presents.

**SECTION X –OTHER INFORMATION**  
**MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION**

The copies of the following documents and contracts which have been entered into or are to be entered into by our Company (not being contracts entered into in the ordinary course of business carried on by our Company or contracts entered into more than two years before the date of this Draft Prospectus) which are or may be deemed material will be attached to the copy of the Prospectus which will be delivered to the RoC for registration. Copies of the contracts and also the documents for inspection referred to hereunder, may be inspected at the Registered Office between 10 a.m. and 5 p.m. (IST) on all Working Days from the date of this Draft Prospectus until the Issue Closing Date.

Any of the contracts or documents mentioned in this Draft Prospectus may be amended or modified at any time if so required in the interest of our Company or if required by the other parties, without reference to the shareholders, subject to compliance of the provisions contained in the Companies Act and other applicable law.

**A) Material contracts for the Issue**

1. Issue Agreement dated June 29, 2018 between our Company and the Lead Manager.
2. Registrar Agreement dated June 28, 2018 between our Company and Registrar to the Issue.
3. Underwriting Agreement dated June 29, 2018 amongst our Company, the Underwriter and the Lead Manager.
4. Market Making Agreement dated [●] amongst our Company, Market Maker and the Lead Manager.
5. Bankers to the Issue Agreement dated [●] amongst our Company, the Lead Manager, Banker(s) to the Issue and the Registrar to the Issue.
6. Tripartite agreement dated [●] amongst our Company, Central Depository Services (India) Limited and Cameo Corporate Services Limited
7. Tripartite agreement dated [●] amongst our Company, National Securities Depository Limited and Cameo Corporate Services Limited.

**B) Material documents for the Issue**

1. Certified true copy of the Memorandum of Association and Articles of Association of our Company, as amended.
2. Certificate of Incorporation dated August 20, 2013 issued by the Registrar of Companies, Gujarat, Dadra and Nagar Havelli.
3. Fresh Certificate of Incorporation dated June 21, 2018 issued by Registrar of Companies, Ahmedabad, Gujarat, consequent upon Conversion of the Company to Public Company.
4. Resolutions of the Board of Directors dated June 23, 2018 in relation to the Issue and other related matters.

5. Shareholders' resolution dated June 27, 2018 in relation to the Issue and other related matters.
6. Consents of our Promoter, Directors, our Company Secretary and Compliance Officer, our Chief Financial Officer, Statutory and Peer Reviewed Auditor, Lead Manager, Legal Advisor to the Issue, the Registrar to the Issue, Underwriters to the Issue, Bankers to our Company, Market Maker\*, and Banker to the Issue\*\* to include their names in this Draft Prospectus and to act in their respective capacities.  
*\*Market Maker will be appointed prior to filing of the Prospectus with ROC and their consents would be obtained.*  
*\*\*Banker to the Issue aforesaid will be appointed prior to filing of the Prospectus with ROC and their consents would be obtained.*
7. Peer Review Auditors Report dated June 30, 2018 on Restated Financial Statements of our Company for the years ended March 31, 2017, 2016, 2015, 2014 & 2013
8. The Report dated July 05, 2018 from the Peer Reviewed Auditors of our Company, confirming the Statement of Possible Tax Benefits available to our Company and its Shareholders as disclosed in this Draft Prospectus
9. Company and its Shareholders as disclosed in this Draft Prospectus Copy of approval from BSE vide letter dated [●] to use the name of BSE in this offer document for listing of Equity Shares on BSE SME Platform.
10. Due diligence certificate submitted to BSE dated July 06, 2018 from Fedex Securities Limited.

Any of the contracts or documents mentioned in this Draft Prospectus may be amended or modified at any time, if so required, in the interest of our Company or if required by the other parties, without reference to the Equity Shareholders, subject to compliance with applicable law.

## DECLARATION

We, the undersigned, hereby certify and declare that, no statement made in this Draft Prospectus contravenes any of the provisions of the Companies Act, the Securities and Exchange Board of India Act, 1992 or the rules made thereunder or regulations/ guidelines issued, as the case may be. We further certify that all the legal requirements connected with the Issue as also the regulations, guidelines, instructions, etc., issued by SEBI, the Government of India and any other competent authority in this behalf, have been duly complied with. We further certify that all disclosures made in this Draft Prospectus are true and correct.

### SIGNED BY THE DIRECTORS OF OUR COMPANY

<b>Dinesh Pandya</b> <i>(Managing Director)</i>	
<b>Jayshree Pandya</b> <i>(Non -Executive Director)</i>	
<b>Deviben Pandya</b> <i>(Executive Director)</i>	
<b>Devang Pandya</b> <i>(Executive Director)</i>	
<b>Jigar Pandya</b> <i>(Executive Director)</i>	
<b>Vivek Dadhania</b> <i>(Independent Director)</i>	
<b>Rajeshkumar Parekh</b> <i>(Independent Director)</i>	
<b>Rushabh Vora</b> <i>(Independent Director)</i>	
<b>Yagnik Mundadiya</b> <i>(Independent Director)</i>	
<b>Kinjal Khunt</b> <i>(Independent Director)</i>	
<b>Devang Pandya</b> <i>(Chief Financial Officer)</i>	
<b>Falguni Shah</b> <i>(Company Secretary and Compliance Officer)</i>	

**Date July 07, 2018**

**Place: Mumbai**



**Annexure A**

**DISCLOSURE OF PRICE INFORMATION OF PAST ISSUES HANDLED BY FEDEX SECURITIES 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]- 30 <sup>th</sup> calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 90 <sup>th</sup> calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 180 <sup>th</sup> calendar days from listing
1.	Shree Ganesh Remedies Limited	8.55	36	October 13, 2017	40.00	1.11% (1.85%)	24.31% (+6.17%)	27.78% (+4.46%)
2.	Lorenzini Apparels Ltd	4.47	10	February 15, 2018	10.20	-32.10% (-3.27%)	-38.50% (3.63%)	NA

Sources: All share price data is from [www.bseindia.com](http://www.bseindia.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 30th Calendar day from listing date			Nos of IPOs trading at premium on 30 <sup>th</sup> Calendar day from listing date			Nos of IPOs trading at premium on 180 <sup>th</sup> Calendar day from listing date			Nos of IPOs trading at premium on 180 <sup>th</sup> 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%
2015-16	Not Applicable													
2016-17	Not Applicable													
2017-18	*2	13.02		1				1					1#	

\*The scripts of Shree Ganesh Remedies Limited and Lorenzini Apparels Limited were listed on October 13, 2017 and February 15, 2018 respectively.

\*\*Ganesh Films India Limited prospectus is filed with Registrar of Companies, Mumbai

#The scripts of have not completed 180 Days from the date of listing