



**Draft Prospectus**  
**Dated: August 25, 2017**  
**Please read Section 26 of Companies Act, 2013**  
**Fixed Price Issue**

**SHREE GANESH REMEDIES LIMITED**

Our Company was originally incorporated as Shree Ganesh Remedies Private Limited at Ahmedabad, Gujarat as a Private Limited Company under the provisions of Companies Act, 1956 vide Certificate of Incorporation dated April 27, 1995 bearing registration number 025661 issued by Assistant Registrar of Companies, Gujarat, Dadra & 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 July 12, 2017 and fresh certificate of incorporation consequently upon change of name was issued by Registrar of Companies, Gujarat, Ahmedabad dated July 28, 2017 and name of our Company was changed to Shree Ganesh Remedies Limited. The Corporate Identification Number is U24230GJ1995PLC025661. 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 113 of this Draft Prospectus.

**Registered & Corporate Office:** Plot no. 6011, G.I.D.C, Ankleshwar - 393002, Gujarat, India  
**Tel No:**02646 227777 | **Fax No:** 02646 226422 | **Email:** [investors@ganeshremedies.com](mailto:investors@ganeshremedies.com) | **Website:** [www.ganeshremedies.com](http://www.ganeshremedies.com)

**Contact Person:** Aditya Patel, Company Secretary & Compliance Officer

**OUR PROMOTERS:** CHANDUBHAI KOTHIA, HASMUKH KOTHIA, ASHOKKUMAR KOTHIA, HANSABEN KOTHIA, MANUBHAI KOTHIA, BABUBHAI KOTHIA AND SUBHASH KOTHIA

**THE ISSUE**

**PUBLIC ISSUE OF 23,76,000 EQUITY SHARES OF FACE VALUE OF RS. 10/- EACH (“EQUITY SHARES”) OF SHREE GANESH REMEDIES LIMITED (“THE COMPANY” OR THE “ISSUER”) FOR CASH AT A PRICE OF RS. 36/- PER EQUITY SHARE, INCLUDING A PREMIUM OF RS 26/- PER EQUITY SHARE (THE “ISSUE PRICE”), AGGREGATING RS. 855.36 LAKHS (“THE ISSUE”), OF WHICH 1,26,000 EQUITY SHARES OF FACE VALUE OF RS. 10/- FOR CASH AT A PRICE OF RS. 36/- EACH AGGREGATING TO 45.36 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 22,50,000 EQUITY SHARES OF FACE VALUE OF RS. 10 EACH FOR CASH AT A PRICE OF RS. 36/- PER EQUITY SHARE, AGGREGATING TO RS. 810.00 LAKHS IS HEREINAFTER REFERRED TO AS THE “NET ISSUE”. THE ISSUE AND THE NET ISSUE WILL CONSTITUTE 26.48% AND 25.08%, RESPECTIVELY OF THE POST ISSUE PAID UP EQUITY SHARE CAPITAL OF THE COMPANY**

**THE FACE VALUE OF THE EQUITY SHARE IS RS. 10 EACH AND THE ISSUE PRICE RS 36 IS 3.60 TIMES OF THE FACE VALUE OF THE EQUITY SHARES**

**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** For further details please refer the section titled “Issue Information” beginning on page no. 224 of this Draft Prospectus.

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. 232 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

**RISK IN RELATION TO THE FIRST ISSUE**

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 and the Issue price of Rs. 36/- per Equity Share is 3.6 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 76 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.

**GENERAL RISKS**



Investments in equity and equity-related securities involve a degree of risk and investors should not invest any funds in this issue unless they can afford to take the risk of losing their investment. Investors are advised to read the risk factors carefully before taking an investment decision in this issue. For taking an investment decision, investors must rely on their own examination of the 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 14 of this Draft Prospectus.

**COMPANY’S ABSOLUTE RESPONSIBILITY**

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.

**LISTING**

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.

LEAD MANAGER TO THE ISSUE	REGISTRAR TO THE ISSUE
 <p><b>FEDEX SECURITIES LIMITED</b>            305, Enterprise Centre, Nehru Road, Vile Parle (East), Mumbai 400099, Maharashtra, India  <b>Tel No.:</b> 022 2613 6460 / 07977023417  <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>BIGSHARE SERVICES PRIVATE LIMITED</b>            1<sup>st</sup> Floor, Bharat Tin Works Building, Opp. Vasant Oasis, Makwana Road, Marol, Andheri (East), Mumbai 400059  <b>Tel No.:</b> 022 6262 8200  <b>Fax No.:</b> 022 6263 8299  <b>E-mail:</b> <a href="mailto:ipo@bigshareonline.com">ipo@bigshareonline.com</a>  <b>Website:</b> <a href="http://www.bigshareonline.com">www.bigshareonline.com</a>  <b>Contact Person:</b> Vipin Gupta  <b>SEBI Registration No.:</b> INR000001385  <b>Investor Grievance E-mail:</b> <a href="mailto:investor@bigshareonline.com">investor@bigshareonline.com</a></p>
<p><b>ISSUE OPENS ON</b></p> <p>[●]</p>	<p><b>ISSUE CLOSES ON</b></p> <p>[●]</p>

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**SECTION I – GENERAL**  
**DEFINITION AND ABBREVIATION**

**General Terms**

<b>Term</b>	<b>Description</b>
Shree Ganesh Remedies Limited/ SGRL/ The Company / Company / We / Us / Our Company	Unless the context otherwise indicates or implies refers to Shree Ganesh Remedies Limited, a public limited company incorporated under the provisions of the Companies Act, 1956 with its registered office in the Ankleshwar, Gujarat, India.
Promoter (s) / Core Promoter	The Promoters of our Company are: <ol style="list-style-type: none"> <li>1. Chandubhai Kothia</li> <li>2. Hasmukh Kothia</li> <li>3. Ashokkumar Kothia</li> <li>4. Manubhai Kothia</li> <li>5. Babubhai Kothia</li> <li>6. Subhash Kothia; and</li> <li>7. Hansaben Kothia</li> </ol>
Promoter Group	Such persons, entities and companies constituting our promoter group pursuant to Regulation 2(1) (zb) of the SEBI ICDR Regulations as disclosed in the Chapter titled “ <i>Our Promoter and Promoter Group</i> ” on page 129 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 including any committees thereof, as the context may refer to
Company Secretary and Compliance Officer	The Company Secretary & Compliance Officer of our Company being Aditya Patel
Directors	Director(s) of Shree Ganesh Remedies Limited, unless otherwise specified
ISIN	[•]
Equity Share(s)	Equity shares of our Company having a face value of Rs. 10 each, unless otherwise specified in the context thereof
Equity Shareholders	Persons/ Entities holding Equity Shares of our Company
Group Companies	For further details, see section “ <i>Our Group Companies</i> ” on page 137 of the Draft Prospectus.
Independent Directors	Independent directors on the Board, and eligible to be appointed as an independent director under the provisions of the Companies Act and the SEBI Listing Regulations. For details of the Independent Directors, see “ <i>Our Management</i> ” on page 116 of the Draft Prospectus.
KMPs/ Key Managerial Personnel	Individuals described in the chapter titled “ <i>Our Management</i> ” on page 116 of this Draft Prospectus
MoA / Memorandum/ Memorandum of Association	The memorandum of association of our Company, as amended
Nomination and Remuneration Committee	The nomination and remuneration committee of our Board

<b>Term</b>	<b>Description</b>
Registered and Corporate Office	The registered office of our Company located at Plot No .6011, G.I.D.C, Ankleshwar - 393002, Gujarat, India
Registrar of Companies/ RoC	Registrar of Companies, Ahmedabad located at ROC Bhavan, opp Rupal Park Society, Behind Ankur Bus Stop, Naranpura, Ahmedabad - 380013, Gujarat, India.
Stakeholders Relationship Committee	The Stakeholders Relationship committee of our Board.
Statutory and Peer Reviewed Auditors	Our Statutory and Peer Reviewed Auditors, M/s. S R M B & Co, Chartered Accountants (Firm Registration No. 141679W)

#### **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 to the successful applicants, including transfer of the Equity Shares pursuant to the Issue to the successful applicants
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
Applicant(s)	Any prospective investor who makes an application for Equity Shares in terms of this Draft Prospectus
Application Form	The Form in terms of which the applicant shall apply for the Equity Shares of the Company
Application Supported by Blocked Amount/ ASBA	An application, whether physical or electronic, used by ASBA Applicant to make an Application authorizing an SCSB to block the Application Amount in the specified Bank Account maintained with such SCSB. ASBA is mandatory for all Applicants participating in the Issue
ASBA Account	A bank account maintained with an SCSB and specified in the ASBA Form submitted by the Applicants for blocking the Application Amount mentioned in the ASBA Form
Bankers to the Company	Axis Bank Limited
Bankers to the Issue / Escrow Collection Banks	The banks which are Clearing Members and registered with SEBI as Banker to an Issue with whom the Escrow Agreement is entered 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 232 of this Draft Prospectus
Broker Centres	Broker centres notified by the Stock Exchanges, where the 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 on the following link: - <a href="http://www.bseindia.com/Static/Markets/PublicIssues/brokercentres.aspx?expandable=3">http://www.bseindia.com/Static/Markets/PublicIssues/brokercentres.aspx?expandable=3</a>

<b>Term</b>	<b>Description</b>
CAN or Confirmation of Allocation Note	The note or advice or intimation sent to each successful Applicant indicating the Equity Shares which will be Allotted, after approval of Basis of Allotment by the Designated Stock Exchange.
Collecting Depository Participant or CDP	A depository participant as defined under the Depositories Act, 1996, registered with SEBI and who is eligible to procure Applications at the Designated CDP Locations in terms of circular No. 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 Applications by the Applicants with the Registrar to the Issue and the Stock Exchanges 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	Depositories registered with SEBI under the Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996, as amended from time to time, being NSDL and CDSL
Depository Participant/DP	A depository participant as defined under the Depositories Act, 1996.
Draft Prospectus	The Draft Prospectus dated August 25, 2017 issued in accordance with Section 26 of the Companies Act and filed with BSE under SEBI ICDR Regulations.
Designated Date	The date on which the funds blocked by the SCSBs are transferred from the ASBA Accounts specified by the Applicants to the Public Offer Account
Designated Stock Exchange/Stock Exchange	SME Exchange of BSE Limited
Designated CDP Locations	Such centers of the CDPs where Applicant can submit the Application Forms. The details of such Designated CDP Locations, along with names and contact details of the Collecting Depository Participants eligible to accept Application Forms are available on the website of the Stock Exchange ( <a href="http://www.bseindia.com">www.bseindia.com</a> ) and updated from time to time
Designated SCSB Branches	Such Branches of the SCSBs which shall collect the Application Forms used by the Applicants applying through the ASBA process and a list of which is available on <a href="http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmid=35">http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmid=35</a>
Designated RTA Locations	Such centers of the RTAs where Applicants can submit the Application Forms.  The details of such Designated RTA Locations, along with the names and contact details of the RTAs are available on the website of the Stock Exchange
Designated Market Maker	[•] 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
Eligible NRI	An NRI from such a jurisdiction outside India where it is not unlawful to make an Issue or invitation under this Issue and in relation to whom the Application Form and the Draft Prospectus constitutes an invitation to purchase the equity shares
Foreign Portfolio Investor / FPIs	Foreign Portfolio Investor as defined under the SEBI (Foreign Portfolio Investors) Regulations, 2014.

<b>Term</b>	<b>Description</b>
FII / Foreign Institutional Investors	Foreign Institutional Investor (as defined under SEBI (Foreign Institutional Investors) Regulations, 1995, as amended) registered with SEBI under applicable laws in India.
General Information Document	The General Information Document for investing in public issues prepared and issued in accordance with the circular (CIR/CFD/DIL/12/2013) dated October 23, 2013, notified by SEBI
Issue Proceeds	The proceeds of the Issue as stipulated by the Company. For further information about use of the Issue Proceeds please see the chapter titled “ <i>Objects of the Issue</i> ” beginning on page 68 of this Draft Prospectus
Issue / Issue Size / Public Issue / IPO	Initial Public Issue of 23,76,000 Equity Shares of face value of Rs. 10 each for cash at a price of Rs. 36.00 per equity share (Including a premium of Rs. 26 per equity share) aggregating to Rs. 855.36 lakhs by our Company
Issue Closing Date	[●]
Issue Opening Date	[●]
Issue Period	The period between the Issue Opening Date and the Issue Closing Date inclusive of both days and during which prospective Applicants can submit their Applications.
Issue Price	Rs. 36.00 per Equity Share
Issue Agreement	The agreement dated August 16, 2017 between our Company and the Lead Manager, pursuant to which certain arrangements are agreed to in relation to the Issue.
Lead Manager	Lead Manager to the Issue, in this case being Fedex Securities Limited
Listing Agreement	The Equity Listing Agreement to be signed between our Company and the SME Platform of BSE Limited
Market Making Agreement	The Market Making Agreement dated [●] between our Company, Lead Manager and Market Maker.
Market Maker Reservation Portion	The Reserved Portion of 1,26,000 Equity Shares of face value of Rs. 10 each fully paid for cash at a price of Rs. 36.00 per Equity Share aggregating Rs.45.36 for the Market Maker in this Issue
Mutual Fund(s)	Mutual fund(s) registered with SEBI pursuant to the SEBI (Mutual Funds) Regulations, 1996, as amended from time to time.
Net Issue	The Issue (excluding the Market Maker Reservation Portion) of 22,50,000 Equity Shares of face value Rs. 10 each fully paid of our Company for cash at a price of Rs. 36 per Equity Share (the Issue Price) aggregating up to Rs. 810.00 lakhs.
Net Proceeds	The Issue Proceeds less the Issue related expenses. For further details, please see “ <i>Objects of the Issue</i> ” on page 68 of the Draft Prospectus.
Non-Institutional Applicant	All Applicants, including Eligible QFIs, sub accounts of FIIs registered with SEBI which are foreign corporates or foreign individuals, that are not QIBs or Retail Individual Applicants and who have applied for Equity Shares for an amount of more than Rs. 2,00,000 (but not including NRIs other than Eligible NRIs)
Non-Resident	A person resident outside India, as defined under FEMA and includes Eligible NRIs, Eligible QFIs, FIIs registered with SEBI and FVCIs registered with SEBI
Other Investors	Investors other than Retail Individual Investors. These include individual applicants other than retail individual investors and other investors including corporate bodies or institutions irrespective of the number of specified securities applied for.

<b>Term</b>	<b>Description</b>
Person or Persons	Any individual, sole proprietorship, unincorporated association, unincorporated organization, body corporate, corporation, Company, partnership firm, limited liability partnership firm, joint venture, or trust or any other entity or organization validly constituted and/or incorporated in the jurisdiction in which it exists and operates, as the context requires
Prospectus	The Prospectus, to be filed with the RoC in accordance with the provisions of Section 26 of the Companies Act containing, <i>inter alia</i> , the issue opening and closing dates and other information
Public Issue Account	Account opened with Bankers to the Issue for the purpose of transfer of monies from the SCSBs from the bank accounts of the ASBA Applicants on the Designated Date
Qualified Foreign Investors / QFIs	Non-resident investors other than SEBI registered FIIs or sub-accounts or SEBI registered FVCIs who meet 'know your client' requirements prescribed by SEBI
QIBs or Qualified Institutional Buyers	Public financial institutions as defined in Section 2(72) of the Companies Act, Foreign Portfolio Investor other than Category III Foreign Portfolio Investor, AIFs, VCFs, FVCIs, Mutual Funds, multilateral and bilateral financial institutions, scheduled commercial banks, state industrial development corporations, insurance companies registered with the IRDA, provident funds and pension funds with a minimum corpus of Rs. 250 million, insurance funds set up and managed by the army, navy or air force of the Union of India and insurance funds set up and managed by the Department of Posts, Government of India, eligible for Bidding and does not include FVCIs and multilateral and bilateral institutions
Refund through electronic transfer of funds	Refund through ASBA process, as applicable
Registered Broker	Individuals or companies 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 Stock Exchange, through which investors can buy or sell securities listed on stock exchange, 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>
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 Bigshare Services Private Limited
Retail Individual Investors	Individual investors (including HUFs, in the name of Karta and Eligible NRIs) who apply for the Equity Shares of a value of not more than Rs. 2,00,000
SME Exchange	SME Platform of the BSE Limited
Self-Certified Syndicate Bank(s) / SCSBs	A Bank registered with SEBI under the SEBI (Bankers to an Issue) Regulations, 1994 and Issues the facility of ASBA, including blocking of bank account. A list of all SCSBs is available at <a href="http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=35">http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=35</a>
TRS / Transaction Registration Slip	The slip or document issued by a member of the Syndicate or an SCSB (only on demand), as the case may be, to the Applicant, as proof of registration of the Application.

<b>Term</b>	<b>Description</b>
Underwriters	Fedex Securities Limited
Underwriting Agreement	The Agreement dated August 16, 2017 entered into amongst the Underwriter and our Company.
Wilful Defaulter	Company or person categorised as a wilful defaulter by any bank or financial institution or consortium thereof, in accordance with the guidelines on wilful defaulters issued by the Reserve Bank of India and includes any company whose director or promoter is categorised as such
U.S Securities Act	U.S Securities Act of 1933, as amended
Working Days	All trading days of the Stock Exchange excluding Sundays and Bank holidays in Mumbai.

### **Conventional, General and Industry Terms or Abbreviations**

<b>Term</b>	<b>Description</b>
₹ / Rs. / Rupees / INR	Indian Rupees
A/c	Account
AGM	Annual General Meeting
AIF	Alternative Investment Fund as defined in and registered with SEBI under the Securities and Exchange Board of India (Alternative Investments Funds) Regulations, 2012
AS / Accounting Standards	Accounting Standards issued by the Institute of Chartered Accountants of India as notified under the Companies (Accounts) Rules, 2014
ASBA	Applications Supported by Blocked Amount
AY	Assessment Year
BSE	BSE Limited
CAGR	Compounded annual growth rate
CARO	Companies (Auditor's Report) Order, 2003
CDSL	Central Depository Services (India) Limited
CIN	Corporate Identity Number
Companies Act	Companies Act to the extent in force pursuant to the notification of sections of the Companies Act, along with the relevant rules made thereunder
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
CSR	Corporate Social Responsibility
Depositories	NSDL and CDSL
Depositories Act	The Depositories Act, 1996
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
EPFO	Employees' Provident Fund Organization
ESIC	Employee State Insurance Corporation
FCNR Account/ FCNR	Foreign currency non-resident account



FDI	Foreign Direct Investment
FEMA Act/ FEMA	Foreign Exchange Management Act, 1999, read with rules and regulations thereunder
FEMA Regulations	FEMA (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000 and amendments thereto
FIIIs	Foreign Institutional Investor, as defined under Regulation 2(1)(g) of the SEBI (Foreign Portfolio Investors) Regulations, 2014, registered with SEBI under applicable laws in India
Financial Year / Fiscal / FY	Unless stated otherwise, the period of 12 months ending March 31 of that particular year
FIPB	Foreign Investment Promotion Board, Department of Economic Affairs, Ministry
FPI(s)	Foreign portfolio investors as defined under the SEBI FPI Regulations
FSI	Floor Spacing Index
FVCI	Foreign venture capital investors as defined and registered under the SEBI FVCI Regulations
GDP	Gross Domestic Product
GIR	General Index Register
GoI or Government	Government of India
GST	Goods and Services Tax
HUF	Hindu Undivided Family
HNI	High Net Worth Individual.
ICAI	The Institute of Chartered Accountants of India
IEC	Import Export Code
IFRS	International Financial Reporting Standards
Ind AS	Indian accounting standards converged with IFRS, as notified by the Ministry of Corporate Affairs vide Companies (Indian Accounting Standards) Rules, 2015 in its general statutory rules dated February 16, 2015
Indian GAAP	Generally Accepted Accounting Principles in India
IT Act	The Income Tax Act, 1961
IT Rules	Income Tax Rules, 1962
JV	Joint Venture
LC	Letter of Credit
MCA	Ministry of Corporate Affairs, Government of India
MICR	Magnetic Ink Character Recognition
Mn	Million
Mutual Fund(s)	Mutual Fund(s) means mutual funds registered under the SEBI (Mutual Funds) Regulations, 1996
MoU	Memorandum of Understanding
N.A. / NA	Not Applicable
NAV	Net Asset Value
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
p.a.	Per annum
P/E Ratio	Price/Earnings Ratio
PAN	Permanent Account Number
PAT	Profit After Tax
PBT	Profit Before Tax
RBI	The Reserve Bank of India
RONW	Return on Net Worth
RTGS	Real Time Gross Settlement
SCRA	Securities Contracts (Regulation) Act, 1956, as amended
SCRR	Securities Contracts (Regulation) Rules, 1957, as amended
SEBI	The Securities and Exchange Board of India constituted under the SEBI Act, 1992
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 the SEBI AIF Regulations
SEBI Takeover Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011
Sec.	Section
Securities Act	U.S. Securities Act of 1933
STT	Securities Transaction Tax
TAN	Tax Deduction Account Number
TIN	Taxpayers Identification Number
U.S. / USA / United States	United States of America
USD / US\$	United States Dollars
VAT	Value Added Tax
VCFs	Venture capital funds as defined in and registered with SEBI under the SEBI VCF Regulations or the SEBI AIF Regulations, as the case may be
WCDL	Working Capital Demand Loan
YTM	Yield to maturity

The words and expressions used but not defined herein shall have the same meaning as is assigned to such terms under the Companies Act, the SCRA, the SEBI ICDR Regulations, the Depositories Act and the rules and regulations made thereunder.

Notwithstanding the foregoing, terms in “*Main Provisions of the Articles of Association*”, “*Statement of Possible Tax Benefits*”, “*Key Industry Regulations and Policies*”, “*Outstanding Litigations and Material Developments*” and “*Financial Statements as Restated*” on pages 284, 81, 106, 203 and 143, respectively, shall have the meanings given to such terms in these respective sections.

## **PRESENTATION OF FINANCIAL INFORMATION AND USE OF MARKET DATA**

### **Certain Conventions**

All references herein to 'India' are to the Republic of India and its territories and possessions and the 'Government' or 'GoI' or the 'Central Government' or the 'State Government' are to the Government of India, Central or State, as applicable. Unless otherwise specified or the context otherwise requires, all references in this Draft Prospectus to the 'US' or 'U.S.' or the 'United States' are to the United States of America and its territories and possessions.

In this Draft Prospectus, references to the singular also refer to the plural and one gender also refers to any other gender, wherever applicable.

### **Financial Data**

Unless the context otherwise requires, our financial data in this Draft Prospectus is derived from the restated financial information of our Company, which have been prepared in accordance with Indian GAAP, applicable standards and guidance notes specified by the Institute of Chartered Accountants of India, applicable accounting standards prescribed by the Institute of Chartered Accountants of India, Companies Act, as applicable and other applicable statutory and / or regulatory requirements and restated in accordance with the SEBI ICDR Regulations.

Our financial year commences on April 1 of each calendar year and ends on March 31 of the following calendar year, so all references to a particular "fiscal year" or "Fiscal" are to the 12 months period ended on March 31 of that year.

Indian GAAP differs in certain significant respects from IFRS. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures based on the Indian GAAP financials presented in this Draft Prospectus should accordingly be limited. We have not attempted to explain those differences or quantify their impact on the financial data included herein, and we urge you to consult your own advisors regarding such differences and their impact on our financial data.

Certain figures contained in this Draft Prospectus, including financial information, have been subject to rounding adjustments. All decimals have been rounded off to two decimal places. In certain instances, (i) the sum or percentage change of such numbers may not conform exactly to the total figure given; and (ii) the sum of the numbers in a column or row in certain tables may not conform exactly to the total figure given for that column or row. Unless otherwise specified, all financial numbers in parenthesis represent negative figures.

Unless stated otherwise, throughout the Draft Prospectus, all figures have been expressed in Rupees in lakhs.

### **Market and Industry Data**

Unless stated otherwise, industry and market data used in this Draft Prospectus have been obtained or derived from publicly available information as well as industry publications and sources. Industry publications generally state that the information contained in those publications has been obtained from sources believed to be reliable but that their accuracy and completeness are not guaranteed and their reliability cannot be assured. Accordingly, no investment decision should be made on the basis of such information. Although we believe that industry data used in this Draft Prospectus is reliable, it has not been independently verified and neither we, nor the Lead Manager nor any of their affiliates, jointly or severally, make any representation as to its accuracy or completeness. 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 we conduct our business, and methodologies and assumptions may vary widely among different industry sources. Such data involves risks, uncertainties and numerous assumptions and is subject to change based on various factors, including those disclosed in the section "*Risk Factors*" on page 14.

**Currency of Presentation**

All references to 'INR', 'Indian Rupees', 'Rs.' and 'Rupees' are to the legal currency of India; and any reference to 'US\$', 'USD' and 'U.S. dollars' are to the legal currency of the United States of America.

In this Draft Prospectus, our Company has presented certain numerical information in "million" and "crore" units. One million represents 10,00,000, one crore represents 1,00,00,000 and one billion represents 1,00,00,00,000.

## FORWARD LOOKING STATEMENT

Certain statements contained in this Draft Prospectus that are not statements of historical fact constitute ‘forward-looking statements’. Investors can generally identify forward-looking statements by terminology such as ‘anticipate’, ‘believe’, ‘continue’, ‘can’, ‘could’, ‘intend’, ‘may’, ‘shall’, ‘should’, ‘will’, ‘would’, ‘future’, ‘forecast’, ‘guideline’ or other words or phrases of similar import. Similarly, statements that describe the strategies, objectives, plans or goals of our Company are also forward-looking statements. However, these are not the exclusive means of identifying forward-looking statements. Forward-looking statements are not guarantees of performance and are based on certain assumptions, future expectations, describe plans and strategies contain projections of results of operations or of financial condition or state other forward-looking information. Forward-looking statements contained in this Draft Prospectus (whether made by our Company or any third party), are predictions and involve known and unknown risks, uncertainties, assumptions and other factors that may cause the actual results, performance or achievements of our Company to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements or other projections. Important factors, that a prospective Investor should be aware, that could cause actual results to differ materially from our Company’s expectations include, among others:

- Our ability to successfully implement our growth strategy and expansion plans, and to successfully launch and implement various business plans;
- General economic and business conditions in the markets in which we operate and in the local, regional and national economies;
- Increasing competition in or other factors affecting the industry segments in which our Company operates;
- Changes in laws and regulations relating to the industries in which we operate;
- Fluctuations in opening costs and impact on the financial results;
- Our ability to attract and retain qualified personnel;
- Changes in political and social conditions in India or in countries that we may enter, the monetary policies of India and other countries, inflation, deflation, unanticipated turbulence in interest rates, equity prices or other rates or prices; change in tax regime
- The performance of our business may be adversely affected by changes in, or regulatory policies of, the Indian national, state and local Governments
- The performance of the Industry in which we belong in India and globally

Additional factors that could cause actual results, performance or achievements to differ materially include, but are not limited to, those discussed in “*Risk Factors*” on page 14. Whilst we believe that the expectations reflected in such forward-looking statements are reasonable at this time, we cannot assure Investors that such expectations will prove to be correct. Given these uncertainties, Investors are cautioned not to place undue reliance on such forward-looking statements. In any event, these statements speak only as of the date of this Draft Prospectus or the respective dates indicated in this Draft Prospectus, and our Company undertakes no obligation to update or revise any of them, whether as a result of new information, future events or otherwise. If any of these risks and uncertainties materialize, or if any of our Company’s underlying assumptions prove to be incorrect, the actual results of operations or financial condition of our Company could differ materially from that described herein as anticipated, believed, estimated or expected. All subsequent forward-looking statements attributable to our Company are expressly qualified in their entirety by reference to these cautionary statements.

## SECTION II – RISK FACTORS

*An investment in the Equity Shares involves a high degree of risk. You should carefully consider all information in this Draft Prospectus, including the risks and uncertainties described below, before making an investment in the Equity Shares. Additionally, the risks set out in this section may not be exhaustive and additional risks and uncertainties not presently known to us, or which we currently deem to be immaterial, may arise or may become material in the future. If any or a combination of the following risks or other risks that are not currently known or are now deemed immaterial actually occurs, our business, prospects, results of operations and financial condition could suffer, the trading price of the Equity Shares could decline and you may lose all or part of your investment. Unless specified in the relevant risk factor below, we are not in a position to quantify the financial implication of any of the risks mentioned below. Any potential investor in the Equity Shares should pay particular attention to the fact that we are subject to regulatory environment that may differ significantly from one jurisdiction to another. In making an investment decision, prospective investors must rely on their own examinations of us on a consolidated basis and the terms of the Issue, including the merits and the risks involved. Prospective investors should consult their tax, financial and legal advisors about the particular consequences of investing in the Issue.*

*For further details, see “Business Overview” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” on pages 92 and 192, respectively, 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.*

*This Draft Prospectus also contains forward-looking statements which 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, see “Forward-Looking Statements” on page 13. Unless otherwise stated or the context otherwise requires, the financial information used in this section is derived from our Restated Financial Information.*

### **Materiality**

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

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

The risk factors are as envisaged by the management along with the proposals to address the risk, if any.

Wherever possible, the financial impact of the risk factors has been quantified.

### **INTERNAL RISKS**

1. ***There are outstanding litigations against our Company and Directors. An adverse outcome in any of these proceedings may affect our reputation and standing and impact our future business and could have a material adverse effect on our business, financial condition, results of operations and cash flows.***

As on the date of this Draft Prospectus, we are involved in certain civil, tax and criminal legal proceedings, which are pending at different levels of adjudication before various courts, tribunals, forums and appellate authorities. We cannot assure you that these legal proceedings will be decided in our favor. Decisions in proceedings adverse to our interests may have a significant adverse effect on our business, financial condition, results of operations and cash flows. In relation to tax proceedings, in

the event of any adverse outcome, we may be required to pay the disputed amounts along with applicable interest and penalty and may also incur additional tax incidence going forward.

A summary of pending tax, criminal proceedings and material litigation involving our Company and Directors is provided below:

*Litigations against our Company*

Category	Company	
	No. of Proceedings	Amount, to the extent quantifiable (Rs.)
Direct Tax	2	6,90,408
Indirect Tax	0	0
Civil Proceedings	1	5,81,251

*Litigations against our Promoters*

Category	Company	
	No. of Proceedings	Amount, to the extent quantifiable (Rs.)
Direct Tax	24	2,06,432
Indirect Tax	0	0

*Litigations against our Group Companies*

Category	Company	
	No. of Proceedings	Amount, to the extent quantifiable (Rs.)
Civil Proceedings	1	3,65,00,000

The amounts claimed in these proceedings have been disclosed to the extent ascertainable and include amounts claimed jointly and severally. If any new developments arise, such as a change in Indian law or rulings against us by appellate courts or tribunals, we may need to make provisions in our financial statements that could increase our expenses and current or long-term liabilities or reduce our cash and bank balance. For further details, see “*Outstanding Litigation and Material Developments*” on page 203.

- Our success is dependent on the quality control processes and any failure to maintain the quality of our products may affect our reputation and business.***

We believe that our success is dependent on our quality control processes. Our quality assurance department ensures quality controls at every stage of production, packaging and dispatch. We believe we have built strong relationships with our customers due to the quality of our products which has translated into operational growth. In the event we are unable to maintain our quality control processes,



for any reason whatsoever, our business, reputation and results of operations would be adversely affected.

- 3. Any shortfall in the supply of our raw materials or an increase in raw material costs or other input costs may adversely impact the pricing and supply of our products and have an adverse effect on our business.***

Raw materials and packaging materials are subject to supply disruptions and price volatility caused by various factors, including commodity market fluctuations, the quality and availability of supply of raw materials, foreign currency fluctuations, market demand, changes in government policies and regulatory sanctions. Our raw materials are purchased from third parties and we do not enter into any supply agreements with our suppliers and all raw materials are purchased from our identified suppliers on order to order basis. Our suppliers may be unable to provide us with a sufficient quantity of our raw materials at a suitable price for us to meet the demand for our products. The available amounts of raw materials may not adjust in response to increasing demand in certain circumstances, our suppliers may choose to supply the raw materials to our competitors instead of us. There is a risk that one or more of these existing suppliers could discontinue their operations, which could adversely impact our ability to source raw materials at a suitable price and meet our order requirements till the time we find alternate source for procurement of raw materials. Any increase in raw material prices will result in corresponding increases in our product costs.

We also import our raw materials used in our manufacturing facilities and are subject to risks related to currency fluctuation, global logistics disruptions and other factors. A failure to maintain our required supply of raw materials and equipment could adversely affect our ability to deliver our products to customers in an efficient, reliable and timely manner and adversely affect our business, prospects, financial condition and results of operations.

- 4. The Company is yet to place orders for 100% of the plant and machinery for our proposed object, as specified in the objects of the Issue. Any delay in placing orders, procurement of plant and machinery may delay our implementation schedule and may also lead to increase in price of these plant and machinery, further affecting our revenue and profitability.***

Although we have identified the type of plant and machinery required to be brought for our proposed manufacturing facility, we are yet to place orders for 100% of the plant and machinery worth Rs. 383.10 lakhs as detailed in the chapter titled “Objects of the Issue” on page 68 of this Draft Prospectus. These are based on our estimates and on third party quotations, which are subject to a number of variables, including possible cost overruns, changes in management’s view of the desirability of current plans, change in supplier, which may have an adverse effect on our business and results of operations. Further, we cannot assure that we would be able to procure these plant and machinery, or procure the same within budgeted costs and timelines. Delays in acquisition of the same could result in the cost and time overrun in the implementation of our proposed project, which would have a material adverse effect on our business, results of operations and financial condition.

- 5. We generally do business with our customers on purchase order basis and do not enter into long term contracts with most of them. Our inability to maintain relationships with our customers could have an adverse effect on our business, prospects, results of operations and financial condition.***

Our business is dependent on our continuing relationships with our customers. Our Company do not have any long-term contract with the major customers. Any change in the buying pattern of our customers can adversely affect the business of our Company. The loss of or interruption of work by, a significant customer or a number of significant customers or the inability to procure new orders on a regular basis or at all may have an adverse effect on our revenues, cash flows and operations. Our business depends on the continuity of our relationship with our customers. There can be no assurance that we will be successful in maintaining such relationships or increasing the number of such

relationships. If we are not able to maintain existing relationships with our current customers or if we are not able to develop new relationships, including if we are not able to provide services on a timely basis or offer services that meet the needs of the customers, the number of customers could decline in the future and as a result, our business, prospects, results of operations and financial condition could be adversely affected in the future.

**6. *Proposed objects of the Issue for which funds are being raised have not been appraised by any bank or financial institution. Any inability on our part to effectively utilize the Issue proceeds could adversely affect our financials.***

The objects of the Issue for which the funds are being raised have not been appraised by any bank or financial institution. In the absence of such independent appraisal, the requirement of funds raised through this issue, as specified in the section titled “*Objects of the Issue*” are based on the company’s estimates and internal research. We may have to revise our management estimates from time to time and consequently our funding requirements may also change. This may result in rescheduling of our expenditure plans and an increase or decrease in our proposed expenditure for a particular object. Deployment of these funds is at the discretion of the management and the Board of Directors of the company and will not be subject to monitoring by any independent agency. Any inability on our part to effectively utilize the Issue proceeds could adversely affect our financials.

**7. *Significant portion of our sales is dependent on a single customer.***

Approximately 72% of our sales for the financial year 2016-17 is to single customer with whom we have marketing and manufacturing agreement since 2004. If these customers stop or reduce purchases of products from us, it could adversely affect our business, financial condition and results of operations. However, the Company also have good relationship with the end customers of the Companies product.

**8. *We are dependent on our management team and Key Managerial Personnel for success whose loss could seriously impair the ability to continue to manage and expand business efficiently.***

Our success largely depends on the continued services and performance of our management and other key personnel. The loss of service of the management team and staff could seriously impair the ability to continue to manage and expand the business efficiently. Further, the loss of any of the senior management or other key personnel may adversely affect the operations, finances and profitability of our Company. Any failure or inability of our Company to efficiently retain and manage its human resources would adversely affect our ability to implement new projects and expand our business.

As of March 31, 2017, we had 46 full time employees including our production, admin, quality check departments and other administrative staff. Our future success substantially depends on our ability to recruit, hire, motivate, develop, and retain talented and skilled personnel and our senior management. We believe that the inputs and experience of our senior management are valuable for the development of business and operations and the strategic directions taken by our Company.

For details in relation to the experience of our key management personnel, see “*Our Management*” on page 116. There is no assurance, however, that these individuals or any other member of our senior management team will not leave us or join a competitor, in the future. We cannot assure you that we will be able to retain these employees or find adequate replacements in a timely manner, or at all.

**9. *Our Export business largely depends upon the performance of our distributors. Any non-performance by the distributor may adversely affect our business operations, profitability and cash flows.***

We sell our products to distributor who in turn take forward the supply chain. Our business to a large extent depends upon the performance of the distributor who is responsible to sell the product to the end users at the International level. We cannot provide assurance that the performance of distributor will meet our required specifications or performance parameters. As a result, our growth, results of

operations of our brand name in these areas are dependent on the performance of the distributor. Moreover, there can be no assurance that our distributor will be able to generate adequate revenue on consistent basis and we may be exposed to credit risks associated with non-payment from our distributor.

**10. Our results of operations could be adversely affected by strikes, work stoppages or increased wage demands by our employees or any other kind of disputes with our employees.**

We have employed a significant number of employees. We are unable to assure you that we will not experience disruptions in our operations due to disputes or other problems with our work force, which may lead to strikes, lock - outs or increased wage demands. Such issues could have an adverse effect on our business, and results of operations.

**11. We have issued Equity Shares during the last year at a price that may be below the Issue Price.**

We have issued certain Equity Shares in the last twelve months, at a price that may be lower than the Issue Price.

Details of such issuances are given in the table below:

<b>Date of Allotment</b>	<b>No of Equity Shares</b>	<b>Issue Price (in Rs)</b>	<b>Nature / Reason of Allotment</b>	<b>Allotted Person</b>
August 24, 2017	54,96,130	--	Bonus Allotment	Allotted to the Shareholders of the Company

For Further details of equity shares issued, please refer to the section titled “*Capital Structure*” beginning on page 52 of this Draft Prospectus.

**12. Our Company does not own the land on which our manufacturing facility and registered office are located.**

Our Company does not own the land on which our registered office and manufacturing facility is situated. We have taken the land on lease from Gujarat Industrial Development Corporation. In the event such lease is not renewed or is terminated, it could adversely affect our operation unless we arrange for similar premises. If we are unable to continue or renew the lease on same or similar terms, or find alternate premises on lease on similar terms or at all, it may affect our business operations. For more details please refer to chapter “*Business Overview*” on page no 92 of this Draft Prospectus.

**13. Any change in regulatory environment may have an impact on the business of the Company.**

The Company keeps itself abreast of the various developments relating to the regulatory environment and gears itself in order to comply with such regulatory changes. However, in case the Company is unable to adapt itself to such regulatory changes, the business of the Company may be impacted adversely.

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

Our Company has entered into transactions with our certain related parties. While we believe that all such transactions have been conducted on an arm’s length basis, there can be no assurance that we could not have achieved more favorable terms had such transactions not been entered into with related parties. Furthermore, it is likely that we may enter into related party transactions in the future. There can be no assurance that such transactions, individually or in the aggregate, will not have an adverse effect on our business, prospects, results of operations and financial condition, including because of potential conflicts of interest or otherwise. For details on the transactions entered by us, please see the chapter

titled “Financial Statements as Restated - Annexure XXXII - Related Party Transactions” beginning on page 191 of this Draft Prospectus.

- 15. We have experienced negative cash flows in prior periods and may continue to do so in the future, which could have a material adverse effect on our business prospects, financial condition, cash flows and results of operations.**

We have experienced negative net cash flows in the recent periods, the details of which, as per our Restated Audited Standalone Financial Information, are provided below:

**Rs in lakhs**

Particulars	For the year ended March 31,				
	2017	2016	2015	2014	2013
Cash flow from Operating Activities	179.52	(149.94)	(127.22)	455.15	75.20
Cash flow from Investing Activities	9.61	133.28	98.30	(102.71)	3.35
Cash flow from Financing Activities	(2.25)	(3.86)	(38.61)	(35.87)	(64.98)

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

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

- 17. There may be potential conflict of interests between our Company with proprietary concern and other venture or enterprises promoted by our Promoter or Directors.**

Our Group Companies are authorized to carry out or engage in business that are common with the objects and business carried on by our Company. As a result, conflicts of interests may arise in allocating business opportunities between our Company and our Group Companies in circumstances where our respective interests diverge. In cases of conflict, our individual Promoter, who will continue to retain majority shareholding in our Company (directly and indirectly), subsequent to the Issue, may favor other Entities in which our individual Promoter has interests. Any such present and future conflicts could have a material adverse effect on our reputation, business, result of operations, cash flows and financial condition.

- 18. We have not applied for registration of our logo and do not own the trademark legally as on date. We may be unable to adequately protect our intellectual property. Furthermore, we may be subject to claims alleging breach of third party intellectual property rights.**

We have not applied for registration of our logo under the provisions of the Trademarks Act, 1999 and do not own the trademark as on date. As such, we do not enjoy the statutory protections accorded to a registered trademark as on date. There can be no assurance that we will be able to register the trademark and the logo in future or that, third parties will not infringe our intellectual property, causing damage to our business prospects, reputation and goodwill. Further, we cannot assure you that any application for

registration of our trademark in future by our Company will be granted by the relevant authorities in a timely manner or at all. Our efforts to protect our intellectual property may not be adequate and may lead to erosion of our business value and our operations could be adversely affected. We may need to litigate in order to determine the validity of such claims and the scope of the proprietary rights of others. Any such litigation could be time consuming and costly and the outcome cannot be guaranteed. We may not be able to detect any unauthorized use or take appropriate and timely steps to enforce or protect our intellectual property. For further details, please see the chapter titled “*Government and Other Statutory Approvals*” beginning on page no. 208 of this Draft Prospectus.

***19. Some of our corporate records including forms filed with the Registrar of Companies prior are not traceable.***

Our Company is unable to trace certain corporate and other documents in relation to our Company including forms filed with Registrar of Companies prior to 2006. Due to change in methods of record keeping on account of technological advancement and computerization, over the years, certain forms filed with RoC prior to the year 2006 like return of allotment, increase in authorized share capital, Form 32, etc. could not be traced by our Company. Further online filing of RoC documents was initiated in the year 2006 and all the forms prior to the said year were physically filed, hence some of these forms could not be retrieved from Ministry of Corporate Affairs (MCA) portal.

Our Company has carried search for the physical copies of the untraceable forms at the office of RoC, Ahmedabad, but the forms are not available at the office of Registrar of Companies. As such under the circumstances elaborated above, our Company cannot assure you that the filings were made in a timely manner or the information gathered through other available documents of the Company are correct. Also, our Company may not be in a position to attend to and / or respond appropriately to any legal matter due to lack of lost / destroyed records and to that extent the same could adversely affect our business operations.

***20. If we are unable to establish and maintain an effective system of internal controls and compliances, our business and reputation could be adversely affected.***

We manage our internal compliance by monitoring and evaluating internal controls and ensuring all relevant statutory and regulatory compliances. However, there can be no assurance that deficiencies in our internal controls will not arise or that we will be able to implement and continue to maintain adequate measures to rectify or mitigate any such deficiencies in our internal controls, in a timely manner or at all. If we are unable to establish and maintain an effective system of internal controls and compliances, our business and reputation could be adversely affected.

***21. Our business operations may be disrupted by an interruption in power supply, which may impact our business operations.***

Our manufacturing facility requires constant power supply and any disruption in the supply of power may disrupt our operations, which may interfere with manufacturing process requiring us to either stop our operations or repeat activities which may involve additional time and increase our costs. While we believe, we have adequate stand by power supply, this may not be adequate if the disruption in the supply of the power is for a longer period.

***22. Our business is subject to extensive regulation. If we fail to comply with the applicable regulations prescribed by governments and regulatory agencies, our business, results of operations and financial condition could be adversely affected.***

We operate in highly regulated industry and our operations are subject to extensive regulation in each market in which we do business. Regulatory authorities in each of these markets must approve our products before we or our distributors can market them.

Applicable regulations have become increasingly stringent, a trend which may continue in future. The penalties for non-compliance with these regulations can be severe, including revocation or suspension of our business license, imposition of fines and criminal sanctions.

If we fail to comply with applicable statutory or regulatory requirements, there could be a delay in the submission or grant of approval for the manufacturing of our products. Moreover, if we fail to comply with the various conditions attached to such approvals, licenses, registrations and permissions once received, the regulatory body may suspend, curtail or revoke our ability to manufacture our products or impose fine on us. If we fail to obtain such approvals, licenses, registrations and permissions, in a timely manner or at all, our business, results of operations and financial condition could be adversely affected. For more information on the status of our material statutory and regulatory permits, please refer to the Chapter titled “Government and Other Statutory Approvals” beginning on page 208 of this Draft Prospectus

**23. *The Equity Shares issued pursuant to the Issue may not be listed on the SME Exchange in a timely manner or at all.***

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

**24. *Our Promoter and Directors may have interest in our Company, other than reimbursement of expenses incurred or remuneration.***

Our Promoter and Directors may be deemed to be interested to the extent of the Equity Shares held by them, or their relatives or our Group Companies, and benefits deriving from their directorship and shareholding in our Company. Our Promoter are interested in the transactions entered into between our Company and themselves as well as between our Company and our Group Companies. For further details, please refer to the chapters titled “Business Overview” and “Our Promoter and Promoter Group”, beginning on page nos. 92 and 129 respectively and the chapter titled “Annexure XXXII - Related Party Transactions” on page 191

**25. *Our Group Companies have incurred losses during the last three financial years***

Some of our Promoter Group Company have incurred losses during the last three financial years, details of which are as under:

Name of the company	(Rs in lakhs)		
	March 31, 2016	March 31, 2015	March 31, 2014
*Buch Plastics and Packaging Private Limited	8.44	(103.23)	(19.83)

\* *Buch Plastics and Packaging Private Limited was acquired in the financial year 2016-17. Hence the losses pertain to a period prior to acquisition.*

**26. *Breakdown of machinery and / or equipment used for the purpose of manufacturing process.***

Any breakdown or defect in the machinery and / or the equipment used for the purpose of our manufacturing process, may delay the production process as a whole and result in missing deadlines in delivery of products if we are unable to repair the machines or replace it within relevant timelines. Any such delays may have an adverse effect on the business of the Company.

**27. *Activities involving our manufacturing process can be dangerous and can cause injury to people or property in certain circumstances. A significant disruption at our manufacturing facility may adversely affect our production schedules, costs, revenue and ability to meet customer demand.***

Our business involves manufacturing processes that can be potentially dangerous to our employees. We have faced past instances of accidents suffered by one of our employee in our manufacturing facility, while discharging their duties. An accident may result in loss of life, destruction of property or equipment, manufacturing or delivery delays, or may lead to suspension of our operations and / or imposition of liabilities. While we believe we maintain adequate insurance, interruptions in production as a result of an accident may also increase our costs and reduce our revenue, and may require us to make substantial capital expenditures to remedy the situation or to defend litigation that we or our senior management may become involved in, which may consequently have a negative effect on our profitability, business, financial condition, results of operations and prospects. Any negative publicity associated therewith, may have a negative effect on our business, financial condition, results of operations and prospects.

**28. *Our indebtedness and failure to comply with financial and other restrictive covenants imposed on us under our financing agreements may adversely affect our ability to conduct our business and operations***

The Company have availed cash credit and working capital facilities from Axis Bank Limited, Ankleshwar Branch. As per restated audited standalone financials for March 31, 2017, our aggregate secured borrowings from banks were Rs. Nil. The agreements in respect of some of the debt contain certain covenants such as maintenance of financial ratios, compliance with reporting requirements and other restrictions which may significantly limit our ability to borrow additional money, make capital expenditure and investments etc. While there have not been any instances of non - compliances in relation to any of our debt facilities or any covenant therein, there can be no assurance that we will be able to comply with these covenants in the future or that we will be able to obtain the consents necessary to take the actions that may be necessary.

Any failure to service our indebtedness, perform any condition or covenant or comply with the restrictive covenants could lead to a termination of our credit facilities, acceleration of amounts due under such facilities, affect our ability to raise additional funds or renew maturing borrowings to finance our existing working capital requirements and pursue our growth initiatives. We cannot provide any assurance that our business will generate cash in an amount sufficient to enable us to service our debt or to fund our other liquidity needs as they become due. The termination of, or declaration or enforcement of default under, any financing agreement may have an adverse effect on our business, financial condition, results of operations and prospects. For details of our indebtedness, see “*Financial Indebtedness*” on page 200 of this Draft Prospectus.

**29. *The deployment of funds raised through this Issue shall not be subject to any Monitoring Agency and shall be purely dependent on the discretion of the management of our Company***

Since the Issue size is less than Rs. 10,000 lakhs, there is no mandatory requirement of appointing an independent monitoring agency for overseeing the deployment of utilization of funds raised through this Issue. Therefore, the deployment of these funds raised through this Issue is at the discretion of the management and the Board of Directors of our Company and will not be subject to monitoring by any independent agency. Any inability on our part to effectively utilize the Issue proceeds could adversely affect our financial results.

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

Employee misconduct or errors could expose us to business risks or losses, including serious harm to our reputation. There can be no assurance that we will be able to detect or deter such misconduct.

Moreover, the precautions we take to prevent and detect such activity may not be effective in all cases. Our employees may also commit errors that could subject us to claims and proceedings for alleged negligence, as well as regulatory actions on account of which our business, financial condition, results of operations and goodwill could be adversely affected.

**31. *The Companies Act and SEBI Listing Regulations has effected significant changes to the existing Indian Company law framework, which may subject us to higher compliance requirements and increase our compliance costs.***

The Companies Act has been recently notified, except for certain provisions. The Companies Act has brought into effect significant changes to the Indian company law framework, and in certain cases, introduced certain requirements which did not have corresponding provisions under the Companies Act, 1956, such as provisions related to private placement of securities, disclosures in prospectus, corporate governance norms, accounting policies and 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 management personnel from engaging in forward dealing. Accordingly, we may face challenges in interpreting and complying with such provisions due to the limited jurisprudence on them. In the event our interpretation of such provisions of the Companies Act differs from, or contradicts with, any judicial pronouncements or clarifications issued by the Government in the future, we may face regulatory actions or we may be required to undertake remedial steps.

To ensure compliance with the requirements of the Companies Act and SEBI Listing Regulations, we may need to allocate additional resources, which may increase our regulatory compliance costs and divert management attention.

**32. *We use third-party transportation providers for all of our product distribution and failure by any of our transportation providers to deliver our products on time or at all could result in loss in sales.***

We use third party transportation providers for the receiving of our raw materials and delivery of our products to domestic and overseas customers. We do not own any transport vehicle or commercial vehicles and typically use third-party logistics providers for all of our product distribution and input materials procurement.

Due to our reliance these logistics providers, factors such as increased transportation costs, issues faced due to bad weather, strikes at the vendor could adversely impact the supply of raw materials that we require and the delivery of our products. In addition, raw materials and products may be lost, delayed or damaged in transit for various reasons including accidents and natural disasters.

**Risk related to Equity Shares**

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

Once listed, we would be subject to circuit breakers imposed by all stock exchanges in India, which does not allow transactions beyond specified increases or decreases in the price of the Equity Shares. This circuit breaker operates independently of the index-based market-wide circuit breakers generally imposed by SEBI on Indian stock exchanges. The percentage limit on circuit breakers is set by the stock exchanges based on the historical volatility in the price and trading volume of the Equity Shares. The stock exchanges do not inform us of the percentage limit of the circuit breaker in effect from time to time, and may change it without our knowledge. This circuit breaker limits the upward and downward movements in the price of the Equity Shares. As a result of this circuit breaker, no assurance may be



given regarding your ability to sell your Equity Shares or the price at which you may be able to sell your Equity Shares at any particular time.

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

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

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

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

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

The Issue Price of our Equity Shares has been determined by fixed price method. This price is based on numerous factors. For further information, please refer chapter titled "*Basis for Issue Price*" beginning on page 76 of this Draft Prospectus and may not be indicative of the market price of our Equity Shares after the Issue. The market price of our Equity Shares could be subject to significant fluctuations after the Issue, and may decline below the Issue Price. We cannot assure you that you will be able to sell your Equity Shares at or above the Issue Price. Among the factors that could affect our share price include without limitation. The following:

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

**36. *You will not be able to sell immediately on SME Exchange any of the Equity Shares you purchase in the Issue until the Issue receives appropriate trading permissions.***

The Equity Shares will be listed on the SME Exchange. Pursuant to Indian regulations, certain actions must be completed before the Equity Shares can be listed and trading may commence. We cannot assure you that the Equity Shares will be credited to investor's demat accounts, or that trading in the Equity Shares will commence, within the time periods specified in this Draft Prospectus. Any failure or delay in obtaining the approval would restrict your ability to dispose of the Equity Shares. In accordance with section 40 of the Companies Act, in the event that the permission of listing the Equity Shares is denied by the Stock Exchange, we are required to refund all monies collected from investors.

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

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

**38. *Sale of Equity Shares by our Promoter or other significant shareholder(s) may adversely affect the trading price of the Equity Shares.***

Any instance of disinvestments of equity shares by our Promoter or by other significant shareholder(s) may significantly affect the trading price of our Equity Shares. Further, our market price may also be adversely affected even if there is a perception or belief that such sales of Equity Shares might occur.

## **EXTERNAL RISK FACTORS**

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

Global economic and political factors that are beyond our control, influence forecasts and directly affect performance. These factors include interest rates, rates of economic growth, fiscal and monetary policies of governments, change in regulatory framework, inflation, deflation, foreign exchange fluctuations, consumer credit availability, consumer debt levels, unemployment trends, terrorist threats and activities, worldwide military and domestic disturbances and conflicts, and other matters that influence consumer confidence, spending and tourism.

**40. *Terrorist attacks, civil unrest and other acts of violence or war involving India and other countries could adversely affect the financial markets and our business.***

Terrorist attacks and other acts of violence or war may negatively affect the Indian markets on which our Equity Shares will trade and also adversely affect the worldwide financial markets. These acts may also result in a loss of business confidence, impede travel and other services and ultimately adversely affect our business. In addition, any deterioration in relations between India and Pakistan might result in investor concern about stability in the region, which could adversely affect the price of our Equity Shares.

India has also witnessed civil disturbances in recent years and it is possible that future civil unrest as well as other adverse social, economic and political events in India could have a negative impact on the value of share prices generally as well as the price of our Equity Shares. Such incidents could also create a greater perception that investment in Indian companies involves a higher degree of risk and could have an adverse impact on our business and the price of our Equity Shares.

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

Under current Indian tax laws, unless specifically exempted, capital gains arising from the sale of Equity Shares in an Indian company are generally taxable in India. 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 Securities Transaction Tax (“STT”) has been paid on the transaction and also at the time of purchase in certain cases. STT will be levied on and collected by a domestic stock exchange on which the Equity Shares are sold. Any gain realized on the sale of equity shares held for more than twelve (12)

months, which are sold other than on a recognized stock exchange and on which no STT has been paid to an Indian resident, will be subject to long term capital gains tax in India.

Further, any gain realized on the sale of listed equity shares held for a period of twelve (12) months or less will be subject to short term capital gains tax in India. Capital gains arising from the sale of the Equity Shares will be exempt from taxation in India in cases where the exemption from taxation in India is provided under a treaty between India and the country of which the seller is 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 jurisdiction on a gain upon the sale of the Equity Shares.

**42. *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, value added tax, turnover tax, service 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 it imposes. 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.

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

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

**44. *Any downgrading of India's debt rating by a domestic or international rating agency could adversely affect our Company's business.***

Any adverse revisions to India's credit ratings for domestic and international debt by domestic or international rating agencies may adversely affect our Company's ability to raise additional financing, and the interest rates and other commercial terms at which such additional financing is available. This could harm our Company's business and financial performance and ability to obtain financing for capital expenditures.

**45. *Civil disturbances, extremities of weather, regional conflicts and other political instability may have adverse effects on our operations and financial performance.***

Certain events that are beyond our control such as earthquake, fire, floods and similar natural calamities may cause interruption in the business undertaken by us. Our operations and financial results and the market price and liquidity of our equity shares may be affected by changes in Indian Government policy or taxation or social, ethnic, political, economic or other adverse developments in or affecting India.

**Prominent Notes**

1. Investors may contact the Lead Manager for any clarification, complaint or information pertaining to the Issue. The Lead Manager and our Company shall make all information available to the public and investors at large and no selective or additional information would be made available for a section of the investors in any manner whatsoever.

2. The Net Worth of our Company was Rs. 1653.56 lakhs and the book value of each Equity Share before giving effect to bonus shares allotted by the Company was Rs. 150.43 as of March 31, 2017, as per our Restated Financial Statements. For more information, please refer the Section titled “*Financial Statements as restated*” beginning on page no. 143 of this Draft Prospectus.

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

<b>Name of the Promoter</b>	<b>Average Cost of Acquisition (Rs.)</b>
Chandubhai Kothia	1.67
Hasmukh Kothia	2.50
Ashokkumar Kothia	1.67
Babubhai Kothia	1.67
Manubhai Kothia	2.76
Subhash Kothia	3.30
Hansaben Kothia	2.74

4. Public Issue of 23,76,000 Equity Shares at price of Rs 36 per share aggregating to Rs. 855.36 lakhs. The Issue will constitute 26.48 % of the post-issue paid-up Equity Share capital of our Company.

5. The details of transactions by our Company with our Group Companies during the last year are disclosed under *Annexure XXXII - Related Party Transactions*” on page 191 of this Draft Prospectus.

6. There are no financing arrangements whereby the Promoter, Promoter Group, the Directors of our Company and their relatives have financed the purchase by any other person of securities of our Company during the period of (six) months immediately preceding the date of the Draft Prospectus

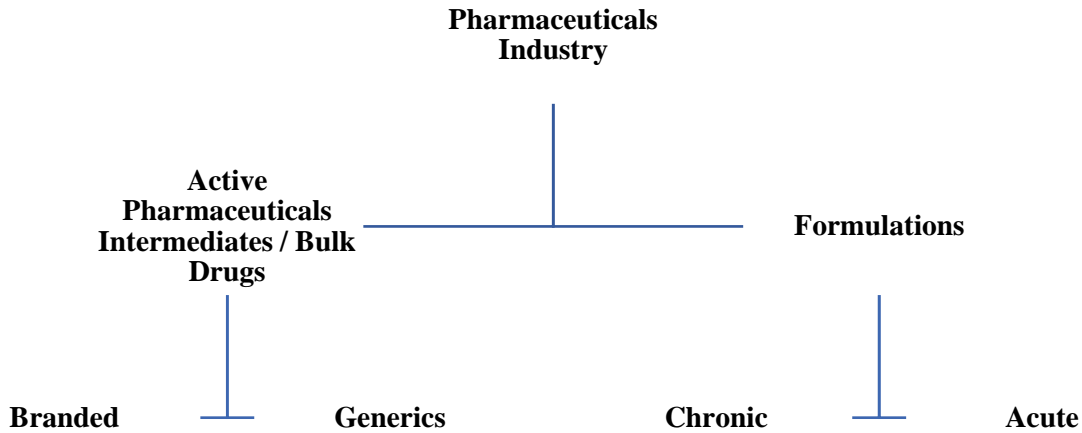
7. Investors are advised to refer to the chapter titled “*Basis for Issue Price*” beginning on page 76 of this Draft Prospectus

Our Company was originally incorporated as Shree Ganesh Remedies Private Limited at Ahmedabad, Gujarat as a Private Limited Company under the provisions of Companies Act, 1956 vide Certificate of Incorporation dated April 27, 1995 bearing registration number 025661 issued by Assistant Registrar of Companies, Gujarat, Dadra & 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 July 12, 2017 and fresh certificate of incorporation consequently upon change of name was issued by Registrar of Companies, Gujarat, Ahmedabad dated July 28, 2017 and name of our Company was changed to Shree Ganesh Remedies Limited. For information on changes in the Object Clause of the Memorandum of Association of our Company, please refer to the section titled "History and Certain Other Corporate Matters" beginning on page 113 of this Draft Prospectus.

**SECTION III – INTRODUCTION**  
**SUMMARY OF INDUSTRY**

**INDIAN PHARMACEUTICAL INDUSTRY**

**Structure of Pharma Sector**



**Introduction**

The Indian pharmaceuticals market is the third largest in terms of volume and thirteenth largest in terms of value, as per a report by Equity Master. India is the largest provider of generic drugs globally with the Indian generics accounting for 20 per cent of global exports in terms of volume. The consolidation has become an important characteristic of the Indian pharmaceutical market as the industry is highly fragmented.

India enjoys an important position in the global pharmaceuticals sector. The country also has a large pool of scientists and engineers who have the potential to steer the industry ahead to an even higher level. Presently over 80 per cent of the antiretroviral drugs used globally to combat AIDS (Acquired Immuno Deficiency Syndrome) are supplied by Indian pharmaceutical firms.

**Market Size**

The Indian pharma industry, which is expected to grow over 15 per cent per annum between 2015 and 2020, will outperform the global pharma industry, which is set to grow at an annual rate of 5 per cent between the same period. The market is expected to grow to US\$ 55 billion by 2020, thereby emerging as the sixth largest pharmaceutical market globally by absolute size. Branded generics dominate the pharmaceuticals market, constituting nearly 80 per cent of the market share (in terms of revenues).

India's pharmaceutical exports stood at US\$ 16.4 billion in 2016-17 and are expected to grow by 30 per cent over the next three years to reach US\$ 20 billion by 2020, according to the Pharmaceuticals Export Promotion Council of India (PHARMEXCIL).

Indian companies received 55 Abbreviated New Drug Application (ANDA) approvals and 16 tentative approvals from the US Food and Drug Administration (USFDA) in Q1 of 2017. The USFDA approvals are expected to cross 700 ANDA in 2017, thereby recording a year-on-year growth of 17 per cent. The country accounts for around 30 per cent (by volume) and about 10 per cent (value) in the US\$ 70-80 billion US generics market.

**Evolution of Indian Pharmaceutical Sector**

- Liberalised market
- Indian companies increasingly launch operations in foreign countries
- India a major destination for generic drug manufacture
- Approval of Patents (Amendment) Act 2005, which led to adoption of product patents in India

- National Health Policy Draft 2015 to increase expenditure in health care sector.
- Patent Act Amendment 2015, it includes amendments in Patent Act 2002
- 2014: 100 per cent FDI allowed in medical device industry. The investment will be routed through automatic route
- 2013: New Drug Pricing Control Order issued by Directorate of Food and Drugs this will reduce the prices of drugs by 80 per cent.
- Leading Indian pharma companies are raising funds aggressively to fund acquisition in domestic as well as international market to increase their product portfolios.
- 2015: India has 10,500 manufacturing units and over 3,000 pharma companies



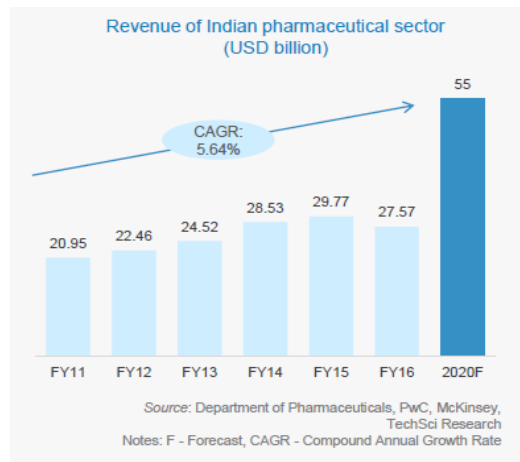
- Indian Patent Act passed in 1970
- Several domestic companies start operations
- Development of production infrastructure
- Export initiatives taken

- Increased patent filings by pharma players
- Likely adoption of newer sales models such as channel management, KAM and CSO
- The National Pharmaceutical Pricing Policy, 2012 (NPPP-2012)

- In Union Budget, 2016, FDI increased to 74 per cent in existing pharmaceutical companies
- The Government of India unveiled 'Pharma Vision 2020' aimed at making India a global leader in end-to-end drug manufacture. Approval time for new facilities has been reduced to boost investments.

Notes: KAM - Key Account Management, CSO - Contract Sales Organisation  
Source: Aranca Research

## Revenues Trends



The Indian pharmaceuticals market witnessed growth at a CAGR of 5.64 per cent, during 2011-16, with the market increasing from USD 20.95 billion in 2011 to USD 27.57 billion in 2016. By 2020, India is likely to be among the top 3 pharmaceutical markets by incremental growth & 6<sup>th</sup> largest market globally in absolute size India's cost of production is significantly lower than that of the US & almost half of that of Europe. It gives a competitive edge to India over others. Increase in the size of middle class households coupled with the improvement in medical infrastructure & increase in the penetration of health insurance in the country will also influence in the growth of pharmaceuticals sector.

## Investments

The Union Cabinet has given its nod for the amendment of the existing Foreign Direct Investment (FDI) policy in the pharmaceutical sector in order to allow FDI up to 100 per cent under the automatic route for manufacturing of medical devices subject to certain conditions.

The drugs and pharmaceuticals sector attracted cumulative FDI inflows worth US\$ 14.71 billion between April 2000 and March 2017, according to data released by the DIPP.

## Government Initiatives

The implementation of the Goods and Services Tax (GST) is expected to be a game-changer for the Indian Pharmaceuticals industry. It will lead to tax-neutral inter-state transactions between two dealers, thereby reducing the dependency on multiple states and increasing the focus on regional hubs. It is expected to result in an efficient supply chain management, which is expected to reduce its cost considerably. The cost of technology and investment is expected to reduce on account of tax credit which can be availed now on the duties levied on import of costly machinery and equipment.

Some of the initiatives taken by the government to promote the pharmaceutical sector in India are as follows:

- The Government of India unveiled 'Pharma Vision 2020' aimed at making India a global leader in end-to-end drug manufacture. Approval time for new facilities has been reduced to boost investments.
- The government introduced mechanisms such as the Drug Price Control Order and the National Pharmaceutical Pricing Authority to deal with the issue of affordability and availability of medicines.
- The Ministry of Chemicals and Petrochemicals, has announced setting up of chemical hubs across the country, early environment clearances in existing clusters, adequate infrastructure, and establishment of a Central Institute of Chemical Engineering and Technology.

## **Notable Trends**

### **1. Research and development**

Indian pharma companies spend 8-11 per cent of their total turnover on Research & Development. Expenditure on Research & Development is likely to increase due to the introduction of product patents; companies need to develop new drugs to boost sales

### **2. Export revenue**

India's pharmaceutical export market is thriving due to strong presence in the generics space. Pharmaceuticals Exports Promotion Council expects pharma exports exceeded USD 15 billion in 2015 & reached USD 16.89 billion in 2016

### **3. Joint Ventures**

Multinational companies are collaborating with Indian pharma firms to develop new drugs. Cipla formed an exclusive partnership with Serum Institute of India to sell vaccines in South Africa. 6 leading pharmaceutical companies have formed an alliance LAZOR to share their best practices, so as to improve efficiency & reduce operating costs

### **4. Expansion by Indian players abroad**

Cipla, the largest supplier of anti-malarial drugs to Africa, sets up a USD 32 billion plant in Africa for the production of anti-retroviral & anti-malarial drugs

### **5. Draft Patents (Amendment) Rules, 2015**

The time limit given for submitting the application for grant has been reduced to 4 months from 12 months, providing an extension of 2 months.

### **6. Product Patents**

The introduction of product patents in India in 2005 gave a boost to the discovery of new drugs. India reiterated its commitment to IP protection following the introduction of product patents In December 2016, Suven Life Sciences was granted product patent for the treatment of neurodegenerative diseases

### **7. Less time for approval**

In order to compete with global players in pharmaceutical industries, approval process of drugs have been simplified by the authorities & approval time for new facilities has been drastically reduced

## **Road Ahead**

The Indian pharmaceutical market size is expected to grow to US\$ 100 billion by 2025, driven by increasing consumer spending, rapid urbanization, and raising healthcare insurance among others.

Going forward, better growth in domestic sales would also depend on the ability of companies to align their product portfolio towards chronic therapies for diseases such as cardiovascular, anti-diabetes, anti-depressants and anti-cancers that are on the rise.

The Indian government has taken many steps to reduce costs and bring down healthcare expenses. Speedy introduction of generic drugs into the market has remained in focus and is expected to benefit the Indian pharmaceutical companies. In addition, the thrust on rural health programs, lifesaving drugs and preventive vaccines also augurs well for the pharmaceutical companies.

*(Source: Indian Pharmaceutical Industry Analysis - July Report– Indian Brand Equity Foundation – [www.ibef.org](http://www.ibef.org))*



## SUMMARY OF BUSINESS

### OVERVIEW

Our Company was originally incorporated as “Shree Ganesh Remedies Private Limited” at Ahmedabad, Gujarat as a Private Limited Company under the provisions of Companies Act, 1956 vide Certificate of Incorporation dated April 27, 1995 bearing registration number 025661 issued by Assistant Registrar of Companies, Gujarat, Dadra & 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 July 12, 2017 and fresh certificate of incorporation consequently upon change of name was issued by Registrar of Companies, Gujarat, Ahmedabad dated July 28, 2017 and name of our Company was changed to “Shree Ganesh Remedies Limited”

Our Company is as ISO 9001:2015, ISO 14001:2015 BS and OHSAS 18001:2007 certified Company and is engaged in manufacturing and dispatch of drug intermediates and chemicals like amine hydrochloride and specialty fine chemicals for pharmaceutical industry. We manufacture products relating to antipsychotic, antiseptic, deprotonation reactions, hyperlipidemia, alzheimers and anti-viral.

The manufacturing process is supported by Total Quality Management techniques and is supervised through various quality control equipment's and qualified personnel. The Products are manufactured for export market and also for domestic and foreign markets. We entered the International market in the year 2006 and are on regular basis exporting our products to various countries.

Our manufacturing facility is divided into three manufacturing plants namely Plant I, II and III spread across 9715 square meters having different product manufacturing capabilities and process.

Our Company is managed by a team of professionals headed by our Managing Director having experience in the field of manufacturing of pharmaceuticals intermediates, bulk drugs, fine chemicals, pigments and plastics. Our Company undertakes manufacturing of products on custom research to some extent as per the project received

Our Company's total revenue as restated in Financial Year 2017, 2016 and 2015 was Rs.2032.49 lakhs, Rs. 1587.89 lakhs and Rs. 1698.70 lakhs, respectively. Our Company's profit/loss after tax as restated in Financial Year 2017, 2016 and 2015 was Rs. 261.49 lakhs, Rs. 108.35 lakhs and Rs. 127.46 lakhs, respectively.

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

1. Recognized as Export House by Government of India
2. 3<sup>rd</sup> prize winner at Ankleshwar Industries Association for export Performance amongst small scale Industrial units in GIDC, Ankleshwar for the year 2015-16

#### **Company Location and manufacturing facility:**

Our Registered Office and Manufacturing facility is Situated at Plot No 6011, G.I.D.C, Ankleshwar – 393002, Gujarat, India.

## OUR PRODUCTS

We have product portfolio that consists of

Sr. No	Product Name	Applications/ End use
1.	Di methyl amino propyl chloride HCl	Dimethylaminopropyl chloride hydrochloride is used in Chlorpromazine for antipsychotic
2.	Trityl chloride(TTCL)	Trityl chloride (TTCL) is used as a protecting agent generally used in pharmaceutical Industry
3.	4-Chloro 4 Fluoro Butyrophenone (CFBP)	Used as Intermediates of Haloperidol antipsychotic
4.	Methyl Cyclo Propane Carboxylate Acid/ Acid Chloride	Product is used to manufacture Fenpropathrin. Fenpropathrin is widely used as pyrethroid insecticide in agriculture and household.
5.	1-Bromo-4-Propylheptane (BPH)	Used in delmophinol as an antiseptic mouth wash
6.	Sodium Bis (Trimethylsilyl) Amide in THF 1M/2M	It is a strong base used for deprotonation reactions
7.	Tyramine HCl /Base	Used in Benzafibrate for Hyperlipidemia and Used in galantamine Hbr for Alzheimer's disease
8.	Hexadienyl acetate(HDA)	Used as flavoring agent
9.	Cyclo Propane Carboxylic Acid	Used in Moxifloxacin as anti-viral

**SUMMARY OF FINANCIAL STATEMENTS**

**ANNEXURE- I - SUMMARY OF STATEMENT OF ASSETS AND LIABILITIES, AS RESTATED**

**(Rs. In lakhs)**

Sr. No.	Particulars	Annexure	As at 31 <sup>st</sup> March				
			2013	2014	2015	2016	2017
<b>1)</b>	<b>Equity &amp; Liabilities</b>						
	<b>Shareholders' Funds</b>						
	(a) Share Capital	V	109.92	109.92	109.92	109.92	109.92
	(b) Reserves & surplus	VI	734.52	1056.01	1180.37	1288.72	1543.63
<b>2)</b>	<b>Non-Current Liabilities</b>						
	(a) Long term Borrowings	VII	33.73	5.61	2.19	-	-
	(b) Other Long-Term Liabilities		-	-	-	-	-
	(c) Long term Provisions	VIII	5.92	5.44	8.57	9.62	11.96
	(d) Deferred Tax Liability (Net)	See note (K)	14.73	15.73	11.07	7.69	7.12
<b>3)</b>	<b>Current Liabilities</b>						
	(a) Short Term Borrowings	IX	148.34	-	-	-	-
	(b) Trade Payables	X	84.20	55.88	109.44	74.60	246.63
	(i) Due to MSME		-	-	-	-	-
	(ii) Due to others		-	-	-	-	-
	(c) Other Current Liabilities	XI	41.36	49.77	35.49	17.90	66.12
	(d) Short term provisions	XII	71.38	153.21	67.73	58.08	131.36
	<b>TOTAL LIABILITIES (1+2+3)</b>		1244.10	1451.57	1524.78	1566.53	2116.75
	<b>ASSETS</b>						
<b>4)</b>	<b>Non-Current Assets</b>						
	(a) Fixed Assets	XIII					
	i. Tangible Assets		389.53	443.20	449.26	433.62	423.13
	ii. Intangible Assets		0.10	0.05	1.10	0.96	0.74
	iii. Intangible Assets under Development		-	-	-	-	-
	iv. Capital Work in Progress		-	-	-	-	-

Sr. No.	Particulars	Annexure	As at 31 <sup>st</sup> March				
			2013	2014	2015	2016	2017
	Net Block		389.63	443.25	450.36	434.58	423.87
	(b) Non-Current Investments	XIV	5.00	5.00	5.00	5.00	5.00
	(c) Long-term Loans and Advances	XV	19.66	17.51	20.84	21.06	25.07
<b>5)</b>	<b>Current Assets</b>						
	(a) Current Investment		-	-	-	-	-
	(b) Inventories	XVI	332.31	314.22	336.60	304.83	284.47
	(c) Trade Receivables	XVI I	351.28	225.69	422.17	566.97	734.14
	(d) Cash and bank balances	XVI II	7.63	278.54	111.57	97.74	287.24
	(e) short term Loans and Advances	XIX	135.25	161.70	178.23	136.35	356.95
	(f) Other Current Assets	XX	3.34	5.67	-	-	-
	<b>TOTAL ASSETS (4+5)</b>		1244.10	1451.57	1524.78	1566.53	2116.75

*Note: - The above statement should be read with the Statement of Significant Accounting Policies and Notes to the Restated Financial Information appearing in Annexure IV As per our attached report of even date*

**ANNEXURE-II - SUMMARY OF STATEMENT OF PROFITS AND LOSS, AS RESTATED**

(Rs. In lakhs)

Particulars	Annexure	For the year ended on 31 <sup>st</sup> March				
		2013	2014	2015	2016	2017
<b>INCOME</b>						
<b>Revenue from operations</b>	XXII					
(a) Sales of goods		--	--	--	--	--
(i) Sale of manufactured goods (net of excise)		1278.08	1834.81	1649.65	1552.06	1985.88
(ii) Sale of traded goods		--	--	--	--	--
(b) Sale of services		--	--	--	--	--
(c) Other Operating Revenue		--	--	--	--	--
Total Revenue from operations		1278.08	1834.81	1649.65	1552.06	1985.88
Other Income	XXIII	57.81	78.61	49.05	35.83	46.61
<b>Total Revenue</b>		<b>1335.89</b>	<b>1913.42</b>	<b>1698.70</b>	<b>1587.89</b>	<b>2032.49</b>
<b>Expenses</b>						
Cost of Material Consumed	XXIV	700.86	913.42	934.19	759.16	976.29
Purchase of stock in trade		--	--	--	--	--
(Increase)/decrease in inventories of finished goods, work-in-progress and traded goods	XXV	(48.07)	(4.87)	(1.01)	95.30	27.29
Employee benefits expense	XXVI	128.44	141.25	158.76	172.64	188.60
Finance cost	XXVII	25.52	12.06	11.66	4.37	4.18
Depreciation and amortization expenses		54.21	54.03	64.81	60.39	54.52
Other expenses	XXVII I	254.16	321.84	339.75	332.98	389.32
<b>Total Expenses</b>		<b>1115.11</b>	<b>1437.73</b>	<b>1508.17</b>	<b>1424.84</b>	<b>1640.20</b>
Profit/loss before tax		220.78	475.69	190.53	163.04	392.29
Exceptional items		--	--	--	--	--
Extraordinary items		--	--	--	--	--
<b>Tax expense</b>						
Current tax		71.38	153.21	67.73	58.08	131.36
Deferred tax		1.02	0.99	(4.65)	(3.39)	(0.56)
MAT credit entitlement		--	--	--	--	--

Restated profit / (loss) for the period		148.37	321.49	127.46	108.35	261.49
Earnings Per Share		13.50	29.25	11.60	9.86	23.79

*Note: - The above statement should be read with the Statement of Significant Accounting Policies and Notes to the Restated Financial Information appearing in Annexure IV. As per our attached report of even date*

**ANNEXURE III - STATEMENT OF CASH FLOWS, AS RESTATED FOR THE PERIOD / YEAR ENDED**

(Rs. In lakhs)

Sr. No.	Particulars	F.Y. 2012-13	F.Y. 2013-14	F.Y. 2014-15	F.Y. 2015-16	F.Y. 2016-17
<b>A.</b>	<b>Cash flow from Operating Activities</b>					
	Sundry Creditors	(1,099.95)	(1,391.58)	(1,284.42)	(1,236.05)	(1,192.69)
	Duties & Taxes Payable	(38.06)	34.04	(17.21)	17.77	(25.75)
	Provisions	(138.13)	(139.91)	(164.86)	(136.31)	(103.89)
	Sundry Debtors	1,437.09	2,034.21	1,498.26	1,315.61	1,749.51
	Loans & Advances	(58.33)	(91.47)	(87.80)	(34.03)	(209.91)
	Indirect Income	47.24	81.31	16.60	40.53	55.92
	Direct Expenses	(37.99)	(41.20)	(38.74)	(49.82)	(56.89)
	Indirect Expenses	(36.67)	(30.23)	(49.05)	(67.66)	(36.77)
	<b>Net Cash Flow from Operating Activities (A)</b>	<b>75.20</b>	<b>455.15</b>	<b>(127.22)</b>	<b>(149.94)</b>	<b>179.52</b>
<b>B.</b>	<b>Cash flow from investing Activities</b>					
	Fixed Assets	(0.04)	(0.05)	(0.20)	(3.33)	15.00
	Deposits	3.39	(102.65)	98.50	136.60	(5.39)
	<b>Net Cash Flow from Investing Activities (B)</b>	<b>3.35</b>	<b>(102.71)</b>	<b>98.30</b>	<b>133.28</b>	<b>9.61</b>
<b>C.</b>	<b>Cash Flow from Financing Activities</b>					

Sr. No.	Particulars	F.Y. 2012-13	F.Y. 2013-14	F.Y. 2014-15	F.Y. 2015-16	F.Y. 2016-17
	Issue of Share Capital					
	Secured Loans	(108.63)	(35.87)	(37.99)	(3.86)	(2.25)
	Unsecured Loans	43.65		(0.65)	-	-
	Reserve and Surplus			0.03	-	-
	<b>Net Cash Flow from Financing Activities (C)</b>	<b>(64.98)</b>	<b>(35.87)</b>	<b>(38.61)</b>	<b>(3.86)</b>	<b>(2.25)</b>
<b>D.</b>	<b>Net (Decrease)/ Increase in Cash &amp; Cash Equivalents (A+B+C)</b>	<b>13.58</b>	<b>316.57</b>	<b>(67.54)</b>	<b>(20.52)</b>	<b>186.89</b>
<b>E.</b>	<b>Opening Cash &amp; Cash Equivalents</b>	<b>(160.57)</b>	<b>(146.99)</b>	<b>169.58</b>	<b>102.05</b>	<b>81.52</b>
<b>F.</b>	<b>Cash and cash equivalents at the end of the period</b>	<b>(146.99)</b>	<b>169.58</b>	<b>102.05</b>	<b>81.52</b>	<b>268.41</b>
<b>G.</b>	<b>Cash And Cash Equivalents Comprise:</b>					
	Cash	0.77	0.87	6.24	13.65	2.95
	Bank Balance:		-	-	-	-
	Current Account	0.58	1.15	7.09	4.88	2.79
	Balance in Euro Account	-		-	-	122.90



<b>Sr. No.</b>	<b>Particulars</b>	<b>F.Y. 2012-13</b>	<b>F.Y. 2013-14</b>	<b>F.Y. 2014-15</b>	<b>F.Y. 2015-16</b>	<b>F.Y. 2016-17</b>
	Balances held in Cash Credit	(148.34)	167.56	88.71	63.00	139.76
	<b>Total</b>	<b>(146.99)</b>	<b>169.58</b>	<b>102.05</b>	<b>81.52</b>	<b>268.41</b>

## THE ISSUE

The following table summarizes the Issue details:

Particulars	Details of Equity Shares
Issue of Equity Shares by our Company	23,76,000 Equity Shares of face value of Rs.10 each fully paid for cash at price of Rs. 36.00 per Equity Share aggregating Rs 855.36 lakhs.
<b>Of Which: -</b>	
Market Maker Reservation Portion	1,26,000 Equity Shares of face value of Rs. 10 each fully paid for cash at price of Rs. 36.00 per Equity Share aggregating Rs 45.36 lakhs
Net Issue to the Public	22,50,000 Equity Shares of face value of Rs.10 each fully paid for cash at price of Rs. 36.00 per Equity Share aggregating Rs 810.00 lakhs
	<b>Of Which</b>
	11,25,000 Equity Shares of face value of Rs. 10 each fully paid for cash at price of Rs. 36.00 per Equity Share aggregating Rs. 405.00 will be available for allocation to investors up to Rs. 2.00 lakhs
	11,25,000 Equity Shares of face value of Rs. 10 each fully paid for cash at price of Rs.36.00 per Equity Share aggregating Rs. 405.00 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	65,95,356 Equity Shares
Equity Shares outstanding after the Issue	89,71,356 Equity Shares
Use of Proceeds	See the chapter titled “ <i>Objects of the Issue</i> ” on page 68 of this Draft Prospectus.

### Notes

This Issue is being made in terms of Chapter XB of the SEBI ICDR Regulations, as amended from time to time.

As per Regulation 43(4) of the SEBI ICDR Regulations, as amended, as present issue is a fixed price issue ‘the allocation’ in the net offer 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.

The Issue has been authorized by the Board *vide* a resolution passed at its meeting held on July 29, 2017 and by special resolution passed pursuant to section 62(1)(c) of the Companies Act at the Annual General Meeting held on August 19, 2017.

For further details please refer to section titled “*Issue Information*” beginning on 224 of this Draft Prospectus.

## GENERAL INFORMATION

Our Company was originally incorporated as Shree Ganesh Remedies Private Limited at Ahmedabad, Gujarat as a Private Limited Company under the provisions of Companies Act, 1956 vide Certificate of Incorporation dated April 27, 1995 bearing registration number 025661 issued by Assistant Registrar of Companies, Gujarat, Dadra & 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 July 12, 2017 and fresh certificate of incorporation consequently upon change of name was issued by Registrar of Companies, Gujarat, Ahmedabad dated July 28, 2017 and name of our Company was changed to Shree Ganesh Remedies Limited. The Corporate Identification Number is U24230GJ1995PLC025661. 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 113 of this Draft Prospectus.

### Registered Office of our Company

#### Shree Ganesh Remedies Limited

Plot no. 6011, G.I.D.C,  
Ankleshwar - 393002,  
Gujarat, India

**Tel No:** 02646 227777

**Fax No:** 02646 226422

**Website:** [www.ganesh-group.com](http://www.ganesh-group.com)

**E-mail:** [investors@ganeshremedies.com](mailto:investors@ganeshremedies.com)

**CIN:** U24230GJ1995PLC025661

### Registrar of Companies

Our Company is registered with Registrar of Companies located at

ROC Bhavan, Opp Rupal Park Society,  
Behind Ankur Bus Stop,  
Naranpura, Ahmedabad 380013,  
Gujarat, India.

### 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	Chandubhai Kothia	Managing Director	00652806	303/C/6, Tulsikunj Society, GIDC Industrial Estate, Ankleshwar – 393002 Gujarat, India
2	Hasmukh Kothia	Executive Director	01076206	406/15, Sardar Patel Society, GIDC, Ankleshwar 393002, Gujarat, India
3	Ashokkumar Kothia	Executive Director	01076171	4, Navjivan Society, New colony, GIDC, Ankleshwar – 393002, Gujarat, India

Sr. No.	Name	Designation	DIN	Address
4	Jayesh Savjani	Independent Director	07740486	B-201, Vishwam Residency, Zadeshwar, Bharuch 392011, Gujarat, India
5	Pooja Koladia	Independent Director	07883101	201/2012, Yug.Co.Op.HSG Society, Jaldhara Chokadi, GIDC New Colony, Ankleswar, Bharuch, 303001, Gujarat, India.
6	Surendra Shah	Independent Director	00160401	23, Amramanjari Bungalows, Behind Sun City, Opp. Oriental Bank of Commerce, South Bopal Road, Ahmedabad 380058 Gujarat, India.

For further details of our Directors, please see “*Our Management*” on page 116.

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

Aditya Patel  
Plot no. 6011, G.I.D.C,  
Ankleshwar - 393002,  
Gujarat, India  
**Tel No.:** 02646-227777  
**Fax No.:** 02646-226422  
**E-mail Address:** [cs@ganeshremedies.com](mailto:cs@ganeshremedies.com)

**Note:** Investors can contact the Company Secretary and Compliance Officer or the Registrar to the Issue in case of any pre-or post-issue related problems, such as non-receipt of letters of allotment, credit of allotted shares in the respective beneficiary account and unblocking of funds. All grievances relating to the Application process may be addressed to the Registrar to the Issue with a copy to the SCSBs, giving full details such as name, address of Applicant, application number, number of Equity Shares applied for, amount blocked on application and designated branch or the collection centre of the SCSB/Designated Intermediary, where the Application Form was submitted by the Applicants.

#### **Chief Financial Officer**

Bhavita Bhavik Jain  
Plot no. 6011, G.I. D.C,  
Ankleshwar - 393002,  
Gujarat, India  
**Tel No:** 02646-227777  
**Fax No:** 02646-226422  
**Email:** [cfo@ganeshremedies.com](mailto:cfo@ganeshremedies.com)

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

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

**Tel No:** 022 2613 6460 / 07977023417  
**Fax No:** 022 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**

**Crawford Bayley & Co.**  
Advocates & Solicitors,  
4th Floor, Gate No. 4, State Bank Buildings,  
N.G.N. Vaidya Marg, Fort,  
Mumbai-400023  
**Tel No:** 022-22663713  
**Fax No:** 022-22660986  
**Contact Person:** Sanjay R. Buch  
**Email:** [sanjay\\_buch@crawfordbayley.com](mailto:sanjay_buch@crawfordbayley.com)

**Statutory and Peer Reviewed Auditors**

**S R M B & Co., Chartered Accountants**  
**Address:** 2C to 2G, 2<sup>nd</sup> Floor,  
Resham Bhavan, Lal Darwaja,  
Surat - 395003  
**Tel No:** 922000042/43/46  
**Fax No:** Not Available  
**Email:** [info.srmb@gmail.com](mailto:info.srmb@gmail.com)  
**Contact Person:** CA Rushik J Patel  
**Firm Registration No:** 141679W  
**Peer Reviewed Certificate No.:** 010177

**Registrar to the Issue**

**Bigshare Services Private Limited**  
1st Floor, Bharat Tin Works Building,  
Opp Vasant Oasis, Makwana Road, Marol,  
Andheri East, Mumbai - 400059  
**Tel No:** 022 62628200  
**Fax No:** 022 62638299  
**E-mail:** [ipo@bigshareonline.com](mailto:ipo@bigshareonline.com)  
**Website:** [www.bigshareonline.com](http://www.bigshareonline.com)  
**Contact Person:** Vipin Gupta  
**SEBI Registration No:** INR000001385  
**Investor Grievance Email:** [investor@bigshareonline.com](mailto:investor@bigshareonline.com)

**Bankers to our Company**

**Axis Bank Limited**

Plot No. C-3/9, Opp Asopalav Guest House,  
Near Railway Station,  
Old NH No.8, G.I.D.C, Ankleshwar, Gujarat -393002  
**Tel No:** 02646 226521

**Fax No:** 02646 226520

**E-mail:** ccsuhead.ankleshwar@axisbank.com

**Contact Person:** Pankaj Sankar

Website: www.axisbank.com

### **Bankers to the Issue**

To be appointed later

### **Refund Banker to the Issue**

To be appointed later

### **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 [www.sebi.gov.in](http://www.sebi.gov.in) Details relating to designated branches of SCSBs collecting the ASBA application forms are available at the above-mentioned link.

### **Brokers to this Issue**

The list of the Registered Brokers, including details such as postal address, telephone number and e-mail address, is provided on the website of the Stock Exchange, at BSE Limited, as updated from time to time.

### **Registrar to Issue and Share Transfer Agents**

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 Stock Exchange at BSE Limited, as updated from time to time.

### **Collecting Depository Participants**

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 Stock Exchange at BSE Limited, as updated from time to time. The list of branches of the SCSBs named by the respective SCSBs to receive deposits of the Application Forms from the Designated Intermediaries will be available on the website of the SEBI ([www.sebi.gov.in](http://www.sebi.gov.in)) and updated from time to time.

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

Fedex Securities Limited being the sole Lead Manager to this Issue, a statement of inter se allocation of responsibilities among Lead Managers is not applicable.

### **Credit Rating**

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

### **IPO Grading**

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

### **Appraisal and Monitoring Agency**

As per regulation 16(1) of the SEBI ICDR Regulations, the requirement of Monitoring Agency is not mandatory if the Issue size is upto Rs 10,000 lakhs. Since the Issue size is only of Rs. 855.36 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.

Pursuant to Regulation 32(3) of the SEBI Listing Regulations, our Company shall on a half yearly basis, disclose to the Audit Committee the uses and application of the Net Proceeds. Until such time as any part of

the Net Proceeds remains unutilized, our Company will disclose the utilization of the Net Proceeds under separate heads in our Company’s balance sheet(s) clearly specifying the amount of and purpose for which Net Proceeds have been utilized so far, and details of amounts out of the Net Proceeds that have not been utilized so far, also indicating interim investments, if any, of such unutilized Net Proceeds. In the event that our Company is unable to utilize the entire amount that we have currently estimated for use out of the Net Proceeds in a fiscal, we will utilize such unutilized amount in the next fiscal.

Further, in accordance with Regulation 32(1)(a) of the SEBI Listing Regulations, our Company shall furnish to the Stock Exchange on a half yearly basis, a statement indicating material deviations, if any, in the utilization of the Net Proceeds for the objects stated in this Draft Prospectus.

No Appraising entity has been appointed in respect of this issue.

**Expert Opinion**

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

Our Company has received written consent from the Auditors namely, M/s. SRMB & Co., Chartered Accountants, (Statutory and Peer Review Auditors) to include their name in respect of the report on the Restated Financial Statements dated July 29, 2017 and the Statement of Tax Benefits dated July 29, 2017, issued by them and included in this Draft Prospectus, as required under section 26(1)(a)(v) of the Companies Act in this Draft Prospectus and as “Expert” as defined under 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.

**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:

Event	Indicative timeline
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 the Stock Exchange	[●]

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 Stock Exchange are taken within 6 Working Days of the Issue Closing Date, the timetable may change due to various factors, such as extension of the Issue Period by our Company, or any delays in receiving the final listing and trading approval from the Stock Exchange. The Commencement of trading of the Equity Shares will be entirely at the discretion of the Stock Exchange and in accordance with the applicable laws.



Applications 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 Applications 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 the Stock Exchange, in case of Applications 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 Stock Exchange. It is clarified that Applications not uploaded on the electronic system would be rejected. Applications will be accepted only on Working Days, i.e. Monday to Friday (excluding any public holiday).

Due to limitation of time available for uploading the Applications on the Issue Closing Date, the Applicants are advised to submit their Applications one 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 offer document are Indian Standard Times. Applicants are cautioned that in the event a large number of Applications are received on the Issue Closing Date, as is typically experienced in public offerings, some Applications may not get uploaded due to lack of sufficient time. Such Applications that cannot be uploaded will not be considered for allocation under the Issue. Applications will be accepted only on Business Days. Neither our Company nor the Lead Manager is liable for any failure in uploading the Applications due to faults in any software/hardware system or otherwise.

In accordance with the SEBI regulations, QIBs and Non-Institutional Applicants are not allowed to withdraw or lower the size of their Applications (in terms of the quantity of the Equity Shares or the Applications Amount) at any stage. Retail Individual Applicants can revise or withdraw their Applications prior to the Offer Closing Date. Except Allocation to Retail Individual Investors, Allocation in the Offer 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 or the electronic Application Form, for a particular Applicant, the details as per the file received from the Stock Exchange 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 Offer shall ask the relevant SCSB or the member of the Syndicate for rectified data.

### Underwriter

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

The underwriting agreement is dated August 16, 2017 and pursuant to the terms of the underwriting agreement; obligations of the underwriter are subject to certain conditions specified therein. The underwriter has indicated their intention to underwrite following number of specified securities being offered through this Issue.

<b>Name and Address of the Underwriter</b>	<b>Indicative Number of Equity Shares to be Underwritten</b>	<b>Amount Underwritten (Rupees in Lakhs)</b>	<b>% of the Total Issue size Underwritten</b>
<b>Fedex Securities Limited</b> 305, Enterprise Centre, Nehru Road, Vile Parle (East), Mumbai – 400099, Maharashtra, India <b>Tel No:</b> 022 26136460 / 07977023417 <b>Fax No:</b> 022 26186966 <b>Contact Person:</b> Uday Nair <b>Email:-</b> mb@fedsec.in	23,76,000	855.36	100.00%

<b>Website</b> - www.fedsec.in <b>Investor Grievance Email</b> - mb@fedsec.in <b>SEBI Registration Number:</b> INM000010163			
<b>Total</b>	<b>23,76,000</b>	<b>855.36</b>	<b>100.00%</b>

*Includes 1,26,000 Equity Shares of the Market Maker Reservation Portion which are to be subscribed by the Market Maker on its own account in order to claim compliance with the requirements of Regulation 106 V (4) of the SEBI ICDR Regulations, as amended.*

As per Regulation 106 P (2) of SEBI ICDR Regulations, the Lead Manager has agreed to underwrite to a minimum extent of 15.00% of the Issue out of its own account.

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

### **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 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 day of receipt of such notification. Our Company shall also promptly inform the Stock Exchange 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 of the Stock Exchange, 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 and the Lead Manager have entered into a tripartite agreement dated [•] with the below Market Maker, duly registered with BSE Limited to fulfil the obligations of Market Making:

[•]

**Tel No:**

**Fax No:**

**Email: -**

**Website:**

**Contact Person:**

**SEBI Registration Number:**

**Market Maker Registration No. (SME Segment of BSE):**

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

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

1. The Market Maker(s) (individually or jointly) shall be required to provide a 2-way quote for 75% of the time in a day. The same shall be monitored by the Stock Exchange. Further, the Market Maker(s) shall inform the Exchange in advance for each and every black out period when the quotes are not being offered by the Market Maker(s)

2. The 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. 36.00 the minimum lot size is 3,000 Equity Shares thus minimum depth of the quote shall be Rs. 1,08,000 until the same, would be revised by BSE.
3. After a period of three (3) months from the market making period, the Market Maker would be exempted to provide quote if the Shares of Market Maker in our Company reaches to 25% of Issue Size (including the 1,26,000 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 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 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, [•] is acting as the sole Market Maker.
7. The shares of the company will be traded in continuous trading session from the time and day the company gets listed on SME Platform of BSE and market maker will remain present as per the guidelines mentioned under BSE and SEBI circulars.
8. There will be special circumstances under which the Market Maker may be allowed to withdraw temporarily / fully from the market for instance due to system problems, any other problems. All controllable reasons require prior approval from the Exchange, while force-majeure will be applicable for non-controllable reasons. The decision of the Exchange for deciding controllable and non-controllable reasons would be final.
9. The Market Maker shall have the right to terminate said arrangement by giving one-month notice or on mutually acceptable terms to the Lead Manager, who shall then be responsible to appoint a replacement Market Maker(s).

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

10. BSE SME Exchange will have all margins which are applicable on the BSE Main Board viz., Mark-to-Market, Value-At-Risk (VAR) Margin, Extreme Loss Margin, Special Margins and Base Minimum Capital etc. BSE can impose any other margins as deemed necessary from time-to time.
11. BSE SME Exchange will monitor the obligations on a real-time basis and punitive action will be initiated for any exceptions and / or non-compliances. Penalties / fines may be imposed by the Exchange on the Market Maker, in case he is not able to provide the desired liquidity in a particular

security as per the specified guidelines. These penalties / fines will be set by the Exchange from time to time. The Exchange will impose a penalty on the Market Maker in case he is not present in the market (offering two-way quotes) for at least 75% of the time. The nature of the penalty will be monetary as well as suspension in market making activities / trading membership.

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

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

<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. 20 Crores	25%	24%
Rs. 20 crores to Rs. 50 crores	20%	19%
Rs. 50 to Rs. 80 crores	15%	14%
Above Rs. 80 crores	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 the Company, as on the date of this Draft Prospectus is set forth below:

Amount (Rs. in lakhs except share data)			
Sr. No	Particulars	Aggregate nominal value	Aggregate value at Issue Price
<b>A.</b>	<b>Authorised Share Capital</b>		
	1,00,00,000 Equity Shares of face value of Rs. 10 each	1,000.00	
<b>B.</b>	<b>Issued, Subscribed and Paid-Up Share Capital before the Issue</b>		
	65,95,356 Equity Shares of face value of Rs. 10 each	659.54	
<b>C.</b>	<b>Present Issue in terms of this Draft Prospectus: <sup>(1)</sup></b>		
	Issue of 23,76,000 Equity Shares of face value Rs. 10 each at a price of Rs. 36.00 per Equity Share	237.60	855.36
	<i>Which Comprises:</i>		
	<b>Reservation for Market Maker</b> 1,26,000 Equity Shares of face value of Rs. 10 each reserved as Market Maker portion at a price of Rs. 36.00 per Equity Share	12.60	45.36
	<b>Net Issue to the Public</b> - 22,50,000 Equity Shares of face value of Rs. 10 each at a price of Rs. 36.00 per Equity Share	225.00	810.00
	<b>Of the Net Issue to the Public</b>		
	<b>Allocation to Retail Individual Investors</b> - 11,25,000 Equity Shares of face value of Rs. 10 each at a price of Rs. 36.00 per Equity Share shall be available for allocation for Investors applying for a value of upto Rs. 2,00,000	112.50	405.00
	<b>Allocation to Other than Retail Individual Investors</b> - 11,25,000 Equity Shares of face value of Rs. 10 each at a price of Rs. 36.00 per Equity Share shall be available for allocation for investors applying for a value above Rs. 2,00,000	112.50	405.00
<b>D.</b>	<b>Issued, Subscribed and Paid-up Share Capital after the Issue</b>		
	89,71,356 Equity Shares of face value of Rs. 10 each	897.14	
<b>E.</b>	<b>Securities Premium Account</b>		
	Before the Issue (as on the date of Draft Prospectus)		82.78
	After the Issue		700.54

<sup>(1)</sup> The issue has been authorized by the Board of Directors of our Company vide a resolution passed at the meeting held on July 29, 2017 and by the Shareholders of our Company vide a Special Resolution passed pursuant to Section 62 (1) (c) of Companies Act at the Annual General Meeting held on August 19, 2017.

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.

### Details of changes in Authorized Share Capital:

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

Sr. No	Change in authorized Share Capital	Date of AGM/ EGM Meeting	AGM/EGM
1.	The authorized share capital on incorporation was Rs. 5,00,000 consisting 50,000 Equity Shares of Rs. 10 each	On Incorporation	--
2.	The authorized share capital of Rs. 5,00,000 consisting 50,000 Equity Shares of Rs. 10 each was increased to Rs. 25,00,000 consisting 2,50,000 Equity Shares of Rs. 10 each	December 02, 2003	EGM
3.	The authorized share capital of Rs. 25,00,000 consisting 2,50,000 Equity Shares of Rs. 10 each was increased to Rs. 35,00,000 consisting 3,50,000 Equity Shares of Rs. 10 each	June 28, 2004	EGM
4.	The authorized share capital of Rs. 35,00,000 consisting 3,50,000 Equity Shares of Rs. 10 each was increased to Rs. 50,00,000 consisting 5,00,000 Equity Shares of Rs. 10 each	March 28, 2007	EGM
5.	The authorized share capital Rs. 50,00,000 consisting 5,00,000 Equity Shares of Rs. 10 each was increased to Rs. 75,00,000 consisting 7,50,000 Equity Shares of Rs. 10 each	June 15, 2007	EGM
6.	The authorized share capital Rs. 75,00,000 consisting 7,50,000 Equity Shares of Rs. 10 each was increased to Rs. 1,50,00,000 consisting 15,00,000 Equity Shares of Rs. 10 each	September 30, 2009	EGM
7.	The authorized share capital Rs. 1,50,00,000 consisting 15,00,000 Equity Shares of Rs. 10 each was increased to Rs. 2,50,00,000 consisting 25,00,000 Equity Shares of Rs. 10 each	January 06, 2015	EGM
8.	The authorized share capital Rs. 2,50,00,000 consisting 25,00,000 Equity Shares of Rs. 10 each was increased to Rs. 10,00,00,000 consisting 1,00,00,000 Equity Shares of Rs. 10 each	August 19, 2017	AGM

### NOTES TO THE CAPITAL STRUCTURE

#### 1. History of Equity Share Capital of our Company

##### a. Equity Share Capital

Our Company has made allotments of Equity Shares from time to time. The following is the Equity Share Capital build-up of our Company.

Date of Allotment / Fully Paid-up	No. of Equity Shares allotted	Face value (Rs)	Issue Price (Rs.)	Nature of consideration	Nature / Reason of Allotment	Cumulative No. of Equity Shares	Cumulative Paid up Capital (Rs.)
Upon incorporation	30	10	10	Cash	Subscription to MOA	30	300
March 18, 2004	1,71,500	10	10	Cash	Further Allotment	1,71,530	17,15,300
July 02, 2004	1,70,470	10	10	Cash	Further Allotment	3,42,000	34,20,000

March 27, 2006	3,000	10	10	Cash	Further Allotment	3,45,000	34,50,000
September 10, 2007	2,65,000	10	10	Cash	Further Allotment	6,10,000	61,00,000
May 22, 2008	99,000	10	10	Cash	Further Allotment	7,09,000	79,00,000
March 01, 2010	3,20,732	10	22.81	Cash	Further Allotment	10,29,732	1,02,97,320
March 31, 2012	69,494	10	70	Cash	Further Allotment	10,99,226	1,09,92,260
August 24, 2017 <sup>(1)</sup>	54,96,130	10	-	Consideration other than cash	Bonus Allotment	65,95,356	6,59,53,560

<sup>(1)</sup> Pursuant to Annual General Meeting held on August 19, 2017 our Company has issued 54,96,130 Bonus Shares in the ratio of 5:1 i.e. 5 (five) equity shares for every 1 (one) equity share held to the shareholders, by way of capitalization of free reserve/ securities premium account

b. Our Company has not issued any Equity Shares for consideration other than cash except for the Equity Shares as mentioned under

Date of Allotment	No. of Equity Shares	Face Value (Rs)	Issue Price (Rs.)	Nature/ Reason of Allotment	Allotted Person	Benefits Accrued to the Company
August 24, 2017	54,96,130	10	Nil	Bonus Allotment	Allotted to all the Shareholders of the Company	Expansion of Capital

c. No shares have been allotted in terms of any scheme approved under sections 391-394 of the Companies Act, 1956 and/ or sections 230-233 of the Companies Act.

d. No bonus shares have been issued out of revaluation reserves

e. No shares have been issued at a price lower than the Issue Price within the last one year from the date of this Draft except as mentioned under:

Date of Allotment	Name of the Allottees	Number of Shares	Issue Price	Reason	Promoter / Promoter Group
August 24, 2017 <sup>(1)</sup>	Chandubhai Kothia	6,02,500	Nil	Bonus Allotment	Yes
	Hasmukh Kothia	6,32,705			Yes
	Ashokkumar Kothia	2,50,000			Yes
	Ashok Kothia HUF	6,580			Yes
	Hansaben Kothia	3,97,740			Yes
	Hasmukh Kothia HUF	30,165			Yes
	Ketan Kothia HUF	24,650			Yes
	Manjula Kothia	77,720			Yes
	Manubhai Kothia	8,52,145			Yes
	Sanjay Kothia	1,02,445			Yes

Vilasben Kothia	3,63,555		Yes
Arvind Vasoya	2,01,110		No
Babu Kotadiya	1,32,870		No
Babu Kothia	3,50,000		Yes
Dhiru Vora	1,59,465		No
Hansaben Vasoya	1,50,000		No
Hamukh Savaliya	25,000		No
Kailashben Bhandari	79,020		No
Ketan Kothia	1,65,000		Yes
Meenaben Kothia	17,560		Yes
Pratibhaben Kothia	1,72,340		Yes
Pravin Bhandari	55,000		No
Subhash Kothia	4,28,805		Yes
Suchita Patoliya	5,000		No
Champaben Kothia	2,14,755		Yes

<sup>(1)</sup> Pursuant to Annual General Meeting held on August 19, 2017 our Company has issued 54,96,130 Bonus Shares in the ratio of 5:1 i.e. 5 (five) equity shares for every 1 (one) equity share held to the shareholders, by way of capitalization of free reserve/ securities premium account.

- Initial Subscribers to Memorandum of Association subscribed 30 Equity Shares of face value of Rs. 10/- each fully paid at par as per the details given below:

Sr. No.	Name of Person	No. of shares subscribed
1.	Chandubhai Kothia	10
2.	Hasmukh Kothia	10
3.	Ashokkumar Kothia	10
	<b>Total</b>	<b>30</b>

- Further Allotment of 1,71,500 Equity Shares of face value of Rs. 10 each fully paid up at par as per the details given below:

Sr. No.	Name of Person	No. of shares Allotted
1.	Chandubhai Kothia	10,000
2.	Hasmukh Kothia	12,500
3.	Manubhai Kothia	63,000
4.	Sanjay Kothia	1,500
5.	Arun Vasoya	500
6.	Babu Kotadiya	500
7.	Babu Kothia	41,000
8.	Balu Vora	500
9.	Chhagan Malaviya	500
10.	Dhiru Vora	500
11.	Hansaben Vasoya	30,000
12.	Kanji Malaviya	1,000
13.	Kishor Vora	500
14.	Magan Sheladiya	1,000
15.	Mansukh Vora	1,000
16.	Mansukh Kathiriya	1,000
17.	Manu Malaviya	1,000
18.	Nanu Vora	1,000
19.	Pravin Bhandari	1,000



20.	Ramesh Nasit	500
21.	Valji Gadhiya	1,000
22.	Vinu Kanani	2,000
	<b>Total</b>	<b>1,71,500</b>

3. Further Allotment of 1,70,470 Equity Shares of face value of Rs.10 each fully paid up at par as per the details given below

Sr. No.	Name of Person	No. of shares Allotted
1.	Chandubhai Kothia	990
2.	Hasmukh Kothia	24,990
3.	Ashokkumar Kothia	38,990
4.	Manubhai Kothia	5,000
5.	Sanjay Kothia	4,000
6.	Arun Vasoya	20,000
7.	Babu Kotadiya	20,000
8.	Babu Kothia	9,000
9.	Magan Sheladiya	30,000
10.	Mansukh Vora	5,000
11.	Jeevan Kothia	12,500
	<b>Total</b>	<b>1,70,470</b>

4. Further Allotment of 3,000 Equity Shares of face value of Rs. 10 each fully paid up at par as per the details given below

Sr. No.	Name of Person	No. of shares Allotted
1.	Kailashben Bhandari	3000
	<b>Total</b>	<b>3000</b>

5. Further Allotment of 2,65,000 Equity Shares of face value of Rs. 10 each fully paid up at par as per the details given below

Sr. No.	Name of Person	No. of shares Allotted
1.	Chandubhai Kothia	26,000
2.	Hasmukh Kothia	43,000
3.	Ashokkumar Kothia	11,000
4.	Dinesh Vora	1,000
5.	Hansaben Kothia	10,000
6.	Manubhai Kothia	32,000
7.	Sanjay Kothia	10,000
8.	Vilasben Kothia	11,000
9.	Arvind Kanani	1,000
10.	Arun Vasoya	10,000
11.	Babu Kotadiya	1,000
12.	Babu Kothia	20,000
13.	Bharat Kathriya	1,000
14.	Chhagan Malaviya	1,000
15.	Dhiru Vora	1,000
16.	Gordhan Kanani	1,000
17.	Hamukh Savaliya	5,000
18.	Jagdish Malaviya	1,000
19.	Kailashben Bhandari	8,000

20.	Kanji Malaviya	10,000
21.	Ketan Kothia	10,000
22.	Mansukh Vora	10,000
23.	Mansukh Kathiriya	10,000
24.	Manu Malaviya	10,000
25.	Pravin Bhanderi	10,000
26.	Subhash Kothia	10,000
27.	Suchita Patoliya	1,000
	<b>Total</b>	<b>2,65,000</b>

6. Further Allotment of 99,000 Equity Shares of face value of Rs. 10 each fully paid up at par as per the details given below

Sr. No.	Name of Person	No. of shares Allotted
1.	Chandubhai Kothia	83,000
2.	Ketan Kothia	6,000
3.	Subhash Kothia	10,000
	<b>Total</b>	<b>99,000</b>

7. Further allotment of 3,20,732 Equity Shares of face value of Rs. 10/- each fully paid up at a premium of Rs. 12.81/- Equity Share as per the details given below:

Sr. No.	Name of Person	No. of shares Allotted
1.	Hasmukh Kothia	43,840
2.	Hansaben Kothia	45,813
3.	Manubhai Kothia	65,761
4.	Arun Vasoya	7,273
5.	Babu Kotadiya	5,074
6.	Balu Vora	7,273
7.	Chhagan Malaviya	6,682
8.	Dhiru Vora	30,393
9.	Kailashben Bhandari	4,804
10.	Kanji Malaviya	2,358
11.	Kishor Vora	2,697
12.	Magan Sheladiya	951
13.	Manu Malaviya	20,767
14.	Meenaben Kothia	2,512
15.	Pratibhaben Kothia	8,773
16.	Subhash Kothia	65,761
	<b>Total</b>	<b>3,20,732</b>

8. Further allotment of 69,494 Equity Shares of face value of Rs. 10/- each fully paid up at a premium of Rs. 60/- Equity Share as per the details given below:

Sr. No.	Name of Person	No. of shares Allotted
1.	Hasmukh Kothia	1,201
2.	Ashok Kothia HUF	1,316
3.	Dinesh Vora	13,725
4.	Hansaben Kothia	1,959
5.	Hasmukh Kothia HUF	6,033
6.	Ketan Kothia HUF	4,930
7.	Manjula Kothia	15,544

8.	Manubhai Kothia	4,668
9.	Sanjay Kothia	4,989
10.	Vilasben Kothia	7,404
11.	Arvind kanani	5,276
12.	Arvind Vasoya	2,449
	<b>Total</b>	<b>69,494</b>

**f. Shareholding of our Promoters**

Set forth below are the details of build-up of shareholding of our Promoters

As on the date of this Draft Prospectus, our Promoters Chandubhai Kothia, Hasmukh Kothia, Ashokkumar Kothia, Manubhai Kothia, Hansaben Kothia, Babu Kothia, Subhash Kothia, holds 42,16,674 Equity Shares of our Company.

Date of Allotment / Transfer	Nature of Transaction	Consideration	No. of Equity Shares	Face value per share (Rs)	Issue / Transfer price (Rs.)	% of Pre-issue Shareholding	% of Post-issue Shareholding	Lock-in Period
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**Chandubhai Kothia**

Upon Incorporation	Subscription to MOA	Cash	10	10	10	0.00	0.00	3 years
March 18, 2004	Further Allotment	Cash	10,000	10	10	0.15	0.11	3 years
July 02, 2004	Further Allotment	Cash	990	10	10	0.02	0.01	3 years
September 10, 2007	Further Allotment	Cash	26,000	10	10	0.39	0.29	3 years
May 22, 2008	Further Allotment	Cash	83,000	10	10	1.26	0.93	3 years
April 4, 2016	Acquisition by Transfer	Cash	500	10	10	0.01	0.01	3 years
August 24, 2017	Bonus Allotment	Other than Cash	6,02,500	10	-	9.14	6.72	3 years
<b>Total</b>			<b>7,23,000</b>			<b>10.96</b>	<b>8.06</b>	

**Hasmukh Kothia**

Upon Incorporation	Subscription to MOA	Cash	10	10	10	0.00	0.00	3 years
March 18, 2004	Further Allotment	Cash	12,500	10	10	0.19	0.14	3 years
July 02, 2004	Further Allotment	Cash	24,990	10	10	0.38	0.28	3 years
September 10, 2007	Further Allotment	Cash	43,000	10	10	0.65	0.48	3 years
March 1, 2010	Further Allotment	Cash	43,840	10	22.81	0.66	0.49	3 years
March 31, 2012	Further Allotment	Cash	1,201	10	70	0.02	0.01	3 years
April 4, 2016	Acquisition by Transfer	Cash	1,000	10	10	0.02	0.01	3 years
August 24, 2017	Bonus Allotment	Other than Cash	6,32,705	10	--	9.59	7.05	3 years
<b>Total</b>			<b>7,59,246</b>			<b>11.51</b>	<b>8.46</b>	

**Ashokkumar Kothia**

Upon Incorporation	Subscription to MOA	Cash	10	10	10	0.00	0.00	1 year
July 02, 2004	Further Allotment	Cash	38,990	10	10	0.59	0.43	1 year
September 10, 2007	Further Allotment	Cash	11,000	10	10	0.17	0.12	1 year
August 24, 2017	Bonus Allotment	Other than Cash	2,50,000	10	--	3.79	2.79	1 year
<b>Total</b>			<b>3,00,000</b>			<b>4.55</b>	<b>3.34</b>	

**Manubhai Kothia**

March 18, 2004	Further Allotment	Cash	63,000	10	10	0.96	0.70	1 year
July 02, 2004	Further Allotment	Cash	5,000	10	10	0.08	0.06	1 year
September 10, 2007	Further Allotment	Cash	32,000	10	10	0.49	0.36	1 year

March 1, 2010	Further Allotment	Cash	65,761	10	22.81	1.00	0.73	1 year
March 31, 2012	Further Allotment	Cash	4,668	10	70	0.07	0.05	1 year
August 24, 2017	Bonus Allotment	Other than Cash	8,52,145	10	--	12.92	9.50	1 year
<b>Total</b>			<b>10,22,574</b>			<b>15.50</b>	<b>11.40</b>	

#### Hansaben Kothia

August 27, 2006	Transmission from Jeevan Kothia	Other than Cash	12,500	10	--	0.19	0.14	1 year
September 10, 2007	Further Allotment	Cash	10,000	10	10	0.15	0.11	1 year
March 1, 2010	Further Allotment	Cash	45,813	10	22.81	0.69	0.51	1 year
March 31, 2012	Further Allotment	Cash	1,959	10	70	0.03	0.02	1 year
April 4, 2016	Acquisition by Transfer	Cash	9,276	10	10	0.14	0.10	1 year
August 24, 2017	Bonus Allotment	Other than cash	3,97,740	10	--	6.03	4.43	1 year
<b>Total</b>			<b>4,77,288</b>			<b>7.24</b>	<b>5.32</b>	

#### Babubhai Kothia

March 18, 2004	Further Allotment	Cash	41,000	10	10	0.62	0.46	3 years
July 02, 2004	Further Allotment	Cash	9,000	10	10	0.14	0.10	3 years
September 10, 2007	Further Allotment	Cash	20,000	10	10	0.30	0.22	3 years
August 24, 2017	Bonus Allotment	Other than cash	3,50,000	10	--	5.31	3.90	3 years
<b>Total</b>			<b>4,20,000</b>			<b>6.37</b>	<b>4.68</b>	

#### Subhash Kothia

September 10, 2007	Further Allotment	Cash	10,000	10	10	0.15	0.11	1 year
May 22, 2008	Further Allotment	Cash	10,000	10	10	0.15	0.11	1 year
March 1, 2010	Further Allotment	Cash	65,761	10	22.81	1.00	0.73	1 year
August 24, 2017	Bonus Allotment	Other than cash	4,28,805	10	--	6.50	4.78	1 year
<b>Total</b>			<b>5,14,566</b>			<b>7.80</b>	<b>5.74</b>	

**Notes:**

- *None of the Equity Shares held by our Promoters are subject to any pledge.*
  - *All the shares held by our Promoters were fully paid-up on the respective dates of acquisition of such shares.*
  - *The entire Promoters' shares shall be subject to lock-in from the date of listing of the equity shares (issued through this Draft Prospectus for periods as per applicable Regulations of the SEBI ICDR Regulations.*
  - *Our Promoters has confirmed to the Company and the Lead Manager that the Equity Shares held by our Promoters has been financed from his personal funds and no loans or financial assistance from any bank or financial institution has been availed for this purpose.*
  - g.** *None of the members of the Promoter, Promoter Group, Directors and their immediate relatives have entered into any transactions in the Equity shares of our Company within the last six months from the date of this Draft Prospectus.*
  - h.** *None of the members of the Promoter Group, Directors and their immediate relatives have financed the purchase by any other person of Equity shares of our Company other than in the normal course of business of the financing entity within the period of six months immediately preceding the date of this Draft Prospectus.*
- 2. Promoter's Contribution and other Lock- In details:**
- a. Details of Promoters' Contribution locked-in for 3 years**

Pursuant to Regulation 32 and 36 of SEBI ICDR Regulations, an aggregate of 20% of the post-Issue capital held by our Promoter shall be considered as Promoter's Contribution ("Promoters Contribution") and locked-in for a period of three years from the date of Allotment. The lock-in of the Promoter's Contribution would be created as per applicable law and procedure and details of the same shall also be provided to the Stock Exchange before listing of the Equity Shares.

The details of the Promoter's Equity Shares proposed to be locked in for a period of three years are as follows:

<b>Name of the Promoters</b>	<b>No. of Shares locked in</b>	<b>As a % of Post Issue Share Capital</b>
Chandubhai Kothia	7,23,000	8.06
Hasmukh Kothia	7,59,246	8.46
Babubhai Kothia	4,20,000	4.68
<b>Total</b>	<b>19,02,246</b>	<b>21.20%</b>

We confirm that in compliance with regulation 33 of SEBI ICDR Regulations, the minimum Promoter contribution of 20% as shown above which is subject to lock-in for three years does not consist of:

- Equity Shares acquired during the preceding three years for consideration other than cash and out of revaluation of assets or capitalization of intangible assets or bonus shares out of revaluation reserves or reserves without accrual of cash resources.
- Equity Shares acquired by the Promoter during the preceding one year, at a price lower than the price at which Equity Shares are being issued to public in the Issue.
- Private placement made by solicitation of subscription from unrelated persons either directly or through any intermediary
- The Equity Shares held by the Promoters and offered for minimum 20% Promoters' Contribution are not subject to any pledge.
- Equity Shares for which specific written consent has not been obtained from the shareholders for inclusion of their subscription in the minimum Promoters' Contribution subject to lock-in.

The minimum Promoter's Contribution has been brought in to the extent of not less than the specified minimum lot and from the persons defined as "promoter" under the SEBI ICDR Regulations. The Equity Shares that are being locked in are not ineligible for computation of Promoter 'contribution in terms of Regulation 33 of the SEBI ICDR Regulations.

We further confirm that our Promoters' Contribution of 21.20% of the Post Issue Equity does not include any contribution from Alternative Investment Funds.

The minimum Promoter's contribution does not include Equity Shares acquired during the one year preceding the date of this Draft Prospectus at a price lower than the Issue Price;

All the Equity Shares of our Company held by the Promoter are in the process of being dematerialized;

*b. Details of Equity Shares locked-in for one year*

Pursuant to Regulation 37 of the SEBI ICDR Regulations, in addition to the Promoters' Contribution to be locked in for a period of 3 years, as specified above, the entire Pre-Issue Equity Share capital will be locked in for a period of one (1) year from the date of Allotment in this Issue.

Pursuant to Regulation 39 of the SEBI Regulations, the Equity Shares held by our Promoters can be pledged only with banks or financial institutions as collateral security for loans granted by such banks or financial institutions for the purpose of financing one or more of the objects of the issue and the pledge of shares is one of the terms of sanction of such loan. However, as on date of this Draft Prospectus, none of the Equity Shares held by our Promoters have been pledged to any person, including banks and financial institutions.

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

Pursuant to Regulation 40 of the SEBI ICDR Regulations, Equity Shares held by shareholders other than our Promoters, which are locked-in as per Regulation 37 of the SEBI ICDR Regulations, may be transferred to any other person holding shares, subject to continuation of the lock-in in the hands of the transferees for the remaining period and compliance with SEBI Takeover Regulations as applicable

Other than the above Equity Shares that are locked in for three years, the entire pre-Issue Equity Share capital of our Company shall be locked-in for a period of one year from the date of allotment in the Public

**3. 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:**

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.	Chandubhai Kothia	7,23,000	10.96%	7,23,000	8.06%
2.	Hasmukh Kothia	7,59,246	11.51%	7,59,246	8.46%
3.	Ashokkumar Kothia	3,00,000	4.55%	3,00,000	3.34%
4.	Babubhai Kothia	420,000	6.37%	4,20,000	4.68%
5.	Manubhai Kothia	1,022,574	15.50%	1,022,574	11.40%
6.	Subhash Kothia	5,14,566	7.80%	5,14,566	5.74%
7.	Hansaben Kothia	4,77,288	7.24%	4,77,288	5.32%
	<b>Promoter Group</b>				
8.	Champaben Kothia	2,57,706	3.91%	2,57,706	2.87%
9.	Pratibhaben Kothia	2,06,808	3.14%	2,06,808	2.31%
10.	Sanjay Kothia	1,22,934	1.86%	1,22,934	1.37%
11.	Vilas Kothia	4,36,266	6.61%	4,36,266	4.86%
12.	Ketan Kothia	1,98,000	3.00%	1,98,000	2.21%
13.	Manjulaben Kothia	93,264	1.41%	93,264	1.04%
14.	Hasmukh Kothia (HUF)	36,198	0.55%	36,198	0.40%
15.	Ketan Kothia (HUF)	29,580	0.45%	29,580	0.33%
16.	Ashok Kothia (HUF)	7,896	0.12%	7,896	0.09%
17.	Meenaben Kothia	21,072	0.32%	21,072	0.23%
	<b>Total</b>	<b>56,26,398</b>	<b>85.31%</b>	<b>56,26,398</b>	<b>62.72%</b>

**4. 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.	Manubhai Kothia	1,022,574	15.50%
2.	Hasmukh Kothia	7,59,246	11.51%
3.	Chandubhai Kothia	7,23,000	10.96%
4.	Subhash Kothia	5,14,566	7.80%
5.	Hansaben Kothia	4,77,288	7.24%
6.	Vilasben Kothia	4,36,266	6.61%
7.	Babu Kothia	4,20,000	6.37%
8.	Ashokkumar Kothia	3,00,000	4.55%
9.	Champaben Kothia	2,57,706	3.91%
10.	Arvind Vasoya	2,41,332	3.66%

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

Sr. No.	Name of Shareholders	Number of Equity Shares	% of the then existing Total Paid-Up Capital
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11.	Manubhai Kothia	1,022,574	15.50%
12.	Hasmukh Kothia	7,59,246	11.51%
13.	Chandubhai Kothia	7,23,000	10.96%
14.	Subhash Kothia	5,14,566	7.80%
15.	Hansaben Kothia	4,77,288	7.24%
16.	Vilasben Kothia	4,36,266	6.61%
17.	Babu Kothia	4,20,000	6.37%
18.	Ashokkumar Kothia	3,00,000	4.55%
19.	Champaben Kothia	2,57,706	3.91%
20.	Arvind Vasoya	2,41,332	3.66%

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

Sr. No.	Name of Shareholders	Number of Equity Shares	% of the then existing Total Paid-Up Capital
1.	Manubhai Kothia	1,70,429	15.50%
2.	Hasmukh Kothia	1,25,541	11.42%
3.	Chandubhai Kothia	1,20,000	10.92%
4.	Subhash Kothia	85,761	7.80%
5.	Hansaben Kothia	70,272	6.39%
6.	Babu Kothia	70,000	6.37%
7.	Ashokkumar Kothia	50,000	4.55%
8.	Arun Thakarshibhai Vasoya	40,222	3.66%
9.	Magan Sheladiya	31,951	2.91%
10.	Dhiru Vora	31,893	2.90%

5. Our Company, our Promoters, our Directors and the Lead Manager have not entered into any buy back or standby or similar arrangements for the purchase of Equity Shares being offered through the Issue from any person.
6. None of our Directors or Key Managerial Personnel holds Equity Shares in our Company, except as stated in the chapter titled “*Our Management*” beginning on page 116 of the Draft Prospectus.
7. Investors may note that in case of over-subscription, allotment will be on proportionate basis as detailed under “*Basis of Allotment*” in the chapter titled “*Issue Procedure*” beginning on page 232 of this Draft Prospectus. In case of over-subscription in all categories the allocation in the Issue shall be as per the requirements of Regulation 43 (4) of SEBI ICDR Regulations, as amended from time to time.
8. An investor cannot make an application for more than the number of Equity Shares issued in this Issue, subject to the maximum limit of investment prescribed under relevant laws applicable to each category of investor.
9. An over-subscription to the extent of 10% of the Issue can be retained for the purpose of rounding off to the nearest integer during finalizing the allotment, subject to minimum allotment, which is the minimum application size in this Issue. Consequently, the actual allotment may go up by a maximum of 10% of the Issue, as a result of which, the post-issue paid up capital after the Issue would also increase by the excess amount of allotment so made. In such an event, the Equity Shares held by the Promoters and subject to lock- in shall be suitably increased; so as to ensure that 20% of the post Issue paid-up capital is locked in.
10. Under subscription, if any, in any of the categories, would be allowed to be met with spill-over from any of the other categories or a combination of categories at the discretion of our Company in

consultation with the Lead Manager and Designated Stock Exchange. Such inter-se spill over, if any, would be affected in accordance with applicable laws, rules, regulations and guidelines

11. No payment, direct, indirect in the nature of discount, commission, and allowance, or otherwise shall be made either by us or by our Promoters to the persons who receive allotments, if any, in this Issue.
12. As on date of this Draft Prospectus, the entire issued share capital of our Company is fully paid-up. The Equity Shares issued through this Public Issue will be fully paid up.
13. As on date of this Draft Prospectus, there are no outstanding financial instruments or any other rights that would entitle the existing Promoters or shareholders or any other person any option to receive Equity Shares after the Issue
14. There shall be only one denomination of Equity Shares of our Company unless otherwise permitted by law. Our Company shall comply with disclosure and accounting norms as may be specified by SEBI from time to time.
15. Since the entire application money is being called on application, all successful applications, shall be issued fully paid up shares only. Also, as on the date of this Draft Prospectus the entire pre-Issue share capital of the Company has been made fully paid up.
16. Except as disclosed in the Draft Prospectus, our Company presently does not have any intention or proposal to alter its capital structure for a period of six months commencing from the date of opening of this Issue, by way of split / consolidation of the denomination of Equity Shares or further issue of Equity Shares or securities convertible into Equity Shares, whether on a preferential basis or issue of bonuses or rights or further public issue of specified securities or Qualified Institutional Placement.
17. We have not issued any Equity Shares out of revaluation reserves. We have not issued any Equity Shares for consideration other than cash except as stated in this Draft Prospectus
18. As on date of this Draft Prospectus, there are no outstanding ESOP's, warrants, options or rights to convert debentures, loans or other instruments convertible into the Equity Shares, nor has the company ever allotted any equity shares pursuant to conversion of ESOP's till date.
19. Our Company shall ensure that transactions in the Equity Shares by our Promoters and our Promoter Group between the date of this Draft Prospectus and the Issue Closing Date shall be reported to the Stock Exchange within 24 hours of such transaction.
20. Neither the Lead Manager viz. Fedex Securities Limited, nor their associates hold any Equity Shares of our Company as on the date of the Draft Prospectus.
21. Our Company has 25 shareholders as on the date of filing of the Draft Prospectus.
22. Our Company has not revalued its assets since incorporation.
23. Our Company has not made any public issue (including any right issue to the public) since its incorporation.
24. There are no Equity Shares against which depository receipts have been issued.
25. There are no safety net arrangements for this public issue.
26. As per RBI regulations, OCBs are not allowed to participate in this Issue.
27. Our Company has not raised any bridge loans against the proceeds of the Issue
28. Our Promoters and the members of our Promoter Group will not participate in this Issue.

## 29. 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 voting 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	17	56,26,398	--	--	56,26,398	85.31	56,26,398	85.31	--	85.31	--	--	--	--	[•]
B	Public	8	9,68,958	--	--	9,68,958	14.69	9,68,958	14.69	--	14.69	--	--	--	--	[•]
C	Non-Promoter Non-Public	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
C1	Shares Underlying DRs	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
C2	Shares held by Employee Trusts	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
	<b>Total</b>	<b>25</b>	<b>65,95,356</b>	<b>--</b>	<b>--</b>	<b>65,95,356</b>	<b>100.00</b>	<b>65,95,356</b>	<b>100.00</b>	<b>--</b>	<b>100.00</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>[•]</b>

Note: PAN of shareholders will be provided to the Stock Exchange by our Company prior to listing its Equity Shares on the Stock Exchange

*Our Company is the process of entering tripartite agreement with both the depositories i.e. CDSL and NSDL for conversion of equity shares held into physical form into demat mode. As on date the entire equity shares of our Company are held in physical form.*

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

*Our Company shall ensure that the Equity Shares held by the Promoter / members of the Promoter Group shall be dematerialised prior to filing the Prospectus with the Registrar of Companies*

**30. Statement showing holding of securities (including shares, warrants, convertible securities) of persons belonging to the category “Public” and holding more than 1% of the total number of shares.**

Sr. No.	Name of the Shareholder	Pre – Issue	
		No. of equity shares	% of Pre-Issue Capital
1.	Arvind Vasoya	2,41,332	3.66%
2.	Dhiru Vora	1,91,358	2.90%
3.	Hansaben Vasoya	1,80,000	2.73%
4.	Babu Kotadiya	1,59,444	2.42%
5.	Kailashben Bhandari	94,824	1.44%
6.	Pravin Bhanderi	66,000	1.00%

**SECTION IV – PARTICULARS OF THE ISSUE**  
**OBJECTS OF THE ISSUE**

The Issue comprises of fresh issue of 23,76,000 Equity Shares by our Company aggregating up to Rs. 855.36 Lakhs (“Fresh Issue”).

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

1. Setting up a new Choloro Compound derivatives manufacturing plant with a proposed capacity of 200 MTPA at Ankleshwar GIDC Gujarat (“Project”);
2. 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:

<b>Particulars</b>	<b>Estimated Amount (Rs. In lakhs)</b>
Gross proceeds from the issue	855.36
Less: Issue related expenses	47.00
<b>Net proceeds of the issue</b>	<b>808.36</b>

**Requirement of funds and utilization of Net Proceeds**

<b>Sr. No.</b>	<b>Particulars</b>	<b>Estimated Amount (Rs. In lakhs)</b>
1.	Setting up a new Choloro Compound derivatives manufacturing plant with a proposed capacity of 200 MTPA at Ankleshwar GIDC Gujarat	856.00
2.	General Corporate Purposes	112.36

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. 14 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:

(Rs. In lakhs)					
Sr. No.	Particulars	Total Estimated Costs	Amount deployed till August 05, 2017	Estimated Utilization of Net Proceeds in FY 2018	Estimated Utilization of Net Proceeds in FY 2019
1.	Setting up a new Cholero Compound derivatives manufacturing plant with a proposed capacity of 200 MTPA at Ankleshwar GIDC Gujarat	856.00	164.16 <sup>(1)</sup>	276.74	415.10
2.	General Corporate Purposes <sup>(2)</sup>	112.36		112.36	

<sup>(1)</sup> As certified by M/s S.R.M.B. & Co., Chartered Accountants, pursuant to their certificate dated July 29, 2017, advance of Rs. 164.16 lakhs have been paid by the Company towards land acquisition admeasuring approximately 5,000 square meters situated at Plot No. 6012, GIDC Industrial Estate, Ankleshwar, Gujarat

<sup>(2)</sup> The amount utilized for general corporate purposes shall not exceed 25% 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 2018 and 2019. In the event that the estimated utilization of the Net Proceeds in a Financial Year 2018 and 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 a new Cholero Compound derivatives manufacturing plant with a proposed capacity of 200 MTPA at Ankleshwar GIDC Gujarat (“Project”):

With a view to expand our manufacturing and processing capacity, we intend to utilize Rs. 696.00 lakhs from the Net Proceeds to set up a new Cholero Compound derivatives manufacturing plant with a proposed capacity of 200 MTPA at Ankleshwar GIDC, Gujarat, with an intended fully utilized approximate capacity of 200 MTPA.

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

(Rs. In lakhs)		
Sr. No.	Particulars	Total Estimated Cost
i.	Acquisition of land	212.00
ii.	Building & Civil works	219.95
iii.	Plant & Machinery	383.10
iv.	Contingency expenses	40.95
	<b>Total</b>	<b>856.00</b>

#### i. Acquisition of land

Sr. No.	Interest	Description of the Property	Salient Features
1	Lease	Property is situated at Plot No. 6012, GIDC Industrial Estate, Ankleshwar, Gujarat	<b>Document:</b> Memorandum of Understanding dated August 22, 2016 <b>Vendors:</b> Patel Oils and Chemicals Private Limited <b>Area:</b> 5,000 square meters <b>Lease period:</b> 63 years <b>Vendee:</b> Shree Ganesh Remedies Private Limited <b>Consideration:</b> Rs. 160 lakhs

#### ii. Building & Civil works

The building and civil works includes construction of plant. In relation to the same, we have received a quotation from M/s Shyam Construction vide its letter dated August 03, 2017 for an estimated cost of approximately Rs. 219.95 lakhs, the summary of which is as follows:

(Rs. In lakhs)		
Sr. No.	Description of the Work	Amount*
1.	Plant Building	50.79

<b>(Rs. In lakhs)</b>		
<b>Sr. No.</b>	<b>Description of the Work</b>	<b>Amount*</b>
2.	Warehouse Building	15.10
3.	Re-inforced Cement Concrete (RCC)	84.47
4.	Storage Tank	53.71
5.	Foundation for Scrubber	15.87
	<b>Total</b>	<b>219.95</b>

*\*the above amounts include 18% GST*

### iii. Plant & Machinery

We propose to utilize Rs. 383.10 lakhs towards purchase of plant and machinery which primarily includes glasslined reactor, pressure reducing system, water cooler and chiller, cooling tower, pump house and evaporator among others. We are yet to place orders for plant and machinery. We have received a quotation from various vendors for the estimated cost of approximately Rs. 383.10 lakhs, the summary of which is as follows:

<b>Sr. No.</b>	<b>Description of Machinery</b>	<b>Date of Quotation</b>	<b>Name of Supplier</b>	<b>Indicative Quantity</b>	<b>Total Amount (Rs. In lakhs) *</b>
1.	MS Glasslined 10 KL CE Monoblock Reactor	March 02, 2017	Sachin Industries	1.00	16.23
2.	MS Glasslined 1.6 KL Monoblock Receiver	April 18, 2017	Sachin Industries	2.00	6.84
3.	MS Glasslined 6.3 KL Jacketed Reactor	August 08, 2017	Sachin Industries	3.00	56.64
4.	MS Glasslined 12.5 KL Monoblock Vertical Storage Tank	August 08, 2017	Sachin Industries	3.00	48.96
5.	MS Glasslined 2.0 KL Monoblock Vertical Storage Tank	August 08, 2017	Sachin Industries	2.00	10.88
6.	MS Glasslined 1.0 KL Monoblock Vertical Storage Tank	August 08, 2017	Sachin Industries	2.00	8.96
7.	MS Glasslined 4.0 KL Monoblock Horizontal Storage Tank	August 08, 2017	Sachin Industries	2.00	16.64



<b>Sr. No.</b>	<b>Description of Machinery</b>	<b>Date of Quotation</b>	<b>Name of Supplier</b>	<b>Indicative Quantity</b>	<b>Total Amount (Rs. In lakhs) *</b>
8.	MS Glasslined 3.0 KL Detachable Agitated Nutche Filter Dryer	August 08, 2017	Sachin Industries	1.00	38.40
9.	Pressure Reducing System Flow 200Kg/hr	July 14, 2017	Recon services	1.00	5.06
10.	Combloc Boiler 2 TPH	July 20, 2017	Racon Services	1.00	27.90
11.	40 TR Water Cooled Freon and Ammonia Brine Chiller	August 05, 2017	KK Engineering Enterprises	1.00	25.47
12.	Fanless Induced Draught Whirl Jet Cooling Tower	August 08, 2017	Siddhant Equipments Pvt Ltd	1.00	1.97
13.	Shimadzu make Gas Chromatograph with Headspace Sampler	August 08, 2017	Toshwvin Analytical Pvt Ltd	1.00	24.47
14.	Fire Hydrant Pump House	August 08, 2017	Swayam Fire Safety Services	1.00	12.84
15.	Fire Hydrant System Network	August 08, 2017	Swayam Fire Safety Services	1.00	17.82
16.	Filter Press Cloth	July 25, 2017	S S Traders	240.00	3.70
17.	Plain PC	July 25, 2017	S S Traders	10.00	0.08
18.	MCC Panel with Material and Wiring	July 31, 2017	Shrinath Industries	1.00	3.17
19.	Multi Effect Evoparator (MEE)	July 24, 2017	Ketav Consultant	1.00	30.68
20.	MS Tank 25 KL	August 11, 2017	Star Engineering	2.00	21.72
21.	Miscellaneous Piping, Valves, Loading and Insulation	August 08, 2017	Mamta Insulation		4.66

<b>Sr. No.</b>	<b>Description of Machinery</b>	<b>Date of Quotation</b>	<b>Name of Supplier</b>	<b>Indicative Quantity</b>	<b>Total Amount (Rs. In lakhs) *</b>
	<b>Total</b>				<b>383.10</b>

*\*Amount rounded off*

We have not entered into any definitive agreements with the suppliers and there can be no assurance that the same suppliers would be engaged to eventually supply the machinery and material at the same costs. The quantity of 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.

#### **iv. Contingency expenses**

We have estimated our contingency expenses to be Rs. 40.95 lakhs.

## **2. 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% of the proceeds of the issue.

Our management will have flexibility in applying Rs. 112.36 lakhs of the Net Proceeds towards general corporate purposes, including (i) brand building and other marketing 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. 47.00 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 for listing the Equity Shares on the Stock Exchange as agreed in terms of the Issue Agreement. All expenses for the issue shall be paid by our Company.

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

<b>Activity</b>	<b>Estimated expenses (Rs. In lakhs)</b>	<b>As a % of total estimated issue related expenses</b>	<b>As a % of Issue Size</b>
Payment to Merchant Banker including expenses towards printing, advertising, and payment to other intermediaries such as Registrars, Bankers etc.	26.50	56.38	3.10
Regulatory fees and expenses	16.00	34.04	1.87
Marketing and other expenses	4.50	9.57	0.52
<b>Total Estimated issue related expenses</b>	<b>47.00</b>	<b>100.00</b>	<b>5.49</b>

*Note*

- 1. As on date of the Draft Prospectus, our Company has incurred Rs. 5.00 Lakhs towards Issue Expenses out of internal accruals.*
- 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. 36 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. 10.00 per equity share and Issue Price is Rs. 36.00 per Equity Share and is 3.60 times the face value.

### Qualitative Factors

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

1. Experienced Promoters
2. Quality Assurance
3. Efficient management team
4. Well-equipped manufacturing facility
5. Long term relationships with customers
6. No borrowings

For further details, refer to heading “Our Competitive Strengths” under chapter titled “*Business Overview*” beginning on page 92 of this Draft Prospectus.

### Quantitative Factors

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

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

Year Ended	Basic EPS (Rs.)	Diluted EPS (Rs.)	Weight
March, 2017	23.79	3.96	3.00
March, 2016	9.86	1.64	2.00
March, 2015	11.60	1.93	1.00
<b>Weighted Average</b>	<b>17.12</b>	<b>2.85</b>	

#### Notes:

- a. Basic EPS has been calculated as per the following formula:

$$\frac{\text{Net profit / (loss) as restated, attributable to Equity Shareholders}}{\text{Weighted average number of Equity Shares outstanding during the year / period}}$$

- b. Diluted EPS has been calculated as per the following formula:

$$\frac{\text{Net profit / (loss) as restated, attributable to Equity Shareholders}}{\text{Diluted Weighted average number of Equity Shares outstanding during the year / period}}$$

- c. Earnings per share calculations are in accordance with Accounting Standard 20 “Earnings per Share” prescribed by the Companies (Accounting Standard) Rules, 2006

- d. The face value of each Equity Share is Rs. 10.00.
- e. Pursuant to Annual General Meeting held on August 19, 2017 our Company has issued 54,96,130 Bonus Shares in the ratio of 5:1 i.e. 5 (five) equity shares for every 1 (one) equity share held to the shareholders and the effects of the same have been taken into consideration while calculating EPS

**2. Price to Earnings (P/E) ratio in relation to Issue Price of Rs. 36 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, 2017	1.51
P/E ratio based on Diluted EPS as at March 31, 2017	9.09
P/E ratio based on Weighted Average Basic EPS as at March 31, 2017	2.10
P/E ratio based on Weighted Average Diluted EPS as at March 31, 2017	12.64
<b>* Industry</b>	
Highest	48.63
Lowest	22.92
Average	34.21

\* Industry comprises of Ishita Drugs & Industries Limited, Bhagiradha Chemicals Industries Limited and Aarti Industries Limited

**3. Return on Net worth (RoNW)**

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

Year Ended	RONW (%)	Weight
March, 2017	15.81	3.00
March, 2016	7.75	2.00
March, 2015	9.88	1.00
<b>Weighted Average</b>	<b>12.14</b>	

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

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

**4. Minimum Return on Net Worth (RONW) post Issue needed to maintain Pre-Issue Basic & Diluted EPS for the year ended March 31, 2017 (based on restated financials) at the issue price of Rs. 36.00 is 14.18%**

## 5. Net Asset Value (NAV)

Particulars	Amount (in Rs.)
Net Asset Value per Equity Share as of March 31, 2017	25.07
Net Asset Value per Equity Share after the Issue	27.97
Issue Price per equity share	36.00

*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

Particulars	Face Value (In Rs.)	EPS (In Rs.)		P/E Ratio	RONW (%)	NAV (In Rs.)
		Basic	Diluted			
Ishita Drugs & Industries Limited	10.00	0.61	0.61	31.07	3.14	19.44
Bhagiradha Chemicals Industries Limited	10.00	4.01	4.01	48.63	4.21	95.35
Aarti Industries Limited	5.00	37.35	37.35	22.92	23.41	159.53
Shree Ganesh Remedies Limited	10.00	23.79	3.96	9.09	15.81	25.07

*Notes:*

- 1. Considering the nature of business of the company, the peers are not strictly comparable. However, above companies have been included for broad comparison.*
- 2. The figures for Shree Ganesh Remedies Limited are based on the restated financial results for the year ended March 31, 2017.*
- 3. P/E ratio has been computed as the current market price of the companies sourced from the BSE website as on August 17, 2017 as divided by their respective EPS*
- 4. The issue price of Rs. 36.00 per equity share has been determined by the company in consultation with the Lead Manager and is justified based on the above accounting ratios.*
- 5. Networth for the companies has been computed as sum of issued, subscribed and paid-up share capital and reserved & surplus.*
- 6. Net Asset Value is computed as Networth of the Companies as at March 31, 2017, divided by the closing outstanding number of fully paid-up equity shares as sourced from the shareholding pattern as on March 31, 2017 filed with stock exchange*

7. *The Company in consultation with the Lead Manager believes that the issue price of Rs. 36.00 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. 10.00 per equity share and the Issue Price is 3.60 times of the face value i.e. Rs. 36.00 per equity share*



## BASIC TERMS OF ISSUE

### Terms of the Issue

The Equity Shares, now being issued, are subject to the terms and conditions of this Draft Prospectus, the Application form, the Memorandum and Articles of Association of our Company, the guidelines for listing of securities issued by the Government of India and SEBI ICDR Regulations, the Depositories Act, BSE, RBI, RoC and / or other authorities as in force on the date of the Issue and to the extent applicable.

In addition, the Equity Shares shall also be subject to such other conditions as may be incorporated in the Share Certificates, as per the SEBI ICDR Regulations notifications and other regulations for the issue of capital and listing of securities laid down from time to time by the Government of India and/or other authorities and other documents that may be executed in respect of the Equity Shares.

### Authority for the Issue

The present issue has been authorized pursuant to a resolution of our Board dated July 29, 2017 and by Special Resolution passed under Section 62(1)(c) of the Companies Act at an Annual General Meeting of our shareholders held on August 19, 2017.

### 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. 36 each.
<b>Market Lot and Trading Lot</b>	The Market lot and Trading lot for the Equity Share is 3,000 (Three Thousand) and in multiples of 3,000 thereafter; subject to a minimum allotment of 3,000 Equity Shares to the successful applicants.
<b>Terms of Payment</b>	Applications should be for a minimum of 3,000 Equity Shares and 3,000 Equity Shares thereafter. The entire price of the Equity Shares of Rs. 36 per including a premium of Rs.26 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.

## STATEMENT OF POSSIBLE TAX BENEFITS

To  
The Board of Directors,  
**Shree Ganesh Remedies Limited,**  
Plot No 6011, G.I.D.C,  
Ankleshwar – 393002, Gujarat, India

Dear Sir,

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

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

The benefits discussed in the enclosed statement are not exhaustive. 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 with.

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. The same shall be subject to notes annexed.

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 **Shree Ganesh Remedies Limited** for any claims, liabilities or expenses relating to this assignment except to the extent of fees relating to this assignment, as finally judicially determined to have resulted primarily from bad faith of intentional misconduct.

**For S R M B & Co**  
**Chartered Accountants,**  
**Firm Reg. No. 141679W**

**CA Rushik J Patel**  
**Partner**  
**M. No. 148969**  
**Place: Surat**  
**Date: July 29, 2017**

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

**I. SPECIAL TAX BENEFITS**

**A. SPECIAL TAX BENEFITS TO THE COMPANY**

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

**B. SPECIAL TAX BENEFITS TO THE SHAREHOLDER**

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

**Note:**

1. The above statement covers only certain relevant direct tax law benefits and does not cover any indirect tax law benefits or benefit under any other law. The above statement of possible special tax benefits is as per the current direct tax laws relevant for the assessment year 2018-19. Several of these benefits are dependent on the Company or its shareholder fulfilling the conditions prescribed under the relevant tax laws.
2. In view of the individual nature of tax consequences, each investor is advised to consult his/her own tax advisor with respect to specific tax consequences of his/her participation in the scheme

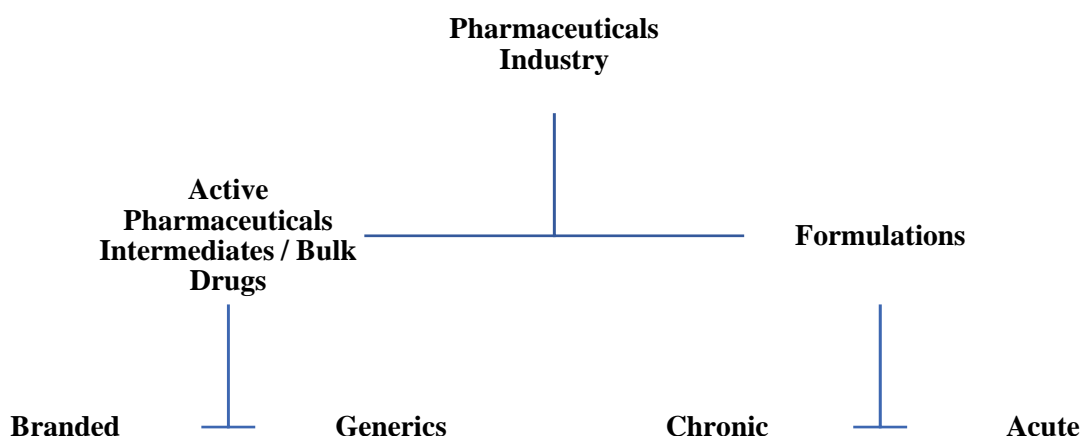
## SECTION V – ABOUT THE COMPANY

### INDUSTRY OVERVIEW

*The information in this section includes extracts from publicly available information, data and statistics and has been derived from various government publications and industry sources. Neither we nor any other person connected with the Issue have verified this information. The data may have been reclassified by us for the purposes of presentation. Industry sources and publications generally state that the information contained therein has been obtained from sources generally believed to be reliable, but that their accuracy, completeness and underlying assumptions are not guaranteed and their reliability cannot be assured and, accordingly, investment decisions should not be based on such information*

### INDIAN PHARMACEUTICAL INDUSTRY

#### Structure of Pharma Sector



#### Introduction

The Indian pharmaceuticals market is the third largest in terms of volume and thirteenth largest in terms of value, as per a report by Equity Master. India is the largest provider of generic drugs globally with the Indian generics accounting for 20 per cent of global exports in terms of volume. The consolidation has become an important characteristic of the Indian pharmaceutical market as the industry is highly fragmented.

India enjoys an important position in the global pharmaceuticals sector. The country also has a large pool of scientists and engineers who have the potential to steer the industry ahead to an even higher level. Presently over 80 per cent of the antiretroviral drugs used globally to combat AIDS (Acquired Immuno Deficiency Syndrome) are supplied by Indian pharmaceutical firms.

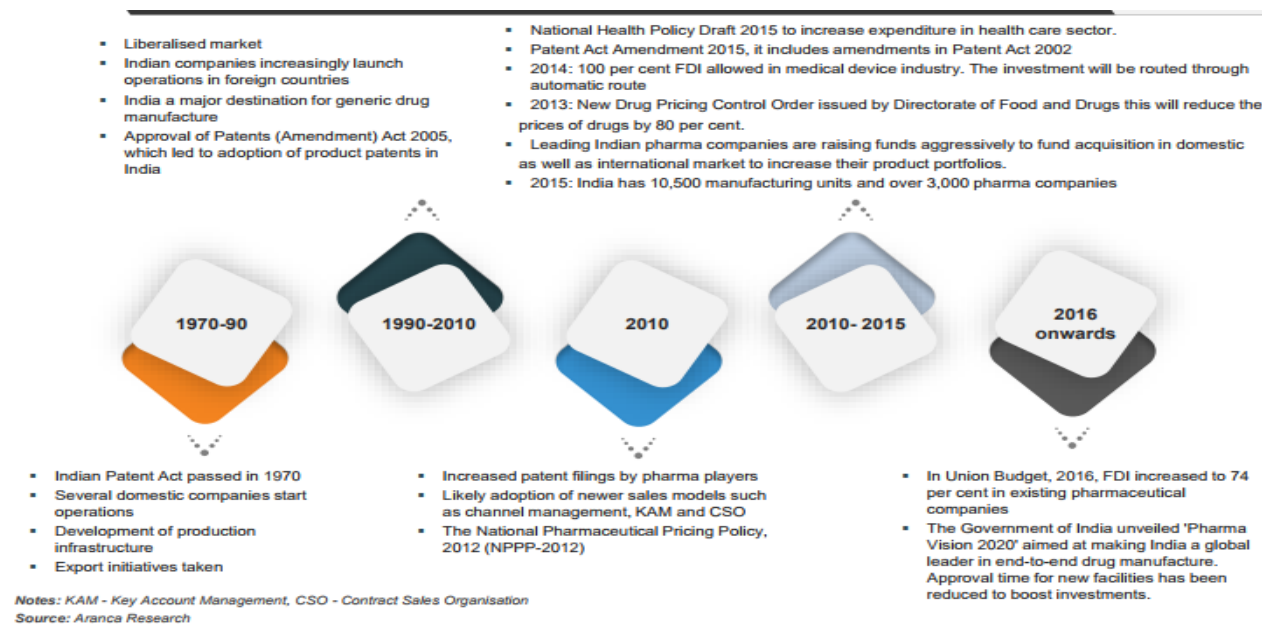
#### Market Size

The Indian pharma industry, which is expected to grow over 15 per cent per annum between 2015 and 2020, will outperform the global pharma industry, which is set to grow at an annual rate of 5 per cent between the same period. The market is expected to grow to US\$ 55 billion by 2020, thereby emerging as the sixth largest pharmaceutical market globally by absolute size. Branded generics dominate the pharmaceuticals market, constituting nearly 80 per cent of the market share (in terms of revenues).

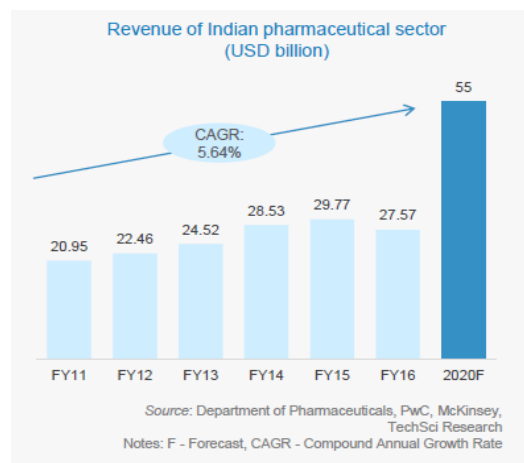
India's pharmaceutical exports stood at US\$ 16.4 billion in 2016-17 and are expected to grow by 30 per cent over the next three years to reach US\$ 20 billion by 2020, according to the Pharmaceuticals Export Promotion Council of India (PHARMEXCIL).

Indian companies received 55 Abbreviated New Drug Application (ANDA) approvals and 16 tentative approvals from the US Food and Drug Administration (USFDA) in Q1 of 2017. The USFDA approvals are expected to cross 700 ANDA in 2017, thereby recording a year-on-year growth of 17 per cent. The country accounts for around 30 per cent (by volume) and about 10 per cent (value) in the US\$ 70-80 billion US generics market.

## Evolution of Indian Pharmaceutical Sector



## Revenues Trends



The Indian pharmaceuticals market witnessed growth at a CAGR of 5.64 per cent, during 2011-16, with the market increasing from USD 20.95 billion in 2011 to USD 27.57 billion in 2016. By 2020, India is likely to be among the top 3 pharmaceutical markets by incremental growth & 6th largest market globally in absolute size. India's cost of production is significantly lower than that of the US & almost half of that of Europe. It gives a competitive edge to India over others. Increase in the size of middle class households coupled with the improvement in medical infrastructure & increase in the penetration of health insurance in the country will also influence in the growth of pharmaceuticals sector.

## Investments

The Union Cabinet has given its nod for the amendment of the existing Foreign Direct Investment (FDI) policy in the pharmaceutical sector in order to allow FDI up to 100 per cent under the automatic route for manufacturing of medical devices subject to certain conditions.

The drugs and pharmaceuticals sector attracted cumulative FDI inflows worth US\$ 14.71 billion between April 2000 and March 2017, according to data released by the Department of Industrial Policy and Promotion (DIPP).

## **Government Initiatives**

The implementation of the Goods and Services Tax (GST) is expected to be a game-changer for the Indian Pharmaceuticals industry. It will lead to tax-neutral inter-state transactions between two dealers, thereby reducing the dependency on multiple states and increasing the focus on regional hubs. It is expected to result in an efficient supply chain management, which is expected to reduce its cost considerably. The cost of technology and investment is expected to reduce on account of tax credit which can be availed now on the duties levied on import of costly machinery and equipment.

Some of the initiatives taken by the government to promote the pharmaceutical sector in India are as follows:

- The Government of India unveiled 'Pharma Vision 2020' aimed at making India a global leader in end-to-end drug manufacture. Approval time for new facilities has been reduced to boost investments.
- The government introduced mechanisms such as the Drug Price Control Order and the National Pharmaceutical Pricing Authority to deal with the issue of affordability and availability of medicines.
- The Ministry of Chemicals and Petrochemicals, has announced setting up of chemical hubs across the country, early environment clearances in existing clusters, adequate infrastructure, and establishment of a Central Institute of Chemical Engineering and Technology.

## **Notable Trends**

### **8. Research and development**

Indian pharma companies spend 8-11 per cent of their total turnover on Research & Development. Expenditure on Research & Development is likely to increase due to the introduction of product patents; companies need to develop new drugs to boost sales

### **9. Export revenue**

India's pharmaceutical export market is thriving due to strong presence in the generics space. Pharmaceuticals Exports Promotion Council expects pharma exports exceeded USD 15 billion in 2015 & reached USD 16.89 billion in 2016

### **10. Joint Ventures**

Multinational companies are collaborating with Indian pharma firms to develop new drugs. Cipla formed an exclusive partnership with Serum Institute of India to sell vaccines in South Africa. 6 leading pharmaceutical companies have formed an alliance LAZOR to share their best practices, so as to improve efficiency & reduce operating costs

### **11. Expansion by Indian players abroad**

Cipla, the largest supplier of anti-malarial drugs to Africa, sets up a USD32 billion plant in Africa for the production of anti-retroviral & anti-malarial drugs

### **12. Draft Patents (Amendment) Rules, 2015**

The time limit given for submitting the application for grant has been reduced to 4 months from 12 months, providing an extension of 2 months

### **13. Product Patents**

The introduction of product patents in India in 2005 gave a boost to the discovery of new drugs. India reiterated its commitment to IP protection following the introduction of product patents In December 2016, Suven Life Sciences was granted product patent for the treatment of neurodegenerative diseases

### **14. Less time for approval**

In order to compete with global players in pharmaceutical industries, approval process of drugs have been simplified by the authorities & approval time for new facilities has been drastically reduced

### **Road Ahead**

The Indian pharmaceutical market size is expected to grow to US\$ 100 billion by 2025, driven by increasing consumer spending, rapid urbanization, and raising healthcare insurance among others.

Going forward, better growth in domestic sales would also depend on the ability of companies to align their product portfolio towards chronic therapies for diseases such as such as cardiovascular, anti-diabetes, anti-depressants and anti-cancers that are on the rise.

The Indian government has taken many steps to reduce costs and bring down healthcare expenses. Speedy introduction of generic drugs into the market has remained in focus and is expected to benefit the Indian pharmaceutical companies. In addition, the thrust on rural health programs, lifesaving drugs and preventive vaccines also augurs well for the pharmaceutical companies.

*(Source: Indian Pharmaceutical Industry Analysis - July Report– Indian Brand Equity Foundation – [www.ibef.org](http://www.ibef.org))*

## **GLOBAL VIEW**

### **Introduction**

For India, three external developments are of significant consequence:

In the short run, the change in the outlook for global interest rates as a result of the US elections and the implied change in expectations of US fiscal and monetary policy will impact on India's capital flows and exchange rates. Markets are factoring in a regime change in advanced countries, especially US macroeconomic policy, with high expectations of fiscal stimulus and unwavering exit from unconventional monetary policies. The end of the 20-year bond rally and end to the corset of deflation and deflationary expectations are within sight.

Second, the medium-term political outlook for globalisation and in particular for the world's "political carrying capacity for globalisation" may have changed in the wake of recent developments. In the short run a strong dollar and declining competitiveness might exacerbate the lure of protectionist policies. These follow on ongoing trends documented widely about stagnant or declining trade at the global level. This changed outlook will affect India's export and growth prospects.

Third, developments in the US, especially the rise of the dollar, will have implications for China's currency and currency policy. If China is able to successfully re-balance its economy, the spillover effects on India and the rest of the world will be positive. On, the other hand, further declines in the yuan, even if dollar-induced, could interact with underlying vulnerabilities to create disruptions in China that could have negative spill over for India. For China, there are at least two difficult balancing acts with respect to the currency.

Domestically, a declining currency (and credit expansion) prop up the economy in the short run but delay rebalancing while also adding to the medium term challenges. Internationally, allowing the currency to weaken in response to capital flight risks creating trade frictions but imposing capital controls discourages FDI and undermines China's ambitions to establish the yuan as a reserve currency. China with its underlying vulnerabilities remains the country to watch for its potential to unsettle the global economy.

(Source- Economic Survey 2016-17; [www.indiabudget.nic.in](http://www.indiabudget.nic.in))

## **Global Economic Overview**

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

The trade deficit declined by 23.5 per cent in April-December 2016 over corresponding period of previous year. During the first half of the fiscal year, the main factor was the contraction in imports, which was far steeper than the fall in exports. But during October- December, both exports and imports started a long-awaited recovery, growing at an average rate of more than 5 per cent. The improvement in exports appears to be linked to improvements in the world economy, led by better growth in the US and Germany. On the import side, the advantage on account of benign international oil prices has receded and is likely to exercise upward pressure on the import bill in the short to medium term.

Meanwhile, the net services surplus declined in the first half, as software service exports slowed and financial service exports declined. Net private remittances declined by \$4.5 bn in the first half of 2016- 17 compared to the same period of 2015-16, weighed down by the lagged effects of the oil price decline, which affected inflows from the Gulf region

(Source-Economic Survey 2016-17; [www.indiabudget.nic.in](http://www.indiabudget.nic.in))

## **GLOBAL VIEW FOR GROWTH**

Central Statistics Office (CSO) in its first Advance Estimation (AE) estimated the economy to grow by 7.1 per cent in the current year. However, it has stated that these numbers have been projected taking into account the information for first seven to eight months. It is therefore unlikely to have captured the impact of withdrawal of the high denomination currency. Although it is difficult to precisely pinpoint the impact on GDP, in all likelihood, the growth numbers of GDP, GVA, etc. could be revised downwards in the subsequent revisions to be carried out by the CSO. Inflation could also be lower than what comes out from the implicit GDP deflator underlying the CSO's first AE for 2016-17.

For 2017-18, it is expected that the growth would return to normal as the new currency notes in required quantities come back into circulation and as follow up actions to demonetisation are taken. Helping to maintain the momentum of such growth will be factors like possible normal monsoon, an increase in the level of exports following the projected increase in global growth and above all various reform measures taken by the Government to strengthen the economy. Some possible challenges to growth exist. For example, the prices of crude oil have started rising and are projected to increase further in the next year. Estimates suggest that oil prices could rise by as much as one sixth over the 2016-17 level, which could have some dampening impact on the growth. Fixed investment rate in the economy has consistently declined in the past few years, more so the private investment. Raising the growth rate of the economy will to a great extent depend on quickly reversing this downward trend in the investment. The last few years have also witnessed a slowdown in global trade and investment flows.



Although, India has not been particularly affected by this slowdown, lower growth in foreign portfolio investment cannot be ruled out, partly on account of the fact that the interest rates in the United States have begun to increase. On balance, there is a strong likelihood that Indian economy may recover back to a growth of 6¾ per cent to 7½ per cent in 2017-18.

(Source-Economic Survey 2016-17; [www.indiabudget.nic.in](http://www.indiabudget.nic.in) )

## **INDIAN ECONOMY AT A GLANCE**

### ***Overview of the Indian Economy***

With demonetisation, a radical governance-cum-social engineering measure was enacted on November 8, 2016. The two largest denomination notes, Rs 500 and Rs 1000 together comprising 86 percent of all the cash in circulation were “demonetised” with immediate effect, ceasing to be legal tender except for a few specified purposes. These notes were to be deposited in the banks by December 30, while restrictions were placed on cash withdrawals. In other words, restrictions were placed on the convertibility of domestic money and bank deposits.

The aim of the action was fourfold:-

- to curb corruption,
- counterfeiting,
- the use of high denomination notes for terrorist activities, and
- especially the accumulation of “black money”, generated by income that has not been declared to the tax authorities

(Source-Economic Survey 2016-17; [www.indiabudget.nic.in](http://www.indiabudget.nic.in))

### ***Review of Developments in 2016 -17***

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

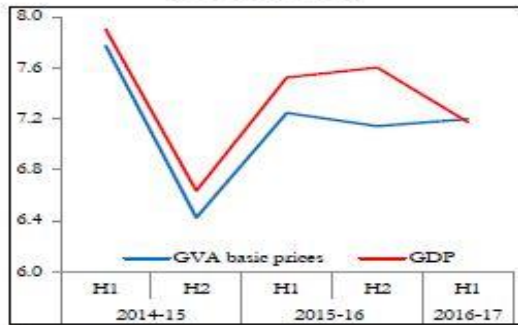
The major highlights of the sectoral growth outcome of the first half of 2016-17 were:

- (i) moderation in industrial and non-government service sectors;
- (ii) the modest pick-up in agricultural growth on the back of improved monsoon; and
- (iii) strong growth in public administration and defence services dampeners on and catalysts to growth almost balancing each other and producing a real Gross Value Addition (GVA) growth (7.2 per cent), quite similar to the one (7.1 per cent) in H2 2015-16 (Figure 1a).

Inflation this year has been characterized by two distinctive features as shown in Figure 2.

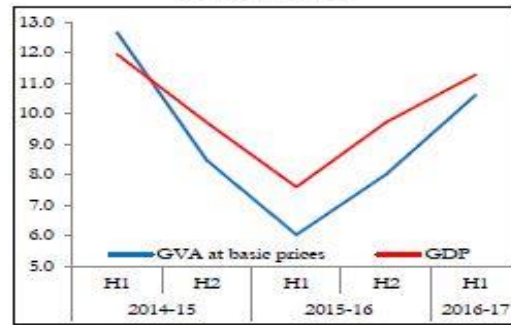
- (i) The Consumer Price Index (CPI) - New Series inflation, which averaged 4.9 per cent during April-December 2016, has displayed a downward trend since July when it became apparent that kharif agricultural production in general, and pulses in particular would be bountiful.
- (ii) The decline in pulses prices has contributed substantially to the decline in CPI inflation which reached 3.4 percent at the end of December. The second distinctive feature has been the reversal of WPI inflation, from a trough of (-) 5.1 percent in August 2015 to 3.4 percent at the end of December 2016 as shown in Figure 2, on the back of rising international oil prices.

**Figure 1a. GVA and GDP Growth (Constant Prices)**



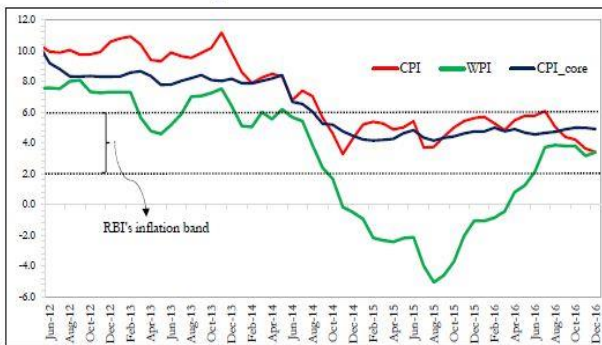
Source: CSO

**Figure 1b. GVA and GDP Growth (Current Prices)**



Source: CSO

**Figure 2. WPI and CPI Inflation**



Source: CSO

The wedge between CPI and WPI inflation, which had serious implications for the measurement of GDP has narrowed considerably. Core inflation has, however, been more stable, hovering around 4.5 percent to 5 percent for the year so far. The outlook for the year as a whole is for CPI inflation to be below the RBI's target of 5 percent, a trend likely to be assisted by demonetisation

(Source-Economic Survey 2016-17; [www.indiabudget.nic.in](http://www.indiabudget.nic.in))

## Sector wise Performance

➤ **Industrial Sector**

**Table 12. IIP-based Growth Rates of Broad Sectors/Use-based Classification (per cent)**

	2014-15	2015-16	April-Nov. 2015-16	April-Nov. 2016-17
General index	2.8	2.4	3.8	0.4
Mining	1.5	2.2	2.1	0.3
Manufacturing	2.3	2.0	3.9	-0.3
Electricity	8.4	5.7	4.6	5.0
Basic goods	7.0	3.6	3.9	4.1
Capital Goods	6.4	-2.9	4.7	-18.9
Intermediate goods	1.7	2.5	2.0	3.4
Consumer goods	-3.4	3.0	4.1	1.8
Durables	-12.6	11.3	11.8	6.9
Non-durables	2.8	-1.8	-0.5	-1.8

Source: CSO

products, fertilizers, steel, cement and electricity that have a total weight of nearly 38 per cent in the IIP registered a cumulative growth of 4.9 per cent during April-November, 2016-17 as compared to 2.5 per cent during April-November, 2015-16.

The production of refinery products, fertilizers, steel, electricity and cement increased substantially, while the production of crude oil and natural gas fell during April-November, 2016-17. Coal production attained lower growth during the same period.

(Source-Economic Survey 2016-17; [www.indiabudget.nic.in](http://www.indiabudget.nic.in))

**Outlook for Growth**

The growth in 2017-18, we need to examine each of the components of aggregate demand: exports, consumption, private investment and government. India's exports appear to be recovering, based on an uptick in global economic activity. This is expected to continue in the aftermath of the US elections and expectations of a fiscal stimulus. The IMF's January update of its World Economic Outlook forecast is projecting an increase in global growth from 3.1 percent in 2016 to 3.4 percent in 2017, with a corresponding increase in growth for advanced economies from 1.6 percent to 1.9 percent. Given the high elasticity of Indian real export growth to global GDP, exports could contribute to higher growth next year, by as much as 1 percentage point.

The outlook for private consumption is less clear. International oil prices are expected to be about 10-15 percent higher in 2017 compared to 2016, which would create a drag of about 0.5 percentage points.

On the other hand, consumption is expected to receive a boost from two sources: catch-up after the demonetisation-induced reduction in the last two quarters of 2016-17; and cheaper borrowing costs, which are likely to be lower in 2017 than 2016 by as much as 75 to 100 basis points. As a result, spending on

As per the first advance estimates of the CSO, growth rate of the industrial sector comprising mining & quarrying, manufacturing, electricity and construction is projected to decline from 7.4 per cent in 2015-16 to 5.2 per cent in 2016-17. During April - November 2016-17, a modest growth of 0.4 per cent has been observed in the Index of Industrial Production (IIP) which is a volume index with base year of 2004-05. This was the composite effect of a strong growth in electricity generation and moderation in mining and manufacturing. In terms of use-based classification, basic goods, intermediate goods and consumer durable goods attained moderate growth.

Conversely, the production of capital goods declined steeply and consumer nondurable goods sectors suffered a modest contraction during April-November 2016-17. The eight core infrastructure supportive industries, viz. coal, crude oil, natural gas, refinery

housing and consumer durables and semi durables could rise smartly. It is too early to predict prospects for the monsoon in 2017 and hence agricultural production. But the higher is agricultural growth this year, the less likely that there would be an extra boost to GDP growth next year.

Since no clear progress is yet visible in tackling the twin balance sheet problem, private investment is unlikely to recover significantly from the levels of FY2017. Some of this weakness could be offset through higher public investment, but that would depend on the stance of fiscal policy next year, which has to balance the short-term requirements of an economy recovering from demonetisation against the medium-term necessity of adhering to fiscal discipline and the need to be seen as doing so.

Putting these factors together, we expect real GDP growth to be in the 6¾ to 7½ percent range in FY2018. Even under this forecast, India would remain the fastest growing major economy in the world.

**There are three main downside risks to the forecast.**

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

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

Third, there are risks from the possible eruption of trade tensions amongst the major countries, triggered by geo-politics or currency movements. This could reduce global growth and trigger capital flight from emerging markets.

The one significant upside possibility is a strong rebound in global demand and hence in India's exports. There are some nascent signs of that in the last two quarters. A strong export recovery would have broader spill over effects to investment.

*(Source-Economic Survey 2016-17; [www.indiabudget.nic.in](http://www.indiabudget.nic.in))*

## **BUSINESS OVERVIEW**

### **OVERVIEW**

Our Company was originally incorporated as “Shree Ganesh Remedies Private Limited” at Ahmedabad, Gujarat as a Private Limited Company under the provisions of Companies Act, 1956 vide Certificate of Incorporation dated April 27, 1995 bearing registration number 025661 issued by Assistant Registrar of Companies, Gujarat, Dadra & 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 July 12, 2017 and fresh certificate of incorporation consequently upon change of name was issued by Registrar of Companies, Gujarat, Ahmedabad dated July 28, 2017 and name of our Company was changed to “Shree Ganesh Remedies Limited”

Our Company is as ISO 9001:2015, ISO 14001:2015 BS and OHSAS 18001:2007 certified Company and is engaged in manufacturing and dispatch of drug intermediates and chemicals like amine hydrochloride and specialty fine chemicals for pharmaceutical industry. We manufacture products relating to antipsychotic, antiseptic, deprotonation reactions, hyperlipidemia, alzheimers and anti-viral.

The manufacturing process is supported by Total Quality Management techniques and is supervised through various quality control equipment's and qualified personnel. The Products are manufactured for export market and also for domestic and foreign markets. We entered the International market in the year 2006 and are on regular basis exporting our products to various countries.

Our manufacturing facility is divided into three manufacturing plants namely Plant I, II and III spread across 9715 Square meters having different product manufacturing capabilities and process.

Our Company is managed by a team of professionals headed by our Managing Director having experience in the field of manufacturing of Pharmaceuticals Intermediates, bulk drugs, fine chemicals, pigments and plastics. Our Company undertakes manufacturing of products on custom research to some extent as per the project received

Our Company's total revenue as restated in Financial Year 2017, 2016 and 2015 was Rs.2032.49 lakhs, Rs. 1587.89 lakhs and Rs. 1698.70 lakhs, respectively. Our Company's profit/loss after tax as restated in Financial Year 2017, 2016 and 2015 was Rs. 261.49 lakhs, Rs. 108.35 lakhs and Rs. 127.46 lakhs, respectively.

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

1. Recognized as Export House by Government of India
2. 3<sup>rd</sup> prize winner at Ankleshwar Industries Association for export Performance amongst small scale Industrial units in GIDC, Ankleshwar for the year 2015-16

#### **Company Location and manufacturing facility:**

Our Registered Office and Manufacturing facility is situated at Plot No 6011, G.I.D.C, Ankleshwar - 393002, Gujarat, India.

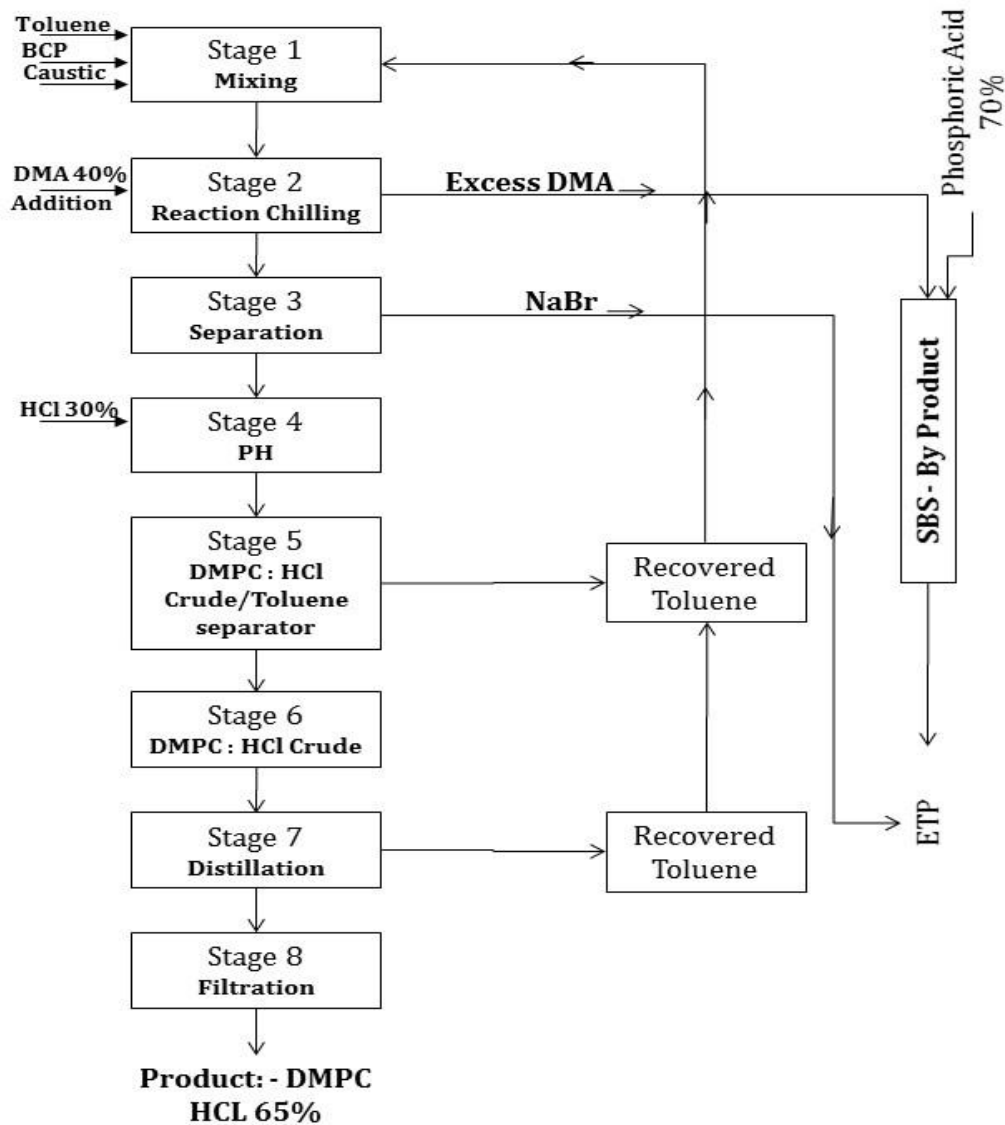
## OUR PRODUCTS

We have product portfolio that consists of

Sr. No	Product Name	Applications/ End use
1.	Di methyl amino propyl chloride HCl	Dimethylaminopropyl chloride hydrochloride is used in Chlorpromazine for antipsychotic
2.	Trityl chloride(TTCL)	Trityl chloride (TTCL) is used as a protecting agent generally used in pharmaceutical Industry
3.	4-Chloro 4 Fluoro Butyrophenone (CFBP)	Used as Intermediates of Haloperidol antipsychotic
4.	Methyl Cyclo Propane Carboxylate Acid/ Acid Chloride	Product is used to manufacture Fenpropatrin.  Fenpropatrin is widely used as pyrethroid insecticide in agriculture and household.
5.	1-Bromo-4-Propylheptane (BPH)	Used in delmophinol as an antiseptic mouth wash
6.	Sodium Bis (Trimethylsilyl) Amide in THF 1M/2M	It is a strong base used for deprotonation reactions
7.	Tyramine HCl /Base	Used in Benzafibrate for Hyperlipidemia and Used in galantamine Hbr for Alzheimer's disease
8.	Hexadienyl acetate(HDA)	Used as flavoring agent
9.	Cyclo Propane Carboxylic Acid	Used in Moxifloxacin as anti-viral

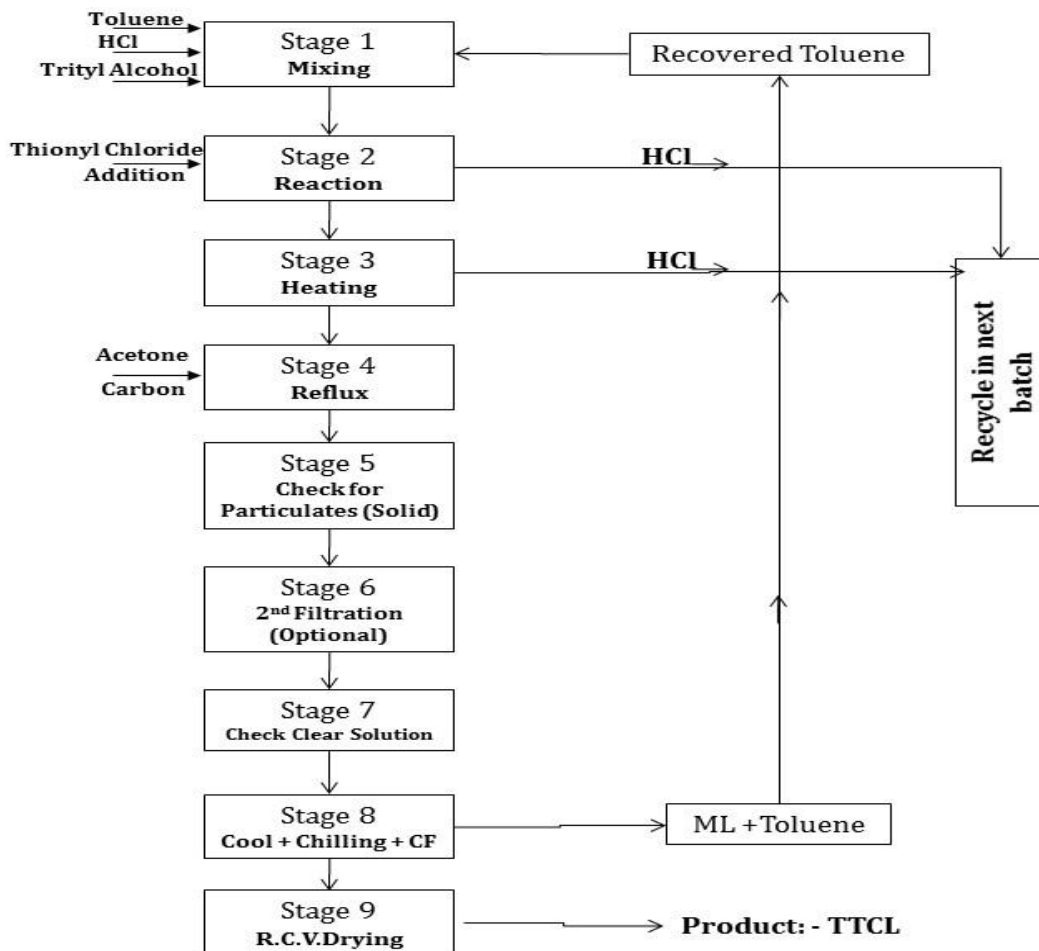
## OUR MANUFACTURING PROCESS

### 1. Di methyl amino propyl chloride HCL 65%



- **Mixing:** First add the Ingredients Toluene, Bromo Chloro Propane (BCP) and Caustic Soda Lye- 48%
- **Reaction Chilling** - Addition of Dimethyl Amine 40% and maintain 24 hours at 22°C to 25°C
- **Separation** - Add water and mix well, take time for settling. Separate out sodium Bromide 33-35% solution as a by-product.
- **Maintaining of PH** - Take Organic layer then add HydroChloric Acid 28-30% and take pH 1 to 2.5 then layer separate which results in DMPC crude.
- **Distillation** - Take organic layer separate the Toluene Layer and crude product take for distillation which contain Tol/BCP/DMPC 65-67%
- **Filtration** – DMPC is then filtered and packed in drums for selling.

## 2. Trityl Chloride

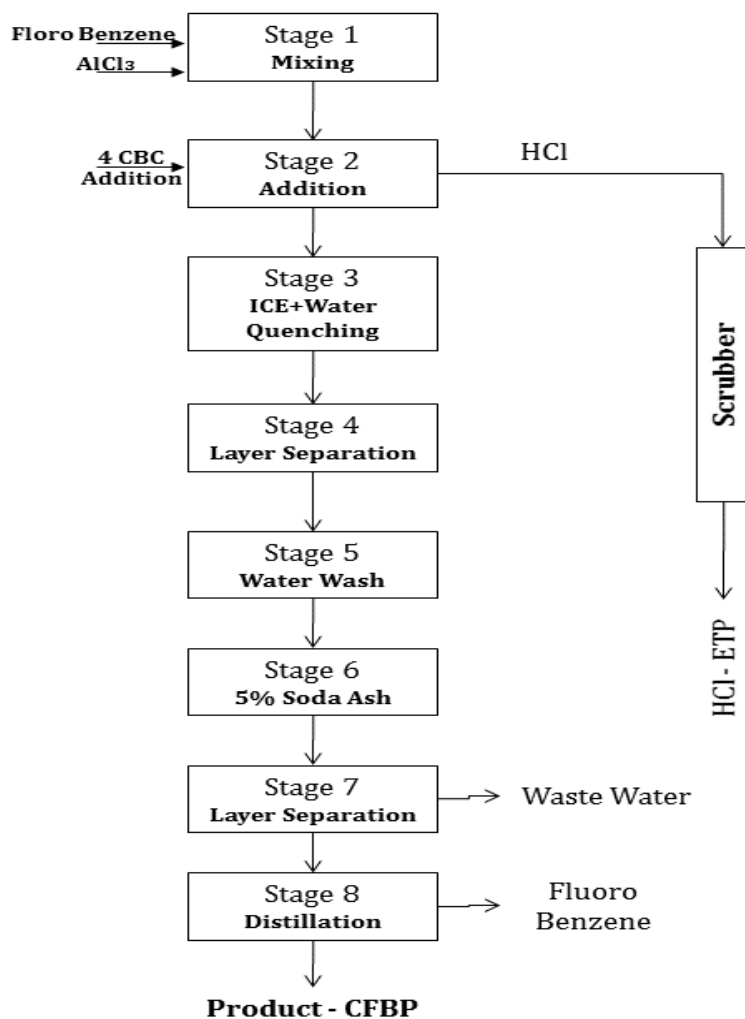


- **Mixing:** Take Ingredients Toluene, Trityl Alcohol and (Hydrochloric Acid (HCl) 30% from previous batch) and mix it
- **Heating:** Heat it at 65°C to 70°C
- **Reaction:** Reaction takes place 65 C to 70 C within 4 hours
- **Separation:** Discard the aqueous layer to Effluent Treatment Plant (ETP).  
Again charge the (HCl 30% from previous batch) heat it for 4 hours at 65°C to 70°C cool it and let it settle for 30 min and then separate the aqueous layer and repeat the process one more time.
- **Cooling:** cool it to room temperature and settle for the 30 minutes then separate the aqueous layer and organic layer to get the final product from the organic layer.
- **Carbon treatment:** Add activated charcoal to organic layer. Heat to 50C and maintain to it 1 hour.
- **Filtration:** filter toluene plus carbon mass through filter and check toluene layer should free from carbon particles
- **Cooling, chilling and filtration:** cool toluene mass to room temperature and then chill to 10°C to 15°C temperature and then filter the final product



- **Drying:** Wet product should be dried under vacuum at 40°C to 45°C temperature and obtain TTCL.

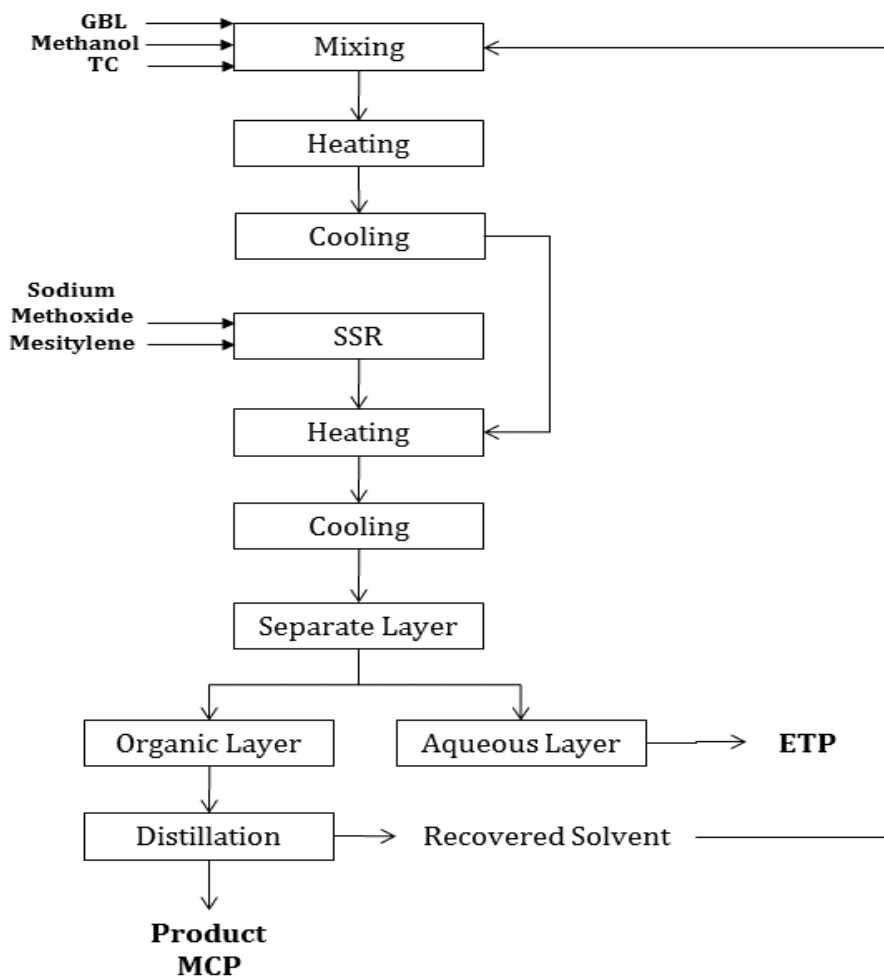
### 3. 4-chloro 4 Fluoro Butyrophenone (CFBP)



- **Mixing:** Add Fluorobenzene and Aluminium Chloride and mix it at 10 C
- **Addition:** Add 4Chloro Butyl Chloride (4CBC) at 5 to 10 C temperature and maintain 5 to 10 C temperature for 1 hour.
- **Quenching:** Add reaction mass of previous step in ice plus water mixture
- **Separation:** Separate the Aqueous layer and Organic Layer.
- **Washing:**
  - Water Wash: Wash the organic layer with water and separate aqueous layer and organic layer
  - Soda Wash: Wash the organic layer with soda solution and separate aqueous layer and organic layer
- **Distillation:** Recover Fluorobenzene under atmospheric pressure from organic layer upto 90C temperature, finally remove traces of solvent i.e Fluorobenzene under vacuum

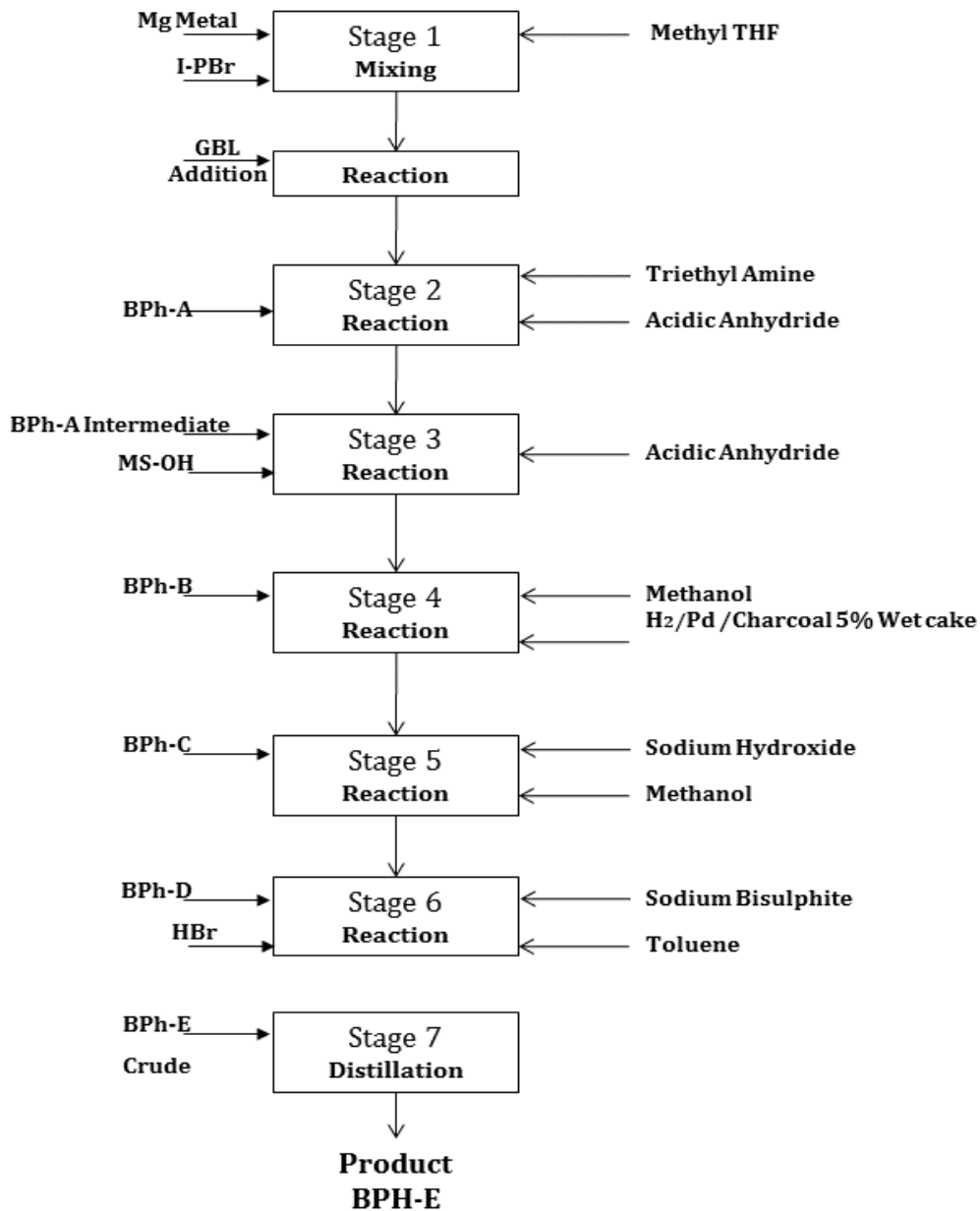
- **Cooling:** Cooling and obtain the final product for packing

#### 4. Methyl Cyclo Propane Carboxylate



- **Mixing:** Add Gamabutyrolactone (GBL), methanol and add Thionylchloride while mixing.
- **Heating** – Heat slowly to 50 C temperature
- **Cooling** – Cool it to room temperature
- **Addition** - Add sodium methoxide and mesetylene
- **Heating:** Heat to 55 C temperature
- **Cooling** Cool it at room temperature and add water
- **Separation:** Separate organic layer and send the acquous layer to ETP
- **Distillation:** Recover solvent under heating and obtain final product.

## 5. 1-Bromo-4-Propylheptane



### Stage 1

**Mixing:** Add Magnesium metal and tetrahydrofuran (THF) and add 1 propyl bromide

**Reaction:** Maintain temperature 75 to 80 C for 4 hours.

**Addition:** Add Gamabutyrolactone (GBL) at 25 to 30 C temperature.

### Stage 2

Add trithyl amine and acetic anhydride to previous stage 1 mass

### Stage 3

Add methanol palladium charcoal (5%) and stage 2 mass and mix it, thereafter pass hydrogen gas.

### Stage 4

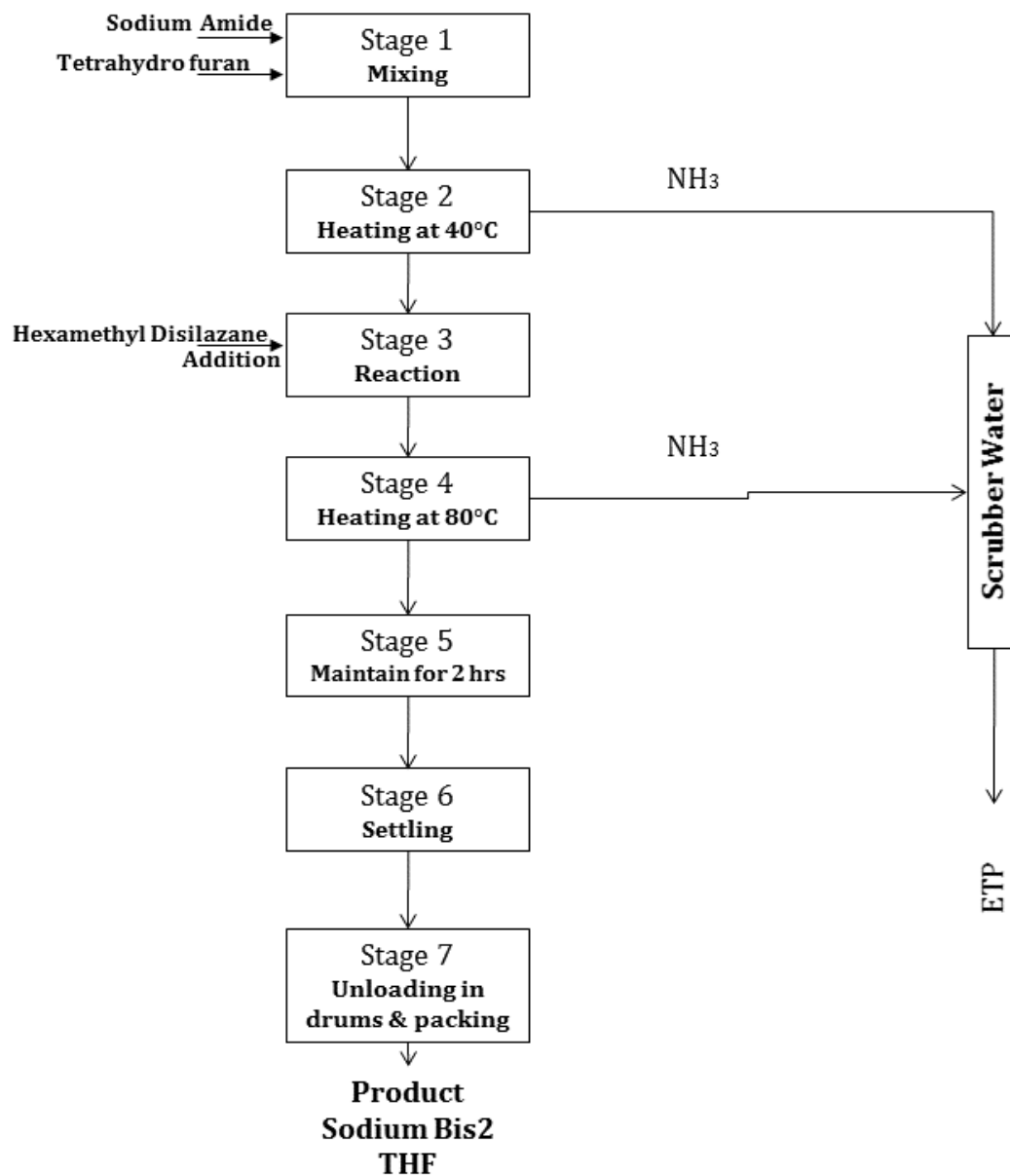
Add sodium hydroxide and methanol to stage 3 mass and heat to 65 to 70 C temperature for 3 hours

### Stage 5

Add hydrobromic acid (48%) (HBr) to stage 4 mass and heat to 100 C temperature for 5 hours then add toluene and cool to room temperature and separate the organic layer and aqueous layer.

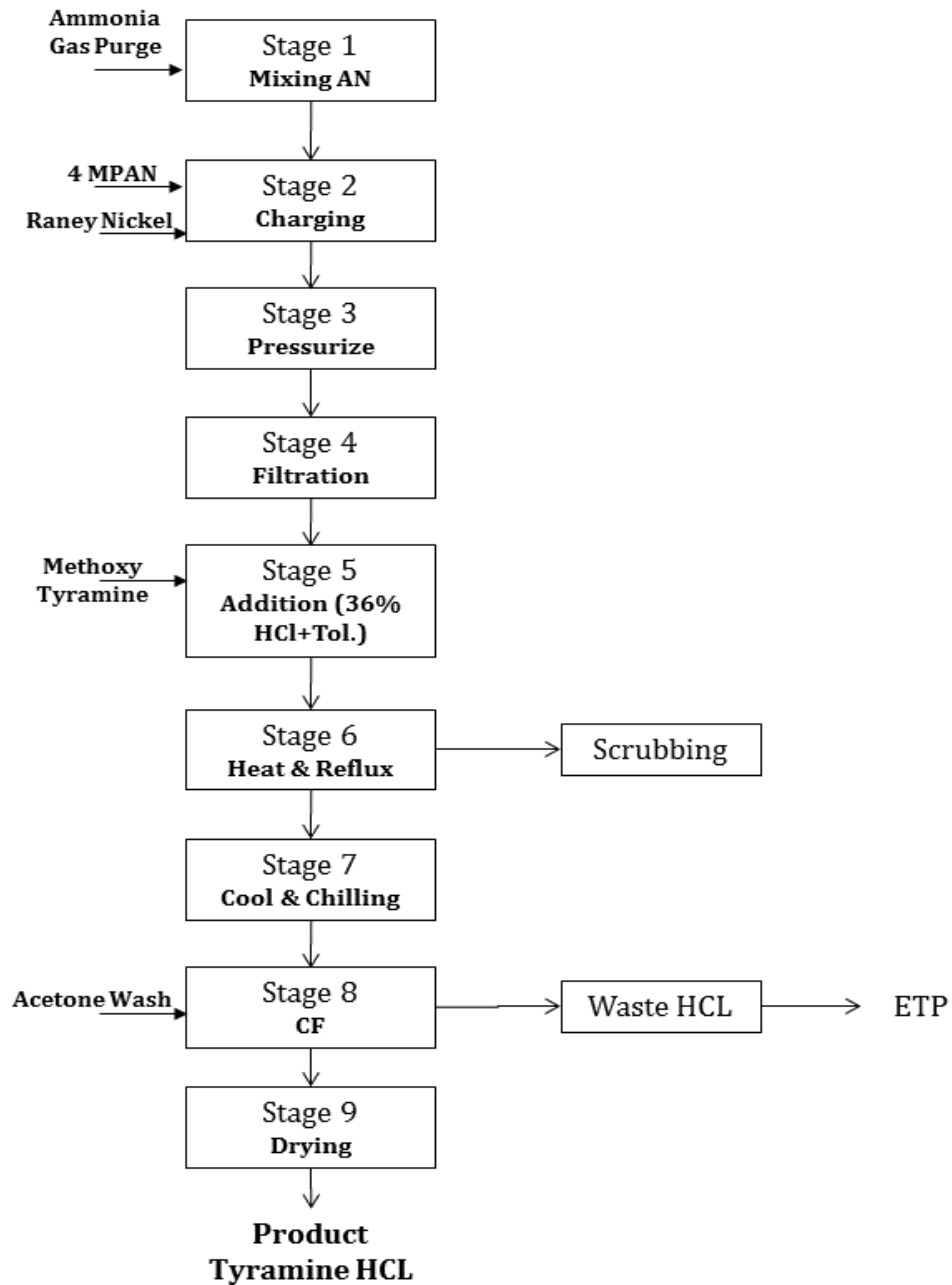
Recover the toluene form toluene layer at atmospheric pressure and finally under vacuum and obtain final product.

## 6. Sodium Bis (Trimethylsilyl) Amide in THF



- **Mixing:** Add Tetra Hydro Furan and sodium amide and heat at 40C temperature
- **Addition:** add hexamethyl disilazane to previous mass, heat at 80 C temperature and maintain for 2 hours
- **Cooling:** Cool it to room temperature and settle it and filter
- **Packing:** Obtain final product and pack it.

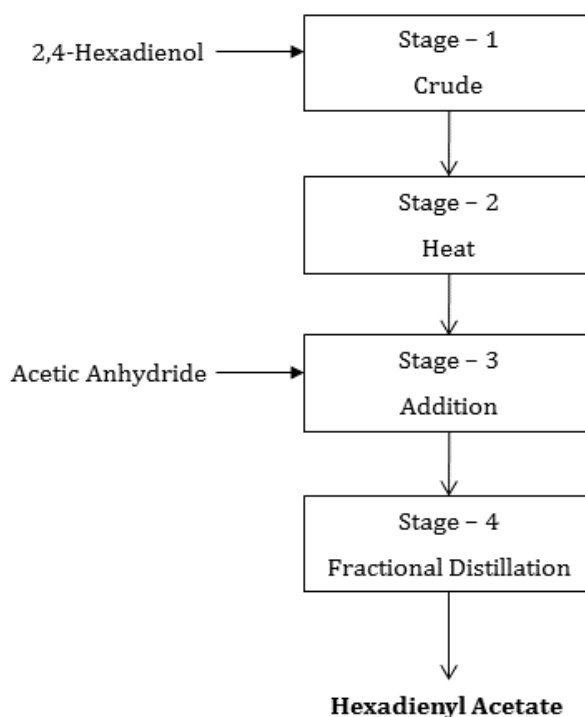
7. Tyramine HCL



## Charging

- Charge methanol:
- **Gas purging:** purging of ammonia gas
- **Addition:** add 4 Methoxy Phenyl Acetonitrile (4 MPAN) and Raney nickel.
- **Pressurize:** pass hydrogen gas to obtain pressure
- **Filtration:** Release pressure and filter the raney nickel
- **Addition:** add 36 % hydrochloric acid to obtain filtrate mass
- **Heating:** heat to 105 C temperature
- **Cooling:** cool it to room temperate and chill to 15 C temperature
- **Filtration:** Filter the solid product
- **Drying:** dry the solid product and pack it.

## 8. HexaDieryl Acetate



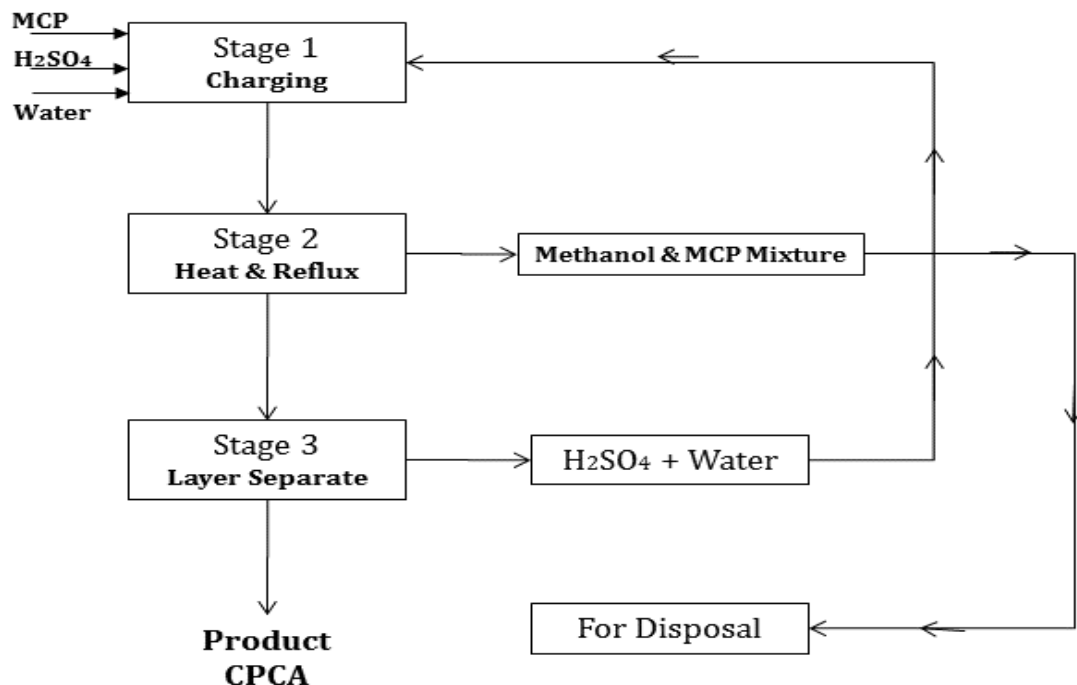
**Charging** – Charge 2,4 hexadienol at room temperature.

**Heating** – Heat to 45-50 C temperature

**Addition:** add acetic anhydride at 50C temperature and maintain for 50 to 55C for 3 hours

**Distillation** – distil product under high vacuum up to 135 C mass temperature and thereafter obtain final product hexaienyl acetate

## 9. Cyclo Propane Carboxylic Acid



**Charging:** Charge Methyl Cyclopropane Carboxylate (MCP) add sulphuric acid and water at room temperature.

**Heating** – Heat at 70 to 96°C within 72 hours

**Cooling:** Cool it to room temperature

**Separation** – separate organic and aqueous layer

**Distillation:** Organic layer distillation and obtain final product.

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

Except manufacture and marketing agreement entered by the Company as on the date of Draft Prospectus, we have not entered into any collaborations/tie-ups/joint ventures.

### **INFRASTRUCTURE FACILITIES AND UTILITIES**

Our Registered Office 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**

Raw materials are essential to our business are procured in the ordinary course of business from various suppliers. We purchase raw materials from the sources we maintain which is approved and audited by our

internal quality control department We check carefully the reliability of all the materials purchased to ensure that they comply the desired quality and safety standards required by our products. We obtain our raw materials from domestic sources as well as import. Our raw material sourcing is not dependent on a single source of supply and we do have access to alternate sources for our procurement of raw material from other suppliers.

### **Water and Electricity**

Our company meets its power requirements for our manufacturing process from Dakshin Gujarat Vij Company Limited and we have our installed DG set of 125 kwh for providing standby power backup and we have adequate arrangement for water from our water storage tank of 10Kl for our factory.

### **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 March 31, 2017, our total manpower strength is 46 including employees at our registered office and manufacturing facility.

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.

### **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**

There are no published data available to the Company for past production figures. The industry in which our Company operate is fragmented and is dominated by large number of unorganised players. existing installed capacity, past trends and future prospects regarding demand & supply forecasts.

### **OUR COMPETITIVE STRENGTHS**

#### **1. Quality Assurance**

Our Quality Assurance Department and strict quality control procedures ensures consistent quality of all processes and products. We continuously monitor our suppliers, raw materials, in process controls, intermediates, finished goods, packaging, labeling, shipment, delivery and we endeavor to achieve the quality by putting in place a Quality Management system which is in strict compliance to national and International Standards of ISO 9001:2015, ISO 14001:2015 Quality and Environment Management Systems as well as OHSAS 18001:2007 Occupational Health and Safety Management Systems.

#### **2. Experienced Promoters and Management team**



Our promoters Chandubhai Kothia, Hasmukh Kothia and Ashokkumar Kothia are well versed with the industry in which we operate. They have experience of about 2 decades in the pharmaceutical industry. Our business operations and manufacturing process are managed by team of personnel which enables us to continue to take advantage of market opportunities and expanding our business.

**3. Established Manufacturing Facility**

Our manufacturing facility is spread across an area of 9,715 sq meters including warehouses, synthesis blocks, Quality Check / Quality Assurance laboratories, utility block, effluent treatment plant located at Ankleshwar in Gujarat.

**4. Relationship with Customers**

We believe in constantly addressing the customer needs for our products. Our relationship with our customer help us to get repeat business. This has helped us to maintain a long-term relationship with our customers and improve our customer retention strategy. We have strong existing client relationships which generates multiple repeat orders. We believe that our relationship with our clients represents a competitive advantage in gaining new clients and increasing our business.

**OUR BUSINESS STRATEGY**

**1. Focus on increasing our export business**

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

**2. Customer Satisfaction**

Our Company is customer satisfaction oriented company and always tries to maintain good relationship with the customers. Our Company’s marketing team approaches existing customer for their feedback and based on that feedback any changes in the products if required are carried out. Our Company provides quality products and effective follow-ups with customers which ensures that customers are satisfied with the products. Our Company in return is rewarded by customers with continuous orders.

**3. Strengthening marketing capabilities**

Our domestic and international marketing infrastructure consists of dedicated employees, who design various marketing and promotional strategies for our products. We believe that our strategic marketing, experienced sales and distribution network would enable us to increase our sales. Our Company also intends to widen our distribution channels across various countries.

**4. Research and Development**

Our Company has a research and development department which is continuously involved in the process of research and development process.

**CAPACITY UTILISATION**

Product Name	Past		Existing	Expected
	2014-2015	2015-2016	2016-2017	2017-18
*Installed Capacity (in Metric Ton p.a)	500.00	500.00	500.00	500.00

Capacity Utilisation (in Metric Ton p.a)	366.81	339.51	351.30	368.86
Capacity Utilisation (%)	73.36	67.90	70.26	73.77

## LAND AND PROPERTY

Sr. No	Description of Property	Area	Date of Letter / Agreement	Owned/ Leasehold	Seller/ Owner	Usage
1.	Plot No. 6011, G.I.D.C, Ankleshwar – 393002, Gujarat, India	9,715 Sq. mtrs	April 21, 2004	Leasehold	Gujarat Industrial Development Corporation	Factory Land and Registered Office
2.	Plot No H-3194, Ankleshwar Industrial Estate, Ankleshwar, Gujarat	1,499.55 Sq mtrs (approx.)	July 08, 2011	Leasehold	Gujarat Industrial Development Corporation	Staff Quarters

### Owned Properties

We have constructed office building and factory on the above-mentioned factory premises. For further details please refer fixed assets schedule in chapter titled “*Financial Statements as restated*” on page 143 of this Draft Prospectus

### INSURANCE

Our Company has insurance coverage which is reasonably sufficient to cover all normal risks associated with our operations and is in accordance with the industry standards.

We have taken insurance policies with insurance companies covering risks in relation to our business and our employees such as Employee group insurance policy and Standard Fire and Special Perils policy which also covers earthquake (fire and shock)

### INTELLECTUAL PROPERTY

We do not have any registered Intellectual Property

## KEY INDUSTRY REGULATIONS AND POLICIES

Given below is a summary of certain relevant laws and regulations currently in force, applicable to our Company. The information detailed in this chapter has been obtained from publications available in the public domain. The description of the applicable regulations as given below has been set out in a manner to provide general information to the investors and is not exhaustive and shall not be treated as a substitute for professional legal advice. The statements below are based on the current provisions of applicable law, which are subject to change or modification by subsequent legislative, regulatory, administrative or judicial decisions. Our Company is engaged in business of manufacturing, marketing and sale of material handling, industrial finishing and engineered products. We are regulated by a number of central and state legislations. Additionally, our functioning requires the sanction of concerned authorities, at various stages, under relevant legislations and local by-laws.

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

### CENTRAL LAWS

The primary central legislation governing the manufacturing sector is the Factories Act, 1948. In addition, compliance of various labour related legislations, including the Payment of Wages Act, 1956, The Minimum Wages Act, 1948, Equal Remuneration Act, Employees' Compensation Act, 1923, Industrial Disputes Act, 1948, Payment of Gratuity Act, 1972, Employees' Provident Funds and Miscellaneous Provisions Act, 1952, Payment of Bonus Act, 1965, as may be applicable in the relevant state.

#### *The Factories Act, 1948*

The Factories Act, 1948 ("**Factories Act**") seeks to regulate labour employed in factories and makes provisions for the safety, health and welfare of the workers. The term 'factory', as defined under the Factories Act, means any premises which employs or has employed on any day in the previous 12 (twelve) months, 10 (ten) or more workers and in which any manufacturing process is carried on with the aid of power, or any premises wherein 20 (twenty) or more workmen are employed at any day during the preceding 12 (twelve) months and in which any manufacturing process is carried on without the aid of power. An occupier of a factory under the Factories Act, means the person who has ultimate control over the affairs of the factory. The occupier or manager of the factory is required to obtain a registration for the factory. The Factories Act also requires *inter alia* the maintenance of various registers dealing with safety, labour standards, holidays and extent of child labour including their conditions. Further, notice of accident or dangerous occurrence in the factory is to be provided to the inspector by the manager of the factory. In addition, the Gujarat Factories Rules, 1963 are also applicable to the Company.

#### *Contract Labour (Regulation and Abolition) Act, 1970*

The Contract Labour (Regulation and Abolition) Act, 1970 ("**CLRA**") is an act to regulate the employment of contract labour in certain establishments and to provide for its abolition in certain circumstances. The CLRA applies to every establishment in which 20 (twenty) or more workmen are employed or were employed on any day of the preceding 12 (twelve) months as contract labour. It also applies to every contractor who employs or who employed on any day of the preceding 12 (twelve) months, 20 (twenty) or more workmen provided that the appropriate Government may after giving not less than 2 (two) months' notice, by notification in the Official Gazette, apply the provisions of the CLRA to any establishment or contractor. Further, it contains provisions regarding Central and State Advisory Board under the CLRA, registration of establishments, and prohibition of employment of contract labour in any process, operation or other work in any establishment by the notification from the State Board, licensing of contractors and

welfare and health of the contract labour. The Contract Labour (Regulation and Abolition) Central Rules, 1971 are formulated to carry out the purpose of the CLRA.

### ***The Industrial Disputes Act, 1947 and Industrial Dispute (Central) Rules, 1957***

The Industrial Disputes Act, 1947 (“**ID Act**”) was enacted to make provision for investigation and settlement of industrial disputes and for other purposes specified therein. Workmen under the ID Act have been provided with several benefits and are protected under various labour legislations, whilst those persons who have been classified as managerial employees and earning salary beyond a prescribed amount may not generally be afforded statutory benefits or protection, except in certain cases. Employees may also be subject to the terms of their employment contracts with their employer, which contracts are regulated by the provisions of the Indian Contract Act, 1872. The ID Act also sets out certain requirements in relation to the termination of the services of the workman’s services. This includes detailed procedure prescribed for resolution of disputes with labour, removal and certain financial obligations up on retrenchment. The Industrial Dispute (Central) Rules, 1957 specify procedural guidelines for lock-outs, closures, lay-offs and retrenchment

### ***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 Employees State Insurance Act, 1948***

The Employees State Insurance Act, 1948 (“**ESI Act**”) provides for certain benefits to employees in case of sickness, maternity and employment injury. All employees in establishments covered by the ESI Act are required to be insured, with an obligation imposed on the employer to make certain contributions in relation thereto. Employers of factories and establishments covered under the ESI Act are required to pay contributions to the Employees State Insurance Corporation, in respect of each employee at the rate prescribed by the Central Government. Companies which are controlled by the Government are exempt from this requirement if employees receive benefits similar or superior to the benefits prescribed under the ESI Act. In addition, the employer is also required to register itself under the ESI Act and maintain prescribed records and registers.

### ***The Employees’ Provident Fund and Miscellaneous Provisions Act, 1952***

The Employees Provident Funds and Miscellaneous Provisions Act, 1952 (“**EPF Act**”) was introduced with the object to institute compulsory provident fund for the benefit of employees in factories and other establishments. The EPF Act provides for the institution of provident funds and pension funds for employees in establishments where more than 20 (twenty) persons are employed and factories specified in Schedule I of the EPF Act. Under the EPF Act, the Central Government has framed the "Employees Provident Fund Scheme", "Employees Deposit linked Insurance Scheme" and the "Employees Family Pension Scheme". Liability is imposed on the employer and the employee to contribute to the funds mentioned above, in the manner specified in the statute. There is also a requirement to maintain prescribed

records and registers and filing of forms with the concerned authorities. The EPF Act also prescribes penalties for avoiding payments required to be made under the abovementioned schemes.

### ***Equal Remuneration Act, 1976***

Equal Remuneration Act, 1976 provides for payment of equal remuneration to men and women workers and for prevention discrimination, on the ground of sex, against female employees in the matters of employment and for matters connected therewith.

### ***Maternity Benefit Act, 1961***

The purpose of Maternity Benefit Act, 1961 is to regulate the employment of pregnant women and to ensure that the get paid leave for a specified period before and after child birth. It provides, *inter-alia*, for payment of maternity benefits, medical bonus and enacts prohibitions on dismissal, reduction of wages paid to pregnant women, etc.

### ***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 ` 50,000/-.

### ***The Payment of Bonus Act, 1965***

The Payment of Bonus Act, 1965 (“**PB Act**”) is applicable to every factory and every other establishment employing 20 (twenty) or more persons. According to the provisions of the PB Act, every employer shall be bound to pay to every employee in respect of the accounting year a minimum bonus which shall be 8.33% of the salary or wage earned by the employee during the accounting year or `100/- (Rupees One Hundred), whichever is higher, whether or not the employer has any allocable surplus in the accounting year. If the allocable surplus exceeds minimum bonus payable, then the employer must pay bonus proportionate to the salary or wage earned during that period, subject to maximum of 20% of such salary or wage. ‘Allocable surplus’ is defined as 67% of available surplus in the financial year, before making arrangements for the payment of dividend out of profit of our Company.

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

The Minimum Wages Act, 1948 (“**MW Act**”) came in to force with the objective to provide for the fixation of a minimum wage payable by the employer to the employee. Under the MW Act, the appropriate government is authorised to fix the minimum wages to be paid to the persons employed in scheduled or non-scheduled employment. Every employer is required to pay not less than the minimum wages to all

employees engaged to do any work whether skilled, unskilled, and manual or clerical (including out-workers) in any employment listed in the schedule to the MW Act, in respect of which minimum rates of wages have been fixed or revised under the MW Act.

### ***The Payment of Gratuity Act, 1972***

The Payment of Gratuity Act, 1972 (“**PG Act**”) applies to every factory and shop or establishment in which ten or more employees are employed. Gratuity is payable to an employee on the termination of his employment after he has rendered continuous service for not less than 5 (five) years:

- a) On his/her superannuation;
- b) On his/her retirement or resignation;
- c) On his/her death or disablement due to accident or disease (in this case the minimum requirement of 5 (five) years does not apply).

Gratuity is payable to the employee at the rate of 15 (fifteen) days’ wages for every completed year of service or part thereof in excess of 6 (six) months.

### ***The Payment of Wages Act, 1936***

The Payment of Wages Act, 1936 (“**PW Act**”) is applicable to the payment of wages to persons in factories and other establishments. PW Act ensures that wages that are payable to the employee are disbursed by the employer within the prescribed time limit and no deductions other than those prescribed by the law are made by the employer.

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

The Child Labour (Prohibition and Regulation) Act, 1986. The main objective of the act is to prohibit the engagement of children in certain employments and to regulate the conditions of work or children in certain other employments. The act defines a child as any person who has not completed his fourteenth year of age. 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 outlines the conditions in which children may work in certain occupations/processes.

### ***Industrial Employment (Standing orders) Act, 1946***

The Industrial Employment (Standing orders) Act, 1946 - The employers of industrial establishments are required to define with sufficient precision the conditions of employment and to make the said conditions known to the workmen. The standing orders are certified by the Labour Commissioner.

## **ENVIRONMENT LAWS**

We are subject to various environmental regulations as the operation of our establishments might have an impact on the environment. The basic purpose of such statutes is to control, abate and prevent pollution. In order to achieve these objectives, Pollution Control Boards (“**PCBs**”), have been set up in each state and at the central level. Establishments, as prescribed under various regulations may be required to obtain consent orders from the PCBs. These consent orders are required to be renewed periodically.

### ***The Environment (Protection) Act, 1986 (“EPA”)***

The EPA has been enacted with the objective of protecting and improving the environment and for matters connected therewith. As per the EPA, the Central Government has been given the power to take all such measures for the purpose of protecting and improving the quality of the environment and to prevent environmental pollution. Further, the Central Government has been given the power to give directions in writing to any person or officer or any authority for any of the purposes of the EPA, including the power to direct the closure, prohibition or regulation of any industry, operation or process.

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

The Water Act prohibits the use of any stream or well for the disposal of polluting matter, in violation of the standards set out by the concerned PCB. The Water Act also provides that the consent of the concerned PCB must be obtained prior to opening of any new outlets or discharges, which are likely to discharge sewage or effluent.

***The Water (Prevention and Control of Pollution) Cess Act, 1977 (“Water Cess Act”) and Water (Prevention and Control of Pollution) Cess Rules, 1978 (“Water Cess Rules”)***

The Water Cess Act has been enacted to provide for the levy and collection of a cess on water consumed by persons carrying on certain industries by local authorities constituted under the Water Act, with a view to augment the resources of the central and State PCBs for the prevention and control of water pollution. The Water Cess Rules have been notified under section 17 of the Water Cess Act and provide, *inter alia*, for the standards of the meters and places where they are to be affixed and the furnishing of returns by consumers.

***Air (Prevention and Control of Pollution) Act, 1981***

The Air Act requires that any industry or institution emitting smoke or gases must apply in a prescribed form and obtain consent from the state PCB prior to commencing any activity. The state PCB is required to grant, or refuse, consent within four months of receipt of the application. The consent may contain conditions relating to specifications of pollution control equipment to be installed.

***Hazardous and Other Wastes (Management and Transboundary Movement) Rules, 2016 (“Hazardous Waste Rules”)***

An “occupier” has been defined as any person who has control over the affairs of a factory or premises or any person in possession of hazardous waste. In terms of the Hazardous Waste Rules, occupiers have been, *inter alia*, made responsible for safe and environmentally sound handling of hazardous and other wastes generated in their establishments and are required to obtain license/ authorisation from concerned PCBs, for handling, generating, collecting, processing, treating, packaging, storing, transporting, using, recycling, recovering, pre-processing, co-processing, offering for sale, or the like of the hazardous and other wastes.

***Public Liability Insurance Act, 1991 (the “Public Liability Act”)***

The Public Liability Act, imposes liability on the owner or controller of hazardous substances for any damage arising out of an accident involving such hazardous substances. A list of ‘hazardous substances’ covered by the legislation has been enumerated by the Government by way of a notification.

The owner or handler is also required to take out an insurance policy insuring against liability under the legislation. The rules made under the Public Liability Act mandate that the employer has to contribute towards the Environment Relief Fund, a sum equal to the premium paid on the insurance policies. This amount is payable to the insurer.

## **INTELLECTUAL PROPERTY LAWS**

Intellectual Property in India enjoys protection under both common law and statute. Under statute, India provides for patent protection under the Patents Act, 1970, copyright protection under the Copyright Act, 1957, trademark protection under the Trade Marks Act, 1999 and design protection under the Designs Act, 2000. The above enactments provide for protection of intellectual property by imposing civil and criminal liability for infringement.

### **The Trademarks Act, 1999**

In India, trademarks enjoy protection under both statutory and common law. Indian trademark law permits the registration of trademarks for goods and services. The Trademarks Act governs the statutory protection of trademarks and for the prevention of the use of fraudulent marks in India. Certification marks and collective marks can also be registered under the Trademarks Act. An application for trademark registration may be made by individual or joint applicants by any person claiming to be the proprietor of a trade mark, and can be made on the basis of either use or intention to use a trademark in the future. Applications for a trademark registration may be made for in one or more international classes. Once granted, trademark registration is valid for ten years unless cancelled. If not renewed after ten years, the mark lapses and the registration has to be restored. While both registered and unregistered trademarks are protected under Indian Law, the registration of trademarks offers significant advantages to the registered owner, particularly with respect to proving infringement. The Trademark (Amendment) Act, 2010 has been enacted by the Government of India to amend the Trademarks Act to enable Indian nationals as well as foreign nationals to secure simultaneous protection of trademark in other countries, and to empower the Registrar of Trademarks to do so. It also seeks to simplify the law relating to transfer of ownership of trademarks by assignment or transmission and to bring the law generally in line with international practice.

## **TAX RELATED LEGISLATIONS**

### ***Income-tax Act, 1961***

Income-tax Act, 1961 (“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. Every assessee, under the IT Act, which includes a company, is required to comply with the provisions thereof, including those relating to tax deduction at source, advance tax, minimum alternative tax and like.

### ***The Customs Act, 1962***

The provisions of the Customs Act, 1962 and Rules made there under are applicable at the time of import of goods into India from a place outside India or at the time of export of goods out of India to a place outside India. Any company requiring to import or export any goods is required to get itself registered under this Act and obtain an Importer Exporter Code number.

### ***The Gujarat State Tax on Professions, Trade, Callings and Employments Act, 1976***

The professional tax slabs in India are applicable to those citizens of India who are either involved in any profession or trade. The State Government of each State is empowered with the responsibility of structuring as well as formulating the respective professional tax criteria and is also required to collect funds through professional tax. The professional taxes are charged on the incomes of individuals, profits of business or gains in vocations. The professional tax is charged as per the List II of the Constitution. The professional



tax is classified under various tax slabs in India. The tax payable under the State Acts by any person earning a salary or wage shall be deducted by his employer from the salary or wages payable to such person before such salary or wages is paid to him, and such employer shall, irrespective of whether such deduction has been made or not when the salary and wage is paid to such persons, be liable to pay tax on behalf of such person and employer has to obtain the registration from the assessing authority in the prescribed manner. The Gujarat State Tax on Professions, Traders, Callings and Employments Rules, 1976 have also been notified by the Government.

### ***Goods & Service Tax (“GST”)***

Goods and Services Tax (GST) is an indirect tax applicable throughout India which replaced multiple cascading taxes levied by the central and state governments. The GST shall be levied as Dual GST separately but concurrently by the Union (central tax - CGST) and the States (including Union Territories with legislatures) (State tax - SGST) / Union territories without legislatures (Union territory tax- UTGST). The Parliament would have exclusive power to levy GST (integrated tax - IGST) on inter-State trade or commerce (including imports) in goods or services. It was introduced as The Constitution (One Hundred and First Amendment) Act 2017, following the passage of Constitution 122<sup>nd</sup> Amendment Bill. The GST is governed by a GST Council and its Chairman is the Finance Minister of India. Under GST, goods and services are taxed at the following rates, 0%, 5%, 12% and 18%. Besides, some goods and services would be under the list of exempt items.

### **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.

### **OTHER LAWS**

In addition to the above, our Company is also required to comply with the provisions of the Companies Act, 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 Company is also subject to various central and state tax laws.

## OUR HISTORY AND CERTAIN OTHER CORPORATE MATTERS

### Corporate Profile and Brief History of our Company

Our Company was originally incorporated as Shree Ganesh Remedies Private Limited at Ahmedabad, Gujarat as a Private Limited Company under the provisions of Companies Act, 1956 vide Certificate of Incorporation dated April 27, 1995 bearing registration number 025661 issued by Assistant Registrar of Companies, Gujarat, Dadra & 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 July 12, 2017 and fresh certificate of incorporation consequently upon change of name was issued by Registrar of Companies, Gujarat, Ahmedabad dated July 28, 2017 and name of our Company was changed to Shree Ganesh Remedies Limited. The Corporate Identification Number is U24230GJ1995PLC025661. 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 116, 92, 143, 192, 208 and 83, of this Draft Prospectus respectively.

Chandubhai Kothia, Hasmukh Kothia, Ashokkumar Kothia, Subhash Kothia, Babu Kothia, Hansaben Kothia and Manubhai Kothia are the promoters of our Company. Chandubhai Kothia, Hasmukh Kothia and Ashokkumar Kothia were the initial subscribers to the Memorandum of Association of our Company.

Our Company has total 25 shareholders as on date of filing of this Draft Prospectus.

### Changes in our Registered Office of our Company

Since Incorporation, there has been no change in the Registered Office of our Company. The registered office of our Company is situated at Plot no. 6011, G.I.D.C, Ankleshwar - 393 002, Gujarat, India

### Main Objects of our Company

1. To carry on the business as manufacturers, formulators, processors, buyers, sellers, importers, exporters, distributors, suppliers, fermentators, distillers, refiners, stockists, druggists, chemists, agents, merchants of and dealers in pharmaceuticals, medicinal preparations, cosmetic items, chemicals, chemical compounds, (organic and in-organics) in all forms (solid, liquid and gaseous) and of all kinds of solvents, alkalies, intermediates, chemical auxiliaries, disinfectants, biochemicals and its related preparations, articles and products.

The main objects as contained in our MOA enable our Company to carry on the business presently being carried out.

### Amendments to the MOA of our Company since incorporation

Date of Meeting	Amendment
December 02, 2003	The authorized share capital of Rs. 5,00,000 consisting 50,000 Equity Shares of Rs. 10 each was increased to Rs. 25,00,000 consisting 2,50,000 Equity Shares of Rs. 10 each
June 26, 2004	The authorized share capital of Rs. 25,00,000 consisting 2,50,000 Equity Shares of Rs. 10 each was increased to Rs. 35,00,000 consisting 3,50,000 Equity Shares of Rs. 10 each

<b>Date of Meeting</b>	<b>Amendment</b>
March 28, 2007	The authorized share capital of Rs. 35,00,000 consisting 3,50,000 Equity Shares of Rs. 10 each was increased to Rs. 50,00,000 consisting 5,00,000 Equity Shares of Rs. 10 each
June 15, 2007	The authorized share capital Rs. 50,00,000 consisting 5,00,000 Equity Shares of Rs. 10 each was increased to Rs. 75,00,000 consisting 7,50,000 Equity Shares of Rs. 10 each
September 30, 2009	The authorized share capital Rs. 75,00,000 consisting 7,50,000 Equity Shares of Rs. 10 each was increased to Rs. 1,50,00,000 consisting 15,00,000 Equity Shares of Rs. 10 each
January 06, 2015	The authorized share capital Rs. 1,50,00,000 consisting 15,00,000 Equity Shares of Rs. 10 each was increased to Rs. 2,50,00,000 consisting 25,00,000 Equity Shares of Rs. 10 each
August 19, 2017	The authorized share capital Rs. 2,50,00,000 consisting 25,00,000 Equity Shares of Rs. 10 each was increased to Rs. 10,00,00,000 consisting 100,00,000 Equity Shares of Rs. 10 each

#### **Country wise Export Sales for the Financial Year 2016-17**

<b>Name of the Country</b>	<b>Amount (Rs. in lakhs)</b>
United Kingdom	1428.40

#### **Key Events and Milestones**

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

<b>Year</b>	<b>Events</b>
1995	Incorporation of our Company
2011	Received ISO 9001:2015 Certification
2011	Received ISO 14001:2015 Certification
2015	Received BS OHSAS 18001:2007 Certification

#### **Holding / Subsidiary Company**

There are no Holding / Subsidiary Company of our Company as on the date of filing of this Draft Prospectus.

#### **Capital raising activities through Equity or Debt**

For details regarding our capital raising activities through equity and debt, please refer to the chapters titled “*Financial Information as Restated*” and “*Capital Structure*” beginning on page 143 and 52, respectively, of this Draft Prospectus.

#### **Injunctions or Restraining Orders against our Company**

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

**Mergers and Acquisitions in the history of our Company**

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

**Shareholders' agreements**

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

**Other agreements**

Our Company has not entered into any agreements, arrangements except under normal course of business of the Company, as on date of filing of this Draft Prospectus

**Strategic / Financial Partners**

Our Company does not have any strategic / financial partner(s) as on the date of this Draft Prospectus

**Defaults or rescheduling of borrowings of our Company with Financial Institutions / Banks**

There have been no defaults or rescheduling of borrowings with any financial institutions / banks or conversion of loans into equity in relation to our Company as on the date of this Draft Prospectus.

**Changes in the activities of our Company in the last Five years**

There is no change in activity of our Company since incorporation

**Strikes and lock-outs**

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

**Revaluation of Assets**

Our Company has not revalued its assets since incorporation.

**Time and Cost Overruns**

As on the date of this Draft Prospectus, there have been no time and cost overruns pertaining to our business operations, except in the ordinary course of business.

## OUR MANAGEMENT

### Board of Directors

In terms of our Articles of Association, our Company is required to have not less than three Directors and not more than fifteen Directors. Our Company currently has six Directors, out of which one is Managing Director and two are Executive Directors and three are Independent Directors (including one Woman Director)

### Our Board

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

Sr. No.	Name, Father's / Husband's Name, Designation, Address, Occupation, Age, Nationality, DIN	Other Directorships
1	<p><b>Chandubhai Kothia</b>  <b>Father's Name:</b> Manubhai Kothia  <b>Designation:</b> Promoter, Chairman &amp; Managing Director  <b>Address:</b> Plot No. 303 / C / 6, Tulsikunj Society, GIDC, Ankleshwar 393002 District Bharuch Gujarat  <b>Date of Appointment:</b> April 27, 1995  <b>Occupation:</b> Business  <b>Age:</b> 54 years  <b>Nationality:</b> Indian  <b>DIN:</b> 00652806</p>	<p><b>Public Limited Company:</b></p> <ul style="list-style-type: none"> <li>• Ankleshwar Research and Analytical Infrastructure Limited</li> </ul> <p><b>Private Limited Company:</b></p> <ul style="list-style-type: none"> <li>• Shree Ganesh Pigments Private Limited</li> <li>• Buch Plastics and Packaging Private Limited</li> </ul>
2	<p><b>Hasmukh Kothia</b>  <b>Father's Name:</b> Manubhai Kothia  <b>Designation:</b> Executive Director  <b>Address:</b> Plot No. 406/15, Sardar Patel Society, GIDC, Ankleshwar – 393002  <b>Date of Appointment:</b> April 27, 1995  <b>Occupation:</b> Business  <b>Age:</b> 62 years  <b>Nationality:</b> Indian  <b>DIN:</b> 01076206</p>	<p><b>Public Limited Company:</b>                      Nil</p> <p><b>Private Limited Company:</b>                      Nil</p>
3	<p><b>Ashokkumar Kothia</b></p>	<p><b>Public Limited Company:</b></p>

Sr. No.	Name, Father's / Husband's Name, Designation, Address, Occupation, Age, Nationality, DIN	Other Directorships
	<p><b>Father's Name:</b> Manubhai Kothia  <b>Designation:</b> Executive Director  <b>Address:</b> 4 Navjivan Society, New Colony, GIDC Ankleshwar, Bharuch 393002 Gujarat India  <b>Date of Appointment:</b> April 27, 1995  <b>Occupation:</b> Business  <b>Age:</b> 48 years  <b>Nationality:</b> Indian  <b>DIN:</b> 01076171</p>	<p>Nil  <b>Private Limited Company</b></p> <ul style="list-style-type: none"> <li>• Buch Plastics and Packaging Private Limited</li> </ul>
4	<p><b>Pooja Koladia</b>  <b>Father's Name:</b> Chandrakant Koladia  <b>Designation:</b> Independent Director  <b>Address:</b> 201/202, Yug. Appt., Near Jaldhara Chokadi. G.I.D.C, Ankleshwar 393002, Bharach, Gujarat, India  <b>Date of Appointment:</b> August 19, 2017  <b>Occupation:</b> Business  <b>Age:</b> 23 years  <b>Nationality:</b> Indian  <b>DIN:</b> 07883101</p>	<p><b>Public Limited Company:</b> NIL  <b>Private Limited Company:</b> NIL</p>
5	<p><b>Surendra Shah</b>  <b>Father's Name:</b> Nemchand Shah  <b>Designation:</b> Independent Director  <b>Address:</b> 23, Amramanjari Bung, VI, Bopal, Ahmedabad 380058, Gujarat India  <b>Date of Appointment:</b> August 19, 2017  <b>Occupation:</b> Business  <b>Age:</b> 57 years  <b>Nationality:</b> Indian  <b>DIN:</b> 00160401</p>	<p><b>Public Limited Company:</b></p> <ul style="list-style-type: none"> <li>• Bodal Chemical Limited</li> <li>• Gautam Exim Limited</li> </ul> <p><b>Private Limited Company:</b>  Nil</p>
6	<p><b>Jayesh Savjani</b>  <b>Father's Name:</b> Kishanlal Savjani</p>	<p><b>Public Limited Company:</b>  Nil</p>

Sr. No.	Name, Father's / Husband's Name, Designation, Address, Occupation, Age, Nationality, DIN	Other Directorships
	<p><b>Designation:</b> Independent Director</p> <p><b>Address:</b> B-201 Vishwam Residency, Zadeshwar Bharuch, Gujarat-392011</p> <p><b>Date of Appointment:</b> August 19, 2017</p> <p><b>Occupation:</b> Business</p> <p><b>Age:</b> 27 years</p> <p><b>Nationality:</b> Indian</p> <p><b>DIN:</b> 07740486</p>	<p><b>Private Limited Company:</b></p> <ul style="list-style-type: none"> <li>• GJK Consultants Private Limited</li> </ul>

### Brief Biographies of our Directors

#### Chandubhai Kothia

Chandubhai Kothia, aged 54 years, is the Promoter, Chairman and Managing Director of our Company. He has been a director of our Company since incorporation. He holds degree of Master of Science in physical chemistry from R. A. Science College, Gujarat. He also holds degree of Diploma in Pharmacy from L. M College of Pharmacy, Gujarat. He has experience of more than two decades in the field of Manufacturing of pharmaceuticals intermediates, bulk drugs, fine chemicals, pigments and plastics. He is the guiding force behind the strategic decisions of our Company and has been instrumental in formulating the overall business strategy and developing business relations of the Company.

#### Hasmukh Kothia

Hasmukh Kothia, aged 62 years, is the Promoter and Executive Director of our Company. He has been a director of our Company since incorporation. He holds an experience of more than two decades in the field of Manufacturing of Pharmaceuticals Intermediates, Bulk Drugs and Fine Chemicals.

#### Ashokkumar Kothia

Ashokkumar Kothia, aged 48 years, is the Promoter and Executive Director of our Company. He has been a director of our Company since incorporation. He holds an experience of more than two decades in the field of Manufacturing and Production of Pharmaceuticals Intermediates.

#### Jayesh Savjani

Jayesh Savjani, aged 27 years is the independent director of our Company. He was appointed as an Additional Independent director at the Board meeting held on July 29, 2017 and subsequently regularized as Independent Director at the Annual General Meeting held on August 19, 2017. He holds a degree of Bachelor of Commerce from Veer Narmad South Gujarat University.

#### Pooja Koladia

Pooja Koladia, aged 23 years is the independent director of our Company. She was appointed as an Additional Independent director at the Board Meeting held on July 29, 2017 and subsequently regularized as Independent Director at the Annual General Meeting held on August 19, 2017. She holds a degree of Bachelor of Pharmacy from Gujarat Technical University.

#### Surendra Shah

Surendra Shah, aged 57 years is the independent director of our Company. He was appointed as an Additional Independent director at the Board Meeting held on July 29, 2017 and subsequently regularized as Independent Director at the Annual General Meeting held on August 19, 2017

### **Confirmations**

As on the date of filing of this Draft Prospectus:

None of the Directors is or was a director of any listed companies, whose shares have been or were suspended from being traded on the BSE Limited and the National Stock Exchange of India Limited, during the last five years prior to the date of this Draft Prospectus during the term of their directorship in such company.

None of the Directors is or was a director of any listed company, which has been or was delisted from any recognized stock exchange(s) in India during the term of their directorship in such company.

None of our sundry debtors are related to our Directors in any manner.

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

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

### **Relationship between our Directors**

Except as stated below; none of the Directors of the Company are related to each other as per section 2(77) of the Companies Act:

<b>Sr. No.</b>	<b>Name of Director</b>	<b>Designation</b>	<b>Relationship with other Director</b>
1	Chandubhai Kothia	Promoter, Chairman & Managing Director	Brother of Hasmukh Kothia and Ashokkumar Kothia
2	Hasmukh Kothia	Executive Director	Brother of Chandubhai Kothia and Ashokkumar Kothia
3	Ashokkumar Kothia	Executive Director	Brother of Chandubhai Kothia and Hasmukh Kothia

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

Our Company has not entered into any arrangement or understanding with major shareholders, customers, suppliers or others pursuant to which any of the above-mentioned Directors have been appointed on the Board or the senior management.

### **Details of Service Contracts for providing benefits upon termination**

None of our Directors have entered into any service contracts with our Company for providing benefits upon termination of employment.

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.



### **Borrowing Powers of the Board**

Pursuant to the resolution passed by the members at the Annual General Meeting of the Company held on August 19, 2017 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. 1,00,000 lakhs

### **Remuneration of our Directors**

The details of remuneration / Compensation paid to our Executive Directors during Financial Year 2016-17 are as follows:

<b>Name of the Director</b>	<b>Amount (Rs in lakhs)</b>
Chandubhai Kothia	3.00
Hasmukh Kothia	1.75
Ashokkumar Kothia	2.00

### **Compensation of Independent Directors**

Pursuant to resolution passed at the meeting of the Board of our Company on July 29, 2017 the Independent Directors will be paid Rs. 2,500 sitting fees per meeting for all the Board / Committee meetings held along with travelling conveyance for attending the meeting.

No Remuneration was paid to our Independent Directors in Financial Year 2016-17

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

As per our articles of association, our Directors are not required to hold any qualification shares.

The following table sets forth the shareholding of our Directors as on the date of this Draft Prospectus

<b>Name</b>	<b>No. of Shares</b>	<b>Shareholding %</b>
Chandubhai Kothia	7,23,000	10.96%
Hasmukh Kothia	7,59,246	11.51%
Ashokkumar Kothia	3,00,000	4.55%
<b>Total</b>	<b>17,82,246</b>	<b>27.02%</b>

### **Interests of Directors**

All Independent Directors and Executive Chairman may be deemed to be interested to the extent of sitting fees and commission payable to them for attending meetings of the Board or a committee thereof as well as to the extent of other reimbursement of expenses payable to them.

The Directors may also be regarded as interested in the Equity Shares, if any, held by them and to the extent of any dividend payable to them and other distributions in respect of the Equity Shares. For the shareholding of the Directors, please see "Shareholding of Directors in our Company" on page 120.

All of the Directors may 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 this Draft Prospectus, our Company has not entered into any contract, agreements or arrangements during the preceding two years preceding 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. Our Directors have no interest in the promotion of our Company other than in the ordinary course of business.

### **Interest in property**

Our Directors have no interest in any property acquired by our Company in two years prior to the date of this Draft Prospectus, or proposed to be acquired by our Company.

### **Business interest**

Except as stated in “*Related Party Transactions*” on page 141, 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 within the two years preceding 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 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.

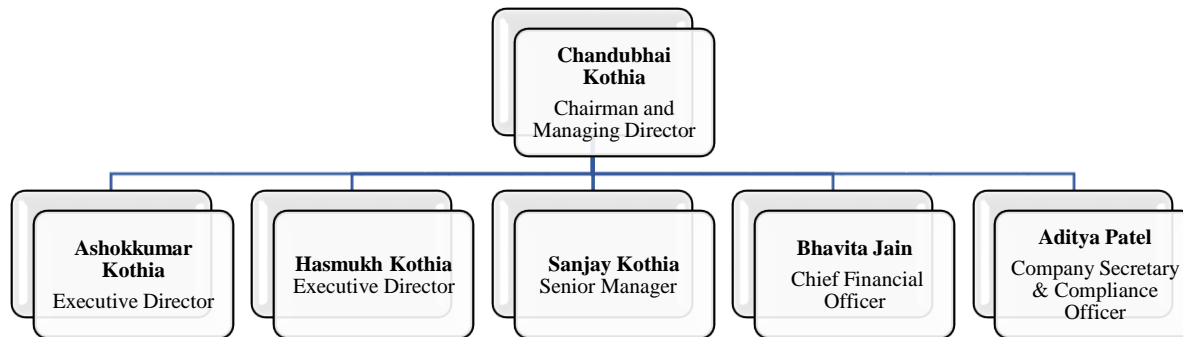
### **Bonus or profit sharing plan for the Directors**

Our Company does not have fixed bonus / profit sharing plan for any of the Directors.

### **Changes in our Board of Directors in the last three years**

<b>Name of the Director</b>	<b>Date of change</b>	<b>Reason</b>
Chandubhai Kothia	August 19, 2017	Appointed as Managing Director
Jayesh Savjani	August 19, 2017	Appointment as Independent director Appointed as additional director on July 29, 2017
Pooja Koladia	August 19, 2017	Appointment as Independent director Appointed as additional director on July 29, 2017
Surendra Shah	August 19, 2017	Appointment as Independent director Appointed as additional director on July 29, 2017

### **Management Organization Structure**



## Corporate Governance

In addition to the applicable provisions of the Companies Act with respect to corporate governance, provisions of the SEBI Listing Regulations to the extent applicable to the entity whose shares are listed on the SME Exchange will also be applicable to us immediately upon the listing of our Equity Shares with the Stock Exchange. We are in compliance with the requirements of the applicable regulations, including the SEBI Listing Regulations, the SEBI Regulations and the Companies Act in respect of corporate governance including constitution of the Board and committees thereof.

Our Board has been constituted in compliance with the Companies Act and SEBI Listing Regulations. The Board functions either as a full board or through various committees constituted to oversee specific functions. Our executive management provides our Board detailed reports on its performance periodically.

Currently, our Board has Six (6) Directors. In compliance with the requirements of the Companies Act we have two (3) Executive Directors, three (3) Independent Directors on our Board. Our Managing Director is an Executive Director and we have one (1) woman director as an Independent Director on our Board.

### Committees of our Board

We have constituted the following committees of our Board of Directors for compliance with corporate governance requirements:

- a. Audit Committee
- b. Nomination and Remuneration Committee
- c. Stakeholder's Relationship Committee

#### a. Audit Committee

Our Company has constituted an audit committee ("*Audit Committee*"), as per section 177 of the Companies Act and Regulation 18 of the SEBI Listing Regulations; vide resolution passed at the meeting of the Board of Directors held on July 29, 2017.

The terms of reference of Audit Committee adheres to the requirements of Regulation 18 of the Listing Agreement, proposed to be entered into with the Stock Exchange in due course. The committee presently comprises the following three (3) directors:

Name of the director	Designation in Committee	Nature of directorship
----------------------	--------------------------	------------------------

Jayesh Savjani	Chairman	Independent Director
Surendra Shah	Member	Independent Director
Chandubhai Kothia	Member	Managing Director

The Company Secretary and Compliance Officer of the Company would act as the Secretary to the Audit Committee.

The Audit Committee shall have following powers / responsibilities:

- a. To investigate any activity within its terms of reference.
- b. To seek information from any employee.
- c. To obtain outside legal or other professional advice, and
- d. To secure attendance of outsiders with relevant expertise if it considers necessary

The Audit Committee shall mandatorily review the following information:

- a. Management discussion and analysis of financial condition and results of operations;
- b. Statement of significant related party transactions (as defined by the audit committee), submitted by management;
- c. Management letters / letters of internal control weaknesses issued by the statutory auditors;
- d. Internal audit reports relating to internal control weaknesses; and
- e. The appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the Audit Committee

To submit statement of deviations:

- i. Quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1) of SEBI Listing Regulations.
- ii. annual statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice in terms of Regulation 32(7)

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

The role of the Audit Committee not limited to but includes:

1. Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible
2. Recommending to the Board, the appointment, remuneration and terms of appointment of auditors of the listed entity
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors
4. Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:

- a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act;
  - b. Changes, if any, in accounting policies and practices and reasons for the same;
  - c. Major accounting entries involving estimates based on the exercise of judgment by management;
  - d. Significant adjustments made in the financial statements arising out of audit findings;
  - e. Compliance with listing and other legal requirements relating to financial statements;
  - f. Disclosure of any related party transactions;
  - g. Modified opinion(s) in the draft audit report
5. Reviewing, with the management, the half yearly financial statements before submission to the board for approval;
  6. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, right issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/ Prospectus/ Draft Prospectus / notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
  7. Review and monitor the auditor's independence, performance and effectiveness of audit process;
  8. Approval or any subsequent modification of transactions of the company with related parties;
  9. Scrutiny of inter-corporate loans and investments;
  10. Valuation of undertakings or assets of the company, wherever it is necessary;
  11. Evaluation of internal financial controls and risk management systems;
  12. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
  13. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
  14. Discussion with internal auditors any significant findings and follow up there on.
  15. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
  16. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
  17. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
  18. To oversee and review the functioning of the vigil mechanism which shall provide for adequate safeguards against victimization of employees and directors who avail of the vigil mechanism and also provide for direct access to the Chairperson of the Audit Committee in appropriate and exceptional cases
  19. Call for comments of the auditors about internal control systems, scope of audit including the observations of the auditor and review of the financial statements before submission to the Board;

20. Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience & background, etc. of the candidate;
21. To investigate any other matters referred to by the Board of Directors;
22. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee;

#### **Meeting of Audit Committee and relevant Quorum**

The audit committee shall meet at least four times in a year and not more than one hundred and twenty days shall elapse between two meetings. The quorum shall be either two members or one third of the members of the Audit Committee whichever is greater, but there shall be a minimum of two Independent Directors present.

#### **b. Nomination and Remuneration Committee:**

Our Company has formed Nomination and Remuneration Committee Resolution vide Board of Directors resolution dated July 29, 2017. The scope and functions of the Committee complies with requirements of section 178 of the Companies Act. The Nomination and Remuneration Committee comprises of following Chairman and the member.

<b>Name of the Director</b>	<b>Designation in Committee</b>	<b>Nature of Directorship</b>
Pooja Koladia	Chairman	Independent Director
Jayesh Savjani	Member	Independent Director
Surendra Shah	Member	Independent Director

The Company Secretary of our Company shall act as a Secretary to the Nomination and Remuneration Committee.

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

- a. Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;
- b. Formulation of criteria for evaluation of Independent Directors and the Board;
- c. Devising a policy on Board diversity
- d. Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal. The company shall disclose the remuneration policy and the evaluation criteria in its Annual Report.

#### **Quorum and Meetings**

The quorum necessary for a meeting of the Nomination and Remuneration Committee shall be two members or one third of the members, whichever is greater. The Committee is required to meet at least once a year.

#### **c. Stakeholder's 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 July 29, 2017. The Shareholder and Investor Grievance Committee comprises of:

<b>Name of the Director</b>	<b>Designation in Committee</b>	<b>Nature of Directorship</b>
Surendra Shah	Chairman	Independent Director
Chandubhai Kothia	Member	Managing Director
Hasmukh Kothia	Member	Executive Director

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

- a) Allotment and listing of our shares in future
- b) 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;
- c) 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;
- d) Reference to statutory and regulatory authorities regarding investor grievances;
- e) To otherwise ensure proper and timely attendance and redressal of investor queries and grievances;
- f) 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.

### **Quorum and Meetings**

The quorum necessary for a meeting of the Stakeholders Relationship Committee shall be two members or one third of the members, whichever is greater.

### **Policy on Disclosures and Internal Procedure for Prevention of Insider Trading**

The provisions of Regulation 8 and 9 of the SEBI (Prohibition of Insider Trading) Regulations, 2015 will be applicable to our Company immediately upon the listing of its Equity Shares on the Stock Exchange. We shall comply with the requirements of the SEBI (Prohibition of Insider Trading) Regulations, 2015 on listing of our Equity Shares on stock exchange. Further, Board of Directors have approved and adopted the policy on insider trading in view of the proposed public offer.

Our Board is responsible for setting forth policies, procedures, monitoring and adherence to the rules for the preservation of price sensitive information and the implementation of the code of conduct under the overall supervision of the board.

### **Key Managerial Personnel**

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

#### **Chandubhai Kothia**

Chandubhai Kothia, aged 54 years, is the Promoter, Chairman and Managing Director of our Company. He has been a director of our Company since incorporation. He holds degree of Master of Science in physical

chemistry from R. A. Science College, Gujarat. He also holds degree of Diploma in Pharmacy from L. M College of Pharmacy, Gujarat. He has experience of more than two decades in the field of Manufacturing of Pharmaceuticals Intermediates, Bulk Drugs, Fine Chemicals, Pigments and Plastics. He is the guiding force behind the strategic decisions of our Company and has been instrumental in formulating the overall business strategy and developing business relations of the Company.

#### **Bhavita Jain**

Bhavita Jain, aged 36 years, is re-designated as the Chief Financial Officer of our Company with effect from July 19, 2017. She looks after the finance operations of our Company. During the Financial Year 2016-17, she was paid a remuneration of Rs. 2.55 lakhs.

#### **Aditya Patel**

Aditya Patel, aged 24 years is Company Secretary and Compliance Officer of our Company with effect from August 21, 2017. He is a Company Secretary by qualification and a member of Institute of Company Secretaries of India. He looks after the Legal and Compliance Department of our Company. During the Financial Year 2016-17, he was not paid remuneration as he has joined the Company in the current financial year.

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

Our Company does not have fixed bonus / profit sharing plan for any of the Key Managerial Personnel.

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

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.

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

Except Chandubhai Kothia, Managing Director of our Company who holds 7,23,000 equity shares, none of the Key Managerial Personnel hold any equity shares of our Company as on the date of this Draft Prospectus

#### **Nature of family relation between any of the Key Managerial Personnel**

Except as disclosed below, none of the Key Managerial Personnel are related to the Promoter or Director of our Company with the meaning of Section 2(77) of the Companies Act.

<b>Promoter / Director</b>	<b>Key Managerial Personnel</b>	<b>Relationship</b>
Hasmukh Kothia	Chandubhai Kothia	Brothers
Ashokkumar Kothia	Chandubhai Kothia	Brothers

#### **Compensation / remuneration paid to Key Managerial Personnel during the last Financial Year i.e. 2016-17**

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

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

None of our Directors or Key Managerial Personnel has taken any loan from our Company.

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



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

### **Changes in Key Managerial Personnel in the last three years**

The changes in the Key Managerial Personnel in the last three years are as follows:

<b>Name of KMP</b>	<b>Date of Change</b>	<b>Reason</b>
Chandubhai Kothia	August 19, 2017	Re-designated as Managing Director
Aditya Patel	August 21, 2017	Appointed as Company Secretary and Compliance Officer
Bhavita Jain	July 29, 2017	Appointed as Chief Financial Officer

Other than the above changes, there have been no changes to the Key Managerial Personnel of our Company that are not in the normal course of employment.

### **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 / KMPs of our Company**

Except as disclosed in this Draft Prospectus, other than statutory payments and remuneration, in the last two years our Company has not paid any non-salary amount or benefit to any of its officers / KMPs.

### **Service Contracts with KMPs**

Our KMPs have not 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 Promoters

The Promoters of our Company are Chandubhai Kothia, Hasmukh Kothia, Ashokkumar Kothia, Hansaben Kothia, Manubhai Kothia, Babubhai Kothia and Subhashbhai Kothia

As on date of this Draft Prospectus, our Promoters hold 4,216,674 Equity Shares, representing 63.93% of the subscribed and paid-up Equity Share capital of our Company.

### Details about our Promoters

#### Chandubhai Kothia



Chandubhai Kothia, aged 54 years is a Promoter, Chairman and Managing Director of our Company

Voter ID number - DKQ1415629

Driving License - GJ16 19930020624

Other ventures - Ashok Pharma Chemicals, Ganesh Corporation and Shree Ganesh Chemicals

As on date of filing of this Draft Prospectus, Chandubhai Kothia holds 7,23,000 equity shares of our Company.

For a complete profile of Chandubhai Kothia, i.e. his personal address, educational qualifications, experience, positions / posts held in the past, other directorships, please see "*Our Management*" on page 116 of this Draft Prospectus.

#### Hasmukh Kothia



Hasmukh Kothia, aged 62 years is a Promoter and Executive Director of our Company

Voter ID number - DKQ1402254

Driving License - GJ16 20050030683

Other Ventures - Shree Ganesh Chemicals and Ashok Enterprises

As on date of filing of this Draft Prospectus, Hasmukh Kothia holds 7,59,246 equity shares of our Company.

For a complete profile of Hasmuk Kothia, i.e. his personal address, educational qualifications, experience, positions / posts held in the past, other directorships, please see "*Our Management*" on page 116 of this Draft Prospectus.

### Ashokkumar Kothia



Ashokkumar Kothia, aged 48 years is a Promoter and Executive director our Company

Voter ID number - DKQ1406693

Driving License - GJ16/019085/02

Other Ventures - Ashok Pharma Chemicals

As on date of filing of this Draft prospectus, Ashokkumar Kothia holds 3,00,000 equity shares of our Company.

For a complete profile of Ashokkumar Kothia, i.e. personal address, educational qualifications, experience, positions / posts held in the past, other directorships, please see “*Our Management*” on page 116 of this Draft Prospectus.

### Hansaben Kothia



Hansaben Kothia, aged 46 years, is a Promoter of our Company.

Voter ID number - Not Available

Driving License - GJ16/013652/05

Other Ventures - Ashok Enterprises

Address - Plot No - 303, C/6, Tulsikunj Society G.I.D.C Ankleshwar Bharuch, Pin: 393002, Gujarat, India.

As on date of filing of this Draft Prospectus, Hansaben Kothia holds 4,77,288 equity shares of our Company.

### Manubhai Kothia



Manubhai Kothia, aged 83 years, is a Promoter of our Company.

Voter ID number - GJ/07/046/483381

Driving License - Not Available

Other Ventures - Shree Ganesh Chemicals

Address - Nava Gam Fategadh Khicha, Dhari Amerli, Gujarat – 365640, India

As on date of filing of this Draft Prospectus, Manubhai Kothia holds 1,022,574 equity shares of our Company.

## Babubhai Kothia



Babubhai Kothia, aged 59 years, is a Promoter of our Company.

Voter ID number - GJ/07/046/483346

Driving License - GJ14 20010079679

Other Ventures: - Ganesh Corporation

Address - 81, Para Vistar, Fategadh, Dhari, Amreli – 365640, Gujarat, India

As on date of filing of this Draft Prospectus, Babubhai Kothia holds 4,20,000 equity shares of our Company.

## Subhash Kothia



Subhashbhai Kothia, aged 40 years, is a Promoter of our Company.

Voter ID number - DKQ5228119

Driving License - GJ16/002976/00

Other Ventures - Reeman Rasayan,

Address - 407/16 Swagat Society G.I.D.C Ankhleshwar, Bharuch, Pin:393002, Gujarat, India

As on date of filing of this Draft Prospectus, Subhashbhai Kothia holds 5,14,566 equity shares of our Company.

## Other Undertakings and Confirmation

Our Company confirms that the permanent account number, bank account numbers and passport numbers of Chandubhai Kothia, Hasmukh Kothia, Ashokkumar Kothia, Hansaben Kothia, Manubhai Kothia, Babubhai Kothia and Subhashbhai Kothia shall be submitted to the Stock Exchange at the time of filing this Draft Prospectus.

## Change in the management and control of Our Company

Our Promoters are the original promoters of our Company and there has not been any change in the management or control of our Company since incorporation.

## Interest of Promoters in our Company

Our Promoters are interested in our Company to the extent they have promoted our Company and to the extent of their shareholding and the dividend payable, if any and other distributions in respect of the Equity Shares held by them. For details regarding the shareholding of our Promoters in our Company, please see “*Capital Structure*” on page 52 of this Draft Prospectus.

Except in the normal course of business and as stated in the “*Financial Statements as Restated*” on page 143, our Company has not entered into any contract, 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

Our Promoters are not related to any of the sundry debtors of our Company.

Except in the normal course of business and as stated in the “*Financial Statements as Restated*” on page 143, our Promoters are not interested in the properties acquired or proposed to be acquired by our Company.

### **Payment or benefits to our Promoter in the last two years**

Except in the ordinary course of business and as stated in *“Financial Statements as Restated”* on page 143, there has been no payment or benefits to our Promoter during the two years preceding the 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.

### **Interests of Promoters in property of our Company**

Our Promoters have no interest in any property acquired or proposed to be acquired by our Company within the two years from the date 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 Promoters and Promoter Group during the last five Financial Years, the nature of transactions and the cumulative value of transactions, see *“Financial Statements as Restated- Related Party Transactions”* on page 191 of this Draft Prospectus.

### **Interest of Promoters in Sales and Purchases**

Other than as disclosed in *“Related Party Transactions”* on page 141, there are no sales / purchases between our Company and our Promoter Group, Group Companies, our Subsidiaries and our Associate Companies, if any, when 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 Group, our Subsidiaries and Group Companies as on the date of the last financial statements

### **Litigation involving our Promoters**

For details of legal and regulatory proceedings involving our Promoters, see *“Outstanding Litigation and Material Developments”* on page 203 of this Draft Prospectus.

### **Group Company**

For details of our group companies, please refer *“Our Group Companies”* on page 137 of this Draft Prospectus.

### **Confirmations**

Our Promoters have not been 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 *“Outstanding Litigation and Material Developments”* on page 203 of this Draft Prospectus there are no violations of securities laws committed by our Promoters in the past and no proceedings for violation of securities laws are pending against our Promoters.

Our Promoters 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 is no litigation or legal action pending or taken by any ministry, department of the Government or statutory authority during the last five years preceding the date of the issue against our Promoter, except as disclosed under *“Outstanding Litigation and Material Developments”* on page 203 of this Draft Prospectus.

Our Promoters 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 governmental authority.

Our Promoters are not interested in any other entity which hold any intellectual property rights that are used by our Company.

Our Promoters have not taken any unsecured loans which may be recalled by the lenders at any time.

### Relationship of our Promoters 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:

Name	Designation	Relationship with Promoter
Chandubhai Kothia	Promoter, Chairman & Executive Director	Spouse of Hansaben Kothia Son of Manubhai Kothia Brother of Hasmukh Manubhai Kothia Brother of Ashokkumar Manubhai Kothia Brother of Babubhai Manubhai Kothia Uncle of Subhash Babubhai Kothia
Ashokkumar Manubhai Kothia	Promoter & Executive Director	Brother of Hasmukh Manubhai Kothia Brother of Chandubhai Manubhai Kothia Brother of Babubhai Manubhai Kothia Son of Manubhai Kothia Uncle of Subhash Kothia Brother-in-law of Hansaben Kothia
Hasmukh Manubhai Kothia	Promoter & Executive Director	Brother of Ashokkumar Manubhai Kothia Brother of Chandubhai Manubhai Kothia Brother of Babubhai Manubhai Kothia Son of Manubhai Kothia Uncle of Subhash Kothia Brother-in-law of Hansaben Kothia

### Companies with which our Promoters have disassociated in the last three years

Our Promoters have not disassociated themselves from any company or firm during the three years preceding this Draft Prospectus.

## Our Promoter Group

### A. Natural persons who are part of the Promoter Group

Nature of relationship	Chandubhai Kothia	Hasmukh Kothia	Ashokkumar Kothia	Manubhai Kothia	Babubhai Kothia	Subhash Kothia	Hansaben Kothia
Spouse	Hansaben Kothia	Manjulaben Kothia	Vilasben Kothia	Kamlaben Kothia	Champaben Kothia	Minaxiben Kothia	Chandubhai Kothia
Father	Manubhai Kothia	Manubhai Kothia	Manubhai Kothia	Late Jivabhai Kothia	Manubhai Kothia	Babubhai Kothia	Gordhanbhai Kanani**
Mother	Kamlaben Kothia	Kamlaben Kothia	Kamlaben Kothia	Late Jamnaben Kothia	Kamlaben Kothia	Champaben Kothia	Muktaben Kanani**
Father-in-law	Gordhanbhai Kanani**	Nanubhai Vadadoriya**	Kanjibhai Malaviya	Late Jethabhai Hirapara	Maganbhai Sheladiya**	Mansukhbhai Kathiriya*	Manubhai Kothia
Mother-in-law	Muktaben Kanani**	Late Shantaben Vadadoriya	Late Samjuben Malaviya	Late Ambaben Hirapara	Prabhaben Sheladiya**	Kanchanben Kathiriya*	Kamlaben Kothia
Son	Gunjan Kothia Parth Kothia	Ketan Kothia, Sanjay Kothia	Nishant Kothia	Chandubhai Kothia Hasmukh Kothia Ashokbhai Kothia Babubhai Kothia	Subhash Kothia	Jash Kothia	Gunjan Kothia Parth Kothia
Daughter	NA	Trupti Lathiya**	Bhoomi Kothia	Hansaben Vasoya**	Kajal Sojitra**	Sakshi Kothia	NA
Son-in-law	NA	Nilesh Lathiya**	NA	Arvindbhai Vasoya**	Bipin Sojitra**	NA	NA
Daughter-in-law	NA	Pratibhaben Kothia, Parul Kothia	NA	Manjulaben Kothia Champaben Kothia Hansaben Kothia Vilasben Kothia	Minaxiben Kothia	NA	NA
Brother	Hasmukh Kothia Ashokbhai Kothia Babubhai Kothia	Chandubhai Kothia Ashokbhai Kothia Babubhai Kothia	Chandubhai Kothia Hasmukh Kothia Babubhai Kothia	NA	Chandubhai Kothia Hasmukh Kothia Ashokbhai Kothia	NA	Suresh Kanani** Arvind Kanani**
Sister	Hansaben Vasoya*	Hansaben Vasoya*	Hansaben Vasoya*	Jivtiben Sheladiya**	Hansaben Vasoya*	Kajal Sojitra**	Kailasben Gelani**

Nature of relationship	Chandubhai Kothia	Hasmukh Kothia	Ashokkumar Kothia	Manubhai Kothia	Babubhai Kothia	Subhash Kothia	Hansaben Kothia
				Labhuben Gadhiya** Late Nabuben Bambhroliya			
<b>Brother-in-law</b>	Arvindbhai Vasoya*	Arvindbhai Vasoya*	Arvindbhai Vasoya*	Balubhai Sheladiya** Nathabhai Gadhiya** Kanubhai Bambhroliya**	Arvindbhai Vasoya*	Bipin Sojitra**	Dhansukh Gelani**
<b>Sister-in-law</b>	Manjulaben Kothia Vilasben Kothia Champaben Kothia Kailasben Gelani**	Vilasben Kothia Champaben Kothia Hansaben Kothia Vijayaben Gopalgram** Ansuya Kotadiya**	Manjulaben Kothia Champaben Kothia Hansaben Kothia,	Muktaben Nasit** Diwaliben Ghinaiya**	Manjulaben Kothia Champaben Kothia Hansaben Kothia,	Jalpa Kamleshbhai Panchani**	Vilasben Kanani Arunaben Kanani**

*\*In the context of aforementioned persons, our Promoter vide declaration letter dated July 29, 2017 has submitted that information related to business / financial interest held by said 'relatives' is not accessible for the purpose of disclosure in Draft Prospectus / Prospectus. Therefore, the disclosures made in this draft prospectus are limited to the extent of information that has been made available by our Promoters in relation to Promoter Group*

*\*\*The aforementioned persons are 'immediate relatives' of our Promoters but as such do not form part of Promoter Group of our Company. Moreover, the aforesaid relatives do not own shareholdings in our Company and are not involved in the business of our Company. Further, our Promoter vide Declaration letter dated July 29, 2017 has submitted that information related to business / financial interest held by the said relatives is not accessible for the purpose of disclosure in the Draft Prospectus / Prospectus. Therefore, the disclosures made in this Draft Prospectus are limited to the extent of information that has been made available by our Promoters in relation to Promoter Group*

#### **Companies / Entities forming part of promoter group**

As per Regulation 2(1)(zb)(iv) of the SEBI ICDR Regulations, the following Companies / Trusts / Partnership firms / HUFs or Sole Proprietorships shall form part of our Promoter Group

1. Shree Ganesh Pigments Private Limited
2. Buch Plastics & Packaging Private Limited
3. Praharit Pigments LLP
4. Babubhai Manubhai Kothia (HUF)



5. Chandubhai M. Kothia (HUF)
6. Hasmukh Manubhai Kothia (HUF)
7. Manubhai Kothia (HUF)
8. Ashokbhai M. Kothia (HUF)
9. Subashbhai Babubhai Kothia (HUF)

## 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., AS-18 as per the Restated Financial Statements and other companies considered material by our Board. Pursuant to a resolution of our Board dated July 29, 2017, for the purpose of disclosure in connection with the Offer, a company shall be considered material and disclosed as a Group Company as per the Materiality Policy if our Company has entered into one or more transactions with such company in the preceding Financial Year, cumulatively exceeding 10% of the total revenue of our Company for such Financial Year.

**As on the date of this Draft Prospectus the following are our Group Companies:**

### 1. Shree Ganesh Pigments Private Limited (“SGPPL”)

#### *Corporate Information*

Shree Ganesh Pigments Private Limited (“SGPPL”) was incorporated under the Companies Act, 1956 on December 11, 2010 at Gujarat, India. The Corporate Identification Number of SGPPL is U24100GJ2010PTC063225. The Registered Office of SGPPL is located at Plot No. A1-405, GIDC Industrial Estate, Ankleshwar - 393002, Gujarat, India.

#### *Main Objects*

To carry on business as manufacturers, producers, processors, makers, convertors, refiners, importers, exporters, traders, buyers, sellers, retailers, wholesalers, suppliers, indenters, packers, movers, preservers, jobwork, stockists, agents, sub-agents, merchants, distributors, consignors, jobbers, brokers, concessionaires or otherwise deal in chemicals, chemical compounds (organic and inorganic) in all forms, and chemical products of any nature and kind whatsoever, all byproducts, joint products of heavy chemicals of all kinds (solid, liquid gaseous), pigments, agrochemicals, tannins, tannin extracts, essences, solvents, plastics of all types, dyes stuffs, intermediates, textile auxiliaries, cellophanes, colors, dyes, paints, varnishes, vat and other organic dye stuff, chemical auxiliaries, disinfectants, insecticides, fungicides, deodorants, sizing, bleaching, photographic and other preparations and articles.

#### *Board of Directors:*

- Chanudubhai Kothia
- Ketan Kothia
- Subhash Kothia
- Babubhai Kothia
- Hardik Kakadiya

#### *Shareholding Pattern*

Sr. No.	Name of shareholders	No. of equity shares	% Holding
1.	Babubhai Kothia	4,16,963	42.55
2.	Subhash Kothia	1,21,873	12.44
3.	Ketan Kothia	1,05,609	10.78
4.	Champaben Kothia	23,749	2.42
5.	Manjulaben Kothia	24,653	2.52
6.	Manubhai Kothia	89,278	9.11
7.	Babubhai Kothia (HUF)	57,966	5.91
8.	Jeevabhai Kothia (HUF)	21,563	2.20
9.	Manubhai Kothia (HUF)	12,062	1.23
10.	Meena Kothia	12,063	1.23
11.	Sanjay Kothia	18,156	1.85

12.	Subhash Kothia (HUF)	13,986	1.43
13.	Arvind Kanani	14,851	1.52
14.	Bharat Kathiriya	32,377	3.30
15.	Jagdish Malaviya	14,851	1.52
<b>Total</b>		<b>9,80,000</b>	<b>100</b>

#### *Nature and Extent of Interest of Promoter*

Our Promoters Babubhai Kothia, Subhash Kothia and Manubhai Kothia, holds 4,16,963, 1,21,873 and 89,278, equity shares respectively, which constitute 64.10% of the total issued and paid up equity share capital of SGPPL

#### *Financial Information*

Particulars	As at March 31		
	2016	2015	2014
<b>Equity Capital</b>	98.00	98.00	98.00
<b>Reserves and Surplus</b>	753.19	604.45	519.44
<b>Net Worth</b>	851.19	702.45	617.44
<b>Sales</b>	2660.82	2205.27	2883.08
<b>Profit / (loss) after tax</b>	148.74	86.35	227.81
<b>Earnings per share (in Rs)</b>	15.18	8.81	23.25
<b>Net Assests Value (in Rs)</b>	86.86	71.68	63.00

## **2. Buch plastics & Packaging Private Limited (“BPPPL”)**

#### *Corporate Information*

Buch plastics & Packaging Private Limited (“BPPPL”) was incorporated under the Companies Act, 1956 on October 1, 1980 at Gujarat, India. The Corporate Identification Number of BPPPL is U25200GJ1980PTC003963. The Registered Office of BPPPL is located at 1405/A1 – G.I.D.C Industrial Estate Ankleshwar- 393002, Gujarat, India.

#### *Main Objects*

1. To purchase and take over all the activities, operations, assets & liabilities in whole or in part at a time or gradually as and when the Company may deem fit of M/s. Buch Plastics & Packaging Company, 27, Rungkunj Society, Naranpura, Char Rasta, Ahmedabad and if necessary enter into partnership with the said M/s. Buch Plastics & Packaging Company.
2. To carry on business in India and elsewhere as manufacturers of, dealers in, importers and exporters of all kinds of packaging materials, either plain, laminated, coated, sprinkled, waterproofed, treated with polyethylene, polyvenyl, chloride, polypropylene of any other plastic materials, or synthetics, cartons, boxes and cases wholly or partially of paper, paper derivatives, jute, plastics card, straw board, wood, glass, metal, either plain or printed, rubber form, gelatine, bitumen, yams, metal and packing requisites of every kind and description.
3. To carry on the business of extrusion coating (Lamination) on all kinds of Packing Materials such as cloth. Paper. synthetic or non-synthetic or Natural Fibers, Plastic, Jute all sorts thermosetting and thermoplastic raw materials.

#### *Board of Directors:*

- Atul Buch
- Chandubhai Kothia
- Ashokkumar Kothia

- Hardik Kakadiya

### **Shareholding Pattern**

<b>Sr. No.</b>	<b>Name of shareholders</b>	<b>No. of equity shares</b>	<b>% Holding</b>
1.	Hasmukh Kothia	23,278	23.28
2.	Chandubhai Kothia	5,551	5.55
3.	Ashokkumar Kothia	36,545	36.55
4.	Dharmendra Vasoya	2,504	2.50
5.	Sonal Vasoya	2,500	2.50
6.	Atul Buch	19,612	19.61
7.	Jivrajbhai Kakadiya	2,500	2.50
8.	Gitaben Kakadiya	2,500	2.50
9.	Hardik Kakadiya	2,500	2.50
10.	Bhavikaben Patel	2,500	2.50
	<b>Total</b>	<b>99,990</b>	<b>100.00</b>

### **Financial Information**

<b>Particulars</b>	<b>(In Lakhs)</b>		
	<b>As at March 31</b>		
	<b>2016</b>	<b>2015</b>	<b>2014</b>
<b>Equity Capital</b>	99.99	99.99	99.50
<b>Reserves and Surplus</b>	(56.02)	(63.55)	40.84
<b>Net Worth</b>	43.97	36.44	140.34
<b>Sales / Total Revenue</b>	1465.53	1655.93	1497.03
<b>Profit /(loss) after tax</b>	8.44	(103.23)	(19.83)
<b>Earnings per share (in Rs)</b>	8.44	(103.24)	(19.93)
<b>Net Assests Value (in Rs)</b>	43.97	36.44	141.05

*Note: The face value is Rs. 100 per Equity Share*

### **Nature and Extent of Interest of Promoter**

Our Promoters Chandubhai Kothia, Hasmukh Kothia and Ashokkumar Kothia, holds 5,551, 23,278 and 36,545 equity shares respectively, which constitute 65.38% of the total issued and paid up equity share capital of BPPPL.

### **Nature and Extent of Interest of Group Companies**

#### **In the promotion of our Company**

None of our Group Companies have 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.**

None of our Group Companies is 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**

None of our Group Companies is 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 – Annexure XXXII - Related Party Transactions*” beginning on page no. 191 of this Draft Prospectus, no amount or benefits were paid or were intended to be paid to our Group Companies 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**

None of our Group Companies have any common pursuits with our Company.

#### **Business Transactions within the Group Companies 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 141, there has been no payment made or benefits given to our Group Companies 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 Companies as on the date of the Draft Prospectus.

#### **Significant Sale / Purchase between Group Companies and our Company**

Except as disclosed in the section “*Financial Information as Restated – Annexure XXXII - Related Party Transactions*” beginning on page no. 191 of this Draft Prospectus None of our Group Companies is 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 Companies**

Except in the ordinary course of business, if any and as stated in “*Related Party Transactions*” on page 141, none of our Group Companies have any business interest in our Company

#### **Defunct Group Companies**

None of our Group Companies remain defunct and no application has been made to the ROC for striking off the name of any of our Group Companies during the five years preceding the date of filing of this Draft Prospectus.

#### **Loss making Group Companies**

Except as disclosed, none of our Group Companies are loss making.

#### **Other Confirmations**

Our Group Companies 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. 203 of this Draft Prospectus, respectively.

## **RELATED PARTY TRANSACTIONS**

For detailed related to Related Party Transactions of our Company, please refer to Annexure XXXII on page 191 of restated financial statement under the section titled, "*Financial statements as restated*" beginning on page 143 of this Draft Prospectus

## **DIVIDEND POLICY**

Under the Companies Act, an Indian company pays dividends upon a recommendation by its Board of Directors and approval by a majority of the shareholders. Under the Companies Act dividends may be paid out of profits of a company in the year in which the dividend is declared or out of the undistributed profits or reserves of the previous years or out of both.

Our Company does not have a formal dividend policy. Any dividends to be declared shall be recommended by the Board of Directors depending upon the financial condition, results of operations, capital requirements and surplus, contractual obligations and restrictions, the terms of the credit facilities and other financing arrangements of our Company at the time a dividend is considered, and other relevant factors and approved by the Equity Shareholders at their discretion.

However, the Company has declared a dividend of Rs.8 per share amounting to Rs. 1,06,33,895/- including Dividend Distribution Tax of Rs.18,40,087/- for Financial Year 2016-17 after the balance sheet date

**SECTION VI – FINANCIAL STATEMENTS**  
**FINANCIAL STATEMENTS AS RESTATED**

**Auditors Report on the Restated Financial Statements in connection with the Initial Public Offer of Shree Ganesh Remedies Limited for each of the years ended March 31, 2017, 2016, 2015, 2014, and 2013.**

To,  
The Board of Directors  
Shree Ganesh Remedies Limited  
CIN: U24230GJ1995PLC025661  
Plot No.6011, GIDC Industrial Estate,  
Ankleshwar - 393002.

Dear Sirs,

1. We have examined the restated financial information expressed in Indian Rupees, comprising of the Restated Summary Statement of assets and liabilities as at March 31, 2017, 2016, 2015, 2014 and 2013, as set out in Annexure I, the Restated Summary Statement of Profits and Losses and also the Restated Summary Statement of Cash Flows for the financial years ended March 31, 2017, 2016, 2015, 2014, and 2013, as set out in Annexure II and III and other financial information (collectively the “Restated Summary Statements”) of Shree Ganesh Remedies Limited (“the Company”) annexed to this report and initialed by us for identification purposes, for the purposes of inclusion in the offer document. This financial information has been prepared by the management of the Company in connection with its proposed Initial Public Offering. Such Restated Financial information, which has been approved by the Board of Directors of the Company on 29th July 2017 has been prepared in accordance with the requirements of:
  - a. Sub-clauses (i) and (iii) of clause (b) of sub-section (1) of section 26 of Chapter III of the Companies Act, 2013 (the Act) read with Rule 4 of Companies (Prospectus and Allotment of Securities) Rules (“the Rules”), 2014 and
  - b. SEBI ICDR Regulations, as amended from time to time in pursuance of Section 30 of the Securities and Exchange Board of India Act, 1992.
2. We have examined such restated financial information taking into consideration:
  - a. The terms of reference received from the Company vide their letter dated 1st July 2017 requesting us to carry out work on such financial information, proposed to be included in the offer document of the Company in connection with its proposed Issue; and
  - b. Guidance Note (Revised) on Reports in Company Prospectuses issued by The Institute of Chartered Accountants of India.
3. The Restated Summary Statements of the Company has been compiled by the management from:
  - a. The audited balance sheets of the Company as at March 31, 2017, March 31, 2016, March 31, 2015, March 31, 2014 and March 31, 2013 and the related audited statement of profit and loss and cash flow statements for the years ended on March 31, 2017, March 31, 2016, March 31, 2015, March 31, 2014, and March 31, 2013 prepared in accordance with accounting principles generally accepted in India at the relevant time and which have been approved by the Board of Directors on 25-08-2016, 03-09-2015, 02-09-2014, 26-07-2013 and 01-09-2012 respectively.



- b. Other financial and other records of the Company, to the extent considered necessary, for the presentation of the restated financial information under the requirements of the Schedule III of Companies Act, 2013/ Revised Schedule VI of the Companies Act, 1956, in relation to the years ended on March 31, 2017, 2016, 2015, 2014, and 2013.
4. In accordance with the requirements of sub-clauses (i) and (iii) of clause (b) of sub-section (1) of section 26 of Chapter III of the Companies Act, 2013 read with Rule 4 of Companies (Prospectus and allotment of Securities) Rules, 2014 and the terms of our engagement agreed with you, we report that:
  - a. We have examined the restated summary statement of assets and liabilities of the Company as at, March 31, 2017, March 31, 2016, March 31, 2015, March 31, 2014, and March 31, 2013, as set out in Annexure I to Restated Summary Information. These are after making adjustments, as in our opinion, were appropriate and more fully described in the notes appearing in Annexure IV, VIII and XXVI to the restated financial information. As a result of these adjustments, the amounts reported in the above-mentioned statement are not necessarily the same as those appearing in the financial statements of the Company for the relevant financial years.
  - b. We have examined the related restated summary statement of profits and losses and cash flows of the Company for the years ended March 31, 2017, March 31, 2016, March 31, 2015, March 31, 2014, and March 31, 2013 as set out in Annexure II and III.

#### **Other Financial Information**

5. We have examined the other restated financial information of the Company listed below, for each of the financial years ended on March 31 2017, 2016, 2015, 2014 and 2013 which, as approved by the Board of Directors on 25-08-2016, 03-09-2015, 02-09-2014, 26-07-2013 and 01-09-2012 respectively and annexed to this report is proposed to be included in the offer document:
  - (i) Restated Statement of Significant Accounting Policies and Restated Statement of Notes on Financial Statements, enclosed as Annexure IV;
  - (ii) Restated Statement of Share Capital, enclosed as Annexure V, Va and Vb;
  - (iii) Restated Statement of Reserves and Surplus, enclosed as Annexure VI;
  - (iv) Restated Statement of Long Term Borrowings, enclosed as Annexure VII;
  - (v) Restated Statement of Long Term Provisions, enclosed as Annexure VIII;
  - (vi) Restated Statement of Short Term Borrowings, enclosed as Annexure IX;
  - (vii) Restated Statement of Trade Payables, enclosed as Annexure X;
  - (viii) Restated Statement of Other Current Liabilities, enclosed as Annexure XI;
  - (ix) Restated Statement of Short Term Provisions, enclosed as Annexure XII;
  - (x) Restated Statement of Fixed Assets, enclosed as Annexure XIII;
  - (xi) Restated Statement of Non-Current Investments, enclosed as Annexure XIV;
  - (xii) Restated Statement of Long Term Loans and Advances, enclosed as Annexure XV
  - (xiii) Restated Statement of Inventories, enclosed as Annexure XVI
  - (xiv) Restated Statement of Trade Receivables, enclosed as Annexure XVII;
  - (xv) Restated Statement of Cash and Bank Balances, enclosed as Annexure XVIII;
  - (xvi) Restated Statement of Short-Term Loans and Advances, enclosed as Annexure XIX;
  - (xvii) Restated Statement of Other Current Assets, enclosed as Annexure XX;

- (xviii) Restated Statement of Contingent Liabilities, Capital and Other Commitments, enclosed as Annexure XXI;
  - (xix) Restated Statement of Operating Income, enclosed as Annexure XXII;
  - (xx) Restated Statement of Other Income, enclosed as Annexure XXIII;
  - (xxi) Restated Statement of Cost of Material Consumed, enclosed as Annexure XXIV;
  - (xxii) Restated Statement of Changes in Inventory of Finished Goods, Work in Progress and Stock in Trade, enclosed as Annexure XXV;
  - (xxiii) Restated Statement of Employee Benefit Expenses, enclosed as Annexure XXVI;
  - (xxiv) Restated Statement of Finance Costs, enclosed as Annexure XXVII;
  - (xxv) Restated Statement of Other Expenses, enclosed as Annexure XXVIII;
  - (xxvi) Restated Statement of Accounting Ratios, enclosed as Annexure XXIX;
  - (xxvii) Restated Statement of Tax Shelter, enclosed as Annexure XXX;
  - (xxviii) Restated Statement of Capitalisation Statement as Annexure XXXI;
  - (xxix) Restated Statement of Related Parties, enclosed as Annexure XXXII;
  - (xxx) The company has not declared dividend for the financial years ended March 31 2016, March 31 2015, March 31 2014 and March 31 2013. However, for the financial year ending March 31 2017, the company has declared a dividend of Rs.8 per share amounting to Rs.1,06,33,895/- (including Rs.18,40,087/- dividend distribution tax).
  - (xxxi) The company has declared bonus issue in the ratio of 5:1 to existing shareholders out of free reserves. The same has been suitably disclosed in Annexure IV – Significant Accounting Policies and Annexure XXIX – Summary of Accounting Ratios.
6. Based on our examination, we further report that:
    - a. The restated financial information have to be read in conjunction with the Restated Statement of Significant Accounting Policies and Restated Summary Statement of Notes on Financial Statements appearing in Annexure IV to this report;
    - b. There are no changes in accounting policies adopted by the Company during the years ended on March 31, 2017, 2016, 2015, 2014 and 2013 which would require adjustment in the Restated Summary Statements, except for long term provision of gratuity payable as has been incorporated in the re-stated financial statements appearing in Annexure VIII and XXVI;
    - c. There are no extraordinary items which need to be disclosed separately in the Restated Summary Statements;
  7. This report should not be in any way construed as a re-issuance or re-dating of any of the previous audit reports issued by us, nor should it be construed as a new opinion on any of the financial statements referred to therein.
  8. We have no responsibility to update our report for events and circumstances occurring after the date of the report.
  9. This report is intended solely for your information and for inclusion in the offer document in connection with the proposed Rights Issue of the equity shares of the Company and is not to be used, referred to or distributed for any other purpose without our prior written consent.

**For S R M B & Co.**  
**Chartered Accountants**  
**Firm's Registration Number: 141679W**

**CA Rushik Jayeshkumar Patel**  
**(Partner)**  
**M. No. 148969**

**Place: Surat**  
**Date: July 29, 2017**

**ANNEXURE- I - SUMMARY OF STATEMENT OF ASSETS AND LIABILITIES, AS  
RESTATED**

(Rs. In lakhs)

Sr. No.	Particulars	Annexure	As at 31 <sup>st</sup> March				
			2013	2014	2015	2016	2017
<b>1)</b>	<b>Equity &amp; Liabilities</b>						
	<b>Shareholders' Funds</b>						
	(a) Share Capital	V	109.92	109.92	109.92	109.92	109.92
	(b) Reserves & surplus	VI	734.52	1056.01	1180.37	1288.72	1543.63
<b>2)</b>	<b>Non-Current Liabilities</b>						
	(a) Long term Borrowings	VII	33.73	5.61	2.19	-	-
	(b) Other Long-Term Liabilities		-	-	-	-	-
	(c) Long term Provisions	VIII	5.92	5.44	8.57	9.62	11.96
	(d) Deferred Tax Liability (Net)	See note (K)	14.73	15.73	11.07	7.69	7.12
<b>3)</b>	<b>Current Liabilities</b>						
	(a) Short Term Borrowings	IX	148.34	-	-	-	-
	(b) Trade Payables	X	84.20	55.88	109.44	74.60	246.63
	(iii) Due to MSME		-	-	-	-	-
	(iv) Due to others		-	-	-	-	-
	(c) Other Current Liabilities	XI	41.36	49.77	35.49	17.90	66.12
	(d) Short term provisions	XII	71.38	153.21	67.73	58.08	131.36
	<b>TOTAL LIABILITIES (1+2+3)</b>		<b>1244.10</b>	<b>1451.57</b>	<b>1524.78</b>	<b>1566.53</b>	<b>2116.75</b>
	<b>ASSETS</b>						
<b>4)</b>	<b>Non-Current Assets</b>						
	(a) Fixed Assets	XIII					
	i. Tangible Assets		389.53	443.20	449.26	433.62	423.13
	ii. Intangible Assets		0.10	0.05	1.10	0.96	0.74
	iii. Intangible Assets under Development		-	-	-	-	-
	iv. Capital Work in Progress		-	-	-	-	-
	Net Block		389.63	443.25	450.36	434.58	423.87

Sr. No.	Particulars	Annexure	As at 31 <sup>st</sup> March				
			2013	2014	2015	2016	2017
	(b) Non-Current Investments	XIV	5.00	5.00	5.00	5.00	5.00
	(c) Long-term Loans and Advances	XV	19.66	17.51	20.84	21.06	25.07
<b>5)</b>	<b>Current Assets</b>						
	(b) Current Investment		-	-	-	-	-
	(b) Inventories	XVI	332.31	314.22	336.60	304.83	284.47
	(c) Trade Receivables	XVI I	351.28	225.69	422.17	566.97	734.14
	(d) Cash and bank balances	XVI II	7.63	278.54	111.57	97.74	287.24
	(e) short term Loans and Advances	XIX	135.25	161.70	178.23	136.35	356.95
	(f) Other Current Assets	XX	3.34	5.67	-	-	-
	<b>TOTAL ASSETS (4+5)</b>		1244.10	1451.57	1524.78	1566.53	2116.75

*Note: - The above statement should be read with the Statement of Significant Accounting Policies and Notes to the Restated Financial Information appearing in Annexure IV As per our attached report of even date.*

**ANNEXURE-II - SUMMARY OF STATEMENT OF PROFITS AND LOSS, AS RESTATED**

(Rs. In lakhs)

Particulars	Annexure	For the year ended on 31 <sup>st</sup> March				
		2013	2014	2015	2016	2017
<b>INCOME</b>						
<b>Revenue from operations</b>	XXII					
(b)Sales of goods		--	--	--	--	--
(i)Sale of manufactured goods (net of excise)		1278.08	1834.81	1649.65	1552.06	1985.88
(ii)Sale of traded goods		--	--	--	--	--
(b)Sale of services		--	--	--	--	--
(c)Other Operating Revenue		--	--	--	--	--
Total Revenue from operations		1278.08	1834.81	1649.65	1552.06	1985.88
Other Income	XXIII	57.81	78.61	49.05	35.83	46.61
<b>Total Revenue</b>		<b>1335.89</b>	<b>1913.42</b>	<b>1698.70</b>	<b>1587.89</b>	<b>2032.49</b>
<b>Expenses</b>						
Cost of Material Consumed	XXIV	700.86	913.42	934.19	759.16	976.29
Purchase of stock in trade		--	--	--	--	--
(Increase)/decrease in inventories of finished goods, work-in-progress and traded goods	XXV	(48.07)	(4.87)	(1.01)	95.30	27.29
Employee benefits expense	XXVI	128.44	141.25	158.76	172.64	188.60
Finance cost	XXVII	25.52	12.06	11.66	4.37	4.18
Depreciation and amortization expenses		54.21	54.03	64.81	60.39	54.52
Other expenses	XXVII I	254.16	321.84	339.75	332.98	389.32
<b>Total Expenses</b>		<b>1115.11</b>	<b>1437.73</b>	<b>1508.17</b>	<b>1424.84</b>	<b>1640.20</b>
<b>Profit/loss before tax</b>		220.78	475.69	190.53	163.04	392.29
Exceptional items		--	--	--	--	--
Extraordinary items		--	--	--	--	--
<b>Tax expense</b>						
Current tax		71.38	153.21	67.73	58.08	131.36
Deferred tax		1.02	0.99	(4.65)	(3.39)	(0.56)
MAT credit entitlement		--	--	--	--	--

Restated profit / (loss) for the period		148.37	321.49	127.46	108.35	261.49
Earnings Per Share		13.50	29.25	11.60	9.86	23.79

*Note: - The above statement should be read with the Statement of Significant Accounting Policies and Notes to the Restated Financial Information appearing in Annexure IV. As per our attached report of even date.*

**ANNEXURE III - STATEMENT OF CASH FLOWS, AS RESTATED FOR THE PERIOD / YEAR ENDED**

(Rs. In lakhs)

Sr. No.	Particulars	F.Y. 2012-13	F.Y. 2013-14	F.Y. 2014-15	F.Y. 2015-16	F.Y. 2016-17
<b>A.</b>	<b>Cash flow from Operating Activities</b>					
	Sundry Creditors	(1,099.95)	(1,391.58)	(1,284.42)	(1,236.05)	(1,192.69)
	Duties & Taxes Payable	(38.06)	34.04	(17.21)	17.77	(25.75)
	Provisions	(138.13)	(139.91)	(164.86)	(136.31)	(103.89)
	Sundry Debtors	1,437.09	2,034.21	1,498.26	1,315.61	1,749.51
	Loans & Advances	(58.33)	(91.47)	(87.80)	(34.03)	(209.91)
	Indirect Income	47.24	81.31	16.60	40.53	55.92
	Direct Expenses	(37.99)	(41.20)	(38.74)	(49.82)	(56.89)
	Indirect Expenses	(36.67)	(30.23)	(49.05)	(67.66)	(36.77)
	<b>Net Cash Flow from Operating Activities (A)</b>	<b>75.20</b>	<b>455.15</b>	<b>(127.22)</b>	<b>(149.94)</b>	<b>179.52</b>
<b>B.</b>	<b>Cash flow from investing Activities</b>					
	Fixed Assets	(0.04)	(0.05)	(0.20)	(3.33)	15.00
	Deposits	3.39	(102.65)	98.50	136.60	(5.39)
	<b>Net Cash Flow from Investing Activities (B)</b>	<b>3.35</b>	<b>(102.71)</b>	<b>98.30</b>	<b>133.28</b>	<b>9.61</b>
<b>C.</b>	<b>Cash Flow from Financing Activities</b>					
	Issue of Share Capital					



Sr. No.	Particulars	F.Y. 2012-13	F.Y. 2013-14	F.Y. 2014-15	F.Y. 2015-16	F.Y. 2016-17
	Secured Loans	(108.63)	(35.87)	(37.99)	(3.86)	(2.25)
	Unsecured Loans	43.65		(0.65)	-	-
	Reserve and Surplus			0.03	-	-
	<b>Net Cash Flow from Financing Activities (C)</b>	<b>(64.98)</b>	<b>(35.87)</b>	<b>(38.61)</b>	<b>(3.86)</b>	<b>(2.25)</b>
<b>D.</b>	<b>Net (Decrease)/ Increase in Cash &amp; Cash Equivalents (A+B+C)</b>	<b>13.58</b>	<b>316.57</b>	<b>(67.54)</b>	<b>(20.52)</b>	<b>186.89</b>
<b>E.</b>	<b>Opening Cash &amp; Cash Equivalents</b>	<b>(160.57)</b>	<b>(146.99)</b>	<b>169.58</b>	<b>102.05</b>	<b>81.52</b>
<b>F.</b>	<b>Cash and cash equivalents at the end of the period</b>	<b>(146.99)</b>	<b>169.58</b>	<b>102.05</b>	<b>81.52</b>	<b>268.41</b>
<b>G.</b>	<b>Cash And Cash Equivalents Comprise:</b>					
	Cash	0.77	0.87	6.24	13.65	2.95
	Bank Balance:	-	-	-	-	-
	Current Account	0.58	1.15	7.09	4.88	2.79
	Balance in Euro Account	-		-	-	122.90
	Balances held in Cash Credit	(148.34)	167.56	88.71	63.00	139.76
	<b>Total</b>	<b>(146.99)</b>	<b>169.58</b>	<b>102.05</b>	<b>81.52</b>	<b>268.41</b>

Note: - As per our attached report of even date

## **Annexure IV**

### **Summary of Significant Accounting Policies**

#### **a. Basis of preparation of Restated Summary Statements and financial statements**

The restated summary statement of assets and liabilities of the Company as at March 31, 2017, 2016, 2015, 2014 and 2013 and the related restated summary Statement of profits and loss and Statement of Cash Flows for the financial years ended on March 31, 2017, 2016, 2015, 2014 and 2013 [herein collectively referred to as ‘restated summary statements’] have been extracted by the management from the audited financial statements of the Company for the financial years ended on March 31, 2017, 2016, 2015, 2014, and 2013.

The restated summary statements have been prepared to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013 (“the Act”) read with Rule 7 of the Companies (Accounts) Rules, 2014 and other relevant provisions of the Act to the extent notified and applicable. The restated summary statements have been prepared on a going concern and accrual basis. The accounting policies have been consistently applied by the Company unless otherwise stated.

These restated summary statements have been prepared to comply with the requirements of section 26 of the Companies Act, 2013, read with Rules 4 of Companies (Prospectus and Allotment of Securities) Rules, 2014 and the SEBI ICDR Regulations, as amended (‘the Regulations’).

The audited Financial Statements for year ended March 31, 2017, 2016 and 2015 have been prepared in accordance with Schedule III of the Companies Act, 2013 and for the financial years ended on March 31, 2014, and 2013 in accordance with Revised Schedule VI of the Companies Act, 1956. For the purpose of inclusion in the offer document, audited financial statements are prepared in accordance with Schedule III of the Companies Act, 2013. The adoption of Schedule III of the Companies Act, 2013 do not impact recognition and measurement principles followed for preparation of financial statements.

The financial statements have been prepared to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) rules, 2014 and other relevant provisions of the Act to the extent notified and applicable. The financial statements have been prepared on a going concern and accrual basis. The accounting policies have been consistently applied by the Company and are consistent with those used in the previous years.

These Restated Summary Statements have been prepared after incorporating:

- (i) Appropriate adjustments have been made in the Restated Summary Statements, wherever required, by regrouping of the corresponding items of income, expenses, assets and liabilities, in order to bring them in line with those as per the audited financials of the Company for the year ended March 31, 2017.

#### **b. Use of estimates:**

The preparation of financial statements requires the management to make estimates and assumptions in the reported amounts of assets and liabilities (including current liabilities) as of the date of the financial statements and the reported income and expenses during the reporting period. Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ from these estimates.

#### **c. Property, Plant and Equipment and Depreciation/Amortization:**

All Property, Plant and Equipment are at cost of acquisition less depreciation/amortization.

With the applicability of Companies Act, 2013 with effect from April 1, 2014, depreciation / amortization is provided on the Written Down Value Method, pro-rata to the period of use of assets, based on the useful lives as specified in Part C of Schedule II to the Companies Act, 2013.

Due to the same, there has been a change in the estimated useful life of depreciable tangible assets which affects the depreciation in the F.Y. 2014-15 and in each period during the remaining useful life of the assets. As the change is only in regards to an accounting estimate requiring an adjustment of the carrying amount of tangible assets, the same does not require adjustment in the financial information for the years ended on March 31, 2014 and 2013.

Depreciation on additions to Property, Plant and Equipment has been provided on a pro-rata basis from the date of such additions.

**d. Events after Reporting Period:**

The Board of Directors of the Company have proposed issue of Bonus Shares in the ratio of 5:1 vide its resolution dated 29th July 2017, which is subject to approval of the shareholder in the AGM for increase in authorised capital to be held on 19th August 2017.

Besides the Company has declared a dividend of Rs.8 per share amounting to Rs. Rs.1,06,33,895/- including Dividend Distribution Tax of Rs.18,40,087/-, for FY 2016-17 after the balance sheet date.

**e. Borrowing costs:**

Borrowing costs that are directly attributable to the acquisition of qualifying assets are capitalized for the period until the asset is ready for its intended use. A qualifying asset is an asset that necessarily takes substantial period of time to get ready for its intended use. Other borrowing costs are recognised as an expense in the period in which they are incurred. No borrowing costs were eligible for capitalization during the respective years.

**f. Inventories:**

Inventories are valued at cost or net realizable value whichever is lower. Cost is arrived at on the basis of weighted average method and includes applicable production overheads.

**g. Investments:**

Long-term investments are stated at cost. Provision for diminution is made to recognize a decline, other than temporary, in the value of long-term investments, where applicable.

Current Investments are stated at lower of cost and fair value.

**h. Impairment of Property, Plant and Equipment:**

An asset is considered as impaired in accordance with Accounting Standard 28 on Impairment of Assets when at the balance sheet date there are indications of impairment and the carrying amount of the assets, or where applicable the cash generating unit to which the asset belongs, exceeds its recoverable amount (i.e. the higher of the asset's net selling price and value in use). The carrying amount is reduced to the recoverable amount and the reduction is recognized as an impairment loss in the Statement of Profit and Loss.

**i. Retirement benefits:**

The Company had a single scheme of Retirement benefits Vis Provident Fund. These expenses were charged against revenue every year. On account of tenure of completion of service of existing employees being less, the company had not been providing for gratuity. However, in the re-stated financial statements, the amount of liability arising out of gratuity has been re-stated and charged to revenue to the respective years in which such liability has arisen. For the same, a provision has been made on the basis of an actuarial valuation as at the end of the each year.

**j. Foreign currency transactions:**

Transactions in foreign currencies are recorded at the exchange rate prevailing on the date of the transaction. In respect of monetary items denominated in foreign currencies, exchange differences arising out of settlement or on conversion at the closing rate are recognised in the Statement of Profit and Loss, there being no liability incurred in foreign exchange for the purpose of acquiring Property, Plant and Equipment.

**k. Taxation:**

Provision for taxation has been made in accordance with the Income-tax laws and rules prevailing at the time of the relevant assessment years.

**l. Earnings per share:**

The Company reports basic and diluted earnings per share (EPS) in accordance with Accounting Standard 20 Earnings per share.

The basic earnings per share is computed and disclosed by dividing the net profit after tax attributable to equity shareholders for the year by weighted average number of equity shares outstanding during the year.

Diluted earnings per share is computed and disclosed using the weighted average number of equity shares outstanding during the year, adjusted for the effects of all dilutive potential equity shares, if any.

**m. Contingent Liabilities:**

Provision is made for all known liabilities. Contingent liabilities if any are disclosed in the accounts by way of a note.

**n. Employee Benefits**

a) Defined contribution to Provident fund and Employee state insurance

The company makes contribution towards employees' provident fund and employees' state insurance plan Scheme. Under the rules of these schemes, the Company is required to contribute a specified percentage of payroll costs. The Company during the year ended 31st March 2017 recognized Rs. 5.11 Lacs as expense towards contributions to these plans.

b) Defined Contribution Benefit Plans (Gratuity)

The company has not been providing for liability arising out of gratuity payments until restatement of financial statements. Accordingly, the re-stated financial statements incorporate an amount of Rs.11.96 lacs as amount of liability of gratuity payable calculated on the basis of actuarial valuation.

The following table sets out status of actuarial valuation of gratuity:

<b>Components of Employer Expenses:</b>						
<b>Particulars</b>	<b>31.03.2017 Rs. In Lakhs</b>	<b>31.03.2016 Rs. In Lakhs</b>	<b>31.03.2015 Rs. In Lakhs</b>	<b>31.03.2014 Rs. In Lakhs</b>	<b>31.03.2013 Rs. In Lakhs</b>	
<b>(a)</b> Current Service Cost	2.23	1.64	1.69	1.33	1.45	
<b>(b)</b> Interest Cost	0.71	0.66	0.44	0.53	0.29	
<b>(c)</b> Expected Return on Plan Assets	-	-	-	-	-	
<b>(d)</b> Curtailment Cost/Credit	-	-	-	-	-	

(e)	Past service Cost	-	-	-	-	-
(f)	Settlement Cost	-	-	-	-	-
(g)	Actuarial Losses/(Gains)	-0.60	-1.25	1.00	-2.35	0.71
(h)	Total Expense recognized in Profit & Loss Account under Payments to and Provisions for Employees	2.34	1.05	3.13	-0.48	2.45

**Net Liability/(Asset) recognised in Balance Sheet as at**

Particulars		31.03.2017 Rs. In Lakhs	31.03.2016 Rs. In Lakhs	31.03.2015 Rs. In Lakhs	31.03.2014 Rs. In Lakhs	31.03.2013 Rs. In Lakhs
(a)	Present Value of obligation as at	11.96	9.62	8.57	5.44	5.92
(b)	Fair Value of Plan Assets as at	-	-	-	-	-
(c)	Liability/(Asset) recognized in the Balance sheet	11.96	9.62	8.57	5.44	5.92

**Change in Defined Benefit Obligation (DBO) during the years ended**

Particulars		31.03.2017 Rs. In Lakhs	31.03.2016 Rs. In Lakhs	31.03.2015 Rs. In Lakhs	31.03.2014 Rs. In Lakhs	31.03.2013 Rs. In Lakhs
(a)	Present Value of Obligation as at	9.62	8.57	5.44	5.92	3.48
(b)	Current Service Cost	2.23	1.64	1.69	1.33	1.45
(c)	Interest Cost	0.71	0.66	0.44	0.53	0.29
(d)	Curtailement Cost / credit	-	-	-	-	-
(e)	Settlement Cost /Credit	-	-	-	-	-
(f)	Plan Amendments	-	-	-	-	-
(g)	Acquisitions	-	-	-	-	-
(h)	Actuarial Loss/(Gain)	-0.60	-1.25	1.00	-2.35	0.71
(i)	Benefit Paid	-	-	-	-	-
(j)	Present value of Obligation as at	11.96	9.62	8.57	5.44	5.92

**Change in the fair value of Plan Assets**

Particulars		31.03.2017 Rs. In Lakhs	31.03.2016 Rs. In Lakhs	31.03.2015 Rs. In Lakhs	31.03.2014 Rs. In Lakhs	31.03.2013 Rs. In Lakhs
(a)	Fair value of Plan Assets as at	-	-	-	-	-
(b)	Acquisition Adjustment	-	-	-	-	-
(c)	Expected Returns on Plan Assets	-	-	-	-	-
(d)	Actuarial Gain/(Loss)	-	-	-	-	-

<b>(e)</b>	Actual Company contribution	-	-	-	-	-
<b>(f)</b>	Benefits Paid	-	-	-	-	-
<b>(g)</b>	Fair Value of Plan Assets as at	-	-	-	-	-
<b>Actuarial assumptions</b>						
	<b>Particulars</b>	<b>31.03.2017</b>	<b>31.03.2016</b>	<b>31.03.2015</b>	<b>31.03.2014</b>	<b>31.03.2013</b>
<b>(a)</b>	Discount Rate	8.30%	8.30%	8.30%	8.30%	8.30%
<b>(b)</b>	Salary Escalation	7.00%	7.00%	7.00%	7.00%	7.00%

The estimates of future salary increases considered in actuarial valuations, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

**For S R M B & Co.**  
**Chartered Accountants**  
**Firm's Registration Number: 141679W**

**CA Rushik Jayeshkumar Patel**  
**(Partner)**  
**M. No. 148969**

**Place:** Surat  
**Date:** July 29, 2017

**ANNEXURE V - STATEMENT OF SHARE CAPITAL AS RESTATED**

(Rs. In lakhs except share data)

Share Capital	31st March 2013		31st March 2014		31st March 2015		31st March 2016		31st March 2017	
	Number	Amt. Rs.	Number	Amt. Rs.	Number	Amt. Rs.	Number	Amt. Rs.	Number	Amt. Rs.
<b>Authorized</b>										
Equity Shares of Rs.10 each	15,00,000	150.00	15,00,000	150.00	15,00,000	150.00	25,00,000	250.00	25,00,000	250.00
<b>Issued</b>										
Equity Shares of Rs.10 each	10,99,226	109.92	10,99,226	109.92	10,99,226	109.92	10,99,226	109.92	10,99,226	109.92
<b>Subscribed &amp; Paid up</b>										
Equity Shares of Rs.10 each fully paid up	10,99,226	109.92	10,99,226	109.92	10,99,226	109.92	10,99,226	109.92	10,99,226	109.92
<b>Total</b>	<b>10,99,226</b>	<b>109.92</b>	<b>10,99,226</b>	<b>109.92</b>	<b>10,99,226</b>	<b>109.92</b>	<b>10,99,226</b>	<b>109.92</b>	<b>10,99,226</b>	<b>109.92</b>

**ANNEXURE VA - RECONCILIATION OF NUMBER OF SHARES OUTSTANDING:**

(Rs. In lakhs except share data)

Particulars	31st March 2013		31st March 2014		31st March 2015		31st March 2016		31st March 2017	
	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.
Shares outstanding at the beginning of the year	10,99,226	109.92	10,99,226	109.92	10,99,226	109.92	10,99,226	109.92	10,99,226	109.92
Shares Issued during the year	-	-	-	-	-	-	-	-	-	-
Shares bought back during the year	-	-	-	-	-	-	-	-	-	-
<b>Shares outstanding at the end of the year</b>	<b>10,99,226</b>	<b>109.92</b>	<b>10,99,226</b>	<b>109.92</b>	<b>10,99,226</b>	<b>109.92</b>	<b>10,99,226</b>	<b>109.92</b>	<b>10,99,226</b>	<b>109.92</b>

**ANNEXURE - VB****DETAILS OF SHAREHOLDERS HOLDING MORE THAN 5% OF THE AGGREGATE SHARES IN THE COMPANY:**

Name of Shareholder	As at 31 <sup>st</sup> March					
	No. of Shares	Percentage	No. of Shares	Percentage	No. of Shares	Percentage
Babu Manubhai Kothia	70,000	6.37	70,000	6.37	70,000	6.37
Chandu Manubhai Kothia	1,20,000	10.92	1,20,000	10.92	1,20,000	10.92
Hansaben Chandubhai Kothia	70,272	6.39	70,272	6.39	70,272	6.39
Hasmukh Manubhai Kothia	1,25,541	11.42	1,25,541	11.42	1,25,541	11.42
Manu Jeevabhai Kothia	1,70,429	15.50	1,70,429	15.50	1,70,429	15.50
Subhash Babubhai Kothia	85,761	7.80	85,761	7.80	85,761	7.80

Name of Shareholder	As at 31 <sup>st</sup> March			
	No. of Shares	Percentage	No. of Shares	Percentage
Babu Manubhai Kothia	70,000	6.37	70,000	6.37
Chandu Manubhai Kothia	1,20,500	10.96	1,20,500	10.96
Hansaben Chandubhai Kothia	79,548	7.24	79,548	7.24
Hasmukh Manubhai Kothia	1,26,541	11.51	1,26,541	11.51
Manu Jeevabhai Kothia	1,70,429	15.50	1,70,429	15.50
Subhash Babubhai Kothia	85,761	7.80	85,761	7.80

**Note:** - The Equity shares of the Company have voting rights and are subject to the restrictions as prescribed under the companies Act, 2013.

**ANNEXURE - VI - RESERVES & SURPLUS****(Amt. in lakhs)**

Particulars	As at 31 March 2013	As at 31 March 2014	As at 31 March 2015	As at 31 March 2016	As at 31 March 2017
<b>A. Securities Premium Account</b>					
Opening Balance	82.78	82.78	82.78	82.78	82.78
Add: Securities premium credited on Share issue	-	-	-	-	-



Less: Premium Utilised for various reasons	-	-	-	-	-
For Issuing Bonus Shares					
Closing Balance	82.78	82.78	82.78	82.78	82.78
<b>B. General Reserve</b>					
Opening Balance	-	-	-	-	-
Add: Current Year Transfer	-	-	-	-	-
Less: Adjustment of Depreciation	-	-	-	-	-
Closing Balance	-	-	-	-	-
<b>C. Surplus</b>					
Opening balance	503.37	651.74	973.23	1,097.59	1,205.93
(+) Net Profit/ (Net Loss) For the current year	148.37	321.49	127.46	108.35	261.49
(-) Proposed Equity Dividend	-	-	-	-	-
(-) Distribution Tax on Proposed Equity Dividend	-	-	-	-	-
(-) Transfer to Reserves	-	-	-	-	-
(-) Transfer for issue of bonus shares	-	-	-	-	-
(-) Adjustment in F.A. as per Companies Act, 2013	-	-	3.10		6.57
Closing Balance	651.74	973.23	1,097.59	1,205.93	1,460.85
<b>Total</b>	<b>734.52</b>	<b>1,056.01</b>	<b>1,180.37</b>	<b>1,288.72</b>	<b>1,543.63</b>

#### ANNEXURE - VII - LONG TERM BORROWINGS

Particulars	(Amt. in lakhs)				
	31st March 2013	31st March 2014	31st March 2015	31st March 2016	31st March 2017
<b>Secured</b>					
<b>(a) Term loans</b>					
<b>From Bank &amp; Financial Institutions</b>					
Term Loan	33.73	-	-	-	-
Vehicle Loan	-	5.61	2.19	-	-
From Others	-	-	-	-	-
<b>Sub-total (a)</b>	<b>33.73</b>	<b>5.61</b>	<b>2.19</b>	<b>-</b>	<b>-</b>

<b>Unsecured</b>					
<b>(b) Loans and advances from related parties</b>	-	-	-	-	-
<b>(c) Loans and Advances from Bank &amp; Financial Institution</b>					
-Business Loan from Banks	-	-	-	-	-
-Business Loans from Financial Institution	-	-	-	-	-
Sub-total(b)+(c)					
<b>Total</b>	<b>33.73</b>	<b>5.61</b>	<b>2.19</b>		

There has been no default in repayment of Principal and Interest on the above Loans Rate of Interest is 11% p.a.

#### ANNEXURE - VIII - LONG TERM PROVISIONS

(Amt. in lakhs)

<b>Particulars</b>	<b>As at 31 March 2013</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>
Provision for employee benefits					
(i) Superannuation	-	-	-	-	-
(ii) Gratuity Provision	5.92	5.44	8.57	9.62	11.96
(iii) Leave Encashment	-	-	-	-	-
Provision for tax					
Others					
<b>Total</b>	<b>5.92</b>	<b>5.44</b>	<b>8.57</b>	<b>9.62</b>	<b>11.96</b>

#### ANNEXURE - IX - SHORT TERM BORROWINGS

(Rs in lakhs)

<b>Particulars</b>	<b>As at 31 March 2013</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>
Secured					
(a) Working Capital Loans: Cash Credit from a Bank	148.34	-	-	-	-
(b) Loan from Bank	-	-	-	-	-
<b>Total</b>	<b>148.34</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

Secured by exclusive first and exclusive hypothecation charge of entire current assets of the firm (present and future)

1. Equitable mortgage of property situated at Plot No.406/15, Sardar Patel Society, Opp. Lions School, R.S. No.235 & 236 paikiee of Village: Bhadkodra, Ta. Ankleshwar, Dist-Bharuch in the name of Mr. Hasmukhbhai Kothia, Director of the company

2. *Equitable mortgage of property situated at Plot No.303/C/6, Tulsikunj Society, GIDC housing sector, Phase III, R.S No.197/P of village: Bhadkodra, Ta. Ankleshwar, Dist-Bharuch in the name of Chandubhai Kothia, Director of the company*
3. *Also above facilities are secured by a charge in favor of Axis Bank Ltd. over the immovable properties situated at Plot no. 6011, GIDC, Ankleshwar 393002, Dist. Bharuch, for credit limits sanctioned by it. (of the above, whole of the amount is guaranteed by Directors)*

*Terms of Repayment: Payable on demand*

#### **ANNEXURE - X - TRADE PAYABLES**

**(Rs in lakhs)**

Particulars	As at 31 March				
	2013	2014	2015	2016	2017
(a) Due to Micro, Small and Medium Enterprise	-	-	-	-	-
(b) Due to Others	84.20	55.88	109.44	74.60	246.63
<b>Total</b>	<b>84.20</b>	<b>55.88</b>	<b>109.44</b>	<b>74.60</b>	<b>246.63</b>

#### **ANNEXURE - XI - OTHER CURRENT LIABILITIES**

**(Rs in lakhs)**

Particulars	As at 31st March				
	2013	2014	2015	2016	2017
(i) Current maturities of Long Term Debt (i.e. Term Liability classified as current)	29.37	36.89	3.43	2.18	-
(ii) Statutory Remittance					
a) Central Excise, Customs Duty, VAT and Service Tax Payable	-	-	-	-	-
b) Tax Deducted at Source	1.99	2.59	3.16	3.21	6.61
c) Provident Fund and other employee deductions	0.49	0.40	0.40	0.39	1.05
(iii) Due against Capital Expenditure					
(iv) Other Payables					
Salary and Reimbursements	7.29	9.29	25.90	9.72	55.65
Unpaid Dividends					
Dealer Deposit					
Income received in advance					
Advance from Customers					
Other Current Liabilities: Accrued Expenses	2.21	0.60	2.60	2.41	2.81
<b>Total</b>	<b>41.36</b>	<b>49.77</b>	<b>35.49</b>	<b>17.90</b>	<b>66.12</b>

## ANNEXURE - XII - SHORT TERM PROVISIONS

(Rs in lakhs)

Particulars	As at 31st March				
	2013	2014	2015	2016	2017
<b>Provision For</b>					
<b>(a) Employee benefits</b>					
(i) Superannuation	-	-	-	-	-
(ii) Gratuity Provision	-	-	-	-	-
(iii) Leave Encashment	-	-	-	-	-
<b>(b) Others</b>					
(i) / Provision for tax	71.38	153.21	67.73	58.08	131.36
(ii) Provision for warranty claims					
(iii) Proposed Equity Dividend					
(iv) Distribution tax on Proposed Equity Dividend					
<b>Total</b>	<b>71.38</b>	<b>153.21</b>	<b>67.73</b>	<b>58.08</b>	<b>131.36</b>

**ANNEXURE - XIII - FIXED ASSETS**

(Rs in lakhs)

Fixed Assets	Gross Block				Accumulated Depreciation					Net Block	
	Balance as at 1 April 2012	Additions	Disposals	Balance as at 31 March 2013	Balance as at 1 April 2012	Depreciation charge for the year	Adjustment due to revaluations	On disposals	Balance as at 31 March 2013	Balance as at 31 March 2013	Balance as at 31 March 2012
Tangible Assets											
Land - Leasehold	12.81	-	-	12.81	-	-	-	-	-	12.81	12.81
GIDC Staff Quator	25.49	-	-	25.49	-	-	-	-	-	25.49	25.49
Plant & Machinery	344.23	30.08	-	374.30	129.67	32.65	-	-	162.33	211.97	214.55
Electrical Installation	14.19	2.36	-	16.55	5.65	1.33	-	-	6.98	9.57	8.54
Furniture & Fixtures	16.20	11.93	-	28.13	3.88	3.70	-	-	7.58	20.55	12.33
ETP Machinery	27.58	-	-	27.58	8.39	2.67	-	-	11.06	16.52	19.19
Factory Building	116.75	5.28	-	122.03	43.59	7.61	-	-	51.20	70.83	73.16
Gas Connection	6.10	-	-	6.10	3.93	0.30	-	-	4.23	1.87	2.17
Instalation & Erection	0.64	-	-	0.64	0.42	0.03	-	-	0.45	0.18	0.21
Computer	5.83	3.04	-	8.87	4.77	1.16	-	-	5.94	2.94	1.06
Laboratory Equipment	2.82	-	-	2.82	1.75	0.15	-	-	1.90	0.92	1.07
Office Equipment	-	2.38	-	2.38	-	0.30	-	-	0.30	2.08	-
Air Conditioner	4.68	-	-	4.68	1.17	0.64	-	-	1.80	2.87	3.51

Motor Car Wagon R	4.19	-	-	4.19	3.17	0.26	-	-	3.44	0.76	1.02
Toyota Innova 2.5L VX-7S	13.11	-	-	13.11	6.12	1.81	-	-	7.93	5.18	6.99
Mobile Instrument	0.57	-	-	0.57	0.14	0.04	-	-	0.18	0.38	0.43
Telephone Instrument	0.04	0.05	-	0.09	0.01	0.00	-	-	0.02	0.07	0.02
Vehicle	2.57	-	-	2.57	1.33	0.32	-	-	1.65	0.92	1.24
Cycles	0.19	-	-	0.19	0.06	0.03	-	-	0.09	0.11	0.13
Photocopier Device	0.64	-	-	0.64	0.21	0.06	-	-	0.27	0.37	0.44
Swift Dezire	6.89	-	-	6.89	2.68	1.09	-	-	3.77	3.12	4.21
<b>Total</b>	<b>605.52</b>	<b>55.12</b>	<b>-</b>	<b>660.64</b>	<b>216.95</b>	<b>54.16</b>	<b>-</b>	<b>-</b>	<b>271.11</b>	<b>389.53</b>	<b>388.57</b>
	-	-	-	-	-	-	-	-	-	-	-
Intangible Assets	-	-	-	-	-	-	-	-	-	-	-
License	0.25	-	-	0.25	0.10	0.05	-	-	0.15	0.10	0.15
	-	-	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>0.25</b>	<b>-</b>	<b>-</b>	<b>0.25</b>	<b>0.10</b>	<b>0.05</b>	<b>-</b>	<b>-</b>	<b>0.15</b>	<b>0.10</b>	<b>0.15</b>
	-	-	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>605.77</b>	<b>55.12</b>	<b>-</b>	<b>660.89</b>	<b>217.05</b>	<b>54.21</b>	<b>-</b>	<b>-</b>	<b>271.26</b>	<b>389.63</b>	<b>388.72</b>

(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
Tangible Assets											

Land - Leasehold	12.81	-	-	12.81	-	-	-	-	-	12.81	12.81
Plot No: - 3075/17	-	25.00	-	25.00	-	-	-	-	-	25.00	-
Resi. Plot No.3175/18	-	18.00	-	18.00	-	-	-	-	-	18.00	-
GIDC Staff Quator	25.49	-	-	25.49	-	-	-	-	-	25.49	25.49
Plant & Machinery	374.30	44.36	-	418.66	162.33	32.28	-	-	194.61	224.05	211.97
Electrical Installation	16.55	1.19	-	17.74	6.98	1.43	-	-	8.41	9.33	9.57
Furniture & Fixtures	28.13	-	-	28.13	7.58	3.72	-	-	11.30	16.83	20.55
ETP Machinery	27.58	-	-	27.58	11.06	2.30	-	-	13.36	14.22	16.52
Factory Building	122.03	3.23	-	125.26	51.20	7.20	-	-	58.40	66.87	70.83
Gas Connection	6.10	-	-	6.10	4.23	0.26	-	-	4.49	1.61	1.87
Instalation & Erection	0.64	-	-	0.64	0.45	0.03	-	-	0.48	0.16	0.18
Computer	8.87	2.19	-	11.06	5.94	1.87	-	-	7.81	3.26	2.94
Laboratory	2.82	0.50	-	3.32	1.90	0.19	-	-	2.09	1.24	0.92

Equipment												
Office Equipment	2.38	-	-	2.38	0.30	0.38	-	-	0.68	1.71	2.08	
Air Conditioner	4.68	-	-	4.68	1.80	0.52	-	-	2.32	2.35	2.87	
Motor Car Wagon R	4.19	-	-	4.19	3.44	0.20	-	-	3.63	0.56	0.76	
Toyota Innova 2.5L VX-7S	13.11	-	-	13.11	7.93	1.34	-	-	9.27	3.84	5.18	
Mobile Instrument	0.57	0.42	-	0.98	0.18	0.04	-	-	0.22	0.76	0.38	
Telephone Instrument	0.09	-	-	0.09	0.02	0.01	-	-	0.02	0.06	0.07	
Vehicle	2.57	0.60	-	3.16	1.65	0.24	-	-	1.89	1.27	0.92	
Cycles	0.19	-	-	0.19	0.09	0.02	-	-	0.11	0.09	0.11	
Photocopier Device	0.64	-	-	0.64	0.27	0.05	-	-	0.32	0.32	0.37	
Motor Car-Nissan Terrano	-	12.17	-	12.17	-	1.11	-	-	1.11	11.06	-	
Swift Dezire	6.89	-	-	6.89	3.77	0.81	-	-	4.58	2.31	3.12	
Total	660.64	107.66	-	768.30	271.11	53.98	-	-	325.10	443.20	389.53	



	-	-	-	-	-	-	-	-	-	-	-
Intangible Assets	-	-	-	-	-	-	-	-	-	-	-
License	0.25	-	-	0.25	0.15	0.05	-	-	0.20	0.05	0.10
	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-
Total	0.25	-	-	0.25	0.15	0.05	-	-	0.20	0.05	0.10
	-	-	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>660.89</b>	<b>107.66</b>	-	<b>768.55</b>	<b>271.26</b>	<b>54.03</b>	-	-	<b>325.30</b>	<b>443.25</b>	<b>389.63</b>

(Rs in lakhs)

Fixed Assets	Gross Block			Accumulated Depreciation					Net Block		
	Balance as at 1 April 2014	Additions/ (Disposals)	Disposals	Balance as at 31 March 2015	Balance as at 1 April 2014	Depreciated on charge for the year	Return Earning Effect as per companies act 2013	On disposals	Balance as at 31 March 2015	Balance as at 31 March 2015	Balance as at 31 March 2014
Tangible Assets											
Land - Leasehold	12.81	-	-	12.81	-	-	-	-	-	12.81	12.81
Plot No: - 3075/17	25.00	-	-	25.00	-	-	-	-	-	25.00	25.00
Resi. Plot No.3175/18	18.00	6.49	-	24.49	-	-	-	-	-	24.49	18.00
Plot No.3075/2	-	15.00	-	15.00	-	-	-	-	-	15.00	-

GIDC Staff Quator	25.49	-	-	25.49	-	-	-	-	-	25.49	25.49
Plant & Machinery	418.66	36.43	-	455.08	194.61	34.53	1.81	-	230.94	224.14	224.05
Electrical Installation	17.74	-	-	17.74	8.41	2.74	(1.04)	-	10.11	7.63	9.33
Furniture & Fixtures	28.13	0.34	-	28.48	11.30	4.95	(0.17)	-	16.07	12.40	16.83
ETP Machinery	27.58	-	-	27.58	13.36	2.06	(0.02)	-	15.40	12.19	14.22
Factory Building	125.26	11.78	-	137.04	58.40	6.62	(1.06)	-	63.97	73.08	66.87
Gas Connection	6.10	-	-	6.10	4.49	0.24	(0.01)	-	4.72	1.38	1.61
Installation & Erection	0.64	-	-	0.64	0.48	-	(0.13)	-	0.35	0.28	0.16
Computer	11.06	0.80	-	11.87	7.81	2.48	(0.11)	-	10.18	1.69	3.26
Laboratory Equipment	3.32	-	-	3.32	2.09	0.20	(0.49)	-	1.79	1.53	1.24

Office Equipment	2.38	-	-	2.38	0.68	1.00	(0.00)	-	1.68	0.71	1.71
Air Conditioner	4.68	0.57	-	5.25	2.32	1.99	(0.21)	-	4.11	1.14	2.35
Motor Car Wagon R	4.19	-	-	4.19	3.63	-	(0.35)	-	3.28	0.91	0.56
Toyota Innova 2.5L VX-7S	13.11	-	-	13.11	9.27	1.66	(0.08)	-	10.86	2.26	3.84
Mobile Instrument	0.98	-	-	0.98	0.22	0.44	(0.07)	-	0.60	0.39	0.76
Telephone Instrument	0.09	-	-	0.09	0.02	0.02	(0.02)	-	0.03	0.05	0.06
Vehicle	3.16	-	-	3.16	1.89	0.34	(0.09)	-	2.14	1.02	1.27
Cycles	0.19	-	-	0.19	0.11	0.03	(0.00)	-	0.13	0.06	0.09
Photocopier Device	0.64	0.76	-	1.40	0.32	0.29	(0.29)	-	0.31	1.08	0.32
Motor Car-Nissan Terrano	12.17	-	-	12.17	1.11	3.75	(0.00)	-	4.86	7.31	11.06
Bike Delux	-	0.54	-	0.54	-	0.09	-	-	0.09	0.44	-
Swift Dezire	6.89	-	-	6.89	4.58	0.87	(0.00)	-	5.45	1.44	2.31

	-	-	-	-	-	-	-	-	-	-	-
Total	768.30	72.70	-	841.00	325.10	64.31	(2.33)	-	391.74	449.26	443.20
	-	-	-	-	-	-	-	-	-	-	-
Intangible Assets	-	-	-	-	-	-	-	-	-	-	-
License	0.25	-	-	0.25	0.20	0.05	-	-	0.25	-	0.05
Microsoft License	-	1.35	-	1.35	-	0.40	-	-	0.40	0.95	-
Solvent License	-	0.20	-	0.20	-	0.05	-	-	0.05	0.15	-
Total	0.25	1.55	-	1.80	0.20	0.50	-	-	0.70	1.10	0.05
	-	-	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>768.55</b>	<b>74.25</b>	<b>-</b>	<b>842.80</b>	<b>325.30</b>	<b>64.81</b>	<b>(2.33)</b>	<b>-</b>	<b>392.44</b>	<b>450.36</b>	<b>443.25</b>

(Rs in lakhs)

Fixed Assets	Gross Block				Accumulated Depreciation					Net Block	
	Balance as at 1 April 2015	Additions	Disposal/Adjustment	Balance as at 31 March 2016	Balance as at 1 April 2015	Depreciation charge for the year	Amount Charged to Reserves (refer Note below)	Deductions/Adjustments	Balance as at 31 March 2016	Balance as at 31 March 2016	Balance as at 31 March 2015
Tangible Assets											
Land - Leasehold	12.81	-	-	12.81	-	-	-	-	-	12.81	12.81
Plot No: - 3075/17	25.00	-	-	25.00	-	-	-	-	-	25.00	25.00

Resi. Plot No.3175/ 18	24.49	-	-	24.49	-	-	-	-	-	24.49	24.49
Plot No.3075/ 2	15.00	-	-	15.00	-	-	-	-	-	15.00	15.00
GIDC Staff Quator	25.49	3.2 0	-	28.69	-	-	-	-	-	28.69	25.49
Plant & Machine ry	455.08	11. 65	-	466.73	227.32	33.64	-	-	260.96	205.77	227.76
Electrica l Installati on	17.74	4.1 3	-	21.86	12.18	2.17	-	-	14.35	7.51	5.56
Furniture & Fixtures	28.48	6.6 0	-	35.08	16.42	6.20	-	-	22.61	12.46	12.06
ETP Machine ry	27.58	-	-	27.58	15.45	1.76	-	-	17.21	10.37	12.14
Factory Building	137.04	2.9 9	-	140.03	66.08	6.95	-	-	73.03	67.01	70.96
Gas Connecti on	6.10	-	-	6.10	4.74	0.20	-	-	4.94	1.16	1.36
Instalatio n & Erection	0.64	-	-	0.64	0.60	-	-	-	0.60	0.03	0.03

Computer	11.87	1.26	-	13.13	10.39	1.13	-	-	11.52	1.61	1.48
Laboratory Equipment	3.32	14.11	-	17.43	2.78	2.27	-	-	5.05	12.38	0.54
Office Equipment	2.38	-	-	2.38	1.68	0.41	-	-	2.10	0.29	0.70
Air Conditioner	5.25	0.25	-	5.50	4.53	0.42	-	-	4.94	0.55	0.72
Motor Car Wagon R	4.19	-	-	4.19	3.98	-	-	-	3.98	0.21	0.21
Toyota Innova 2.5L VX-7S	13.11	-	-	13.11	11.01	0.93	-	-	11.93	1.18	2.10
Mobile Instrument	0.98	-	-	0.98	0.74	0.12	-	-	0.86	0.12	0.24
Telephone Instrument	0.09	-	-	0.09	0.07	0.01	-	-	0.08	0.01	0.02
Vehicle	3.16	-	-	3.16	2.32	0.24	-	-	2.57	0.60	0.84
Cycles	0.19	-	-	0.19	0.14	0.02	-	-	0.15	0.04	0.06
Photocopier Device	1.40	-	-	1.40	0.90	0.22	-	-	1.11	0.28	0.50

Motor Car- Nissan Terrano	12.17	-	-	12.17	4.86	2.48	-	-	7.34	4.83	7.31
Bike Delux	0.54	-	-	0.54	0.09	0.12	-	-	0.21	0.33	0.44
Swift Dezire	6.89	-	-	6.89	5.45	0.54	-	-	6.00	0.89	1.44
	-	-	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>841.00</b>	<b>44.17</b>	<b>-</b>	<b>885.17</b>	<b>391.74</b>	<b>59.82</b>	<b>-</b>	<b>-</b>	<b>451.56</b>	<b>433.62</b>	<b>449.26</b>
	-	-	-	-	-	-	-	-	-	-	-
Intangibl e Assets	-	-	-	-	-	-	-	-	-	-	-
License	0.25	0.43	-	0.68	0.25	0.03	-	-	0.28	0.40	-
Microsof t License	1.35	-	-	1.35	0.40	0.46	-	-	0.86	0.49	0.95
Solvent License	0.20	-	-	0.20	0.05	0.07	-	-	0.12	0.08	0.15
<b>Total</b>	<b>1.80</b>	<b>0.43</b>	<b>-</b>	<b>2.23</b>	<b>0.70</b>	<b>0.57</b>	<b>-</b>	<b>-</b>	<b>1.27</b>	<b>0.96</b>	<b>1.10</b>
	-	-	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>842.80</b>	<b>44.60</b>	<b>-</b>	<b>887.41</b>	<b>392.44</b>	<b>60.39</b>	<b>-</b>	<b>-</b>	<b>452.82</b>	<b>434.58</b>	<b>450.36</b>

Note:1 The Company has revised useful life of certain as per the useful life specified in the schedule II of the Companies Act ,2013 or as reassessed by the company/.

(Rs in lakhs)

Fixed Assets	Gross Block			Accumulated Depreciation						Net Block	
	Balance as at 1 April 2016	Ad ditions	Dispos al/ Adjust ment	Balance as at 31 March 2017	Balance as at 1 April 2016	Depreciati on charge for the year	Amount Charged to Reserves (refer Note below)	Deducti ons/ Adjust ments	Balance as at 31 March 2017	Balance as at 31 March 2017	Balance as at 31 March 2016
Tangible Assets											
Land - Leasehold	12.81	-	-	12.81	-	-	-	-	-	12.81	12.81
Plot No:- 3075/17	25.00	-	-	25.00	-	-	-	-	-	25.00	25.00
Resi. Plot No.3175/18	24.49	-	-	24.49	-	-	-	-	-	24.49	24.49
Plot No. Poonam Ind.	15.00	-	15.00	-	-	-	-	-	-	-	15.00
Plot No. H3075/16	-	18.00	-	18.00	-	-	-	-	-	18.00	-
Plot No.3194 (Staff Quaters)	28.69	-	-	28.69	-	-	-	-	-	28.69	28.69
Plant & Machinery	466.73	25.80	-	492.53	260.96	30.97	-	-	291.93	200.60	205.77



Electrical Installati on	21.86	4.5 5	-	26.42	14.35	2.94	-	-	17.29	9.13	7.51
Furniture & Fixtures	35.08	-	-	35.08	22.61	3.43	-	-	26.04	9.03	12.46
ETP Machiner y	27.58	-	-	27.58	17.21	1.51	-	-	18.72	8.87	10.37
Factory Building	140.03	5.8 9	-	145.92	73.03	6.78	-	-	79.80	66.12	67.01
Gas Connecti on	6.10	-	-	6.10	4.94	0.17	-	-	5.11	0.99	1.16
Instalatio n & Erection	0.64	-	-	0.64	0.60	-	-	-	0.60	0.03	0.03
Compute r	13.13	1.7 9	-	14.92	11.52	1.23	-	-	12.75	2.17	1.61
Laborato ry Equipme nt	17.43	0.9 5	-	18.38	5.05	3.40	-	-	8.44	9.94	12.38
Office Equipme nt	2.38	0.5 7	-	2.95	2.10	0.32	-	-	2.41	0.54	0.29
Air Conditio ner	5.50	0.7 8	-	6.27	4.94	0.28	-	-	5.23	1.05	0.55

Motor Car Wagon R	4.19	-	-	4.19	3.98	-	-	-	3.98	0.21	0.21
Toyota Innova 2.5L VX-7S	13.11	(0.00)	-	13.11	11.93	0.52	-	-	12.45	0.66	1.18
Mobile Instrument	0.98	-	-	0.98	0.86	0.05	-	-	0.91	0.07	0.12
Telephone Instrument	0.09	0.16	-	0.24	0.08	0.04	-	-	0.12	0.12	0.01
Vehicle Cycles	3.16	-	-	3.16	2.57	0.15	-	-	2.71	0.45	0.60
	0.19	-	-	0.19	0.15	0.01	-	-	0.17	0.03	0.04
Photocopier Device	1.40	-	-	1.40	1.11	0.12	-	-	1.23	0.17	0.28
Motor Car-Nissan Terrano	12.17	-	-	12.17	7.34	1.64	-	-	8.98	3.19	4.83
Bike Delux	0.54	-	-	0.54	0.21	0.09	-	-	0.30	0.24	0.33
Swift Dezire	6.89	-	-	6.89	6.00	0.34	-	-	6.33	0.55	0.89
Total	885.17	58.49	15.00	928.66	451.56	53.97	-	-	505.53	423.13	433.62
Intangible Assets	-	-	-	-	-	-	-	-	-	-	-
License	0.68	0.33	-	1.01	0.28	0.28	-	-	0.56	0.45	0.40

Microsoft License	1.35	-	-	1.35	0.86	0.24	-	-	1.10	0.25	0.49
Solvent License	0.20	-	-	0.20	0.12	0.04	-	-	0.16	0.04	0.08
Total	2.23	0.33	-	2.56	1.27	0.55	-	-	1.82	0.74	0.96
	-	-	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>887.41</b>	<b>58.81</b>	<b>15.00</b>	<b>931.22</b>	<b>452.82</b>	<b>54.52</b>	-	-	<b>507.35</b>	<b>423.87</b>	<b>434.58</b>

**ANNEXURE - XIV - NON-CURRENT INVESTMENTS**

(Rs in lakhs)

Particulars	As at 31st March				
	2013	2014	2015	2016	2017
(a) Investment in Equity Instruments					
In Unquoted Fully paid up Equity Shares of The Ankleshwar Research & Analytical Infra. Ltd (Number of Shares-45,000)	5.00	5.00	5.00	5.00	5.00
Aggregate amount of unquoted Investments	5.00	5.00	5.00	5.00	5.00
Aggregate Cost of Quoted Investment	-	-	-	-	-
Aggregate Cost of Unquoted Investment	5.00	5.00	5.00	5.00	5.00
Aggregate Market Value of Quoted	-	-	-	-	-
<b>Total</b>	<b>5.00</b>	<b>5.00</b>	<b>5.00</b>	<b>5.00</b>	<b>5.00</b>

**ANNEXURE - XV - LONG TERM LOANS AND ADVANCES**

(Rs in lakhs)

Particulars	As at 31st March				
	2013	2014	2015	2016	2017
(Unsecured and Considered Good)					
<b>a. long term loans and advances recoverable from Directors/Promoters/Promoter Group/ Associates/ Relatives of Directors/Group Company</b>	-	-	-	-	-
<b>b. Other Long Term Loans &amp; Advances</b>					
Security Deposits	19.66	17.51	20.84	21.06	25.07
Advance Tax (Net of Provision for Income Tax)	-	-	-	-	-
Advance against Capital Expenditure	-	-	-	-	-
Other Advances	-	-	-	-	-
<b>Total</b>	<b>19.66</b>	<b>17.51</b>	<b>20.84</b>	<b>21.06</b>	<b>25.07</b>

**ANNEXURE - XVI - INVENTORIES**

(Rs in lakhs)

Particulars	As at 31st March				
	2013	2014	2015	2016	2017
a. Raw Materials and components (Valued at Cost as per Weighted Average Method)	50.27	28.35	51.00	113.94	120.58
	-	-	-	-	-
b. Work-in-progress (Valued at Estimated Cost)	8.48	-	88.89	51.05	-
	-	-	-	-	-
c. Finished goods (Valued at Lower of Cost or NRV)	270.56	283.92	196.04	138.57	162.34
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)	3.00	1.95	0.68	1.27	1.56
<b>Total</b>	<b>332.31</b>	<b>314.22</b>	<b>336.60</b>	<b>304.83</b>	<b>284.47</b>

**ANNEXURE - XVII - TRADE RECEIVABLES**

(Rs in lakhs)

Particulars	31st March 2013	31st March 2014	31st March 2015	31st March 2016	31st March 2017
(Unsecured and Considered Good)					
<b>a. From Directors/Promoters/ Promoter Group/Associates/ Relatives of Directors / Group Companies</b>					
Over Six Months	-	-	-	-	-
Others	-	-	-	-	0.07
<b>b. From Others</b>					
a) Over Six Months					
Considered good	22.42	42.27	1.78	29.96	19.09
Considered doubtful					
Less: Provision for doubtful debts					
Sub-total	22.42	42.27	1.78	29.96	19.09

b) Others	328.86	183.42	420.39	537.01	715.05
<b>Total</b>	<b>351.28</b>	<b>225.69</b>	<b>422.17</b>	<b>566.97</b>	<b>734.21</b>

#### ANNEXURE - XVIII - CASH AND BANK BALANCES

(Rs in lakhs)

Particulars	31st March 2103	31st March 2014	31st March 2015	31st March 2016	31st March 2017
<b>a. Cash &amp; Bank Equivalent</b>					
Cash on hand*	0.77	0.87	6.24	13.65	2.95
<b>Balances with banks</b>	-	-	-	-	-
- in current accounts	0.58	1.15	7.09	4.88	2.79
- In Axis Bank Euro Account	-	-	-	-	122.90
- Balances held in CC Account	-	167.56	88.71	63.00	139.76
<b>b. Balance in Deposit Accounts</b>	-	-	-	-	-
- Fixed Deposits against various party	6.28	108.96	9.52	16.22	18.83
<b>Total</b>	<b>7.63</b>	<b>278.54</b>	<b>111.57</b>	<b>97.74</b>	<b>287.24</b>

#### ANNEXURE - XIX - SHORT TERM LOANS AND ADVANCES

(Rs in lakhs)

Particulars	31st March 2013	31st March 2014	31st March 2015	31st March 2016	31st March 2017
(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>	129.43	156.59	158.33	109.73	202.52
<b>c. Others (specify nature)</b>	-	-	-	-	-
i) Prepaid Expenses	-	0.05	0.37	-	2.42
ii) Advances Recoverable in cash or in kind	-	-	-	-	-
Considered good	5.82	5.06	19.53	26.62	152.01
Considered doubtful					
Less: Provision for doubtful advances	-	-	-	-	-
Sub-total	5.82	5.06	19.53	26.62	152.01
<b>Total</b>	<b>135.25</b>	<b>161.70</b>	<b>178.23</b>	<b>136.35</b>	<b>356.95</b>

**ANNEXURE - XX - OTHER CURRENT ASSETS**

(Rs in lakhs)

Particulars	As at 31st March				
	2013	2014	2015	2016	2017
Interest Receivable on Deposits	3.34	5.67			
<b>Total</b>	<b>3.34</b>	<b>5.67</b>	-	-	-

**ANNEXURE - XXI - CONTINGENT LIABILITIES AND COMMITMENTS**

(Rs in lakhs)

Particulars	As at 31st March				
	2013	2014	2015	2016	2017
<b>(a) Contingent Liabilities</b>					
a. Claims against the company not acknowledged as debts					
Disputed Sales Tax matters	-	-	-	-	-
Disputed Service Tax matters	-	-	-	-	-
Disputed Income Tax matters	-	-	-	-	-
Claim under Central Excise Act, 1944	-	-	-	-	-
Other Disputed Sales Tax matters	-	-	-	-	-
Other Disputed matters	-	-	-	-	-
(Future cash flow in respect of the above, if any, is determinable only on receipt of judgements/ decisions pending with the relevant authorities.)					
<b>b. Guarantees</b>					
Bank Guarantee to Gujarat Gas Co. Ltd.	4.00	4.00	2.00	2.00	2.00
Bank Guarantee to Gujarat Pollution Control Board	2.00		2.00	1.60	1.60
<b>c. Other Money for which the company is contingently liable</b>					
<b>(b) Commitments</b>					
<b>Total</b>	<b>6.00</b>	<b>4.00</b>	<b>4.00</b>	<b>3.60</b>	<b>3.60</b>

**ANNEXURE - XXII - REVENUE FROM OPERATIONS**

(Rs in lakhs)

Particulars		2013	2014	2015	2016	2017
<b>I.</b>	<b>Sale of goods/services as applicable</b>					
(a)	Sales of goods					
i)	Sale of manufactured goods (net of excise)	1,278.08	1,834.81	1,649.65	1,552.06	1,985.88
	Less: Excise duty	-	-	-	-	-
	Sale of manufactured goods (net of excise)	1,278.08	1,834.81	1,649.65	1,552.06	1,985.88
ii)	Sale of traded goods	-	-	-	-	-
	Total	1,278.08	1,834.81	1,649.65	1,552.06	1,985.88
(b)	Sale of services	-	-	-	-	-
	Total	1,278.08	1,834.81	1,649.65	1,552.06	1,985.88
<b>II.</b>	<b>Other Operating Revenue</b>	-	-	-	-	-
		-	-	-	-	-
	<b>TOTAL</b>	-	-	-	-	-
	<b>GROSS TOTAL</b>	<b>1,278.08</b>	<b>1,834.81</b>	<b>1,649.65</b>	<b>1,552.06</b>	<b>1,985.88</b>

**ANNEXURE - XXIII - OTHER INCOME**

(Rs in lakhs)

Particulars	2013	2014	2015	2016	2017
Balance Written for Damage - Ami Polymers	4.32	-	-	-	-
Bank Interest Received	0.00	-	-	-	-
Custom Duty Drawback	7.61	9.57	5.58	7.93	13.58
Expo Subsidy From MSME	-	-	-	-	0.23
Excess Credit in VAT Assessment	0.48	-	-	-	-
Exchange Rate Difference	37.10	65.88	41.18	17.64	16.49
Freight Received	0.03	0.08	0.01	0.03	0.22
HT Charges Refund	-	-	-	3.38	-
Insurance Claim Received	-	1.44	0.11	-	-
Interest on Others	1.05	0.67	1.54	5.13	12.59
Interest Receivable on FD of Bank Guarantee	4.03	-	-	-	-
Rebate & Discount	2.86	0.97	0.34	1.33	2.18
Rent Income	-	0.01	0.12	0.12	0.12
Speculation Gain	0.32	-	-	-	-
Sundries written off	-	-	-	0.03	0.94
Cash Discount on ETL Exp.	-	-	0.16	0.25	0.27



Cash Discount from HPCL Drive Track	-	-	-	-	0.00
<b>Total</b>	<b>57.81</b>	<b>78.61</b>	<b>49.05</b>	<b>35.83</b>	<b>46.61</b>

#### ANNEXURE - XXIV - COST OF MATERIAL CONSUMED

(Rs in lakhs)

Particulars	2013	2014	2015	2016	2017
Cost of Purchase of Raw Material	736.23	891.51	956.84	822.10	982.93
Add: Opening Stock of Raw Material	14.89	50.27	28.35	51.00	113.94
Less: Closing Stock of Raw Material	50.27	28.35	51.00	113.94	120.58
<b>Total</b>	<b>700.86</b>	<b>913.42</b>	<b>934.19</b>	<b>759.16</b>	<b>976.29</b>

#### ANNEXURE -XXV

#### CHANGES IN INVENTORY OF FINISHED GOODS, WORK-IN-PROGRESS, STOCK IN TRADE

(Rs in lakhs)

Sr. No.	Particulars	2013	2014	2015	2016	2017
(a)	<b>Inventories at the end of year</b>	-	-	-	-	-
	Finished Goods	-	-	-	-	-
	Finished Goods - Manufactured	270.56	283.92	196.04	138.57	162.34
	Finished Goods - Traded	-	-	-	-	-
	Work-in-Progress	8.48	-	88.89	51.05	-
		<b>279.04</b>	<b>283.92</b>	<b>284.93</b>	<b>189.63</b>	<b>162.34</b>
(b)	<b>Inventories at the Beginning of the Year</b>	-	-	-	-	-
	Finished Goods	-	-	-	-	-
	Finished Goods - Manufactured	136.63	270.56	283.92	196.04	138.57
	Finished Goods - Traded	-	-	-	-	-
	Work-in-Progress	94.35	8.48	-	88.89	51.05
		230.97	279.04	283.92	284.93	189.63
	<b>Net (Increase)/Decrease</b>	<b>(48.07)</b>	<b>(4.87)</b>	<b>(1.01)</b>	<b>95.30</b>	<b>27.29</b>

#### ANNEXURE -XXVI - EMPLOYEE BENEFIT EXPENSES

(Rs in lakhs)

Particulars	2013	2014	2015	2016	2017
Director Remuneration	48.00	66.00	71.50	81.00	81.00
Bonus	1.36	2.36	2.81	3.00	3.19
ESIC Expenses	0.97	1.02	1.19	1.01	1.31
Provident Fund Expenses	1.73	2.34	3.07	2.73	3.80

Wages Expenses	10.09	15.32	15.46	14.73	18.39
Gratuity Expenses	2.45	(0.48)	3.13	1.05	2.34
Salary Expenses	62.73	53.45	60.06	58.87	64.11
Staff Welfare Expenses	1.10	1.25	1.54	10.25	2.46
Incentive to Employee	-	-	-	-	12.00
<b>Gross Total</b>	<b>128.44</b>	<b>141.25</b>	<b>158.76</b>	<b>172.64</b>	<b>188.60</b>

#### ANNEXURE - XXVII - FINANCE COST

(Rs in lakhs)

Particulars	(Rs in lakhs)				
	2013	2014	2015	2016	2017
Bank Charges	0.60	0.65	1.14	1.39	1.68
Bank Commission	0.99	0.73	1.67	0.34	0.31
Bank Interest Expenses (CC)	10.63	2.14	0.50	0.75	0.08
Car Loan Interest	0.21	0.39	0.70	0.42	0.08
CC Processing Charges	-	0.81	0.77	0.88	0.56
Interest on Income Tax	3.78	2.10	6.03	-	1.35
Interest to Others	0.04	0.03	0.44	0.21	0.14
LC Charges	0.30	-	-	0.37	-
Miscellaneous Commission - Foreign	-	-	-	0.01	-
SIDBI Term Loan Interest	8.97	5.21	0.40	-	-
<b>Total</b>	<b>25.52</b>	<b>12.06</b>	<b>11.66</b>	<b>4.37</b>	<b>4.18</b>

#### ANNEXURE - XXVIII - OTHER EXPENSES

(Rs in lakhs)

Particulars	2013	2014	2015	2016	2017
2% CST Disallowance	1.84	14.17	0.16	0.34	0.22
Advance Authorization Fees	0.42	0.25	0.16	-	0.04
Advance License Fees	-	-	0.37	-	-
Advertisement Expenses	0.17	0.41	0.14	1.08	1.30
auditor	0.29	0.34	0.34	0.35	0.35
Bad Debts	-	-	-	1.78	-
Clearing & Forwarding Charges	5.40	5.43	6.68	4.79	8.42
Clearing & Forwarding Expenses	26.01	19.03	54.69	40.58	49.22
Consultancy Charges	0.24	0.26	2.29	0.83	24.66
Consumables	-	-	-	18.11	11.68
Conveyance Expenses	2.00	2.16	2.15	2.95	2.47
Customs Duty Expenses	13.59	1.22	9.59	7.14	9.52
Donation Expenses	0.06	0.21	0.03	-	0.56
Drainage cess Expenses	0.07	0.08	0.07	0.13	0.08

Electricity Expenses	28.96	38.67	34.25	40.45	42.39
ETP Expenses	2.78	2.98	3.80	6.07	9.07
Fees & Subscription	0.03	0.27	0.20	0.39	0.30
Freight Charges	1.40	0.25	2.96	1.90	1.29
GIDC Other Expenses	-	1.53	-	0.24	0.50
Hiring Charges	57.62	84.01	78.89	68.97	77.16
Hotel Expenses	1.77	1.81	1.60	1.80	1.17
HT Lump Sum Charges	-	-	2.37	-	-
Inspection Charges	0.03	-	-	-	-
Installation & Commissioning Charges	-	-	-	0.07	-
Insurance Premium Expenses	2.84	3.86	3.73	2.91	1.95
ISO 14000 Audit Fees	0.30	0.70	0.97	0.17	0.99
Job Work Expenses	-	-	-	-	17.57
Labour Charges	0.14	-	-	-	-
Legal Expenses	0.18	0.67	0.01	0.01	0.03
Loading & Unloading Expenses	2.06	2.20	0.17	0.01	0.09
Miscellaneous Commission	0.10	-	-	-	-
Miscellaneous Expenses	0.41	0.60	0.66	0.80	0.83
Notified Area Tax	0.94	1.07	1.69	1.94	1.93
Office Consumables	0.32	0.12	-	0.02	0.19
Office General Expenses	1.24	1.37	1.65	1.76	2.22
Packing Material	21.20	44.39	30.45	45.72	34.21
Petrol Expenses	2.61	2.70	2.08	2.42	0.91
Postage & Courier Expenses	1.08	1.19	1.10	1.73	1.32
Printing & Stationery Expenses	1.00	1.07	1.55	1.84	1.77
Professional Charges	2.45	1.46	5.30	1.45	2.89
Professional Tax (Company)	0.02	0.02	0.02	0.02	0.02
Rate Difference	-	-	-	1.36	1.20
Repairs & Maintenance	11.48	10.84	13.98	10.61	7.64
ROC Expenses	-	-	-	0.15	-
Sales Commission Expenses	8.30	8.39	7.83	5.75	7.97
Service Tax Paid	0.29	0.48	0.43	0.54	1.21
Service Tax paid for Assessment	2.87	-	-	-	-
Speculation Charges	0.01	-	-	-	-
Software Development exps	-	0.39	0.01	0.01	0.02
Sundry Dr./Cr. W/o	0.02	(0.00)	1.38	-	-
Telephone Expenses	0.53	0.57	0.56	0.57	0.56
Testing Expenses	0.46	0.17	0.29	0.17	0.20
Toll Tax	0.05	0.03	-	-	-
Transport Expenses	9.24	15.39	12.73	9.62	10.73
Traveling Expenses	0.32	0.36	1.30	1.23	1.02

Utility Expenses	40.37	49.94	50.33	42.52	49.76
VAT Expenses	-	-	-	0.26	-
Vehicle Repairs & Maintenance	0.17	0.23	0.22	0.41	0.49
Water Charges	0.47	0.52	0.57	1.01	1.19
			-	-	-
<b>Gross Total</b>	<b>254.16</b>	<b>321.84</b>	<b>339.75</b>	<b>332.98</b>	<b>389.32</b>

#### ANNEXURE- XXIX - SUMMARY OF ACCOUNTING RATIOS

Ratios	(Rs in lakhs)				
	For the year ended 31 March 2013	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
Restated PAT as per P& L Account	148.37	321.49	127.46	108.35	261.49
Weighted Average Number of Equity Shares at the end of the Year	10.99	10.99	10.99	10.99	10.99
Impact of issue of Bonus Shares before stub period	-	-	-	-	-
Impact of issue of Bonus Shares after stub period	54.96	54.96	54.96	54.96	54.96
Weighted Average Number of Equity Shares at the end of the Year after adjustment for issue of bonus shares	65.95	65.95	65.95	65.95	65.95
No. of equity shares at the end of the year	10.99	10.99	10.99	10.99	10.99
Impact of issue of Bonus Shares before stub period	-	-	-	-	-
Impact of issue of Bonus Shares after March 31, 2017	-	-	-	-	-
No. of equity shares at the end of the year after adjustment for issue of bonus shares	10.99	10.99	10.99	10.99	10.99
Net Worth	844.44	1,165.93	1,290.29	1,398.64	1,653.56
<b>Earnings Per Share</b>					
Basic & Diluted - before bonus	13.50	29.25	11.60	9.86	23.79
Basic & Diluted - after bonus	2.25	4.87	1.93	1.64	3.96
<b>Return on Net Worth (%)</b>	17.57	27.57	9.88	7.75	15.81
<b>Net Asset Value Per Share (Rs) - before bonus</b>	76.82	106.07	117.38	127.24	150.43
<b>Net Asset Value Per Share (Rs) - after bonus</b>	12.80	17.68	19.56	21.21	25.07
Nominal Value per Equity share (Rs.)	10.00	10.00	10.00	10.00	10.00

**ANNEXURE - XXX - STATEMENT OF TAX SHELTERS**

(Rs in lakhs)

<b>Particulars</b>	<b>Year ended March 31, 2013</b>	<b>Year ended March 31, 2014</b>	<b>Year ended March 31, 2015</b>	<b>Year ended March 31, 2016</b>	<b>Year ended March 31, 2017</b>
Restated Profit before tax (A)	220.78	475.69	190.53	163.04	392.29
Tax Rate (%)	32.45	32.45	32.45	33.06	33.06
Tax at notional rate on profits	71.63	154.36	61.83	53.90	129.69
<b>Adjustments:</b>					
<b>Permanent Differences(B)</b>					
Donation 50% disallowance(A)	0.03	0.11	0.01		0.28
Personal nature Expenses Disallowed				0.63	0.57
Disallowance u/s 14A (B)	-	-	-		
Interest on delay payment on TDS	-		-		
<b>Expenses disallowed under Income Tax Act, 1961</b>	<b>0.03</b>	<b>0.11</b>	<b>0.01</b>	<b>0.63</b>	<b>0.85</b>
Income not taxable as per Income-tax Act, 1961	-	-	-	-	
<b>Total Permanent Differences(B)</b>	<b>0.03</b>	<b>0.11</b>	<b>0.01</b>	<b>0.63</b>	<b>0.85</b>
<b>Income considered separately (C)</b>	-	-	-	-	-
<b>Total Income considered separately (C)</b>	-	-	-	-	-
<b>Timing Differences (D)</b>					
Difference between tax depreciation and book depreciation	(3.31)	(3.21)	15.06	10.96	1.83
Disallowed U/s 43B (1)	-				
Allowed U/s 43B (2)	-				
Loss On Sale Of Assets (3)	-				

Provision for Gratuity Expenses (4)	5.00	5.00	5.00	5.00	5.00
Provision for Doubtful Advances (5)	-				
Bad debts written off against Provision for Doubtful Debts (6)	-				
Contribution by Employees towards Provident Fund (7)	-				
Profit on sale of assets (8)	-				
Adjustment u/s 145A (9)	-				
<b>Total of Difference due to any other items of addition u/s 28 to 44DA [1-2+3+4+5-6+7-8-9]</b>	<b>5.00</b>	<b>5.00</b>	<b>5.00</b>	<b>5.00</b>	<b>5.00</b>
<b>Total Timing Differences (D)</b>	<b>1.69</b>	<b>1.79</b>	<b>20.06</b>	<b>15.96</b>	<b>6.83</b>
<b>Net Adjustments E = (B+D-C)</b>	<b>1.72</b>	<b>1.89</b>	<b>20.07</b>	<b>16.59</b>	<b>7.67</b>
<b>Tax expense / (saving) thereon</b>	0.56	0.61	6.51	5.48	2.53
<b>Income from Other Sources (F)</b>	-				-
<b>Loss of P.Y. Brought Forward &amp; Adjusted(G)</b>	-	-	-	-	-
<b>Taxable Income/(Loss) (A+E+F+G)</b>	<b>222.50</b>	<b>477.58</b>	<b>210.61</b>	<b>179.63</b>	<b>392.29</b>
<b>Taxable Income/(Loss) as per MAT (see note 2)</b>	220.78	475.69	190.53	163.04	392.29
<b>Tax as per MAT</b>	44.17	95.17	38.12	32.62	78.49
<b>Tax as per Normal Calculation</b>	72.19	154.95	68.33	59.39	132.24
<b>MAT credit entitlement</b>	-	-	-	-	
<b>Tax paid</b>	72.19	154.95	69.49	59.39	131.36
Tax paid as per normal or MAT	Normal	Normal	Normal	Normal	Normal

**ANNEXURE - XXXI - CAPITALIZATION STATEMENT AS AT LAST AUDITED PERIOD**

(Rs in lakhs)

<b>Particulars</b>	<b>Pre-Issue</b>	<b>Post Issue</b>
Borrowings		
Short term debt (A)	2,116.75	2,116.75
Long Term Debt (B)		
<b>Total debts (C)</b>	<b>2,116.75</b>	<b>2,116.75</b>
<b>Shareholders' funds</b>		
Equity share capital	109.92	109.92
Reserve and surplus - as restated	1,543.63	1,543.63
<b>Total shareholders' funds</b>	<b>1,653.56</b>	<b>1,653.56</b>
<b>Long term debt / shareholders' funds</b>		
<b>Total debt / shareholders' funds</b>	1.28	1.28

**Note:**

1. *The figures disclosed above are based on restated statement of Assets and Liabilities of the Company as at last audited period.*
2. *Short term Debts includes current maturities of long term debt.*
3. *The corresponding post Issue figures will be determined upon finalization of Issue Price.*

**ANNEXURE - XXXII - RELATED PARTY TRANSACTION**

Name	Nature of Transaction	Amount of transaction during 2012-13	Amount Outstanding as on 31.03.13 (Payable)/Receivable	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) /	Amount of Transaction during 2015-16	Amount Outstanding as on 31.03.16 (Payable)/	Amount of Transaction during 2016-17	Amount Outstanding as on 31.03.17 (Payable)/Receivable
Ganesh Corporation	Purchase	0.13	-	0.20	0.20	6.30	-	3.62	-	7.53	1.15
Ankleshwar Research & Analytical Infrastructure Ltd	Testing Charges	0.03	-	0.06	0.01	0.09	0.01	0.08	-	0.10	-
Ankleshwar Research & Analytical Infrastructure Ltd	Purchase	-	-	0.17	-	-	-	-	-	-	-
Chandubhai M Kothia	director remuneration	24.00	1.55	30.00	1.89	30.00	2.24	36.00	2.24	36.00	6.73
Hasmukhbhai M Kothia	Director Remuneration	12.00	0.86	18.00	1.20	17.50	9.65	21.00	1.26	21.00	13.30
Ashokbhai M Kothia	Director Remuneration	12.00	0.86	18.00	1.19	24.00	5.86	24.00	1.42	24.00	12.41
Sanjaybhai H Kothia	Salary	18.00	1.21	21.00	1.37	24.00	3.10	24.00	1.55	36.00	10.06
Subhasbhai B Kothia	Salary	18.00	-	-	-	-	-	-	-	-	-
Ashok Impex	Sales	-	-	0.13	-	-	-	-	-	-	-
Ashok Impex	Purchase	-	-	0.07	-	7.85	-	2.17	-	17.30	-
Praharit Pigments LLP	Rent Received	-	-	0.01	-	0.12	-	0.12	-	0.12	-
Ashok Pharma Chem	Sales	-	-	-	-	1.95	-	16.85	-	6.11	14.95
Ashok Pharma Chem	Purchase	-	-	-	-	-	-	3.31	-	14.95	-
Shree Ganesh Chemicals	Reimbursement of Expenses	-	-	-	-	-	-	0.01	-	-	0.07
Shree Ganesh Chemicals	Sales	-	-	-	-	-	-	-	-	7.80	-



## 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 Shree Ganesh Remedies Limited, our Company. Unless otherwise indicated, financial information included herein are based on our Restated Financial Statements for Financial Years 2013, 2014, 2015, 2016 and 2017 included in this Draft Prospectus beginning on page 143*

### BUSINESS OVERVIEW

Our Company was originally incorporated as "Shree Ganesh Remedies Private Limited" at Ahmedabad, Gujarat as a Private Limited Company under the provisions of Companies Act, 1956 vide Certificate of Incorporation dated April 27, 1995 bearing registration number 025661 issued by Assistant Registrar of Companies, Gujarat, Dadra & 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 July 12, 2017 and fresh certificate of incorporation consequently upon change of name was issued by Registrar of Companies, Gujarat, Ahmedabad dated July 28, 2017 and name of our Company was changed to "Shree Ganesh Remedies Limited"

Our Company is as ISO 9001:2015, ISO 14001:2015 BS and OHSAS 18001:2007 certified Company and is engaged in manufacturing and dispatch of drug intermediates and chemicals like amine hydrochloride and specialty fine chemicals for pharmaceutical industry. We manufacture products relating to antipsychotic, antiseptic, deprotonation reactions, hyperlipidemia, alzheimers and anti-viral.

The manufacturing process is supported by Total Quality Management techniques and is supervised through various quality control equipment's and qualified personnel. The Products are manufactured for export market and also for domestic and foreign markets. We entered the International market in the year 2006 and are on regular basis exporting our products to various countries.

Our manufacturing facility is divided into three manufacturing plants namely Plant I, II and III spread across 9715 Square meters having different product manufacturing capabilities and process.

#### **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 14 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. Our Company was converted into Public Company vide Special Resolution passed in the Extra -Ordinary General Meeting of the Company held on July 12, 2017 and the name of the Company was changed to “Shree Ganesh Remedies Limited vide a fresh certificate of Incorporation dated July 28, 2017.
2. The Board of Directors passed a resolution for Issue of Bonus Shares in their meeting held on July 29, 2017 and was approved by the members in the Annual General Meeting held on August 19, 2017.
3. The Board of Directors appointed Pooja Koladia, Jayesh Savjani and Surendra Shah as Additional Independent Director of our Company in the Board meeting held on July 29, 2017 and subsequently were regularized as Independent Director in the Annual General Meeting held on August 19, 2017.
4. The Board of Directors designated Chandubhai Kothia Managing Director of our Company in the Board meeting held on July 29, 2017 and was approved by members at the Annual General Meeting held on August 19, 2017
5. The Board of Directors passed a resolution for appointment of Bhavita Jain as Chief Financial Officer in their meeting held on July 29, 2017
6. The Board of Directors passed a resolution for an Initial Public Offer in their meeting held on July 29, 2017.
7. The Board of Directors passed a resolution for appointment of Aditya Patel as Company Secretary and Compliance Officer in their meeting held on July 29, 2017 and was appointed w.e.f from August 19, 2017
8. The Authorised Share Capital of our Company was increased to Rs. 10,00,00,000 consisting of 1,00,00,000 Equity Shares of Rs. 10 each in the Annual General Meeting held on August 19, 2017
9. Our Company passed a special resolution on August 19, 2017 to authorize the Board of Directors to raise funds by making Initial Public Offer.
10. The Board of Directors passed a resolution for allotment of Bonus Shares in their meeting held on August 24, 2017.

## RESULTS OF OUR OPERATIONS

(Rs. In Lakhs)

	Particulars	For the year ended 31 March 2015	For the year ended 31 March 2016	For the year ended 31 March 2017
<b>I.</b>	<b>Revenue from operations (Net of Excise)</b>	1,649.65	1,552.06	1,985.88
	% of total income	97.11%	97.74%	97.71%
	Variance	-10.09%	-5.92%	27.95%
<b>II.</b>	<b>Other Income</b>	49.05	35.83	46.61
	% of total income	2.89%	2.26%	2.29%
	Variance	-37.61%	-26.94%	30.09%
<b>III.</b>	<b>Total Revenue (I + II)</b>	<b>1,698.70</b>	<b>1,587.89</b>	<b>2,032.49</b>
<b>IV.</b>	<b>Expenses:</b>			
	Cost of materials consumed	934.19	759.16	976.29
	% of total income	54.99%	47.81%	48.03%
	Variance	2.27%	-18.74%	28.60%
	Changes in inventories of finished goods, work-in-progress and stock in trade	-1.01	95.30	27.29
	Employee benefits expense	158.76	172.64	188.60
	% of total income	9.35%	10.87%	9.28%
	Variance	12.40%	8.74%	9.24%
	Finance costs	11.66	4.37	4.18
	% of total income	0.69%	0.28%	0.21%
	Variance	-3.31%	-62.52%	-4.29%
	Depreciation and amortization expense	64.81	60.39	54.52
	% of total income	3.82%	3.80%	2.68%
	Variance	19.94%	-6.82%	-9.71%
	Other expenses	339.75	332.98	389.32
	% of total income	20.00%	20.97%	19.15%
	Variance	5.57%	-1.99%	16.92%
	<b>Total Expenses</b>	<b>1,508.17</b>	<b>1,424.84</b>	<b>1,640.20</b>
	% of total income	88.78%	89.73%	80.70%
	Variance	5.15%	-5.52%	15.11%
<b>V.</b>	<b>Profit / (Loss) before tax (VII-VIII)</b>	<b>190.53</b>	<b>163.04</b>	<b>392.29</b>
	% of total income	11.22%	10.27%	19.30%
	Variance	-60.23%	-14.43%	140.60%
<b>VI</b>	<b>Exceptional Items</b>	-	-	
<b>VII</b>	<b>Extraordinary Items</b>	-	-	
<b>VIII</b>	<b>Tax expense:</b>			
	(1) Current tax	67.73	58.08	131.36
	(2) Deferred tax	-4.65	-3.39	-0.56
	(3) MAT credit entitlement	-	-	-
<b>IX</b>	<b>Profit/ (Loss) for the period (XI + XIV)</b>	<b>127.46</b>	<b>108.35</b>	<b>261.49</b>

(Rs. In Lakhs)

	Particulars	For the year ended 31 March 2015	For the year ended 31 March 2016	For the year ended 31 March 2017
	% of total income	7.50%	6.82%	12.87%
	Variance	-60.77%	-15.00%	141.35%

## COMPARISON OF FINANCIAL YEAR ENDED MARCH 31, 2017 COMPARED TO FINANCIAL YEAR ENDED MARCH 31, 2016

### Revenue from Operations (Net of Excise Duty)

Our total revenue from operations increased to Rs. 1,985.88 lakhs for the year ended on March 31, 2017, as compared to Rs. 1,552.06 lakhs for the year ended on March 31, 2016, representing an increase of 27.95%. This was due to increase in our business operations.

### *Other Income*

Our other income increased to Rs 46.61 lakhs for the year ended on March 31, 2017, as compared to Rs 35.83 lakhs for the year ended on March 31, 2016, representing an increase of 2.29%. This is due to custom duty drawback, interest, rebate and discount and sundries written off.

### Expenditure

Our expenditure increased to Rs. 1,640.20 lakhs for the year ended on March 31, 2017, as compared to Rs. 1,424.84 lakhs for the year ended on March 31, 2016, representing an increase of 15.11%. This was due to increase in consumption of raw materials and increase in other expenses.

### *Cost of Materials Consumed*

Our Cost of materials consumed increased to Rs 976.29 lakhs for the year ended on March 31, 2017, as compared to Rs 759.16 lakhs for the year ended on March 31, 2016, representing an increase of 28.60% due to increase in sales.

### *Employee Benefit Expenses*

Our Employee Benefit Expenses consumed increased to Rs 188.60 lakhs for the year ended on March 31, 2017, as compared to Rs 172.64 lakhs for the year ended on March 31, 2016, representing an increase of 9.24% due to incentive given to employees

### *Depreciation and Amortization expense*

The Depreciation decreased to Rs 54.52 lakhs for the year ended on March 31, 2017, as compared to Rs 60.39 lakhs for the year ended on March 31, 2016, representing a decrease of 9.71%

### *Finance Cost*

The finance Cost decreased to Rs 4.18 lakhs for the year ended on March 31, 2017, as compared to Rs 4.37 lakhs for the year ended on March 31, 2016, representing a decrease of 4.29%. This is due to decrease in credit facility used by our Company

### *Other expenses*

Our other Expenses increased to Rs 389.32 lakhs for the year ended on March 31, 2017, as compared to Rs 332.98 lakhs for the year ended on March 31, 2016, representing an increase of 16.92%. This was due to clearing and forwarding expenses, hiring charges, professional fees paid.

### *Net profit / loss after Tax*

Our Net profit after tax increased to Rs 261.49 lakhs for the year ended on March 31, 2017, as compared to Rs 108.35 lakhs for the year ended on March 31, 2016, representing an increase of 141.25%. This was due to overall increase in the performance of business operations of our Company.

## **COMPARISON OF RESULTS OF OPERATIONS YEAR ENDED ON MARCH 31, 2016 COMPARED TO YEAR ENDED ON MARCH 31, 2015**

### **Revenue from Operations (Net of Excise Duty)**

Our total revenue from operations decreased to Rs. 1,552.06 lakhs for the year ended on March 31, 2016, as compared to Rs 1,649.65 lakhs for the year ended on March 31, 2015, representing a decrease of 5.92%.

### *Other Income*

Our other income decreased to Rs 35.83 lakhs for the year ended on March 31, 2016, as compared to Rs 49.05 lakhs for the year ended on March 31, 2015, representing a decrease of 26.94%.

### **Expenditure**

Our expenditure decreased to Rs. 1,424.84 lakhs for the year ended on March 31, 2016, as compared to Rs 1,508.17 lakhs for the year ended on March 31, 2015, representing a decrease of 5.52%.

### *Cost of Materials Consumed*

Our Cost of materials consumed decreased to Rs. 759.16 lakhs for the year ended on March 31, 2016, as compared to Rs 934.19 lakhs for the year ended on March 31, 2015, representing a decrease of 18.74% due to decrease in sales

### *Employee Benefit Expenses*

Our Employee Benefit Expenses consumed increased to Rs 172.64 lakhs for the year ended on March 31, 2016, as compared to Rs. 158.76 lakhs for the year ended on March 31, 2015, representing an increase of 8.74%

### *Depreciation and Amortization expense*

The Depreciation decreased to Rs. 60.39 lakhs for the year ended on March 31, 2016, as compared to Rs 64.81 lakhs for the year ended on March 31, 2015, representing a decrease of 6.82%

### *Finance Cost*

The finance Cost decreased to Rs. 4.37 lakhs for the year ended on March 31, 2016, as compared to Rs 11.66 lakhs for the year ended on March 31, 2015, representing a decrease of 62.52%. This is due to decrease in bank commission charges and interest on term loan.

#### *Other expenses*

Our other Expenses decreased to Rs. 332.98 lakhs for the year ended on March 31, 2016, as compared to Rs 339.75 lakhs for the year ended on March 31, 2015, representing a decrease of 1.99%.

#### *Net profit / loss after Tax*

Our Net profit after tax decreased to Rs. 108.35 lakhs for the year ended on March 31, 2016, as compared to Rs 127.46 lakhs for the year ended on March 31, 2015, representing a decrease of 15.00%. This was due to decrease in sales.

### **COMPARISON OF RESULTS OF OPERATIONS YEAR ENDED ON MARCH 31, 2015 COMPARED TO YEAR ENDED ON MARCH 31, 2014**

#### **Revenue from Operations (Net of Excise Duty)**

Our total revenue from operations decreased to Rs. 1649.65 lakhs for the year ended on March 31, 2015, as compared to Rs. 1,834.81 lakhs for the year ended on March 31, 2014, representing a decrease of 10.09%.

#### *Other Income*

Our other income decreased to Rs. 49.05 lakhs for the year ended on March 31, 2015, as compared to Rs 78.61 lakhs for the year ended on March 31, 2014, representing a decrease of 37.61%.

#### **Expenditure**

Our expenditure increased to Rs. 1,508.17 lakhs for the year ended on March 31, 2015, as compared to Rs. 1,434.32 lakhs for the year ended on March 31, 2014, representing an increase of 5.15 %.

#### *Cost of Materials Consumed*

Our Cost of materials consumed increased to Rs. 934.19 lakhs for the year ended on March 31, 2015, as compared to Rs. 913.42 lakhs for the year ended on March 31, 2014, representing an increase of 2.27%

#### *Employee Benefit Expenses*

Our Employee Benefit Expenses increased to Rs. 158.76 lakhs for the year ended on March 31, 2015, as compared to Rs. 141.25 lakhs for the year ended on March 31, 2014, representing an increase of 12.40%

#### *Depreciation and Amortization expense*

The Depreciation increased to Rs. 64.81 lakhs for the year ended on March 31, 2015, as compared to Rs. 54.03 lakhs for the year ended on March 31, 2014, representing an increase of 19.94%

#### *Finance Cost*

The finance Cost decreased to Rs 11.66 lakhs for the year ended on March 31, 2015, as compared to Rs 12.06 lakhs for the year ended on March 31, 2014, representing a decrease of 3.31%.

#### *Other expenses*

Our other Expenses increased to Rs .339.75 lakhs for the year ended on March 31, 2015, as compared to Rs 321.84 lakhs for the year ended on March 31, 2014, representing an increase of 5.57%.

#### *Net profit / loss after Tax*

Our Net profit after tax decreased to Rs. 127.46 lakhs for the year ended on March 31, 2015, as compared to Rs. 324.90 lakhs for the year ended on March 31, 2014, representing a decrease of 60.77%.

### **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 14 and 192 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 14 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 three 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 83

**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 “Business Overview” beginning on page 92.



## 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

#### 1. Loan of Rs 190.00 lakhs from Axis Bank Limited

Nature of Facility		Purpose	Time Period	Guarantor	Interest Rate	Amount (Rs in lakhs)		Outstanding as on 31 <sup>st</sup> March, 2017
						Fund Based	Non-fund Based	
Facility- I	<b>Fund Based Facilities</b>	To meet day to day working capital requirements	One Year	Personal Guarantee: 1. Chandubhai Kothia 2. Hasmukhbhai Kothia 3. Ashokbhai Kothia	MCLR (3M) + 2.50% i.e. 10.55% p.a., payable monthly.	190.00		Nil
	Cash Credit Limit (Under MSE Power Scheme)							
Facility- II	EPC/PCFC (sub limit under cash credit facility)	--	180 days		Up to 180 days- 9.05% p.a. Beyond 180 days to 360 days- 9.55% p. a	(100.00)		
Facility- III	FBP/FBD/PSCFC/ERBD (sub limit under cash credit facility)	Working capital requirements	One Year		up to 180 days- 9.05% p.a. Beyond 180 days to 360 days- 9.55% p. a	(100.00)		

Facility- IV	Non-fund Based Facilities	Domestic purchase and Import of material required for day to day operations	120 days				100.00
	Letter of Credit-Foreign/Inland						
Facility- V	Forward cover limit (as sub limit of CC limit)	For hedging currency risk	12 months				(10.00)

## Security

### Primary

Exclusive first hypothecation charge of entire current assets of the firm (Present and future)

### Collateral

<b>Property</b>	Equitable mortgage of property situated at Plot no. 406/15, Sardar Patel Society, opp. Lions school, R.S. No. 235 & 236 paikiee of village: Bhadkodra Ta. Ankleshwar, District- Bharuch	Equitable mortgage of property situated at Plot No. 303/C/6, Tulsi Kunj Society, G.I.D.C. housing sector, Phase III R.S. No. 197/P of village: Bhadkodra Ta. Ankleshwar, District-Bharuch	Equitable mortgage of property situated at Plot No. 6011, G.I.D.C, Ankleshwar
<b>Area</b>	396.60 sq. mtrs	299.84 Sq. mtrs	10,000 sq. mtrs
<b>Owner</b>	Hasmukh Kothia	Chandubhai Kothia	Shree Ganesh Remedies Limited

## Restrictive Covenants

1. The Company will not without the permission of the bank in writing:

- Invest by way of share capital in or lend or advance funds to place deposits with any other concerns, except in normal course of business or as advances to employees.
- Undertake guarantee obligations on behalf of any other Company except in normal course of its business.
- Formulate any scheme of amalgamation or reconstitution.
- Withdraw monies brought in by key promoters/depositors.
- Implement any scheme of expansion or acquire fixed assets of substantial value, other than the envisaged project.
- Effect any change in management & capital structure.
- Enter into borrowing arrangement either secured or unsecured with any other bank or financial institutions, Company or otherwise,
- Grant Loans to promoters/associates and other companies.

- Make any repayment of the loans and deposits and discharge other liabilities except those shown in the funds flow statement submitted from time to time.
2. The Company shall not make any drastic change in its management set up without the permission of the bank.
  3. The loan shall be used only for the purpose for which it is sanctioned and shall not be used for:
    - Subscription to or purchase of shares/debentures.
    - Extending loans to subsidiary companies/associates or for making inter corporate deposits.
    - Any other speculative purpose.
  4. The borrower will place with the bank all its banking business, including foreign exchange/insurance, if any, and deposits. In case the borrower goes in for public issue/right issue our Bank must be given pro-rata merchant banking business failing which the bank may consider increasing the rate of interest on all funded limits.

## 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 July 29, 2017 has decided that litigation by or against our Company/ its Promoters/ Directors/ Group Companies where the amount involved exceeds Rs. 5 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 by statutory/regulatory authorities.

###### (c) Tax proceedings

Except for the demand notices disclosed below, there are no tax proceedings involving our Company, our Promoters, our Directors or our Group Companies:

##### 1. Notices issued to our Company

Assessment Years	Date of Notice u/s 245 issued	Section of Income Tax Act, 1961	Date on which demand is raised	Outstanding demand amount (In Rs.)
2009-10	25/04/2016	220(2)	26/05/2016	72,148*
2010-11	25/04/2016	154	13/06/2012	6,18,260**

\*Due to erroneous processing of ITR for AY 2009-10, Centralised Processing Centre, Bengaluru, has generated a demand of Rs.72148. the same has been protested and requested for reprocessing.

\*\*Demand for FY 2010-11 relating to our Company is pending as shown on the website of the Income Tax Department., but the income tax case was decided by Commissioner of Income Tax (Appeals) (“CIT(A)”) in favour of our Company. Aggrieved by the said order, the income tax department has filed further appeal against the CIT(A) order. However, the demand amount is less than the threshold for honoring cases at Income Tax Appellate Tribunal filed by income tax department.

**(d) Material pending litigations:**

Our Company had received Show Cause Notice dated 17<sup>th</sup> February 2017 vide reference no. 38/CB/EI-24/Ank/2015 (“SCN”) from the Employees’ State Insurance Corporation (“ESIC”), of Ministry of Labour & Employment, Government of India, Alkapuri, Vadodra – 390007 alleging non-compliance with the provisions of the ESI (General) Regulation 12 read with regulation 110, wherein the particular and signature of the Late Shri Raju Prajapati, Ins No 3810648139 (“Employee”) had to be obtained in the Declaration Form before taking him into employment on 3<sup>rd</sup> December 2015. The said employee was registered on 10<sup>th</sup> December 2015 after he met with an accident on the same day, depriving him of the benefits provided under the ESI Act. Vide the SCN, our Company had been asked to show cause within 15 days from the date of receipt of this notice as to why the entire amount of Rs.5,13,751/- (Rupees Five Lakhs Thirteen Thousand Seven Hundred and Fifty One) with additional interest @ 8% p.a for delay in payment should not be recovered under section 68 of the ESI Act and why our Company should not be prosecuted under Section 85 for committing breach of regulation 12 read with regulation 110 of ESI Act. Our Company replied to the SCN on March 1, 2017 accepting the allegations and stating that delay in registration of the Employee was due to non-submission of Aadhar Card and other necessary documents by the Employee. Also, our Company requested ESIC to consider the additional amount of Rs. 4,50,000/- (Rupees Four Lakhs Fifty Thousand) compensated to the said Employee. Subsequently, the ESIC vide letter No.38/SRO/BRD/EI-87/DB-301/2016/Ank/264 dated 11<sup>th</sup> April 2017 demanded the recovery of Rs. 5,13,751/- (Rupees Five Lakhs Thirteen Thousand Seven Hundred and Fifty One) from our Company as it was alleged that our Company failed to pay the said amount in spite of the notice issued and neglected to pay contribution in time (Contribution paid on 19/10/2016, Due date 21/01/2016) in view of Section 68 of ESI Act 1948. The said amount plus further amount of interest at the rate of 8% calculated on the amount at the rate of Rs. 113 (Rupees One Hundred and Thirteen) per day from the start of PDB/DB i.e. 11/12/2015 as being due to the ESIC is prayed to be recovered under Section 45-C to 45-I of the Act and remitted to State Bank of India for credit to the ESI Fund A/c No. 1. In response to the said letter, our Company vide its letter dated 15<sup>th</sup> May 2017 raised certain questions regarding the Notices by ESIC demanding recovery as well as to show cause why the said amount shall not be paid. Further our Company asked for the method of calculation of the benefit, which the family of the Employee is entitled to. The Recovery Notice No. 38000353130000304/CP2 No./319C under Section 45-C to 45 – I of the ESI Act, 1948 read with Rule 2 of the II Schedule to the Income Tax Act, 1961 and Income Tax (Certificate Proceedings), 1962 was issued by ESIC, Alkapuri, Vadodara dated 31<sup>st</sup> July 2017 directing our Company to pay Rs. 5,13,751/- (Rupees Five Lakhs Thirteen Thousand Seven Hundred and Fifty One) within 15 days of receipt of this notice and stating the details of the amount to be recovered i.e Rs. 5,81,251/- (Rupees Five Lakhs Eighty One Thousand Two Hundred and Fifty One) inclusive of the interest (8% from 11/12/2015 to 31/07/2017) amounting to Rs 67,450/- and Cost & Adv. Cost Charges amounting to Rs 50/-. The branch manager of ESIC filed a criminal case 1405/2017 before the Taluka Court, Ankleshvar on 22<sup>nd</sup> June, 2017 under Section 85 of the ESI Act. The hearing is expected on 22<sup>nd</sup> September 2017. Our Company and 3 of its promoters namely Chandubhai Manubhai Kothia, Hasmukh Manubhai Kothia, and Ashokbhai Manubhai Kothia have been named as accused in this criminal case.

**(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**

Except for the income tax demand notices mentioned hereunder, there are no tax proceedings against our Promoters/Group Companies/Subsidiaries.

***Notices issued to our Promoters***

The information pertaining to income tax notices served on our Promoters is presented in the following table-

<b>AY</b>	<b>No. of Demand Notices</b>	<b>Amount Demanded in AY (In Rs.)</b>
2008-09	5	1,53,702
2009-10	3	14,860
2010-11	3	4,220
2012-13	2	1,700
2013-14	6	25,590
2014-15	4	4,120
2016-17	1	2,240
<b>Total Amount Demanded</b>		<b>2,06,432/-</b>

**(d) Material pending litigations**

- 1. SBS Organics Ltd. v Axis Bank Limited and Shri Ganesh Pigments Private Limited, pending before Debt Recovery Appellate Tribunal (“DRAT”) Mumbai:** Axis Bank (“Bank”) had sold factory property situate at Plot No.A1-405, GIDC, Ankleshwar, which originally belonged to SBS Organics Ltd. to Shree Ganesh Pigments Private Limited, our Group Company, (“SGPPL”). The said sale was declared illegal by the Debt Recovery Tribunal (“DRT”) and the Bank was directed to refund the purchase money received by it amounting to Rs. 365 Lakhs and the SGPPL was ordered to return the possession of the factory property which it had purchased from the Bank. However, the Bank has filed a further appeal (App/746/2014) which is pending before DRAT, Mumbai.

**(ii) 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**

- 1. Special Civil Application No. 7287 Of 2015 involving Hasmukhbhai Manubhai Kothia:** Hasmukhbhai Kothia & 2 others vs State of Gujarat, filed before the Hon’ble Gujarat High Court pertains to purchase of plot No.106, Nana Chiloda, Ahmedabad, in which Hasmukhbhai is the petitioner. He had initiated a suit for settlement of a dispute raised by a relative of the seller of the plot relating to realization of payments. Hence, the suit was initiated, along with other plot holders. The outcome of this proceeding is still pending.

**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 March 31<sup>st</sup> 2017, our Company had 9 creditors, to whom an aggregate amount of Rs. 219.40 lakhs was 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 192.



## GOVERNMENT AND OTHER STATUTORY APPROVALS

Our Company has received the necessary consents, licenses, permissions registrations and approvals from the Government, various Government agencies and other statutory and/or regulatory authorities required for carrying out our present business activities and except as mentioned below, no further material approvals are required for carrying on our present business activities. Unless otherwise stated, these approvals or licenses are valid as of the date of this Draft Prospectus and in case of licenses and approvals, which have expired, we have either made an application for renewal or are in the process of making an application for renewal.

### 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 July 29, 2017, 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 August 19, 2017 passed in the Annual 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 Bigshare Service Private 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 Bigshare Services Private 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
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#### A. Corporate Approvals

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1.	Certificate of Incorporation as "Shree Ganesh Remedies Private Limited"	The Registrar of Companies, Gujarat	04-25661	April 27, 1995	Until Cancellation or Winding up
2.	Fresh Certificate of Incorporation Consequent upon Conversion from Private Company to Public Company	The Registrar of Companies, Gujarat	U24230GJ1995PLC 025661	July 28, 2017	Until Cancellation or Winding up

### B. Tax Related Approvals

3.	Allotment of Permanent Account Number (PAN) under the provisions of Income Tax Act, 1961	Income Tax Department, Govt. of India	AAPFS3199F	--	Until cancelled or surrendered
4.	Allotment of Tax Deduction Account No. (TAN)	Income Tax Department, Govt. of India	BRDS04252D	May 31, 2013	Until cancelled or surrendered
5.	Certificate for Central Excise Registration (Ankleshwar facility)	Assistant Commissioner Central Excise & Customs	AAPFS3199FXM001	October 26, 2004	Until cancelled or surrendered
6.	Service Tax Registration (Form ST-2) (Ankleshwar facility)	Superintendent (Service Tax Customs and Central Excise)	AAFPS3199FST001	March 9, 2009	Until cancelled or surrendered
7.	Certificate of Registration under Central Sales Tax Act, 1956 (Ankleshwar facility)	Commercial Tax Officer, The Central Sales Tax (Registrations & Turnover) Rules, 1957	24211001781	September 7, 2005	Until cancelled or surrendered
8.	Certificate of Registration under Gujarat Value Added Tax, 2003	Sales Tax Officer, Sales Tax Department, Gujarat	24211001781	September 7, 2005	Until cancelled or surrendered
9.	Certificate of Registration The Gujarat	Gujarat Commercial Tax, Gujarat	2110000815	December 12, 2005	Until cancelled or surrendered

	Panchayats, Municipalities, Municipal Corporations And State Tax On Professions, Traders, Callings And Employments Act, 1976				
10.	Importer-Exporter Code Number	Office of Joint Director General of Foreign Trade	3405004454	December 7, 2015	Until cancelled or surrendered

### C. Approvals relating to Factory Operations

11.	License to Work a factory (Mumbai facility)	Directorate Industrial Safety & Health, Gujarat State	Registration No :- 31041/24239/2005 License No: 23822	August 2, 2005	December 31, 2019
12.	ISO 14001:2015 Manufacture and Dispatch of Intermediates and Chemicals (Amine Hydrochloride Salts) for Pharmaceutical Industry	BUREAU VERITAS Certification	IND17.5687/U/E	Original Certificate dated : - January 12, 2011  Renewal date: May 18, 2017	January 11, 2020
13.	ISO 9001:2015 Manufacture and Dispatch of Intermediates and Chemicals (Amine Hydrochloride Salts) for Pharmaceutical Industry	BUREAU VERITAS Certification	IND17.5288Q/U	Original Certificate dated : - January 12, 2011  Renewal date: April 26, 2017	January 11, 2020
14.	BS OHSAS 18001:2007 Manufacture and Dispatch of Intermediates and Chemicals such as Amine	BUREAU VERITAS Certification	IND15.5757/U/HS	Original Certificate dated : May 19, 2015	May 18, 2018

	Hydrochloride Salts and speciality fine chemicals for Pharmaceutical Industry				
15.	Entrepreneurs Memorandum for setting up Manufacturing Enterprise	District Industries Center, Bharuch	24-021-12-00087	February 19, 2007	Until cancelled or surrendered
16.	Registration for Employees State Insurance under Employees State Insurance Act, 1948	Employees State Insurance Corporation, Regional Office, Mumbai	38000353130000304	October 10, 2010	Until cancelled or surrendered
17.	Registration under Employees' Provident Funds and Miscellaneous Provisions Act, 1952	Employees' Provident Fund Organisation	GJ/SRT/35880	August 9, 2007	Until cancelled or surrendered

#### D. Approvals relating to Environmental Laws

18.	Consent to Operate under section 25 of the Water (Prevention & Control of Pollution) Act, 1974 and Under Section 21 of the Air (Prevention & Control of Pollution) Act, 1981	Gujarat Pollution Control Board	GPCB/ANK/CCA-902(2)/ID-15656/368454	September 3, 2016	August 2, 2021
19.	Consolidated Consent to Operate under section 25 of the Water (Prevention & Control of Pollution) Act, 1974 and Under Section 21 of the Air (Prevention & Control of Pollution) Act,	Gujarat Pollution Control Board	GPCB/ANK/CCA-902(3)/ID-15656/368454	September 3, 2016	August 2, 2021

1981 and Authorization under rule 6(2) of the Hazardous & Other Wastes (Management and Transboundary Movement) Rules-2016, framed under the E(P)Act-1986.				
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**Licenses / Approvals which have been applied for but yet not been approved / granted**

1. Company has made an application for Enrollment of Existing Tax Payer under Goods and Service Tax. The date of filing the application is December 11, 2016 and provisional Id number allotted is 24AAPFS3199F1ZT.

## 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 July 29, 2017 and by the shareholders of our Company vide a special resolution pursuant to Section 62(1)(c) of the Companies Act passed at the Annual General Meeting of our Company held on August 19, 2017 at the Registered Office of the Company.

The Company has obtained approval from BSE vide letter dated [•] to use the name of BSE in this Offer Document for listing of equity shares on the SME platform of the BSE. BSE is the designated stock exchange.

### PROHIBITION BY SEBI, RBI OR OTHER GOVERNMENTAL AUTHORITIES

Neither our Company nor any of our Company, its Directors, Promoters, relatives of Promoters, our Promoter Group and entities forming part of our Group Companies has 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 Promoters, Directors or Group Companies have not been prohibited from accessing or operating in the capital markets under any order or direction passed by SEBI or any other 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 the 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 stated under the chapters titled “*Risk Factors*”, “*Our Promoters, Promoter Group and Our Group Companies*” and “*Outstanding Litigations and Material Developments*” beginning on page 14, 129, 137 and 203 respectively, of this Draft Prospectus

### ELIGIBILITY FOR THIS ISSUE

Our Company is an “Unlisted Issuer” in terms of the SEBI ICDR Regulations; and this Issue is an “Initial Public Offer” in terms of the SEBI ICDR Regulations.

Our Company is eligible for the Issue in accordance with regulation 106M (1) and other provisions of chapter XB of the SEBI ICDR Regulations as the post issue face value capital does not exceed Rs. 1,000 lakhs. Our Company also complies with the eligibility conditions laid by the SME Platform of BSE Limited for listing of our Equity Shares.

#### **We confirm that:**

- a. In accordance with Regulation 106 P of the SEBI ICDR Regulations, this Issue has been hundred percent underwritten and that the Lead Manager to the Issue has underwritten more than 15% of the Total Issue Size. For further details pertaining to said underwriting, please refer to “*General Information*” on page 43 of this Draft Prospectus.
- b. In accordance with Regulation 106(R) of the SEBI ICDR Regulations, we shall ensure that the total number of proposed allottees in the Issue is greater than or equal to fifty, otherwise, the entire application money will be refunded forthwith. If such money is not repaid within eight days from the date our Company becomes liable to repay it, then our Company and every officer in default shall, on and from expiry of eight days, be liable to repay such application money, with interest as prescribed under Section

40 of the Companies Act. Further, in accordance with Section 40 of the Companies Act, the Company and each officer in default may be punishable with fine and/or imprisonment in such a case

- c. In accordance with Regulation 106 O of the SEBI ICDR Regulations, we have not filed any Draft Offer Document with SEBI nor has SEBI issued any observations on our Offer Document. Also, we shall ensure that our Lead Manager submits the copy of 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 the SEBI ICDR Regulations, we have entered into an agreement with the Lead Manager and Market Maker to ensure compulsory Market Making for a minimum period of three years from the date of listing of equity shares offered in this Issue.

*For further details of the arrangement of market making please refer to “General Information” on page 43 of this Draft Prospectus.*

We further confirm that we shall be complying with all the other requirements as laid down for such an Issue under Chapter X-B of SEBI ICDR Regulations, as amended from time to time and subsequent circulars and guidelines issued by SEBI and the Stock Exchange.

- e. Our Company has Net Tangible assets of at least Rs. 3 crores as per the latest audited financial results
- f. The Net worth (excluding revaluation reserves) of our Company is at least Rs. 3 crores 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 March 31, 2017, 2016 and 2015 is as set forth below:

<b>Particulars</b>	<b>2016-17</b>	<b>2016-15</b>	<b>2014-15</b>
Distributable Profit <sup>(1)</sup>	261.49	108.35	127.46
Net Tangible Assets <sup>(2)</sup>	423.13	433.62	449.26
Net Worth <sup>(3)</sup>	1,653.56	1,398.64	1290.29

<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. As on the date of this Draft Prospectus, our Company has a paid-up capital of Rs. 659.54 lakhs, which is in excess of Rs. 1 crore, and the Post Issue Capital will be of Rs. 897.14 lakhs
- j. Our Company has not been referred to the Board for Industrial and Financial Reconstruction (BIFR).
- k. There is no winding up petition against the company, which has been admitted by the court or a liquidator has not been appointed.
- l. There has been no change in the Promoter(s) of the Company in the preceding one year from date of filing application to BSE for listing on SME segment.

- m. Our company shall mandatorily facilitate trading in demat securities and enter into an agreement with both the depositories.
- n. We have a website: [www.ganesh-group.com](http://www.ganesh-group.com)
- o. We are not a Stock / Commodity Broking Company since incorporation.
- p. We are not a Finance Company since incorporation.

As per Regulation 106(M)(3) of SEBI ICDR Regulations, the provisions of Regulations 6(1), 6(2), 6(3), Regulation 7, Regulation 8, Regulation 9, Regulation 10, Regulation 25, Regulation 26, Regulation 27 and Sub-regulation (1) of Regulation 49 of SEBI ICDR Regulations shall not apply to us in this Issue

#### **Disclosure**

The Issuer, the Directors, our Promoters, Promoter Group and the members of our Group Companies 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, 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 IN FORCE FOR THE TIME BEING. 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, FEDEX SECURITIES LIMITED HAS FURNISHED TO SEBI A DUE DILIGENCE CERTIFICATE DATED AUGUST 24, 2017, WHICH READS 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 SEBI IS IN CONFORMITY WITH THE DOCUMENTS, MATERIALS AND PAPERS RELEVANT TO THE ISSUE;**
  - b) ALL THE LEGAL REQUIREMENTS RELATING TO THE ISSUE, AS ALSO THE REGULATIONS, GUIDELINES, INSTRUCTIONS, ETC. FRAMED/ ISSUED BY SEBI, THE**



**CENTRAL GOVERNMENT AND ANY OTHER COMPETENT AUTHORITY IN THIS BEHALF HAVE BEEN DULY COMPLIED WITH; AND**

**c) THE DISCLOSURES MADE IN THE 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 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 PROMOTERS 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 PROMOTERS 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.**
- 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.**

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 73 OF THE COMPANIES ACT, 1956 (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 ENTERED INTO BETWEEN THE BANKERS TO THE ISSUE AND THE ISSUER SPECIFICALLY CONTAINS THIS CONDITION – NOTED FOR COMPLIANCE
10. WE CERTIFY THAT A DISCLOSURE HAS BEEN MADE IN THE DRAFT PROSPECTUS THAT THE INVESTORS SHALL BE GIVEN AN OPTION TO GET THE EQUITY SHARES IN DEMAT OR PHYSICAL MODE – NOT APPLICABLE. UNDER SECTION 29 OF COMPANIES ACT, 2013 THE EQUITY SHARES ARE TO BE ISSUED IN DEMAT 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, PROMOTERS EXPERIENCE ETC
15. WE ENCLOSE A CHECKLIST CONFIRMING REGULATION-WISE COMPLIANCE WITH THE APPLICABLE PROVISIONS OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, CONTAINING DETAILS SUCH AS THE REGULATION NUMBER, ITS TEXT, THE STATUS OF COMPLIANCE, PAGE NUMBER OF THE 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 – PLEASE SEE ANNEXURE A OF FURTHER DETAILS
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**

**THE FILING OF THIS DRAFT PROSPECTUS DOES NOT, HOWEVER, ABSOLVE THE ISSUER FROM ANY LIABILITIES UNDER SECTION 34 AND SECTION 36 OF THE COMPANIES ACT, 2013 OR FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY AND OTHER CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE PROPOSED ISSUE. SEBI, FURTHER RESERVES THE RIGHT TO TAKE UP, AT ANY POINT OF TIME, WITH THE LEAD MANAGER ANY IRREGULARITIES OR LAPSES IN THE DRAFT PROSPECTUS.**

**Note:**

All legal requirements pertaining to the Issue will be complied with at the time of registration of the Draft Prospectus with the RoC in terms of section 26 and 30 of the Companies Act.

**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 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 DRAFT PROSPECTUS CONTAINS ALL THE DISCLOSURES AS SPECIFIED IN THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009. – NOTED FOR COMPLIANCE**

**WE CONFIRM THAT AGREEMENTS HAVE BEEN ENTERED INTO WITH THE DEPOSITORIES FOR DEMATERIALISATION OF THE SPECIFIED SECURITIES OF THE ISSUER – WILL BE COMPLIED**

**WE CERTIFY THAT AS PER THE REQUIREMENTS OF FIRST PROVISOR 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 HAVE BEEN MADE.**

**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.ganesh-group.com](http://www.ganesh-group.com) would be doing so at his or her own risk.

## **CAUTION**

The Lead Manager accepts no responsibility, save to the limited extent as provided in the Agreement for Issue Management entered into among the Lead Manager and our Company dated August 16, 2017, the Underwriting Agreement dated August 16, 2017 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 centres, 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 Lead Manager this Issue, under the SEBI (Merchant Bankers) Regulations, 1992.

Investors who apply in this Issue will be required to confirm and will be deemed to have represented to our Company and the Underwriter and their respective directors, officers, agents, affiliates and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares and will not offer, sell, pledge or transfer the Equity Shares to any person who is not eligible under applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares. Our Company and the Lead Manager and their respective directors, officers, agents, affiliates and representatives accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire Equity Shares.

## **PRICE INFORMATION AND THE TRACK RECORD OF THE PAST ISSUES HANDLED BY THE LEAD MANAGER**

For details regarding the price information and track record of the past issue handled by Fedex Securities Limited, as specified in Circular reference CIR/CFD/DIL/7/2015 dated October 30, 2015 issued by SEBI, please refer Annexure A to this Draft Prospectus and the website of the Lead Manager at [www.fedsec.com](http://www.fedsec.com)

## **DISCLAIMER IN RESPECT OF JURISDICTION**

This Issue is being made in India to persons resident in India including Indian nationals resident in India who are not minors, HUFs, companies, corporate bodies and societies registered under the applicable laws in India and authorized to invest in shares, Indian Mutual Funds registered with SEBI, Indian financial institutions, commercial banks, regional rural banks, co-operative banks (subject to RBI permission), or trusts under applicable trust law and who are authorized under their constitution to hold and invest in shares, public financial institutions as specified in Section 2(72) of the Companies Act, 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 for its observations and BSE 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 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**

As required, a copy of the Draft Prospectus shall be submitted to the SME Platform of BSE. The Disclaimer Clause as intimated by the SME Platform of BSE to us, post scrutiny of the Draft Prospectus, shall be included in the Prospectus prior to the filing with RoC.

#### **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, nor has SEBI issued any observation on the Offer Document in terms of Regulation 106(M) (3) of SEBI ICDR Regulations. However, a copy Draft Prospectus and Prospectus shall be filed with SEBI at the SEBI Bhavan, Unit no 002, Ground Floor, Sakar I, Near Gandhigram Railway Station, Opp. Nehru Bridge, Ashram Road, Ahmedabad, Gujarat – 380009.

A copy of the Draft Prospectus along with the documents required to be filed under Section 26 of the Companies Act will be delivered to the ROC situated at ROC Bhavan, Opp. Rupal Park Society, Behind Ankur Bus Stop, Naranpura, Ahmedabad-380013

#### **LISTING**

In terms of Chapter XB of the SEBI ICDR Regulations, there is no requirement of obtaining in principle approval from SME Platform of BSE. However, application will be made to the SME Platform of BSE for obtaining permission to deal in and for an official quotation of our Equity Shares. BSE will be the Designated Stock Exchange, with which the Basis of Allotment will be finalized.

The SME Platform of BSE 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, our Company shall forthwith repay, without interest, all moneys received from the applicants in pursuance of the prospectus. The allotment letters shall be issued or application money shall be refunded / unblocked within fifteen days from the closure of the Issue or such lesser time as may be specified by Securities and Exchange Board 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 per cent per annum for the delayed period as prescribed under Companies Act, the 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 the BSE mentioned above are taken within 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 Draft Prospectus/ Prospectus with the RoC, as required under Sections 26 of the Companies Act and such consents shall not be withdrawn up to the time of delivery of the Draft Prospectus/ Prospectus for registration with the RoC.

Our Peer Reviewed Auditors have given their written consent to the inclusion of their report in the form and context in which it appears in this Draft Prospectus and such consent and report shall not be withdrawn up to the time of delivery of the Draft Prospectus for filing with the RoC.

## Expert Opinion

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

Our Company has received written consent from the Auditors namely, M/s. SRMB & Co., Chartered Accountants, (Statutory and Peer Review Auditors) to include their name in respect of the report on the Restated Financial Statements dated July 29, 2017 and the Statement of Tax Benefits dated July 29, 2017, issued by them and included in this Draft Prospectus, as required under section 26(1)(a)(v) of the Companies Act in this Draft Prospectus and as “Expert” as defined under section 2(38) of the Companies Act and such consent has not been withdrawn as on the date of this Draft Prospectus

## 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, refer to chapter “*Objects of the Issue*” beginning on page 68 of this Draft Prospectus.:

The estimated Issue expenses are as under

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.	26.50	56.38	3.10

<b>Activity</b>	<b>Estimated expenses (Rs. In lakhs)</b>	<b>As a % of total estimated issue related expenses</b>	<b>As a % of Issue Size</b>
Regulatory fees and expenses	16.00	34.04	1.87
Marketing and other expenses	4.50	9.57	0.53
<b>Total Estimated issue related expenses</b>	<b>47.00</b>	<b>100.00</b>	<b>5.49</b>

#### **PREVIOUS RIGHTS AND PUBLIC ISSUES SINCE THE INCORPORATION**

We have not made any previous rights and/or public issues since incorporation, and are an Unlisted Issuer in terms of the SEBI ICDR Regulations and this Issue is an Initial Public Offering in terms of the SEBI ICDR Regulations.

#### **PREVIOUS ISSUES OF SECURITIES OTHERWISE THAN FOR CASH**

Except as disclosed in “*Capital Structure*” on page 52 of this Draft Prospectus, our Company has not made any issue of securities for consideration otherwise than cash.

#### **COMMISSION AND BROKERAGE ON PREVIOUS ISSUES**

Since this is the initial public offer of the Equity Shares by our Company, no sum has been paid or has been payable as commission or brokerage for subscribing to or procuring or agreeing to procure subscription for any of our Equity Shares since our inception.

#### **PREVIOUS CAPITAL ISSUE DURING THE PREVIOUS THREE YEARS BY LISTED SUBSIDIARIES, GROUP COMPANIES AND ASSOCIATES OF OUR COMPANY**

None of our subsidiaries, Group Companies, and Associates are listed and have undertaken any public or rights issue in the three years preceding the date of this Draft Prospectus.

#### **PROMISE VERSUS PERFORMANCE FOR OUR COMPANY**

Our Company is an Unlisted Issuer in terms of the SEBI ICDR Regulations, and this Issue is an Initial Public Offering in terms of the SEBI ICDR Regulations. Therefore, data regarding promise versus performance is not applicable to us.

#### **OUTSTANDING DEBENTURES, BONDS, REDEEMABLE PREFERENCE SHARES AND OTHER INSTRUMENTS ISSUED BY OUR COMPANY**

As on the date of this 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 the SEBI ICDR Regulations, and this Issue is an Initial Public Offering in terms of the SEBI ICDR Regulations. Thus, there is no stock market data available for the Equity Shares of our Company.

#### **MECHANISM FOR REDRESSAL OF INVESTOR GRIEVANCES**

The Company has appointed Bigshare Services Private 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 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 co-ordinating 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 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

#### **DISPOSAL OF INVESTOR GRIEVANCES BY OUR COMPANY**

Our Company or the Registrar to the Issue or the SCSB in case of ASBA Applicant shall redress routine investor grievances within 15 working days from the date of receipt of the complaint. In case of non-routine complaints and complaints where external agencies are involved, our Company will seek to redress these complaints as expeditiously as possible.

We have constituted the Stakeholders Relationship Committee/ Investor Grievance Committee of the Board *vide* resolution passed at the Board Meeting held on July 29, 2017. For further details, please refer to the chapter titled "*Our Management*" beginning on page 116 of this Draft Prospectus.

The Company has appointed Aditya Patel as Company Secretary & Compliance Officer and he may be contacted at the following address:

**Aditya Patel**

Plot no. 6011, G.I.D.C,  
Ankleshwar - 393002,  
Gujarat, India

**Tel No.:** 02646-227777

**Fax No.:** 02646-226422

**E-mail Address:** [cs@ganeshremedies.com](mailto:cs@ganeshremedies.com)

Investors can contact the Company Secretary & Compliance Officer or the Registrar in case of any pre-Issue or post-Issue related problems such as non-receipt of letters of allocation, credit of allotted Equity Shares in the respective beneficiary account or unblocking of funds, *etc.*

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

<b>Name of Auditor</b>	<b>Financial Period Audited</b>
J. R. Kakadiya & Co., Chartered Accountants	2014-15
S R M B & Co., Chartered Accountants	2015-16
S R M B & Co., Chartered Accountants	2016-17

#### **CAPITALISATION OF RESERVES OR PROFITS**

Save and except as stated in the chapter titled "*Capital Structure*" beginning on page 52 of this Draft Prospectus, our Company has not capitalized its reserves or profits during the last five years.

#### **REVALUATION OF ASSETS**

Our Company has not revalued its assets since incorporation.



## **SECTION VIII – ISSUE INFORMATION**

### **TERMS OF THE ISSUE**

*The Equity Shares being issued and transferred are subject to the provisions of the Companies Act, SEBI ICDR Regulations, our Memorandum and Articles of Association, the terms of the Draft Prospectus, Application Form, ASBA Application form, the Revision Form, the Confirmation of Allocation Note and other terms and conditions as may be incorporated in the allotment advices and other documents / certificates that may be executed in respect of the Issue. The Equity Shares shall also be subject to laws as applicable, guidelines, notifications and regulations relating to the issue of capital and listing and trading of securities issued from time to time by SEBI, the Government of India, the Stock Exchange, the RBI, RoC and / or other authorities, as in force while granting its approval for the Issue.*

*Please note that, in terms of SEBI Circular No. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 All the investors applying in a public issue shall use only Application Supported by Blocked Amount (ASBA) facility for making payment.*

*Further vide the said circular Registrar to the Issue and Depository Participants have been also authorised to collect the Application forms. Investors may visit the official websites of the concerned stock exchanges 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.*

### **AUTHORITY FOR THE ISSUE**

This Issue of Equity Shares has been authorized by the Board of Directors of our Company at their meeting held on July 29, 2017 and was approved by the Shareholders of the Company by passing a Special Resolution at the Annual General Meeting held on August 19, 2017 in accordance with the provisions of Section 62 (1)(c) of the Companies Act

### **RANKING OF EQUITY SHARES**

The Equity Shares being issued in the Issue shall be subject to the provisions of the Companies Act and the Memorandum and Articles of Association and shall rank *pari-passu* with the existing Equity Shares of our Company including rights in respect of dividend. The Allottees in receipt of Allotment of Equity Shares under this Issue will be entitled to dividends and other corporate benefits, if any, declared by our Company after the date of Allotment in accordance with Companies Act, 1956 and Companies Act and the Articles. For further details, please refer to the section titled “*Main Provisions of Articles of Association*” beginning on page 284 of this Draft Prospectus.

### **MODE OF PAYMENT OF DIVIDEND**

The declaration and payment of dividend will be as per the provisions of Companies Act, Memorandum of Association and recommended by the Board of Directors at their discretion and approved by the shareholders and will depend on a number of factors, including but not limited to earnings, capital requirements and overall financial condition of our Company. Our Company shall pay dividend, if declared, to our Shareholders as per the provisions of the Companies Act, SEBI Listing Regulations and our Articles of Association. For further details, please refer to the chapter titled “*Dividend Policy*” on page 142 of this Draft Prospectus.

### **FACE VALUE AND ISSUE PRICE PER SHARE**

The face value of the Equity Shares is Rs. 10 each and the Issue Price is Rs. 36 per Equity Share. The Issue Price is determined by our Company in consultation with the Lead Manager and is justified under the chapter

titled “*Basis for Issue*” Price beginning on page 76 of this Draft Prospectus. At any given point of time there shall be only one denomination for the Equity Shares.

## **COMPLIANCE WITH SEBI ICDR REGULATIONS**

Our Company shall comply with all requirements of the SEBI ICDR Regulations. Our Company shall comply with all disclosure and accounting norms as specified by SEBI from time to time.

## **RIGHTS OF THE EQUITY SHAREHOLDERS**

Subject to applicable laws, rules, regulations and guidelines and the Articles of Association, the Equity shareholders shall have the following rights:

- Right to receive dividend, if declared;
- Right to receive Annual Reports & notices to members;
- Right to attend general meetings and exercise voting rights, unless prohibited by law;
- Right to vote on a poll either in person or by proxy;
- Right to receive offer for rights shares and be allotted bonus shares, if announced;
- Right to receive surplus on liquidation subject to any statutory and preferential claim being satisfied;
- Right of free transferability subject to applicable law, including any RBI rules and regulations; and
- Such other rights, as may be available to a shareholder of a listed public limited company under the Companies Act, the terms of the SEBI Listing Regulations and the Memorandum and Articles of Association of our Company.

For a detailed description of the main provisions of the Articles of Association relating to voting rights, dividend, forfeiture and lien and/or consolidation/splitting, please refer to the section titled “*Main Provisions of Articles of Association*” beginning on page 284 of this Draft Prospectus.

## **MINIMUM APPLICATION VALUE, MARKET LOT AND TRADING LOT**

In terms of Section 29 of the Companies Act, the Equity Shares shall be allotted only in dematerialised form. As per the existing SEBI ICDR Regulations, the trading of the Equity Shares shall only be in dematerialized form for all investors.

1. Tripartite agreement dated [•] between our Company, NSDL and the Registrar and Share Transfer Agent to the Issue.
2. Tripartite agreement dated [•] between our Company, CDSL and the Registrar and Share Transfer Agent to the Issue.

The trading of the Equity Shares will happen in the minimum contract size of 3,000 Equity Shares and the same may be modified by BSE from time to time by giving prior notice to investors at large. Allocation and allotment of Equity Shares through this Issue will be done in multiples of 3,000 Equity Shares subject to a minimum allotment of 3,000 Equity Shares to the successful applicants in terms of the SEBI circular No. CIR/MRD/DSA/06/2012 dated February 21, 2012. Allocation and allotment of Equity Shares through this Issue will be done in multiples of 3,000 Equity Share subject to a minimum allotment of 3,000 Equity Shares to the successful applicants.

## **NOMINATION FACILITY TO INVESTOR**

In accordance with Section 72 of the Companies Act the sole applicant, 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 applicant, death of all the Applicant, as the case may be, the Equity Shares Allotted, if any, shall vest. A person, being a nominee, entitled to the Equity Shares by reason of the death of the original holder(s), shall be entitled to the same advantages to which he or she would be entitled if he or she were the registered holder of the Equity Share(s). Where the nominee is a minor, the holder(s) may make a nomination to appoint, in the prescribed manner, any person to become entitled to equity share(s) in the event of his or her death during the

minority. A nomination shall stand rescinded upon a sale of equity share(s) by the person nominating. A buyer will be entitled to make a fresh nomination in the manner prescribed. Fresh nomination can be made only on the prescribed form available on request at our Registered Office or with the registrar and transfer agents of our Company.

Any person who becomes a nominee by virtue of the provisions of Section 72 of the Companies Act shall upon the production of such evidence as may be required by the Board, elect either:

- a. to register himself or herself as the holder of the Equity Shares; or
- b. to make such transfer of the Equity Shares, as the deceased holder could have made.

Further, the Board may at any time give notice requiring any nominee to choose either to be registered himself or herself or to transfer the Equity Shares, and if the notice is not complied with within a period of ninety days, the Board may thereafter withhold payment of all dividends, bonuses or other moneys payable in respect of the Equity Shares, until the requirements of the notice have been complied with.

Since the Allotment of Equity Shares in the Issue will be made only in dematerialized mode there is no need to make a separate nomination with our Company. Nominations registered with respective depository participant of the applicant would prevail. If the investor wants to change the nomination, they are requested to inform their respective depository participant.

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

Our Company in consultation with the Lead Manager, reserves the right not to proceed with the Issue at any time after the Issue Opening Date but before the Allotment. In such an event, our Company would issue a public notice in the newspapers in which the pre- issue advertisements were published, within two days of the Issue Closing Date or such other time as may be prescribed by SEBI, providing reasons for not proceeding with the Issue. The Lead Manager, through the Registrar to the Issue, shall notify the SCSBs to unblock the bank accounts of the ASBA Applicants within one day of receipt of such notification. Our Company shall also promptly inform the Stock Exchange on which the Equity Shares were proposed to be listed.

If our Company withdraws the Issue after the Issue Closing Date and thereafter determines that it will proceed with an Issue of the Equity Shares, our Company shall file a fresh Draft Offer Document. Notwithstanding the foregoing, the Issue is also subject to obtaining the final listing and trading approvals of the Stock Exchange, which our Company shall apply for after Allotment

#### **MINIMUM NUMBER OF ALLOTTEES**

Further in accordance with the Regulation 106R of SEBI ICDR Regulations, the minimum number of allottees in this Issue shall be 50 shareholders. In case the minimum number of prospective allottees is less than 50, no allotment will be made pursuant to this Issue and the monies blocked by the SCSBs shall be unblocked within 6 working days of closure of issue.

#### **JOINT HOLDER**

Where two or more persons are registered as the holders of any Equity Shares, they shall be deemed to hold the same as joint – tenants with benefits of survivorship.

#### **ISSUE PROGRAMME**

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

<b>Particulars</b>	<b>Date</b>
Issue opens on	[•]
Issue closes on	[•]
Finalisation of Basis of Allotment with the Designated Stock Exchange	[•]

Initiation of Refunds	[•]
Credit of Equity Shares to demat accounts of Allottees	[•]
Commencement of trading of the Equity Shares on the Stock Exchange	[•]

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 Stock Exchange are taken within 6 Working Days of the Issue Closing Date, the timetable may change due to various factors, such as extension of the Issue Period by our Company, or any delays in receiving the final listing and trading approval from the Stock Exchange. The Commencement of trading of the Equity Shares will be entirely at the discretion of the Stock Exchange and in accordance with the applicable laws.

Applications and any revision to the same shall be accepted **only between 10.00 a. m. and 5.00 p. m.** (IST) during the Issue Period. On the Issue Closing Date, the Applications and any revision to the same shall be accepted only between **10.00 a. m. and 3.00 p. m.** (IST) or such extended time as permitted by the Stock Exchange, in case of Applications 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 Stock Exchange. It is clarified that Applications not uploaded on the electronic system would be rejected. Applications will be accepted only on Working Days, i.e., Monday to Friday (excluding any public holiday).

Due to limitation of time available for uploading the Applications on the Issue Closing Date, the Applicants are advised to submit their Applications one 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 Indian Standard Times. Applicants are cautioned that in the event a large number of Applications are received on the Issue Closing Date, as is typically experienced in public offerings, some Applications may not get uploaded due to lack of sufficient time. Such Applications that cannot be uploaded will not be considered for allocation under the Issue. Applications will be accepted only on Business Days. Neither our Company nor the Lead Manager is liable for any failure in uploading the Applications due to faults in any software/hardware system or otherwise.

In accordance with the SEBI Regulations, QIBs and Non-Institutional Applicants are not allowed to withdraw or lower the size of their Applications (in terms of the quantity of the Equity Shares or the Applications Amount) at any stage. Retail Individual Applicants can revise or withdraw their Applications prior to the Issue Closing Date. Except Allocation to Retail Individual Investors, Allocation in the 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 the Stock Exchange 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 rectified data

### **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 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. However, we shall ensure that the minimum subscription to be received shall be subject to allotment of minimum number of specified securities as prescribed in sub-clause

(b) of clause (2) of rule 19 of SCRR and also that the minimum number of allottees as prescribed in regulation 106R of the SEBI ICDR Regulations, as amended.

#### **ARRANGEMENT FOR DISPOSAL OF ODD LOT**

The trading of the equity shares will happen in the minimum contract size of 3,000 shares in terms of the SEBI circular no. CIR/MRD/DSA/06/2012 dated February 21, 2012. However, the market maker shall buy the entire shareholding of a shareholder in one lot, where value of such shareholding is less than the minimum contract size allowed for trading on the SME Platform of BSE.

#### **RESTRICTIONS, IF ANY ON TRANSFER AND TRANSMISSION OF EQUITY SHARES**

Except for lock-in of the pre-Issue Equity Shares and Promoters 'minimum contribution in the Issue as detailed in the chapter "*Capital Structure*" beginning on page 52 of this Draft Prospectus, and except as provided in the Articles of Association, there are no restrictions on transfers of Equity Shares. There are no restrictions on transmission of shares and on their consolidation / splitting except as provided in the Articles of Association. For details please refer to the section titled "*Main Provisions of the Articles of Association*" beginning on page 284 of this Draft Prospectus. The above information is given for the benefit of the Applicants. The Applicants are advised to make their own enquiries about the limits applicable to them. Our Company and the Lead Manager do not accept any responsibility for the completeness and accuracy of the information stated hereinabove. Our Company and the Lead Manager are not liable to inform the investors of any amendments or modifications or changes in applicable laws or regulations, which may occur after the date of the Prospectus. Applicants are advised to make their independent investigations and ensure that the number of Equity Shares Applied for do not exceed the applicable limits under laws or regulations.

#### **NEW FINANCIAL INSTRUMENTS**

The Issuer Company is not issuing any new financial instruments through this Issue.

#### **OPTION TO RECEIVE SECURITIES IN DEMATERIALIZED FORM**

In accordance with the SEBI ICDR Regulations, Allotment of Equity Shares to successful applicants will only be in the dematerialized form. Applicants will not have the option of Allotment of the Equity Shares in physical form. The Equity Shares on Allotment will be traded only on the dematerialized segment of the Stock Exchange. Allottees shall have the option to re-materialise the Equity Shares, if they so desire, as per the provisions of the Companies Act and the Depositories Act.

#### **MIGRATION TO MAIN BOARD**

In accordance with the BSE Circular dated November 26, 2012, our Company will have to be mandatorily listed and traded on the SME Platform of the BSE for a minimum period of two years from the date of listing and only after that it can migrate to the Main Board of the BSE as per the guidelines specified by SEBI and as per the procedures laid down under Chapter XB of the SEBI ICDR Regulations.

As per the provisions of the Chapter XB of the SEBI ICDR Regulations, our Company may migrate to the main board of BSE from the SME Exchange on a later date subject to the following:

- If the Paid-up Capital of the company is likely to increase above Rs. 25 crores by virtue of any further issue of capital by way of rights, preferential issue, bonus issue etc. (which has been approved by a special resolution through postal ballot wherein the votes cast by the shareholders other than the promoters in favour of the proposal amount to at least two times the number of votes cast by shareholders other than promoter shareholders against the proposal and for which the company has obtained in-principal approval from the main board), we shall have to apply to BSE for listing our shares on its Main Board subject to the 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. 10 crores but below Rs. 25 crores, we may still apply for migration to the main board if the same has been approved by a special resolution through postal ballot wherein the votes cast by the shareholders other than the promoters in favour of the proposal amount to at least two times the number of votes cast by shareholders other than promoter shareholders against the proposal

## **MARKET MAKING**

The shares offered through this Issue are proposed to be listed on the SME Platform of BSE (SME Exchange) with compulsory market making through the registered Market Maker of the SME Exchange for a minimum period of three years or such other time as may be prescribed by the Stock Exchange, from the date of listing of shares offered through the Prospectus. For further details of the market making arrangement please refer to chapter titled “*General Information*” beginning on page 43 of this Draft Prospectus.

## **JURISDICTION**

Exclusive jurisdiction for the purpose of this Issue is with the competent courts / authorities in Mumbai, Maharashtra, India.

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

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

## ISSUE STRUCTURE

This Issue is being made in terms of Regulation 106M (1) of Chapter XB of SEBI ICDR Regulations, as amended from time to time, whereby, our post issue face value capital does not exceed ten crore rupees. The Company shall issue specified securities to the public and propose to list the same on the Small and Medium Enterprise Exchange ("SME Exchange", in this case being the SME Platform of BSE). For further details regarding the salient features and terms of such an issue please refer chapter titled "*Terms of the Issue*" and "*Issue Procedure*" on page 224 and 232 of this Draft Prospectus.

### Following is the issue structure:

Initial Public Issue of 23,76,000 Equity Shares of face value of Rs. 10/- each ("the Equity Shares") for cash at a price of Rs. 36 per Equity Share (including a premium of Rs. 26 per Equity Share) aggregating Rs. 855.36 ("the Issue") by Shree Ganesh Remedies Limited ("SGRL" or the "Company")

The Issue comprises a Net Issue to Public of 22,50,000 Equity Shares of Rs. 10 each ("the Net Issue"), and a reservation of 1,26,000 Equity Shares of Rs. 10 each for subscription by the designated Market Maker ("the Market Maker Reservation Portion"). The Issue and the Net Issue will constitute 26.48% and 25.08% respectively of the Post Issue paid up Equity Share

Particulars of the Issue	Net issue to public	Market Maker Reservation Portion
<b>Number of Equity Shares available of allocation</b>	22,50,000 Equity Shares	1,26,000 Equity Shares
<b>Percentage of Issue Size available for allocation</b>	94.70 % of the Issue Size	5.30 % of Issue Size
<b>Basis of Allotment</b>	Proportionate subject to minimum allotment of 3,000 equity shares and further allotment in multiples of 3,000 equity shares each.	Firm allotment
<b>Mode of Application</b>	Through ASBA Process Only	Through ASBA Process Only
<b>Minimum Application Size</b>	<i>For QIB and NII</i> Such number of Equity Shares in multiples of 3,000 Equity Shares such that the Application size exceeds Rs 2,00,000 <i>For Retail Individual</i> 3,000 Equity shares	1,26,000 Equity Shares
<b>Maximum Application Size</b>	<i>For QIB and NII:</i> Such number of Equity Shares in multiples of 3,000 Equity Shares such that the Application Size does not exceed 22,50,000 Equity Shares.	1,26,000 Equity Shares of Face Value of Rs 10 each

	<b><i>For Retail Individuals:</i></b> Such number of Equity Shares in multiples of 3,000 Equity Shares such that the Application Value does not exceed Rs. 2,00,000	
<b>Mode of Allotment</b>	Dematerialized mode	Dematerialized mode
<b>Trading Lot</b>	3,000 Equity Shares	3,000 Equity Shares, however the Market Maker may accept odd lots if any in the market as required under the 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>	3,000 Equity Shares and in multiples of 3,000 Equity Shares thereafter	

**Note:**

1. *50 % of the Equity Share offered are reserved for allocation to Applicants below or equal to Rs. 2.00 lakhs and the balance for higher amount Applications.*
2. *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.*
3. *Applicants will be required to confirm and will be deemed to have represented to our Company, the Lead Manager, 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.*
4. *SCSBs applying in the Issue must apply through an ASBA Account maintained with any other SCSB.*



## ISSUE PROCEDURE

All Applicants should review the General Information Document for Investing in Public Issues prepared and issued in accordance with the circular (CIR/CFD/DIL/12/2013) dated October 23, 2013 notified by SEBI (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, 1956, SCRA, SCRR and the SEBI ICDR Regulations. The General Information Document has been updated to include reference to the SEBI FPI Regulations, SEBI Listing 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 Stock Exchange and the Lead Manager. Please refer to the relevant provisions of the General Information Document which are applicable to the Issue.

Our Company and the Lead Manager do not accept any responsibility for the completeness and accuracy of the information stated in this section and shall not be liable for any amendment, modification or change in the 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 the Equity Shares that can be held by them under applicable law or as specified in this Draft Prospectus.

*Please note that all the Applicants can participate in the Issue only through the ASBA process. 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 Ltd 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*

*Pursuant to the SEBI (Issue of Capital and Disclosure Requirements) (Fifth Amendment) Regulations, 2015, the ASBA process become mandatory for all investors w.e.f. January 1, 2016 and it allows the registrar, share transfer agents, depository participants and stock brokers to accept application forms*

### PART A

#### FIXED PRICE ISSUE PROCEDURE

The Issue is being made in compliance with the provisions of Reg. 106(M)(1) of Chapter XB of the SEBI ICDR Regulations and through the Fixed Price Process wherein 50% of the Net Issue to Public is being offered to the 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, would be allowed to be met with spillover from any other category or a combination of categories at the discretion of our Company in consultation with the Lead Manager and the Stock Exchange.

Investors should note that according to section 29(1) of Companies Act, allotment of Equity Shares to all successful Applicants will only be in dematerialized form. The Application Forms which do not have the details of the Applicant’s depository account including DP ID, PAN and Beneficiary Account Number shall be treated as incomplete and liable to be rejected. In case DP ID, Client ID and PAN mentioned in the Application Form and entered into the electronic application system of the stock exchanges by the Brokers (including sub-brokers) 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. 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 dematerialized segment of the Stock Exchange.

### **APPLICATION FORM**

Copies of the Application Form and the abridged prospectus will be available at the offices of the Lead Manager, 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.

All Applicants shall mandatorily participate in the Issue only through the ASBA process. ASBA Applicants must provide bank account details and authorisation to block funds in the relevant space provided in the Application Form and the Application Forms that do not contain such details are liable to be rejected.

ASBA Applicants shall ensure that the Applications are made on Application Forms bearing the stamp of the Designated Intermediary, submitted at the Collection Centres only (except in case of electronic Application Forms) and the Application Forms not bearing such specified stamp are liable to be rejected.

The prescribed colour of the Application Form for various investors applying in the Issue are as follows:

<b>Category</b>	<b>Colour of Application Form</b>
Resident Indians and Eligible NRIs applying on a non-repatriation basis	White
Eligible NRIs, FVCIs, FIIs, their Sub-Accounts (other than Sub-Accounts which are foreign corporates or foreign individuals bidding under the QIB Portion), applying on a repatriation basis (ASBA)	Blue

Applicants shall only use the specified Application Form for the purpose of making an Application in terms of this Draft Prospectus. Pursuant to SEBI Circular dated November 10, 2015 and bearing Reference No.CIR/CFD/POLICYCELL/11/2015, an investor intending to subscribe to this Issue shall submit a completed application form to any of the following intermediaries (collectively called as “Designated Intermediaries”)

<b>Sr. No.</b>	<b>Designated Intermediaries</b>
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1.	SCSB with whom the bank account is maintained which is to be blocked
2.	Syndicate Member (including sub syndicate member)
3.	A stock broker registered with a recognized stock exchange (and whose name is mentioned on the website of the stock exchange as eligible for this activity) (broker)
4.	A depository participant (DP) (whose name is mentioned on the website of the stock exchange as eligible for this Activity)
5.	A registrar to an Issue and Share transfer agent (RTA) (whose name is mentioned on the website of the stock exchange as eligible for this Activity)

The aforesaid intermediary shall, at the time of receipt of application, give an acknowledgement to investor, as a proof of having accepted the application form in physical or electronic mode respectively.

#### **Processing of Applications by Designated Intermediaries**

- **Applications submitted to SCSBs:** After accepting the form, SCSB shall capture and upload the relevant details in the electronic bidding system of the stock exchange and block the necessary funds available in the bank account as specified in the application form.
- **Applications submitted to other than SCSBs:** After accepting the form, SCSB shall capture and upload the relevant details in the electronic bidding system of the stock exchange and send the application form to designated branches of respective SCSBs for blocking of funds.

#### **Who Can Apply?**

Persons eligible to invest under all applicable laws, rules, regulations and guidelines;

1. Indian national's resident in India who are not incompetent to contract in single or joint names (not more than three) or in the names of minors as natural/legal guardian;
2. Hindu Undivided Families or HUFs, in the individual name of the Karta. The Applicant should specify that the application is being made in the name of the HUF in the Application Form as follows: Name of Sole or First applicant: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the Karta. Applications by HUFs would be considered at par with those from individuals;
3. Companies, Corporate Bodies and Societies registered under the applicable laws in India and authorized to invest in the Equity Shares under their respective constitutional and charter documents;
4. Mutual Funds registered with SEBI;
5. Eligible NRIs on a repatriation basis or on a non-repatriation basis, subject to applicable laws. NRIs other than Eligible NRIs are not eligible to participate in this Issue;
6. Indian Financial Institutions, Scheduled Commercial Banks, Regional Rural Banks, Co-operative Banks (subject to RBI permission, and the SEBI Regulations and other laws, as applicable);
7. FIIs and sub-accounts registered with SEBI, other than a sub-account which is a foreign corporate or a foreign individual under the QIB portion;
8. Sub-accounts of FIIs registered with SEBI, which are foreign corporate or foreign individuals only under the Non-Institutional applicant 's category;
9. FPIs other than Category III foreign portfolio investor;

10. Category III foreign portfolio investors, which are foreign corporates or foreign individuals only under the Non-Institutional Investors (NIIs) category;
11. Limited Liability Partnerships (LLPs) registered in India and authorized to invest in equity shares;
12. Venture Capital Funds registered with SEBI;
13. Foreign Venture Capital Investors registered with SEBI
14. Eligible QFIs;
15. Multilateral and Bilateral Development Financial Institutions;
16. State Industrial Development Corporations;
17. Trusts/Societies registered under the Societies Registration Act, 1860, as amended, or under any other law relating to Trusts and who are authorized under their constitution to hold and invest in equity shares;
18. Scientific and/or Industrial Research Organizations authorized to invest in equity shares;
19. Insurance Companies registered with Insurance Regulatory and Development Authority, India;
20. Provident Funds with minimum corpus of Rs. 25 Crores and who are authorized under their constitution to hold and invest in equity shares;
21. Pension Funds with minimum corpus of Rs 25 Crores and who are authorized under their constitution to hold and invest in equity shares;
22. National Investment Fund set up by resolution no. F. No. 2/3/2005-DDII dated November 23, 2005 of Government of India published in the Gazette of India;
23. Nominated Investor and Market Maker
24. Insurance funds set up and managed by army, navy or air force of the Union of India
25. Any other person eligible to apply in this Issue, under the laws, rules, regulation, guidelines and policies applicable to them and under Indian laws.

**Applications not to be made by:**

1. Minors (except through their Guardians)
2. Partnership firms or their nominations
3. Foreign Nationals (except NRIs)
4. Overseas Corporate Bodies

**Availability of Prospectus and Application Forms**

The Application Forms and copies of the Prospectus may be obtained from the Registered Office of our Company, Registered Office of the Lead Manager to the Issue, and office of the Registrar to the Issue as mentioned in the Application Form. The application forms may also be downloaded from the website of BSE Limited i.e. [www.bseindia.com](http://www.bseindia.com).

**MAXIMUM AND MINIMUM APPLICATION SIZE**

**a. For Retail Individual Applicants**

The Application must be for a minimum of 3,000 Equity Shares and in multiples of 3,000 Equity Share thereafter, so as to ensure that the Application Price payable by the Applicant does not exceed Rs 2,00,000. In case of revision of Applications, the Retail Individual Applicants have to ensure that the Application Price does not exceed Rs 2,00,000.

**b. For Other Applicants (Non-Institutional Applicants and QIBs):**

The Application must be for a minimum of such number of Equity Shares such that the Application Amount exceeds Rs 200,000 and in multiples of 3,000 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 or Non-Institution Applicant cannot withdraw or lower its Application at any stage of Issue.

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.

**c. Multiple Applications:**

An Applicant should submit only one Application Form. Submission of a second Application Form to either the same or to any other Application Collecting Intermediary and duplicate copies of Application Forms bearing the same application number shall be treated as multiple applications and are liable to be rejected.

**Applicants are advised to ensure that any single Application from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or regulation or as specified in this Draft Prospectus**

**Information for the Applicants**

- Our Company shall file the Prospectus with the RoC at least three working days before the Issue Opening Date.
- Our Company shall, after registering the Prospectus with the RoC, make a pre- issue advertisement, in the form prescribed under the ICDR Regulations, in English and Hindi national newspapers and one regional newspaper with wide circulation. In the pre- issue advertisement, our Company and the Lead Manager shall advertise the Issue Opening Date, the Issue Closing Date. This advertisement, subject to the provisions of the Companies Act, shall be in the format prescribed in Part A of Schedule XIII of the SEBI ICDR Regulations.
- Copies of the Application Form, Prospectus and the abridged prospectus will be available at the offices of the Lead Manager, 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.
- Applicants who are interested in subscribing to the Equity Shares should approach any of the Application Collecting Intermediaries or their authorized agent(s).
- 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.
- 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 may note that in case the PAN, the DP ID and Client ID mentioned in the Application Form and entered into the electronic collecting system of the Stock Exchange by the Bankers to the Issue or the SCSBs do not match with PAN, the DP ID and Client ID available in the Depository database, the Application Form is liable to be rejected.

## **OPTION TO SUBSCRIBE IN THE ISSUE**

- a. As per Section 29(1) of the Companies Act allotment of Equity Shares shall be in dematerialised form only.
- b. The Equity Shares, on allotment, shall be traded on the Stock Exchange in demat segment only.
- c. A single application from any investor shall not exceed the investment limit/minimum number of specified securities that can be held by him/her/it under the relevant regulations/statutory guidelines and applicable law.

## **PARTICIPATION BY ASSOCIATED/ AFFILIATES OF LEAD MANAGER AND SYNDICATE MEMBERS**

The Lead Manager and the Syndicate Members, if any, shall not be allowed to purchase in this Issue in any manner, except towards fulfilling their underwriting obligations. However, the associates and affiliates of the Lead Manager and the Syndicate Members, if any, may purchase the Equity Shares in the Issue, either in the QIB Category 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.

## **APPLICATIONS BY MUTUAL FUNDS**

No Mutual Fund scheme shall invest more than 10% of its net asset value in equity shares or equity related instruments of any single company provided that the limit of 10% shall not be applicable for investments in index funds or sector or industry specific funds. No Mutual Fund under all its schemes should own more than 10% of any company's paid-up share capital carrying voting rights.

With respect to Applications by Mutual Funds, a certified copy of their SEBI registration certificate must be lodged with the Application Form. Failing this, our Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason thereof.

In case of a mutual fund, a separate Application can be made in respect of each scheme of the mutual fund registered with SEBI and such Applications in respect of more than one scheme of the mutual fund will not be treated as multiple applications provided that the Applications clearly indicate the scheme concerned for which the Application has been made.

The Applications made by the asset management companies or custodians of Mutual Funds shall specifically state the names of the concerned schemes for which the Applications are made.

## **APPLICATIONS BY ELIGIBLE NRIS**

NRIs may obtain copies of Application Form from the offices of the Lead Manager and the Designated Intermediaries. Eligible NRI Applicants applying on a repatriation basis by using the Non-Resident Forms should authorize their SCSB to block their Non-Resident External (“**NRE**”) accounts, or Foreign Currency Non-Resident (“**FCNR**”) ASBA Accounts, and eligible NRI Applicants applying on a non-repatriation basis by using Resident Forms should authorize their SCSB to block their Non-Resident Ordinary (“**NRO**”) accounts for the full Application Amount, at the time of the submission of the Application Form.

Eligible NRIs applying on non-repatriation basis are advised to use the Application Form for residents (white in colour).

Eligible NRIs applying on a repatriation basis are advised to use the Application Form meant for Non-Residents (blue in colour)

## **APPLICATIONS BY FPI AND FIIS**

In terms of the SEBI FPI Regulations, any qualified foreign investor or FII who holds a valid certificate of registration from SEBI shall be deemed to be an FPI until the expiry of the block of three years for which fees have been paid as per the SEBI FII Regulations. An FII or a sub-account may participate in this Issue, in accordance with Schedule 2 of the FEMA Regulations, until the expiry of its registration with SEBI as an FII or a sub-account. An FII shall not be eligible to invest as an FII after registering as an FPI under the SEBI FPI Regulations. Further, a qualified foreign investor 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 qualified foreign investors who have not registered as FPIs under the SEBI FPI Regulations shall not be eligible to participate in this Issue.

In case of Applications made by FPIs, a certified copy of the certificate of registration issued by the designated depository participant under the FPI Regulations is required to be attached to the Application Form, failing which our Company reserves the right to reject any application without assigning any reason. An FII or subaccount may, subject to payment of conversion fees under the SEBI FPI Regulations, participate in the Issue, until the expiry of its registration as a FII or sub-account, or until it obtains a certificate of registration as FPI, whichever is earlier. Further, in case of 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.

In terms of the SEBI FPI Regulations, the issue of Equity Shares to a single FPI or an investor group (which means the same set of ultimate beneficial owner(s) investing through multiple entities) must be below 10.00% of our post-Issue Equity Share capital. Further, in terms of the FEMA Regulations, the total holding by each FPI shall be below 10.00% of the total paid-up Equity Share capital of our Company and the total holdings of all FPIs put together shall not exceed 24.00% of the paid-up Equity Share capital of our Company. The aggregate limit of 24.00% may be increased up to the sectorial cap by way of a resolution passed by the Board of Directors followed by a special resolution passed by the Shareholders of our Company and subject to prior intimation to RBI. In terms of the FEMA Regulations, for calculating the aggregate holding of FPIs in a company, holding of all registered FPIs as well as holding of FIIs (being deemed FPIs) shall be included. The existing individual and aggregate investment limits an FII or sub account in our Company is 10.00% and 24.00% of the total paid-up Equity Share capital of our Company, respectively.

FPIs are permitted to participate in the Issue subject to compliance with conditions and restrictions which may be specified by the Government from time to time. Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of Regulation 22 of the SEBI FPI Regulations, an FPI, other than Category III foreign portfolio and unregulated broad based funds, which are classified as Category II foreign portfolio investor by virtue of their investment manager being appropriately regulated, may issue or otherwise deal in offshore derivative instruments (as defined under the SEBI FPI Regulations as any instrument, by whatever name called, which is issued overseas by an FPI against securities held by it that are listed or proposed to be listed on any recognized stock exchange in India, as its underlying) directly or indirectly, only in the event (i) such offshore derivative instruments are issued only to persons who are regulated by an appropriate regulatory authority; and (ii) such offshore derivative instruments are issued after compliance with know your clients norms. An FPI is also required to ensure that no further issue or transfer of any offshore derivative instrument is made by or on behalf of it to any persons that are not regulated by an appropriate foreign regulatory

authority.

FPIs who wish to participate in the Issue are advised to use the Application Form for Non-Residents (blue in colour).

#### **APPLICATIONS BY SEBI REGISTERED VCFS, AIFS AND FVCIS**

The SEBI FVCI Regulations and the SEBI AIF Regulations inter-alia prescribe the investment restrictions on the VCFs, FVCIs and AIFs registered with SEBI. Further, the SEBI AIF Regulations prescribe, among others, the investment restrictions on AIFs.

The holding by any individual VCF registered with SEBI in one venture capital undertaking should not exceed 25% of the corpus of the VCF. Further, VCFs and FVCIs can invest only up to 33.33% of the investible funds by way of subscription to an initial public offering.

The category I and II AIFs cannot invest more than 25% of the corpus in one Investee Company. A category III AIF cannot invest more than 10% of the corpus in one Investee Company. A venture capital fund registered as a category I AIF, as defined in the SEBI AIF Regulations, cannot invest more than 1/3rd of its corpus by way of subscription to an initial public offering of a venture capital undertaking. Additionally, the VCFs which have not re-registered as an AIF under the SEBI AIF Regulations shall continue to be regulated by the VCF Regulation until the existing fund or scheme managed by the fund is wound up and such funds shall not launch any new scheme after the notification of the SEBI AIF Regulations.

All FIIs and FVCIs should note that refunds, dividends and other distributions, if any, will be payable in Indian Rupees only and net of Bank charges and commission.

**Our Company or the Lead Manager will not be responsible for loss, if any, incurred by the Applicant on account of conversion of foreign currency.**

**There is no reservation for Eligible NRIs, FPIs and FVCIs and all Applicants will be treated on the same basis with other categories for the purpose of allocation**

#### **APPLICATIONS BY LIMITED LIABILITY PARTNERSHIPS**

In case of Applications made by limited liability partnerships registered under the Limited Liability Partnership Act, 2008, a certified copy of certificate of registration issued under the Limited Liability Partnership Act, 2008, must be attached to the Application Form. Failing this, our Company reserves the right to reject any Application without assigning any reason thereof. Limited liability partnerships can participate in the Issue only through the ASBA process.

#### **APPLICATIONS BY INSURANCE COMPANIES**

In case of applications made by insurance companies registered with the IRDA, a certified copy of certificate of registration issued by IRDA must be attached to the Application Form. Failing this, our Company reserves the right to reject any application, without assigning any reason thereof. The exposure norms for insurers, prescribed under the Insurance Regulatory and Development Authority (Investment Scheme) (5<sup>th</sup> Amendment) Regulations, 2013, as amended (the “IRDA Investment Regulations”), are broadly set forth below:

1. Equity shares of a Company: The least of 10% of the investee company’s subscribed capital (face value) or 10% of the respective fund in case of life insurer or 10% of investment assets in case of general insurer or reinsurer;
2. The entire group of the investee company: not more than 15% of the respective funds in case of life insurer or 15% of investment assets in case of general insurer or re-insurer or 15% of the investment assets in all companies belonging to the group, whichever is lower; and
3. The industry sector in which the investee company operates: not more than 15% of the fund of a life insurer or a general insurer or a re-insurer or 15% of the investment asset, whichever is lower.

The maximum exposure limit, in case of investment in equity shares, cannot exceed the lower of an amount of 10% of the investment assets of a life insurer or a general insurer and the amount calculated under points (1), (2) and (3) above, as the case may be.

Insurance companies participating in this Issue shall comply with all applicable regulations, guidelines and circulars issued by IRDAI from time to time.



## **APPLICATIONS BY PROVIDENT FUNDS/PENSION FUNDS**

In case of Applications made by provident funds with minimum corpus of Rs. 25 million (subject to applicable law) and pension funds with minimum corpus of Rs. 250 million, a certified copy of certificate from a chartered accountant certifying the corpus of the provident fund/ pension fund must be lodged along with the Application Form. Failing this, the Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason thereof.

### **Applications by Banking Companies**

In case of Applications made by banking companies registered with RBI, certified copies of: (i) the certificate of registration issued by RBI, and (ii) the approval of such banking company's investment committee are required to be attached to the Application Form, failing which our Company reserve the right to reject any Application without assigning any reason. The investment limit for banking companies as per the Banking Regulation Act, 1949, as amended, is 30.00% of the paid-up share capital of the investee company or 30.00% of the banks own paid up share capital and reserves, whichever is less (except in certain specified exceptions, such as setting up or investing in a subsidiary, which requires RBI approval). Further, the RBI Master Circular of July 1, 2015 sets forth prudential norms required to be followed for classification, valuation and operation of investment portfolio of banking companies.

### **Applications by SCSBs**

SCSBs participating in the Issue are required to comply with the terms of the SEBI circulars dated September 13, 2012 and January 2, 2013. Such SCSBs are required to ensure that for making 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 such applications.

## **APPLICATIONS UNDER POWER OF ATTORNEY**

In case of Applications made pursuant to a power of attorney or by limited companies, corporate bodies, registered societies, FII's, Mutual Funds, insurance companies and provident funds with minimum corpus of Rs. 250 million (subject to applicable law) and pension funds with a minimum corpus of Rs. 250 million, a certified copy of the power of attorney or the relevant resolution or authority, as the case may be, along with a certified copy of the Memorandum of Association and Articles of Association and/ or bye laws must be lodged along with the Application Form. Failing this, the Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason thereof.

In addition to the above, certain additional documents are required to be submitted by the following entities:

1. 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.
2. With respect to applications by insurance companies registered with the Insurance Regulatory and Development Authority, in addition to the above, a certified copy of the certificate of registration issued by the Insurance Regulatory and Development Authority must be lodged with the Application Form as applicable. Failing this, our Company reserves the right to accept or reject any application, in whole or in part, in either case without assigning any reasons thereof.
3. With respect to applications made by provident funds with minimum corpus of Rs 250 million (subject to applicable law) and pension funds with a minimum corpus of Rs. 25 million, a certified copy of a certificate from a chartered accountant certifying the corpus of the provident fund/pension fund must be lodged along with the Application Form. Failing this, our Company reserves the right to accept or reject such application, in whole or in part, in either case without assigning any reasons thereof.

4. 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.
5. 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 Lead Manager are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this 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**

## **GENERAL INSTRUCTIONS**

### **Do's**

1. Check if you are eligible to apply as per the terms of this Draft Prospectus and under applicable law, rules, regulations, guidelines and approvals;
2. Read all the instructions carefully and complete the Application Form in the prescribed 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;
5. 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;
6. Ensure that the signature of the First Applicant in case of joint Applications, is included in the Application Forms;
7. 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 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;
8. Ensure that you request for and receive a stamped acknowledgement of your Application;
9. Ensure that you have funds equal to the Application Amount in the ASBA Account maintained with the SCSB before submitting the Application Form under the ASBA process to the respective member of the SCSBs, the Registered Broker (at the Broker Centres), the RTA (at the Designated RTA Locations) or CDP (at the Designated CDP Locations);
10. Submit revised Applications to the same Designated Intermediary, through whom the original Application was placed and obtain a revised acknowledgment;
11. Except for Applications (i) on behalf of the Central or State Governments and the officials appointed by the courts, who, in terms of a SEBI circular dated June 30, 2008, may be exempt from specifying their PAN for transacting in the securities market, and (ii) Applications by persons resident in the state of Sikkim, who, in terms of a SEBI circular dated July 20, 2006, may be exempted from specifying their PAN for transacting in the securities market, all 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 investors residing in the State of Sikkim is subject to (a) the Demographic Details received from the respective depositories confirming the exemption granted to the beneficiary owner by a suitable

description in the PAN field and the beneficiary account remaining in “active status”; and (b) in the case of residents of Sikkim, the address as per the Demographic Details evidencing the same. All other applications in which PAN is not mentioned will be rejected;

12. Ensure that the Demographic Details are updated, true and correct in all respects;
13. 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;
14. Ensure that the category and the investor status is indicated;
15. Ensure that in case of Applications under power of attorney or by limited companies, corporates, trust etc., relevant documents are submitted;
16. Ensure that Applications submitted by any person outside India should be in compliance with applicable foreign and Indian laws;
17. Applicants should note that in case the DP ID, Client ID and the PAN mentioned in their Application Form and entered into the online IPO system of the Stock Exchange by the relevant Designated Intermediary, as the case may be, do not match with the DP ID, Client ID and PAN available in the Depository database, then such 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;
18. Ensure that the Application Forms are delivered by the Applicants within the time prescribed as per the Application Form and the Prospectus;
19. Ensure that you have mentioned the correct ASBA Account number in the Application Form;
20. Ensure that you have correctly signed the authorization/undertaking box in the Application Form, or have otherwise provided an authorization to the SCSB via the electronic mode, for blocking funds in the ASBA Account equivalent to the Application Amount mentioned in the Application Form at the time of submission of the Application;
21. Ensure that you receive an acknowledgement from the concerned Designated Intermediary, for the submission of your Application Form; and
22. The Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.

**Dont's:**

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, by money order, cheques or demand drafts or by postal order or by stock invest;
4. Do not send Application Forms by post; instead submit the same to the Designated Intermediary only;
5. Do not submit the Application Forms to any non-SCSB bank or our Company;
6. Do not apply on a Application Form that does not have the stamp of the relevant Designated Intermediary;
7. Do not instruct your respective Banks to release the funds blocked in the ASBA Account under the ASBA process;
8. Do not apply for a Application Amount exceeding Rs. 200,000 (for Applications by Retail Individual Applicants);

9. 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;
10. Do not submit the General Index Register number instead of the PAN;
11. Do not submit the Application without ensuring that funds equivalent to the entire Application Amount are blocked in the relevant ASBA Account;
12. 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;
13. 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;
14. Do not apply if you are not competent to contract under the Indian Contract Act, 1872 (other than minors having valid depository accounts as per Demographic Details provided by the depository);
15. Do not submit more than five Application Forms per ASBA Account;

The Application Form is liable to be rejected if the above instructions, as applicable, are not complied with

#### **ISSUANCE OF A CONFIRMATION OF ALLOCATION NOTE (“CAN”) AND ALLOTMENT IN THE ISSUE**

1. Upon approval of the basis of allotment by the Designated Stock Exchange, the LM or Registrar to the Issue shall send to the SCSBs a list of their Applicants who have been allocated Equity Shares in the Issue.
2. The Registrar will then dispatch a CAN to their Applicants who have been allocated Equity Shares in the Issue. The dispatch of a CAN shall be deemed a valid, binding and irrevocable contract for the Applicant.

#### **PAYMENT INSTRUCTIONS**

The entire Issue price of Rs. 36 per Equity Share is payable on Application. In case of allotment of lesser number of Equity Shares than the number applied, then the Registrar shall instruct the SCSBs to unblock the excess amount paid on Application to the Applicants.

SCSBs will transfer the amount as per the instruction received by the Registrar to the Public Issue Bank Account. The balance amount after transfer to the Public Issue Account shall be unblocked by the SCSBs.

The Applicants shall specify the bank account details in the Application Form and the SCSBs shall block an amount equivalent to the Application Amount in the bank account specified in the Application Form. The SCSB shall keep the Application Amount in the relevant bank account blocked until withdrawal / rejection of the application or receipt of instructions from the Registrar to unblock the Application Amount. However, Not Retails Applicants shall neither withdraw nor lower the size of their applications at any stage. In the event of withdrawal or rejection of the Application Form or for unsuccessful Application Forms, the Registrar to the Issue shall give instruction to the SCSBs to unblock the application money in the relevant back account within one day of receipt of such instruction. The Application Amount shall remain blocked in the ASBA Account until finalisation of the Basis of Allotment in the Issue and consequent transfer of the Application Amount to the Public Issue Account, or until withdrawal / failure of the Issue or until rejection of the application, as the case may be.

Pursuant to the SEBI (Issue of Capital and Disclosure Requirements) (Fifth Amendment) Regulations, 2015, the ASBA process become mandatory for all investors w.e.f. January 01, 2016 and it allows the registrar, share transfer agents, depository participants and stock brokers to accept application forms.

#### **ELECTRONIC REGISTRATION OF APPLICATIONS**

1. The Application Collecting Intermediary will register the applications using the on-line facilities of the Stock Exchange.
2. The Application Collecting Intermediary will undertake modification of selected fields in the application details already uploaded before 1.00 p.m of the next Working day from the Issue Closing Date.
3. The Application collecting Intermediary shall be responsible for any acts, mistakes or errors or omission and commissions in relation to, (i) the applications accepted by them, (ii) the applications uploaded by them, (iii) the applications accepted but not uploaded by them or (iv) In case the applications accepted and uploaded by any Application Collecting Intermediary other than SCSBs, the Application form along with relevant schedules shall be sent to the SCSBs or the Designated Branch of the relevant SCSBs for blocking of funds and they will be responsible for blocking the necessary amounts in the ASBA Accounts. In case of Application accepted and Uploaded by SCSBs, the SCSBs or the Designated Branch of the relevant SCSBs will be re will be responsible for blocking the necessary amounts in the ASBA Accounts (v) Application accepted and uploaded but not sent to SCSBs for blocking of funds.
4. Neither the Lead Managers nor our Company, shall be responsible for any acts, mistakes or errors or omission and commissions in relation to, (i) the applications accepted by any Application Collecting Intermediaries, (ii) the applications uploaded by any Application Collecting Intermediaries or (iii) the applications accepted but not uploaded by the Application Collecting Intermediaries.
5. The Stock Exchange will Issue an electronic facility for registering applications for the Issue. This facility will be available at the terminals of the Application Collecting Intermediaries and their authorized agents during the Issue Period. On the Issue Closing Date, the Application Collecting Intermediaries shall upload the applications till such time as may be permitted by the Stock Exchange.
6. With respect to applications by Applicants, at the time of registering such applications, the Application Collecting Intermediaries shall enter the following information pertaining to the Applicants into in the on-line system:
  - Name of the Applicant;
  - IPO Name;
  - Application Form number;
  - Investor Category
  - PAN (of First Applicant, if more than one Applicant);
  - DP ID of the demat account of the Applicant;
  - Client Identification Number of the demat account of the Applicant;
  - Numbers of Equity Shares Applied for
  - Bank account number.
7. In case of submission of the Application by an Applicant through the Electronic Mode, the Applicant shall complete the above-mentioned details and mention the bank account number, except the Electronic Application Form number which shall be system generated.
8. The aforesaid intermediaries shall, at the time of receipt of application, give an acknowledgement to investor, by giving the counter foil or specifying the application number to the investor, as a proof of having accepted the application form, in physical or electronic mode, respectively. The registration of the Application by the Application Collecting Intermediaries does not guarantee that the Equity Shares shall be allocated / allotted either by our Company.
9. Such acknowledgment will be non-negotiable and by itself will not create any obligation of any kind.

10. The Application Collecting Intermediaries shall have no right to reject applications, except on technical grounds.
11. The permission given by the Stock Exchange to use their network and software of the Online IPO system should not in any way be deemed or construed to mean that the compliance with various statutory and other requirements by our Company and/or the Lead Manager are cleared or approved by the Stock Exchange; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the compliance with the statutory and other requirements nor does it take any responsibility for the financial or other soundness of our Company, our Promoter, our management or any scheme or project of our Company; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this Prospectus; nor does it warrant that the Equity Shares will be listed or will continue to be listed on the Stock Exchange.
12. The Application Collecting Intermediaries will be given time till 1.00 P.M on the next working day after the Issue Closing Date to verify the PAN No, DP ID and Client ID uploaded in the online IPO system during the Issue Period, after which the Registrar to the Issue will receive this data from the Stock Exchange and will validate the electronic application details with Depository's records. In case no corresponding record is available with Depositories, which matches the three parameters, namely DP ID, Client ID and PAN, then such applications are liable to be rejected.
13. The details uploaded in the online IPO system shall be considered as final and Allotment will be based on such details for ASBA applications
14. The SCSBs shall be given one day after the Issue Closing Date to send confirmation of Funds blocked (Final certificate) to the Registrar to the Issue

#### **Allocation of Equity Shares**

1. The Issue is being made through the Fixed Price Process wherein 1,26,000 Equity Shares shall be reserved for the Market Maker. 11,25,000 Equity Shares will be allocated on a proportionate basis to Retail Individual Applicants, subject to valid applications being received from the Retail Individual Applicants at the Issue Price. The balance of the Net Issue will be available for allocation on a proportionate basis to Non-Retail Applicants.
2. Under-subscription, if any, in any category, would be allowed to be met with spill-over from any other category or combination of categories at the discretion of our Company in consultation with the Lead Manager and the Stock Exchange.
3. Allocation to Non-Residents, including Eligible NRIs, FIIs and FVCIs registered with SEBI, applying on repatriation basis will be subject to applicable law, rules, regulations, guidelines and approvals.
4. In terms of SEBI ICDR Regulations, Non-Retails Applicants shall not be allowed to either withdraw or lower the size of their application at any stage.
5. Allotment status details shall be available on the website of the Registrar to the Issue.

#### **PRE- ISSUE ADVERTISEMENT**

Subject to Section 30 of the Companies Act, our Company shall, after registering the Prospectus with the RoC, publish a pre- issue advertisement, in the form prescribed by the SEBI Regulations, in one English language national daily newspaper, one Hindi language national daily newspaper and one regional language daily newspaper, each with wide circulation. In the pre- issue advertisement, we shall state the Issue Opening Date and the Issue Closing Date. This advertisement, subject to the provisions of Section 30 of the Companies Act, shall be in the format prescribed in Part A of Schedule XIII of the SEBI ICDR Regulations

#### **SIGNING OF UNDERWRITING AGREEMENT**

Our Company has entered into an Underwriting agreement dated August 16, 2017

## **COMMUNICATION**

All future communications in connection with Applications made in this Issue should be addressed to the Registrar to the Issue quoting the full name of the sole or First Applicant, Application Form number, Applicants Depository Account Details, number of Equity Shares applied for, date of Application form, name and address of the Application Collecting Intermediary where the Application was submitted thereof and a copy of the acknowledgement slip.

Investors can contact the Compliance Officer or the Registrar to the Issue in case of any pre-Issue or post Issue related problems such as non-receipt of letters of allotment, credit of allotted shares in the respective beneficiary accounts, etc.

## **IMPERSONATION**

Attention of the applicants is specifically drawn to the provisions of sub section (1) of Section 38 of the Companies Act, which is reproduced below:

“Any person who:

- a. makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or
- b. makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or
- c. otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name, shall be liable for action under section 447 of the said Act.”

The liability prescribed under Section 447 of the Companies Act 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.

## **UNDERTAKING BY THE COMPANY**

Our Company undertake as follows:

1. If our Company does not proceed with the Issue after the Issue Opening Date but before allotment, then the reason thereof shall be given as a public notice to be issued by our Company within two days of the Issue Closing Date. The public notice shall be issued in the same newspapers where the Pre- Issue advertisements were published. The Stock Exchange on which the Equity Shares are proposed to be listed shall also be informed promptly;
2. If our Company withdraws the Issue after the Issue Closing Date, our Company shall be required to file a fresh offer document with the RoC / SEBI, in the event our Company subsequently decides to proceed with the Issue;
3. The complaints received in respect of the Issue shall be attended to by our Company expeditiously and satisfactorily;
4. All steps for completion of the necessary formalities for listing and commencement of trading at the Stock Exchange where the Equity Shares is proposed to be listed is taken within six Working Days of the Issue Closing Date;
5. The funds required for making refunds to unsuccessful applicants as per the mode(s) disclosed shall be made available to the Registrar and Share Transfer Agent to the Issue by our Company;
6. Allotment is not made within the prescribed time period under applicable law, the entire subscription amount received will be refunded/unblocked within the time prescribed under applicable law. If there is

delay beyond the prescribed time, our Company shall pay interest prescribed under the Companies Act, the SEBI ICDR Regulations and applicable law for the delayed period;

7. Where refunds are made through electronic transfer of funds, as suitable communication shall be sent to the applicant within six Working Days from the Issue Closing Date, giving details of the bank where refunds shall be credited along with amount expected date of electronic credit of refund;
8. The certificates of the securities/refund orders to Eligible NRIs shall be dispatched within specified time;
9. No further Issue of Equity Shares shall be made till the Equity Shares issued through this Issue document are listed or until the Application monies are refunded / unblocked in ASBA Account on account of non-listing, undersubscription etc;
10. Adequate arrangements shall be made to collect all Application Forms.

### **UTILIZATION OF ISSUE PROCEEDS**

The Board of Directors of our Company certifies that:

1. All monies received out of issue of specified securities to public shall be transferred to 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 utilized out of the Issue referred above shall be disclosed and continue to be disclosed till the time any part of the Issue Proceeds remains unutilised, under an appropriate separate head in the balance sheet of our Company indicating the purpose for which such monies have been utilized;
3. Details of all unutilized monies out of the Issue, if any, shall be disclosed under an appropriate separate head in the balance sheet of our Company indicating the form in which such unutilized monies have been invested; and
4. Our Company shall comply with the requirements of the SEBI Listing Regulations in relation to the disclosure and monitoring of the utilisation of the proceeds of the Issue.

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.

## **PART B**

### **GENERAL INFORMATION DOCUMENT FOR INVESTING IN PUBLIC ISSUES**

This General Information Document highlights the key rules, processes and procedures applicable to public issues in accordance with the provisions of the Companies Act, the SCRA, the SCRR and the SEBI ICDR Regulations. Bidders/Applicants should not construe the contents of this General Information Document as legal advice and should consult their own legal counsel and other advisors in relation to the legal matters concerning the issue. For taking an investment decision, the Bidders/Applicants should rely on their own examination of the Issuer and the Issue, and should carefully read the Prospectus before investing in the Issue.

#### **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 Bidders/Applicants in IPOs and FPOs, and on the processes and procedures governing IPOs and FPOs, undertaken in accordance with the provisions of the SEBI ICDR Regulations.

Bidders/Applicants should note that investment in equity and equity related securities involves risk and Bidder/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 are set out in the Prospectus filed by the Issuer



with the Registrar of Companies (“RoC”). Applicants should carefully read the entire Prospectus and the Bid cum Application Form/Application Form and the Abridged Prospectus of the Issuer in which they are proposing to invest through the Issue. In case of any difference in interpretation or conflict and/or overlap between the disclosure included in this document and the Prospectus, the disclosures in the Prospectus shall prevail. The Prospectus of the Issuer is available on the websites of stock exchanges, on the website(s) of the LM(s) to the Issue and on the website of SEBI at [www.sebi.gov.in](http://www.sebi.gov.in).

For the definitions of capitalized terms and abbreviations used herein Bidders/Applicants may see “*Glossary and Abbreviations*”

## **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 in terms of either Regulation 26(1) or Regulation 26(2) of the SEBI ICDR Regulations. For details of compliance with the eligibility requirements by the Issuer, Bidders/Applicants may refer to the Prospectus.

### **2.2 Further public offer (FPO)**

An FPO means an offer of specified securities by a listed Issuer to the public for subscription and may include Offer for Sale of specified securities to the public by any existing holder of such securities in a listed Issuer. For undertaking an FPO, the Issuer is *inter-alia* required to comply with the eligibility requirements in terms of Regulation 26/ Regulation 27 of the SEBI ICDR Regulations. For details of compliance with the eligibility requirements by the Issuer, Bidders/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 the SEBI ICDR Regulations, the Companies Act, the Companies Act, 1956 (to the extent applicable), the SCRR industry-specific regulations, if any, and other applicable laws for the time being in force.

### **2.4 Types of Public Issues – Fixed Price Issues and Book Built Issues**

In accordance with the provisions of the 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 RHP (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 Working Days before the Bid/Issue Opening Date, in case of an IPO and at least one Working Day before the Bid/Issue Opening Date, in case of an FPO.

The Floor Price or the Issue price cannot be lesser than the face value of the securities. 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**

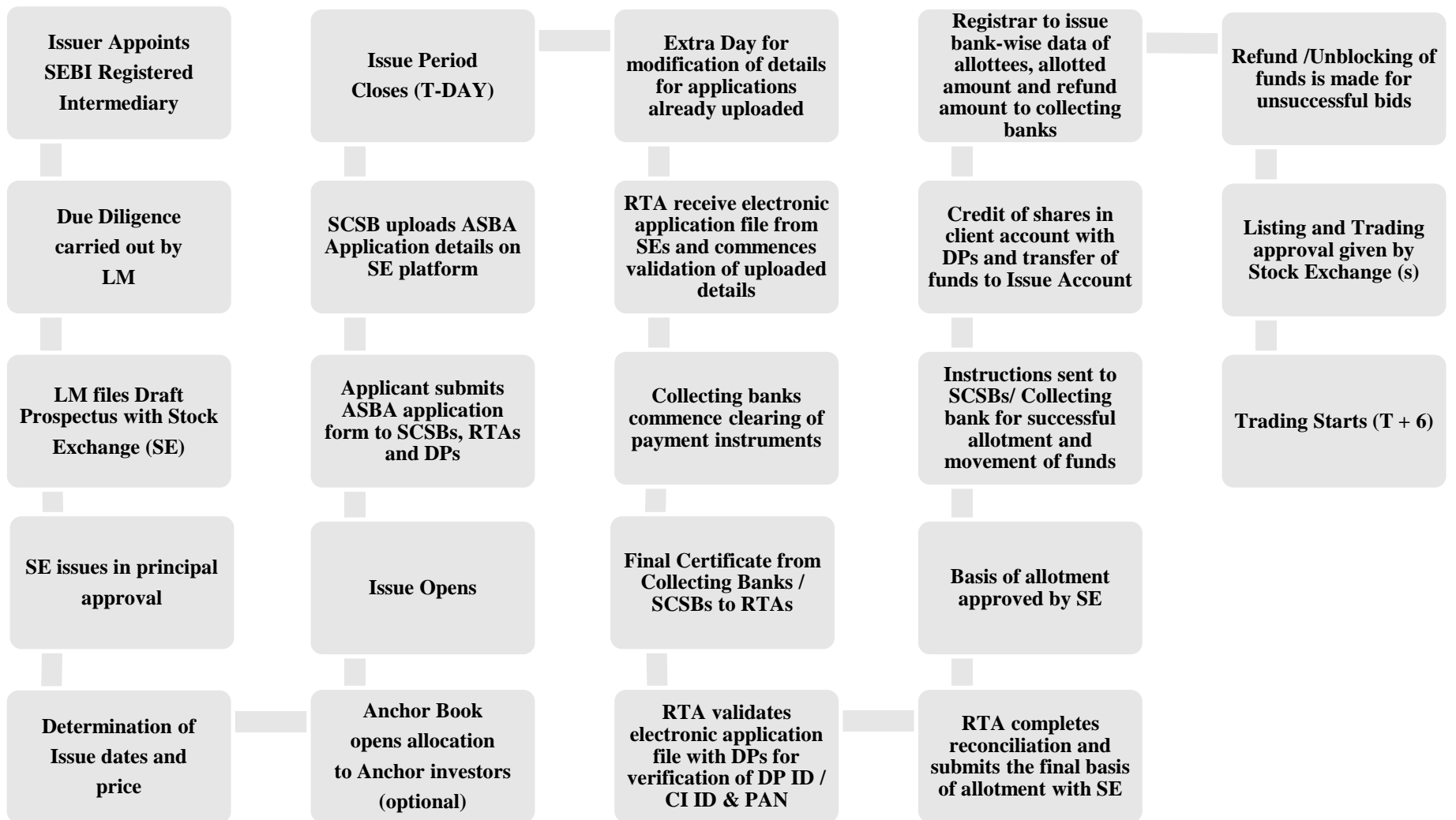
The Issue may be kept open for a minimum of three Working Days (for all category of Applicants) and not more than ten Working Days. Applicants are advised to refer to the Bid cum Application Form and Abridged Prospectus or Prospectus for details of the Bid/ Issue Period. Details of Bid/ Issue Period are also available on the website of the Stock Exchange(s).

In case of a Book Built Issue, the Issuer may close the Bid/ Issue Period for QIBs one Working Day prior to the Bid/ Issue Closing Date if disclosures to that effect are made in the Prospectus. In case of revision of the Floor Price or Price Band in Book Built Issues the Bid/ Issue Period may be extended by at least three Working Days, subject to the total Bid/ Issue Period not exceeding 10 Working Days. For details of any revision of the Floor Price or Price Band, Applicants may check the announcements made by the Issuer on the websites of the Stock

## **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



### **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, 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:

1. Indian national's resident in India who are not incompetent to contract in single or joint names (not more than three) or in the names of minors through natural/legal guardian;
2. Bids/Applications belonging to an account for the benefit of a minor (under guardianship);
3. Hindu Undivided Families or HUFs, in the individual name of the *Karta*. The Applicant should specify that the Bid is being made in the name of the HUF in the Bid cum Application Form/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*". Bids/Applications by HUFs may be considered at par with Bids/Applications from individuals;
4. Companies, corporate bodies and societies registered under applicable law in India and authorised to invest in equity shares;
5. QIBs;
6. NRIs on a repatriation basis or on a non-repatriation basis, subject to applicable law;
7. Indian Financial Institutions, regional rural banks, co-operative banks (subject to RBI regulations and the SEBI) ICDR Regulations and other laws, as applicable);
8. FIIs and sub-accounts registered with SEBI, other than a sub-account which is a foreign corporate or foreign individual, bidding under the QIBs category;
9. Sub-accounts of FIIs registered with SEBI, which are foreign corporates or foreign individuals Bidding only under the Non Institutional Investors ("NIIs") category;
10. FPIs other than Category III foreign portfolio investors, Bidding under the QIBs category;
11. FPIs which are Category III foreign portfolio investors, Bidding under the NIIs category;
12. 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;
13. Limited liability partnerships registered under the Limited Liability Partnership Act, 2008; and
14. Any other person eligible to Bid/Apply in the Issue, under the laws, rules, regulations, guidelines and policies applicable to them and under Indian laws.
15. As per the existing regulations, OCBs are not allowed to participate in an Issue

### **SECTION 4: APPLYING IN THE ISSUE**

**Book Built Issue:** Bidders should only use the specified ASBA Form (or in case of Anchor Investors, the Anchor Investor Application Form) either bearing the stamp of a member of the Syndicate or any other Designated Intermediary, as available or downloaded from the website of the Stock Exchange. Bid cum Application Forms are available with the Book Running Lead Managers, the Designated Intermediaries at the Bidding Centres and at the registered office of the Issuer. Electronic Bid cum Application Forms will be available on the website of the Stock Exchange at least one day prior to the Bid/ Issue Opening Date. For further details, regarding availability of Bid cum Application Forms, Bidders may refer to the Prospectus.

**Fixed Price Issue:** Applicants should only use the specified cum Application Form bearing the stamp of an SCSB as available or downloaded from the website of the Stock Exchange. 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 color of the Bid cum Application Form for various categories of Applicants is as follows:

Category	Colour <sup>(1)</sup>
Resident Indians and Eligible NRIs applying on a non-repatriation basis	White
Non-Residents and Eligible NRIs, FIIs, FVCIs, etc. applying on a repatriation basis	Blue

*(1) excluding electronic Application Form*

Securities issued in an IPO can only be in dematerialized form in accordance with Section 29 of the Companies Act. Applicants will not have the option of getting the Allotment of specified securities in physical form. However, they may get the specified securities rematerialised subsequent to Allotment

#### **4.1 INSTRUCTIONS FOR FILING THE BID CUM APPLICATION FORM/APPLICATION FORM**

Applicants may note that forms not filled completely or correctly as per instructions provided in this GID, the Prospectus and the Bid cum Application Form/Application Form are liable to be rejected. Instructions to fill each field of the Bid cum Application Form can be found on the reverse side of the Bid cum Application Form. Specific instructions for filling various fields of the Bid cum Application Form and sample are provided below.

A sample Bid cum Application Form is reproduced below:

TEAR HERE

COMMON APPLICATION FORM XYZ LIMITED - PUBLIC ISSUE - R FOR RESIDENT INDIANS & QIBs, ELIGIBLE NRIs APPLYING ON NON-REPATRIATION BASIS

LOGO To, The Board of Directors XYZ LIMITED Regd Off.: Tel. No.: Fax No.: CIN: FIXED PRICE SME ISSUE INE0000000000000000000000 Date: Application Form No.

Table with columns for Broker/SCSB/DP/RTA Stamp & Code, Sub-Broker's/Sub-Agent's Stamp & Code, SCSB/Bank Branch Stamp & Code, SCSB/Bank Branch Serial No., and 1. Name & Contact Details of Sole/First Applicant (Mr./Ms., Age, Address, E mail, Tel. No./Mobile).

3. Investor's Depository Account Details (NSDL, CDSL) and 6. Investor Status (Individual, Non-Resident Indians, Hindu Undivided Family, Bodies Corporate, Banks & Financial Institutions, Mutual Funds, National Investment Funds, Insurance Funds, Insurance Companies, Venture Capital Funds, Alternative Investment Funds, Others).

4. Application Details (No. of Equity Shares of Rs.00/- each applied at the Issue Price i.e. at Rs. 00/- per share) and 5. Category (Retail Individual, Non-Institutional, QIB). Includes 7. Payment Details and Payment Option: Full Payment.

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 FORM 2A AND THE GENERAL INFORMATION DOCUMENT FOR INVESTING IN THE PUBLIC ISSUE ("GID") AND HEREBY AGREE AND CONFIRM THE "INVESTOR UNDERTAKING" AS GIVEN OVERLEAF.

8 A. Signature of Sole / First Applicant, 8 B. Signature of ASBA Bank Account Holder(s) (AS PER BANK RECORDS), and Broker / SCSB / DP / RTA Stamp (Acknowledging upload of Application in Stock Exchange System).

PLEASE FILL IN BLOCK LETTERS

LOGO XYZ LIMITED - PUBLIC ISSUE - R Acknowledgement Slip for Broker / SCSB / DP / RTA Application Form No.

Table for Acknowledgement Slip for Broker / SCSB / DP / RTA containing fields for Received from Mr./Ms., Address, Telephone/Mobile, E-mail, No. of Equity Shares applied for (in Figures and in words), Amount Paid (₹ in figures), ASBA Bank A/c No., Name of Bank & Branch, and SCSB Branch Stamp & Signature.

Table for Acknowledgement Slip for Applicant containing fields for No. of Equity Shares (In Figures, In Words), Amount Paid (Rs.), ASBA Bank A/c No., Bank & Branch, Stamp & Signature of Broker / SCSB / DP / RTA, and Name of Sole / First Applicant.

TEAR HERE

Application Form No. XYZ LIMITED 1

#### **4.1.1 FIELD NUMBER 1: NAME AND CONTACT DETAILS OF THE SOLE / FIRST BIDDER /APPLICANT**

1. Applicants should ensure that the name provided in this field is exactly the same as the name in which the Depository Account is held.
2. **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 Bid cum Application Form/Application Form may be used to dispatch communications (including letters notifying the unblocking of the bank accounts 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 Bid cum 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.
3. **Joint Bids/Applications:** In the case of Joint Bids/Applications, the Bids/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 Bid cum Application Form/Application Form and such first Applicant would be deemed to have signed on behalf of the joint holders. All communications may be addressed to such Applicant and may be dispatched to his or her address as per the Demographic Details received from the Depositories.
4. **Nomination Facility to Applicant:** Nomination facility is available in accordance with the provisions of Section 72 of the Companies Act. 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.
5. **Impersonation**

Attention of the applicants is specifically drawn to the provisions of sub section (1) of Section 38 of the Companies Act which is reproduced below:

“Any person who:

- a. makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or
  - b. makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or
  - c. otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name, shall be liable for action under section 447 of the said Act.”
6. The liability prescribed under Section 447 of the Companies Act 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.

#### **4.1.2 FIELD NUMBER 2: PAN NUMBER 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(s) in whose 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. An Application Form without PAN, except in case of Exempted Applicants, is liable to be rejected. 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 (i) 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 (ii) in the case of residents of Sikkim, the address as per the Demographic Details evidencing the same.
- d. Application Forms which provide the General Index Register 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 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 on the records of the depositories. These Demographic Details may be used, among other things, for sending allocation advice and for other correspondence(s) related to 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: BID OPTIONS**

- a. Price or Floor Price or Price Band, minimum Bid Lot and Discount (if applicable) may be disclosed in the Prospectus by the Issuer. The Issuer is required to announce the Floor Price or Price Band, minimum Bid Lot and Discount (if applicable) by way of an advertisement in at least one English, one Hindi and one regional newspaper, with wide circulation, at least five Working Days before Bid/ Issue Opening Date in case of an IPO, and at least one Working Day before Bid/ Issue Opening Date in case of an FPO.
- b. The Bidders may Bid at or above Floor Price or within the Price Band for IPOs/FPOs undertaken through the Book Building Process. In the case of Alternate Book Building Process for an FPO, the Bidders may Bid at Floor Price or any price above the Floor Price (For further details Bidders may refer to (Section 5.6 (e))
- c. **Cut-Off Price:** Retail Individual Investors or Employees or Retail Individual Shareholders can Bid at the Cut-off Price indicating their agreement to Bid for and purchase the Equity Shares at the Issue Price as determined at the end of the Book Building Process. Bidding at the Cut-off Price is prohibited for QIBs and NIIs and such Bids from QIBs and NIIs may be rejected.
- d. **Minimum Application Value and Bid Lot:** The Issuer in consultation with the LM may decide the minimum number of Equity Shares for each Bid to ensure that the minimum application value is within



the range of Rs. 10,000 to Rs 15,000. The minimum Bid Lot is accordingly determined by an Issuer on basis of such minimum application value.

- e. **Allotment:** The Allotment of specified securities to each RII shall not be less than the minimum Bid Lot, subject to availability of shares in the RII category, and the remaining available shares, if any, shall be Allotted on a proportionate basis. For details of the Bid Lot, Applicants may refer to the Prospectus or the advertisement regarding the Price Band published by the Issuer.

#### **4.1.4.1 MAXIMUM AND MINIMUM BID SIZE**

- a. The Bidder may Bid for the desired number of Equity Shares at a specific price. Bids by Retail Individual Investors, Employees and Retail Individual Shareholders must be for such number of shares so as to ensure that the Bid Amount less Discount (as applicable), payable by the Bidder does not exceed Rs. 2,00,000.
- b. In case the Bid Amount exceeds Rs 2,00,000 due to revision of the Bid or any other reason, the Bid may be considered for allocation under the Non-Institutional Category (with it not being eligible for Discount), then such Bid may be rejected if it is at the Cut-off Price.
- c. For NRIs, a Bid Amount of up to Rs 2,00,000 may be considered under the Retail Category for the purposes of allocation and a Bid Amount exceeding Rs 2,00,000 may be considered under the Non-Institutional Category for the purposes of allocation.
- d. Bids by QIBs and NIIs must be for such minimum number of shares such that the Bid Amount exceeds Rs. 2,00,000 and in multiples of such number of Equity Shares thereafter, as may be disclosed in the Bid cum Application Form and the Prospectus, or as advertised by the Issuer, as the case may be. Non-Institutional Investors and QIBs are not allowed to Bid at Cutoff Price.
- e. RII may revise or withdraw their bids until Bid/ Issue Closing Date. QIBs and NII's cannot withdraw or lower their Bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage after Bidding and are required to pay the Bid Amount upon submission of the Bid.
- f. In case the Bid Amount reduces to Rs. 2,00,000 or less due to a revision of the Price Band, Bids by the Non- Institutional Investors who are eligible for allocation in the Retail Category would be considered for allocation under the Retail Category.
- g. For Anchor Investors, if applicable, the Bid Amount shall be least Rs 10 crores. One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the price at which allocation is being done to other Anchor Investors. Bids by various schemes of a Mutual Fund shall be aggregated to determine the Bid Amount. A Bid cannot be submitted for more than 60% of the QIB Category under the Anchor Investor Portion. Anchor Investors cannot withdraw their Bids or lower the size of their Bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage after the Anchor Investor Bid/ Issue Period and are required to pay the Bid Amount at the time of submission of the Bid. In case the Anchor Investor Issue Price is lower than the Issue Price, the balance amount shall be payable as per the pay-in-date mentioned in the revised CAN. In case the Issue Price is lower than the Anchor Investor Issue Price, the amount in excess of the Issue Price paid by the Anchor Investors shall not be refunded to them.
- h. A Bid cannot be submitted for more than the Issue size.
- i. The maximum Bid by any Applicant including QIB Applicant should not exceed the investment limits prescribed for them under the applicable laws.
- j. The price and quantity options submitted by the Bidder in the Bid cum Application Form may be treated as optional bids from the Bidder and may not be cumulated. After determination of the Issue Price, the number of Equity Shares Bid for by a Bidder at or above the Issue Price may be

considered for Allotment and the rest of the Bid(s), irrespective of the Bid Amount may automatically become invalid. This is not applicable in case of FPOs undertaken through Alternate Book Building Process (For details of Bidders may refer to (Section 5.6 (e))

#### **4.1.4.2 MULTIPLE BIDS**

- a. Bidder should submit only one Bid cum Application Form. Bidder shall have the option to make a maximum of three Bids at different price levels in the Bid cum Application Form and such options are not considered as multiple Bids.

Submission of a second Bid cum Application Form to either the same or to another Designated Intermediary and duplicate copies of Bid cum Application Forms bearing the same application number shall be treated as multiple Bids and are liable to be rejected

- b. Bidders are requested to note the following procedures may be followed by the Registrar to the Issue to detect multiple Bids:
  - All Bids may be checked for common PAN as per the records of the Depository. For Bidders other than Mutual Funds and FII sub-accounts, Bids bearing the same PAN may be treated as multiple Bids by a Bidder and may be rejected.
  - For Bids from Mutual Funds and FII sub-accounts, submitted under the same PAN, as well as Bids on behalf of the PAN Exempted Bidders, the Bid cum Application Forms may be checked for common DP ID and Client ID. Such Bids which have the same DP ID and Client ID may be treated as multiple Bids and are liable to be rejected.
- c. The following Bids may not be treated as multiple Bids:
  - Bids by Reserved Categories Bidding in their respective Reservation Portion as well as bids made by them in the Issue portion in public category.
  - Separate Bids by Mutual Funds in respect of more than one scheme of the Mutual Fund provided that the Bids clearly indicate the scheme for which the Bid has been made.
  - Bids by Mutual Funds, and sub-accounts of FIIs (or FIIs and its sub-accounts) submitted with the same PAN but with different beneficiary account numbers, Client IDs and DP IDs.
  - Bids by Anchor Investors under the Anchor Investor Portion and the QIB Category.

#### **4.1.5 FIELD NUMBER 5: CATEGORY OF BIDDERS**

- The categories of Bidders identified as per the SEBI ICDR Regulations for the purpose of Bidding, allocation and Allotment in the Issue are RIIs, NIIs and QIBs.
- Up to 60% of the QIB Category can be allocated by the Issuer, on a discretionary basis subject to the criteria of minimum and maximum number of Anchor Investors based on allocation size, to the Anchor Investors, in
- accordance with SEBI ICDR Regulations, with one-third of the Anchor Investor Portion reserved for domestic Mutual Funds subject to valid Bids being received at or above the Issue Price. For details regarding allocation to Anchor Investors, Bidders may refer to the Prospectus.
- An Issuer can make reservation for certain categories of Bidders/Applicants as permitted under the SEBI ICDR Regulations. For details of any reservations made in the Issue, Bidders/Applicants may refer to the Prospectus. The SEBI ICDR Regulations, specify the allocation or Allotment that may be made to various categories of Bidders in an Issue depending upon compliance with the eligibility conditions. Details pertaining to allocation are disclosed on reverse side of the Revision Form. For Issue, specific details in relation to allocation Bidder/Applicant may refer to the Prospectus.

#### **4.1.6 FIELD NUMBER 6: INVESTOR STATUS**

- 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.
- Certain categories of Applicants, such as NRIs, FPIs and FVCIs may not be allowed to Bid/Apply in the Issue or hold Equity Shares exceeding certain limits specified under applicable law. Applicants are requested to refer to the Prospectus for more details.
- 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 Bid cum Application Form and Non-Resident Bid cum Application Form.
- Applicants should ensure that their investor status is updated in the Depository records.

#### **4.1.7 FIELD NUMBER 7: PAYMENT DETAILS**

- The full Bid Amount (net of any Discount, as applicable) shall be blocked based on the authorisation provided in the Bid cum Application Form. If the Discount is applicable in the Issue, the RIIs should indicate the full Bid Amount in the Bid cum Application Form and the funds shall be blocked for Bid 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 Bidder. In case of Bidders specifying more than one Bid Option in the Bid cum Application Form, the total Bid Amount may be calculated for the highest of three options at net price, i.e. Bid price less Discount offered, if any.
- Bidders who Bid at Cut-off Price shall deposit the Bid Amount based on the Cap Price.
- All Bidders (except Anchor Investors) can participate in the Issue only through the ASBA mechanism.
- Bid Amount cannot be paid in cash, through money order or through postal order.

##### **4.1.7.1 INSTRUCTIONS FOR ANCHOR INVESTORS:**

- Anchor Investors may submit their Bids with a Book Running Lead Manager.
- Payments should be made either by RTGS, NEFT or cheque/ demand draft drawn on any bank (including a cooperative 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.
- If the cheque or demand draft accompanying the Bid cum Application Form is not made favoring the Escrow Account, the Bid is liable to be rejected.
- The Escrow Collection Banks shall maintain the monies in the Escrow Account for and on behalf of the Anchor Investors until the Designated Date.
- 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 BIDDERS (OTHER THAN ANCHOR INVESTORS)**

- Bidders may submit the Bid cum Application Form either
  - a. in physical mode to the Designated Branch of an SCSB where the Applicants have ASBA Account, or
  - b. in electronic mode through the internet banking facility offered by an SCSB authorizing blocking of funds that are available in the ASBA account specified in the Bid cum Application Form, or
  - c. in physical mode to any Designated Intermediary.
- Bidders must specify the Bank Account number in the Bid cum Application Form. The Bid cum Application Form submitted by Bidder and which is accompanied by cash, demand draft, money order, postal order or any mode of payment other than blocked amounts in the ASBA Account maintained with an SCSB, may not be accepted.
- Bidders should ensure that the Bid cum Application Form is also signed by the ASBA Account holder(s) if the Bidder is not the ASBA Account holder;
- Bidders shall note that for the purpose of blocking funds under ASBA facility clearly demarcated funds shall be available in the account.
- From one ASBA Account, a maximum of five Bids cum Application Forms can be submitted.
- Bidders bidding through a member of the Syndicate should ensure that the Bid cum Application Form is submitted to a member of the Syndicate only at the Specified Locations. Bidders should also note that Bid cum 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 Bid cum Application Form, is maintained has not named at least one branch at that location for the members of the Syndicate to deposit Bid cum Application Forms (a list of such branches is available on the website of SEBI at <http://www.sebi.gov.in>)
- Bidders bidding through a Registered Broker, RTA or CDP should note that Bid cum Application Forms submitted to them may not be accepted, if the SCSB where the ASBA Account, as specified in the Bid cum Application Form, is maintained has not named at least one branch at that location for the Registered Brokers, RTA or CDP, as the case may be, to deposit Bid cum Application Forms.
- Bidders bidding directly through the SCSBs should ensure that the Bid cum Application Form is submitted to a Designated Branch of a SCSB where the ASBA Account is maintained.
- Upon receipt of the Bid cum Application Form, the Designated Branch of the SCSB may verify if sufficient funds equal to the Bid Amount are available in the ASBA Account, as mentioned in the Bid cum Application Form.
- If sufficient funds are available in the ASBA Account, the SCSB may block an amount equivalent to the Bid Amount mentioned in the Bid cum Application Form and for application directly submitted to SCSB by investor, may enter each Bid option into the electronic bidding system as a separate Bid.
- If sufficient funds are not available in the ASBA Account, the Designated Branch of the SCSB may not upload such Bids on the Stock Exchange platform and such bids are liable to be rejected.
- Upon submission of a completed Bid cum Application Form each Bidder may be deemed to have agreed to block the entire Bid Amount and authorized the Designated Branch of the SCSB

to block the Bid Amount specified in the Bid cum Application Form in the ASBA Account maintained with the SCSBs.

- The Bid Amount may remain blocked in the aforesaid ASBA Account until finalisation of the Basis of Allotment and consequent transfer of the Bid Amount against the Allotted Equity Shares to the Public Issue Account, or until withdrawal or failure of the Issue, or until withdrawal or rejection of the Bid, as the case may be.
- SCSBs bidding in the Issue must apply through an Account maintained with any other SCSB; else their Bids are liable to be rejected.

#### **4.1.7.2.1 Unblocking of ASBA Account**

- Once the Basis of Allotment is approved by the Designated Stock Exchange, the Registrar to the Issue may provide the following details to the controlling branches of each SCSB, along with instructions to unblock the relevant bank accounts and for successful 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 Bid, (ii) the amount to be transferred from the relevant bank account to the Public Issue Account, for each Bid, (iii) the date by which funds referred to in (ii) above may be transferred to the Public Issue Account, and (iv) details of rejected Bids, if any, along with reasons for rejection and details of withdrawn or unsuccessful Bids, if any, to enable the SCSBs to unblock the respective bank accounts.
- On the basis of instructions from the Registrar to the Issue, the SCSBs may transfer the requisite amount against each successful Bidder to the Public Issue Account and may unblock the excess amount, if any, in the ASBA Account.
- In the event of withdrawal or rejection of the Bid cum Application Form and for unsuccessful Bids, the Registrar to the Issue may give instructions to the SCSB to unblock the Bid Amount in the relevant ASBA Account within six Working Days of the Bid/ Issue Closing Date.

#### **4.1.7.3 Discount (if applicable)**

- The Discount is stated in absolute rupee terms.
- Bidders applying under RII category, Retail Individual Shareholder and employees are only eligible for discount. For Discounts offered in the Issue, Bidders may refer to the Prospectus.
- The Bidders entitled to the applicable Discount in the Issue may block an amount i.e. the Bid Amount Less Discount (if applicable).

Bidder may note that in case the net amount blocked (post Discount) is more than two lakh Rupees, the Bidding 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 Bid cum Application Form/Application Form. Applicants should 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 Bid cum Application Form/Application Form, or an authorisation has to be provided to the SCSB via the

electronic mode, for blocking funds in the ASBA Account equivalent to the Bid Amount mentioned in the Bid cum Application Form/Application Form.

- d. Applicants must note that Bid cum Application Form/Application Form without signature of Applicant and/or ASBA Account holder is liable to be rejected.

#### **4.1.9 ACKNOWLEDGEMENT AND FUTURE COMMUNICATION**

- a. Bidders should ensure that they receive the Acknowledgement Slip duly signed and stamped by the Designated Intermediary, as applicable, for submission of the Bid cum Application Form.
- b. All communications in connection with Bids/Applications made in the Issue should 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 Bids 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 Bids by a Syndicate Member, the Applicants should contact the relevant Syndicate Member.
  - In case of queries relating to uploading of Bids by a Registered Broker, the Applicants should contact the relevant Registered Broker In case of Bids submitted to the RTA, the Applicants should contact the relevant RTA.
  - In case of Bids 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.
- c. The following details (as applicable) should be quoted while making any queries –
- full name of the sole or First Applicant, bid cum Application Form number, Applicants' DP ID, Client ID, PAN, number of Equity Shares applied for, amount paid on application;
  - name and address of the Designated Intermediary, where the Bid was submitted; or In case of Bids other than from Anchor Investors, ASBA Account number in which the amount equivalent to the Bid Amount was blocked.
  - In case of Anchor Investor bids cheque or draft number and the name of the issuing bank thereof.
- d. In case of Anchor Investor bids cheque or draft number and the name of the issuing bank thereof. For further details, Applicant may refer to the Prospectus and the Bid cum Application Form.

#### **4.2 INSTRUCTIONS FOR FILING THE REVISION FORM**

- During the Bid/ Issue Period, any Applicant (other than QIBs and NIIs, who can only revise their bid upwards) who has registered his or her interest in the Equity Shares at a particular price level is free to revise his or her Bid within the Price Band using the Revision Form, which is a part of the Bid cum Application Form.
- RII may revise their bids or withdraw their Bids till the Bid / Issue Close Date.
- Revisions can be made in both the desired number of Equity Shares and the Bid Amount by using the Revision Form.

- The Applicant can make this revision any number of times during the Bid/ Issue Period. However, for any revision(s) in the Bid, the /Applicants will have to use the services of the same Designated Intermediary through which such Applicant had placed the original Bid. Applicants are advised to retain copies of the blank Revision Form and the Bid(s) must be made only in such Revision Form or copies thereof.

<b>COMMON BID REVISION FORM</b>	<b>XYZ LIMITED - INITIAL PUBLIC ISSUE - R</b>	FOR RESIDENT INDIANS INCLUDING RESIDENT QIBs AND ELIGIBLE NRIs APPLYING ON A NON-REPATRIATION BASIS
	Regd. Off. : _____ Tel. No. : _____; Fax No. : _____; E-mail : _____ Website : _____; CIN : _____	

<b>LOGO</b>	To, <b>The Board of Directors XYZ LIMITED</b>	<b>BOOK BUILT ISSUE</b> ISIN - INE0000000000	<b>Bid Cum Application Form No.</b> _____
SYNDICATE MEMBER'S STAMP & CODE	BROKER'S / SCSB / DP / RTA STAMP & CODE	<b>1. NAME &amp; CONTACT DETAILS OF SOLE/FIRST BIDDER</b>	
SUB-BROKER'S/SUB-AGENT'S STAMP & CODE	ESCROW BANK / SCSB BRANCH STAMP & CODE	Mr./Ms./M/s. _____ Address _____ Email _____ Tel. No (with STD code) / Mobile _____	
BANK BRANCH SERIAL NO.	SCSB SERIAL NO.	<b>2. PAN OF SOLE / FIRST BIDDER</b>	
		<b>3. BIDDERS 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 BID**

4. FROM (AS PER LAST BID OR REVISION)													
Bid Options	No. of Equity Shares Bid (Bids must be in multiples of Bid Lot as advertised) (in Figures)								Price per Equity Share (₹) / "Cut-off" (In Figures)				"Cut-off" (Please ✓ tick)
	8	7	6	5	4	3	2	1	Bid Price	Retail Discount, if any	Net Price		
Option 1													<input type="checkbox"/>
(OR) Option 2													<input type="checkbox"/>
(OR) Option 3													<input type="checkbox"/>

5. TO (REVISED BID) (Only Retail individual Bidders can BID at "Cut-Off")													
Bid Options	No. of Equity Shares Bid (in Figures) (Bids must be in multiples of Bid Lot as advertised)								Price per Equity Share (₹) / "Cut-off" (In Figures)				"Cut-off" (Please ✓ tick)
	8	7	6	5	4	3	2	1	Bid Price	Retail Discount, if any	Net Price		
Option 1													<input type="checkbox"/>
(OR) Option 2													<input type="checkbox"/>
(OR) Option 3													<input type="checkbox"/>

<b>6. PAYMENT DETAILS</b>	<b>PAYMENT OPTION : Full Payment <input type="checkbox"/> Part Payment <input type="checkbox"/></b>
Additional Amount Paid (₹ 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 BID CUM APPLICATION FORM AND THE ATTACHED ABRIDGED PROSPECTUS AND THE GENERAL INFORMATION DOCUMENT FOR INVESTING IN PUBLIC OFFERS ("GID") AND HEREBY AGREE AND CONFIRM THE 'BIDDERS 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 BID CUM APPLICATION FORM GIVEN OVERLEAF.

<b>7 A. SIGNATURE OF SOLE / FIRST BIDDER</b>	<b>7 B. SIGNATURE OF ASBA BANK ACCOUNT HOLDER(S) (AS PER BANK RECORDS)</b>	<b>SYNDICATE MEMBER/BROKER / SCSB / CDP / RTA STAMP (Acknowledging upload of Bid in Stock Exchange system)</b>
Date: _____, 2016	1/We authorize the SCSB to do all acts as are necessary to make the Application in the Offer 1) _____ 2) _____ 3) _____	

<b>LOGO</b>	<b>XYZ LIMITED - BID REVISION FORM - INITIAL PUBLIC ISSUE - R</b>	<b>Acknowledgement Slip for Syndicate Member Broker/SCSB/CDP/RTA</b>	<b>Bid Cum Application Form No.</b> _____
			<b>PAN of Sole / First Bidder</b> _____
DPID / CLID _____	Additional Amount Paid (₹ in figures) _____	Bank & Branch _____	Stamp & Signature of SCSB Branch _____
ASBA A/c No. _____	Received from Mr./Ms. _____	Telephone / Mobile _____	Email _____

<b>XYZ LIMITED - BID REVISION FORM - INITIAL PUBLIC ISSUE - R</b>	<b>Stamp &amp; Signature of Syndicate Member / Registered Broker / SCSB / CDP / RTA</b>	<b>Name of Sole / First Bidder</b>	
No. of Equity Shares	Option 1	Option 2	Option 3
Bid Price			
Additional Amount Paid (₹)			
ASBA Bank A/c No. : _____	<b>Acknowledgment Slip for Bidder</b>		
Bank & Branch : _____	<b>Bid Cum Application Form No.</b> _____		



#### **4.2.1 FIELDS 1, 2 AND 3: NAME AND CONTACT DETAILS OF SOLE/FIRST APPLICANT, 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: BID OPTIONS REVISION 'FROM' AND 'TO'**

- Apart from mentioning the revised options in the Revision Form, the Applicant must also mention the details of all the bid options given in his or her Bid cum Application Form or earlier Revision Form. For example, if a Applicant has Bid for three options in the Bid cum Application Form and such Applicant is changing only one of the options in the Revision Form, the Applicant must still fill the details of the other two options that are not being revised, in the Revision Form. The members of the Syndicate, the Registered Brokers and the Designated Branches of the SCSBs may not accept incomplete or inaccurate Revision Forms.
- In case of revision, Bid options should be provided by Applicants in the same order as provided in the Bid cum Application Form.
- In case of revision of Bids by RIIs, Employees and Retail Individual Shareholders, such Applicants should ensure that the Bid Amount, subsequent to revision, does not exceed M 200,000. In case the Bid Amount exceeds Rs. 200,000 due to revision of the Bid or for any other reason, the Bid may be considered, subject to eligibility, for allocation under the Non-Institutional Category, not being eligible for Discount (if applicable) and such Bid may be rejected if it is at the Cut-off Price. The Cut-off Price option is given only to the RIIs, Employees and Retail Individual Shareholders indicating their agreement to Bid for and purchase the Equity Shares at the Issue Price as determined at the end of the Book Building Process.
- In case the total amount (i.e., original Bid Amount plus additional payment) exceeds Rs. 200,000, the Bid will be considered for allocation under the Non-Institutional Category in terms of the Prospectus. If, however, the RII does not either revise the Bid or make additional payment and the Issue Price is higher than the cap of the Price Band prior to revision, the number of Equity Shares Bid for shall be adjusted downwards for the purpose of allocation, such that no additional payment would be required from the RII and the RII is deemed to have approved such revised Bid at Cut-off Price.
- In case of a downward revision in the Price Band, RIIs and Bids by Employees under the Reservation Portion, who have bid at the Cut-off Price could either revise their Bid or the excess amount paid at the time of Bidding may be unblocked in case of Bidders.

#### **4.2.3 FIELD 6: PAYMENT DETAILS**

- All Applicants are required to make payment of the full Bid Amount (less Discount, if applicable) along with the Bid Revision Form. In case of Applicants specifying more than one Bid Option in the Bid cum Application Form, the total Bid Amount may be calculated for the highest of three options at net price, i.e. Bid price less discount offered, if any.
- Applicant may Issue instructions to block the revised amount based on cap of the revised Price Band (adjusted for the Discount (if applicable) in the ASBA Account, to the same Designated Intermediary through whom such Applicant had placed the original Bid to enable the relevant SCSB to block the additional Bid Amount, if any.
- In case the total amount (i.e., original Bid Amount less discount (if applicable) plus additional payment) exceeds Rs. 200,000, the Bid may be considered for allocation under the Non-Institutional Category in terms of the Prospectus. If, however, the Applicant does not either revise the Bid or make additional payment and the Issue Price is higher than the cap of the Price Band prior to revision, the number of Equity Shares Bid for may be adjusted downwards for the purpose

of Allotment, such that additional amount is required blocked and the Applicant is deemed to have approved such revised Bid at the Cut-off Price.

- In case of a downward revision in the Price Band, RIIs, Employees and Retail Individual Shareholders, who have bid at the Cut-off Price, could either revise their Bid or the excess amount paid at the time of Bidding may be unblocked.

#### **4.2.4 FIELDS 7 : SIGNATURES AND ACKNOWLEDGEMENTS**

Applicants may refer to instructions contained at paragraphs 4.1.8 and 4.1.9 for this purpose.

### **4.3 INSTRUCTIONS FOR FILING APPLICATION FORM IN ISSUES MADE OTHER THAN THROUGH THE BOOK BUILDING PROCESS (FIXED PRICE ISSUE)**

#### **4.3.1 FIELDS 1, 2, 3 NAME AND CONTACT DETAILS OF SOLE/FIRST APPLICANT, 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.

#### **4.3.2 FIELD 4: PRICE, APPLICATION QUANTITY & AMOUNT**

- a. The Issuer may mention Price or Price Band in the draft Prospectus. However, a prospectus registered with RoC contains one price or coupon rate (as applicable).
- b. **Minimum Application Value and Bid Lot:** The Issuer in consultation with the Lead Manager to the Issue (LM) may decide the minimum number of Equity Shares for each Bid to ensure that the minimum application value is within the range of Rs. 10,000 to Rs. 15,000. The minimum Lot size is accordingly determined by an Issuer on basis of such minimum application value.
- c. Applications by RIIs, Employees and Retail Individual Shareholders, must be for such number of shares so as to ensure that the application amount payable does not exceed Rs. 200,000.
- d. Applications by other investors must be for such minimum number of shares such that the application amount exceeds Rs. 200,000 and in multiples of such number of Equity Shares thereafter, as may be disclosed in the application form and the Prospectus, or as advertised by the Issuer, as the case may be.
- e. An application cannot be submitted for more than the Issue size.
- f. The maximum application by any Applicant should not exceed the investment limits prescribed for them under the applicable laws.
- g. **Multiple Applications:** An Applicant should submit only one Application Form. Submission of a second Application Form to either the same or other SCSB and duplicate copies of Application Forms bearing the same application number shall be treated as multiple applications and are liable to be rejected.
- h. Applicants are requested to note the following procedures may be followed by the Registrar to the Issue to detect multiple applications:
  - 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, Bids bearing the same PAN may be treated as multiple applications by a Applicant and may be rejected.
  - For applications from Mutual Funds and FII sub-accounts, submitted under the same PAN, as well as Bids on behalf of the PAN Exempted Applicants, the Application Forms may be checked for common DP ID and Client ID. In any such applications which have the same DP ID and Client ID, these may be treated as multiple applications and may be rejected.

- i. The following applications may not be treated as multiple Bids:
  - Applications by Reserved Categories in their respective reservation portion as well as that made by them in the Issue portion in public category.
  - 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 Bid has been made.
  - Applications by Mutual Funds, and sub-accounts of FIIs (or FIIs and its subaccounts) submitted with the same PAN but with different beneficiary account numbers, Client IDs and DP IDs.

#### **4.3.3 FIELD NUMBER 5 : CATEGORY OF APPLICANTS**

- The categories of applicants identified as per the SEBI ICDR Regulations for the purpose of Bidding, allocation and Allotment in the Issue are RIIs, individual applicants other than RII's and other investors (including corporate bodies or institutions, irrespective of the number of specified securities applied for).
- An Issuer can make reservation for certain categories of Applicants permitted under the SEBI ICDR Regulations. For details of any reservations made in the Issue, applicants may refer to the Prospectus.
- The 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 applicant may refer to the Prospectus.

#### **4.3.4 FIELD NUMBER 6: INVESTOR STATUS**

Applicants should refer to instructions contained in paragraphs 4.1.6.

#### **4.3.5 FIELD 7: PAYMENT DETAILS**

- All Applicants (other than Anchor Investors) are required to make use ASBA for applying in the Issue
- Application Amount cannot be paid in cash, through money order, cheque or through postal order or through stock invest.

##### **4.3.5.1 Payment instructions for Applicants**

- Applicants may submit the Application Form in physical mode to the Designated Intermediaries.
- Applicants must specify the Bank Account number in the Application Form. The Application Form submitted by an Applicant and which is accompanied by cash, demand draft, 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.
- 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;
- Applicants shall note that for the purpose of blocking funds under ASBA facility clearly demarcated funds shall be available in the account.
- From one ASBA Account, a maximum of five Bids cum Application Forms can be submitted.

- Applicants bidding directly through the SCSBs should ensure that the Application Form is submitted to a Designated Branch of a SCSB where the ASBA Account is maintained.
- Upon receipt of the Application 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.
- If sufficient funds are available in the ASBA Account, the SCSB may block an amount equivalent to the Application Amount mentioned in the Application Form and may upload the details on the Stock Exchange Platform.
- If sufficient funds are not available in the ASBA Account, the Designated Branch of the SCSB may not upload such Applications on the Stock Exchange platform and such Applications are liable to be rejected.
- Upon submission of a completed Application 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 Application Form in the ASBA Account maintained with the SCSBs
- 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.
- SCSBs applying in the Issue must apply through an ASBA Account maintained with any other SCSB; else their Applications are liable to be rejected

#### **4.3.5.2 Unblocking of ASBA Account**

- Once the Basis of Allotment is approved by the Designated Stock Exchange, the Registrar to the Issue may provide the following details to the controlling branches of each SCSB, along with instructions to unblock the relevant bank accounts and for successful 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, along with reasons for rejection and details of withdrawn or unsuccessful Applications, if any, to enable the SCSBs to unblock the respective bank accounts.
- On the basis of instructions from the Registrar to the Issue, the SCSBs may transfer the requisite amount against each successful Application 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 Application 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 Working Days of the Issue Closing Date.

#### **4.3.5.3 Discount (if applicable)**

- The Discount is stated in absolute rupee terms.
- RIIs, Employees and Retail Individual Shareholders are only eligible for discount. For Discounts offered in the Issue, applicants may refer to the Prospectus.

- The Applicants entitled to the applicable Discount in the Issue may make payment for an amount i.e. the Application Amount less Discount (if applicable).

#### **4.3.6 FIELD NUMBER 8: SIGNATURES AND OTHER AUTHORISATIONS & ACKNOWLEDGEMENT AND FUTURE COMMUNICATION**

Applicants should refer to instructions contained in paragraphs 4.1.8 & 4.1.9.

#### **4.4 SUBMISSION OF BID CUM APPLICATION FORM/REVISION FORM/APPLICATION FORM**

##### **4.4.1 Applicants may submit completed Bid cum application form/Revision Form in the following manner**

<b>Mode of Application</b>	<b>Submission of Bid cum Application Form</b>
Anchor Investors Application Form	<ul style="list-style-type: none"> <li>• To the Book Running Lead Managers at the Specified Locations mentioned in the Bid cum Application Form</li> </ul>
All Applications (other than Anchor Investors)	<ul style="list-style-type: none"> <li>• 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>• To the Designated Branches of the SCSBs where the ASBA Account is maintained</li> </ul>

- Applicants should submit the Revision Form to the same Designated Intermediary through which such Applicant had placed the original Bid.
- Upon submission of the Bid cum Application Form, the Applicant will be deemed to have authorized the Issuer to make the necessary changes in the Prospectus and the Bid cum 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.
- Upon determination of the Issue Price and filing of the Prospectus with the RoC, the Bid cum Application Form will be considered as the application form

#### **SECTION 5: ISSUE PROCEDURE IN BOOK BUILT ISSUE**

Book Building, in the context of the Issue, refers to the process of collection of Bids within the Price Band or above the Floor Price and determining the Issue Price based on the Bids received as detailed in Schedule XI of SEBI ICDR Regulations. The Issue Price is finalised after the Bid/ Issue Closing Date. Valid Bids received at or above the Issue Price are considered for allocation in the Issue, subject to applicable regulations and other terms and conditions.

##### **5.1 SUBMISSION OF BIDS**

- During the Bid/ Issue Period, Applicants may approach any of the Designated Intermediaries to register their Bids. Anchor Investors who are interested in subscribing for the Equity Shares should approach the Book Running Lead Manager, to register their Bid.
- In case of Applicants (excluding NIIs and QIBs) Bidding at Cut-off Price, the Applicants may instruct the SCSBs to block Bid Amount based on the Cap Price less Discount (if applicable).

- For Details of the timing on acceptance and upload of Bids in the Stock Exchange Platform Applicants are requested to refer to the Prospectus.

## **5.2 ELECTRONIC REGISTRATION OF BIDS**

- The Designated Intermediary may register the Bids using the on-line facilities of the Stock Exchange. The Designated Intermediaries can also set up facilities for off-line electronic registration of Bids, subject to the condition that they may subsequently upload the off-line data file into the on-line facilities for Book Building on a regular basis before the closure of the issue.
- On the Bid/ Issue Closing Date, the Designated Intermediaries may upload the Bids till such time as may be permitted by the Stock Exchange.
- Only Bids that are uploaded on the Stock Exchange Platform are considered for allocation/Allotment. The Designated Intermediaries are given till 1:00 pm on the day following the Bid/ Issue Closing Date to modify select fields uploaded in the Stock Exchange Platform during the Bid/ Issue Period after which the Stock Exchange(s) send the bid information to the Registrar to the Issue for further processing.

## **5.3 BUILD UP OF THE BOOK**

- Bids received from various Applicants through the Designated Intermediaries may be electronically uploaded on the Bidding Platform of the Stock Exchange on a regular basis. The book gets built up at various price levels. This information may be available with the LM at the end of the Bid/ Issue Period.
- Based on the aggregate demand and price for Bids registered on the Stock Exchange Platform, a graphical representation of consolidated demand and price as available on the websites of the Stock Exchange may be made available at the Bidding centres during the Bid/ Issue Period.

## **5.4 WITHDRAWAL OF BIDS**

- RIIs can withdraw their Bids until Bid/ Issue Closing Date. In case a RII wishes to withdraw the Bid during the Bid/ Issue Period, the same can be done by submitting a request for the same to the concerned Designated Intermediary who shall do the requisite, including unblocking of the funds by the SCSB in the ASBA Account.
- The Registrar to the Issue shall give instruction to the SCSB for unblocking the ASBA Account on the Designated Date. QIBs and NIIs can neither withdraw nor lower the size of their Bids at any stage.

## **5.5 REJECTION & RESPONSIBILITY FOR UPLOAD OF BIDS**

- a. The Designated Intermediaries are individually responsible for the acts, mistakes or errors or omission in relation to:
  - the Bids accepted by the Designated Intermediaries,
  - the Bids uploaded by the Designated Intermediaries, and
  - the Bid cum application forms accepted but not uploaded by the Designated Intermediaries.
- b. The LM and their affiliate Syndicate Members, as the case may be, may reject Bids if all the information required is not provided and the Bid cum Application Form is incomplete in any respect.
- c. The SCSBs shall have no right to reject Bids, except in case of unavailability of adequate funds in the ASBA account or on technical grounds.
- d. In case of QIB Bidders, only the (i) SCSBs (for Bids other than the Bids by Anchor Investors); and (ii) LM and their affiliate Syndicate Members (only in the Specified Locations) have the right to reject bids. However, such rejection shall be made at the time of receiving the Bid and only after assigning a reason for such rejection in writing.

- e. All bids by QIBs, NIIs & RIIs Bids can be rejected on technical grounds listed herein.

### **5.5.1 GROUNDS FOR TECHNICAL REJECTIONS**

Bid cum Application Forms/Application Form 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 Bids/Applications are liable to be rejected, inter-alia, on the following grounds, which have been detailed at various placed in this GID:-

- Bid/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);
- Bids/Applications by OCBs; and
- In case of partnership firms, Bid/Application for Equity Shares made in the name of the firm. However, a limited liability partnership can apply in its own name;
- In case of Bids/Applications under power of attorney or by limited companies, corporate, trust etc., relevant documents not being submitted along with the Bid cum application form/Application Form;
- Bids/Applications by persons prohibited from buying, selling or dealing in the shares directly or indirectly by SEBI or any other regulatory authority;
- Bids/Applications by persons in the United States excluding persons who are a U.S. QIB (as defined in this Draft Prospectus);
- Bids/Applications by any person outside India if not in compliance with applicable foreign and Indian laws;
- PAN not mentioned in the Bid cum Application Form/Application Form, except for Bids/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;
- In case no corresponding record is available with the Depositories that matches the DP ID, the Client ID and the PAN;
- Bids/Applications for lower number of Equity Shares than the minimum specified for that category of investors;
- Bids/Applications at a price less than the Floor Price and Bids/Applications at a price more than the Cap Price;
- Bids/Applications at Cut-off Price by NIIs and QIBs;
- The amounts mentioned in the Bid cum Application Form/Application Form does not tally with the amount payable for the value of the Equity Shares Bid/Applied for;
- Bids/Applications for amounts greater than the maximum permissible amounts prescribed by the regulations;
- Submission of more than five Bid cum Application Forms/Application Form as through a single ASBA Account;
- Bids/Applications for number of Equity Shares which are not in multiples Equity Shares which are not in multiples as specified in the Prospectus;
- Multiple Bids/Applications as defined in this GID and the Prospectus;

- Bid cum Application Forms/Application Forms are not delivered by the Applicants within the time prescribed as per the Bid cum Application Forms/Application Form, Bid/ Issue Opening Date advertisement and as per the instructions in the Prospectus and the Bid cum Application Forms;
- Inadequate funds in the bank account to block the Bid/Application Amount specified in the Bid cum Application Form/Application Form at the time of blocking such Bid/Application Amount in the bank account;
- In case of Anchor Investors, Bids/Applications where sufficient funds are not available in Escrow Accounts as per final certificate from the Escrow Collection Banks;
- Where no confirmation is received from SCSB for blocking of funds;
- Bids/Applications by Bidders (other than Anchor Investors) not submitted through ASBA process;
- Bids/Applications submitted to a LM at locations other than the Specified Cities and Bid cum Application Forms/Application Forms, under the ASBA process, submitted to the Escrow Collecting Banks (assuming that such bank is not a SCSB where the ASBA Account is maintained), to the issuer or the Registrar to the Issue; Bids/Applications not uploaded on the terminal of the Stock Exchange; and
- Bids/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 Bid cum Application Form/Application Form.

## 5.6 BASIS OF ALLOCATION

- The SEBI ICDR Regulations specify the allocation or Allotment that may be made to various categories of Applicants in an Issue depending on compliance with the eligibility conditions. Certain details pertaining to the percentage of Issue size available for allocation to each category is disclosed overleaf of the Bid cum Application Form and in the Prospectus. For details in relation to allocation, the Applicant may refer to the Prospectus.
- Under-subscription in any category (except QIB Category) is allowed to be met with spillover from any other category or combination of categories at the discretion of the Issuer and in consultation with the LM and the Designated Stock Exchange and in accordance with the SEBI ICDR Regulations. Unsubscribed portion in QIB Category is not available for subscription to other categories.
- In case of under subscription in the Issue, spill-over to the extent of such under-subscription may be permitted from the Reserved Portion to the Issue. For allocation in the event of an under-subscription applicable to the Issuer, Applicants may refer to the Prospectus.
- Illustration of the Book Building and Price Discovery Process Bidders should note that this example is solely for illustrative purposes and is not specific to the Issue; it also excludes Bidding by Anchor Investors. Bidders can bid at any price within the Price Band. For instance, assume a Price Band of Rs. 20 to Rs 24 per share, Issue size of 3,000 Equity Shares and receipt of five Bids from Bidders, details of which are shown in the table below. The illustrative book given below shows the demand for the Equity Shares of the Issuer at various prices and is collated from Bids received from various investors

Bid Quantity	Bid Amount	Cumulative Quantity	Subscription
500	24	500	16.67%
1,000	23	1,500	50.00%
1,500	22	3,000	100.00%



2,000	21	5,000	166.67%
2,500	20	7,500	250.00%

The price discovery is a function of demand at various prices. The highest price at which the Issuer is able to Issue the desired number of Equity Shares is the price at which the book cuts off, i.e., Rs. 22.00 in the above example. The Issuer in consultation with the LM, may finalise the Issue Price at or below such Cut-Off Price, i.e., at or below Rs. 22.00. All Bids at or above this Issue Price and cut-off Bids are valid Bids and are considered for allocation in the respective categories.

### **Alternate Method of Book Building**

In case of FPOs, Issuers may opt for an alternate method of Book Building in which only the Floor Price is specified for the purposes of Bidding (“**Alternate Book Building Process**”).

The Issuer may specify the Floor Price in the Prospectus or advertise the Floor Price at least one Working Day prior to the Bid/ Issue Opening Date. QIBs may Bid at a price higher than the Floor Price and the Allotment to the QIBs is made on a price priority basis. The Bidder with the highest Bid Amount is allotted the number of Equity Shares Bid for and then the second highest Bidder is Allotted Equity Shares and this process continues until all the Equity Shares have been allotted. RIIs, NIIs and Employees are Allotted Equity Shares at the Floor Price and Allotment to these categories of Bidders is made proportionately. If the number of Equity Shares Bid for at a price is more than available quantity then the Allotment may be done on a proportionate basis. Further, the Issuer may place a cap either in terms of number of specified securities or percentage of issued capital of the Issuer that may be Allotted to a single Bidder, decide whether a Bidder be allowed to revise the bid upwards or downwards in terms of price and/or quantity and also decide whether a Bidder be allowed single or multiple bids.

### **SECTION 6: ISSUE PROCEDURE IN FIXED PRICE ISSUE**

**Applicants may note that there is no Bid cum Application Form in a Fixed Price Issue.** 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 website of the Stock Exchange at least one day prior to the Bid/ Issue Opening Date. In a fixed price Issue, allocation in the net Issue to the public category is made as follows: minimum fifty per cent to Retail Individual Investors; and remaining to (i) individual investors other than Retail Individual Investors; 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.

### **SECTION 7: ALLOTMENT PROCEDURE AND BASIS OF ALLOTMENT**

The Allotment of Equity Shares to Applicants other than Retail Individual Investors and Anchor Investors may be on proportionate basis. For Basis of Allotment to Anchor Investors, Applicants may refer to Prospectus. No Retail Individual Investor will be Allotted less than the minimum Bid Lot subject to

availability of shares in Retail Individual Investor Category and the remaining available shares, if any will be Allotted on a proportionate basis. The Issuer is required to receive a minimum subscription of 90% of the Issue (excluding any Issue for Sale of specified securities). However, in case the Issue is in the nature of Offer for Sale only, then minimum subscription may not be applicable

#### **ALLOTMENT TO RIIs**

Bids received from the RIIs at or above the Issue Price may be grouped together to determine the total demand under this category. If the aggregate demand in this category is less than or equal to the Retail Category at or above the Issue Price, full Allotment may be made to the RIIs to the extent of the valid Bids. If the aggregate demand in this category is greater than the allocation to in the Retail Category at or above the Issue Price, then the maximum number of RIIs who can be Allotted the minimum Bid Lot will be computed by dividing the total number of Equity Shares available for Allotment to RIIs by the minimum Bid Lot (“**Maximum RII Allotees**”). The Allotment to the RIIs will then be made in the following manner:

- In the event the number of RIIs who have submitted valid Bids in the Issue is equal to or less than Maximum RII Allotees, (i) all such RIIs shall be Allotted the minimum Bid Lot; and (ii) the balance available Equity Shares, if any, remaining in the Retail Category shall be Allotted on a proportionate basis to the RIIs who have received Allotment as per (i) above for the balance demand of the Equity Shares Bid by them (i.e. who have Bid for more than the minimum Bid Lot).
- In the event the number of RIIs who have submitted valid Bids in the Issue is more than Maximum RII Allotees, the RIIs (in that category) who will then be Allotted minimum Bid Lot shall be determined on the basis of draw of lots.

#### **ALLOTMENT TO NIIs**

Bids received from NIIs at or above the Issue Price may be grouped together to determine the total demand under this category. The Allotment to all successful NIIs may be made at or above the Issue Price. If the aggregate demand in this category is less than or equal to the Non-Institutional Category at or above the Issue Price, full Allotment may be made to NIIs to the extent of their demand. In case the aggregate demand in this category is greater than the Non-Institutional Category at or above the Issue Price, Allotment may be made on a proportionate basis up to a minimum of the Non-Institutional Category.

#### **ALLOTMENT TO QIBs**

For the Basis of Allotment to Anchor Investors, Applicants may refer to the SEBI ICDR Regulations or Prospectus. Bids received from QIBs Bidding in the QIB Category (net of Anchor Portion) at or above the Issue Price may be grouped together to determine the total demand under this category. The QIB Category may be available for Allotment to QIBs who have Bid at a price that is equal to or greater than the Issue Price. Allotment may be undertaken in the following manner:

- In the first instance allocation to Mutual Funds for up to 5% of the QIB Category may be determined as follows: (i) In the event that Bids by Mutual Fund exceeds 5% of the QIB Category, allocation to Mutual Funds may be done on a proportionate basis for up to 5% of the QIB Category; (ii) In the event that the aggregate demand from Mutual Funds is less than 5% of the QIB Category then all Mutual Funds may get full Allotment to the extent of valid Bids received above the Issue Price; and (iii) Equity Shares remaining unsubscribed, if any and not allocated to Mutual Funds may be available for Allotment to all QIBs as set out at paragraph 7.4(b) below;
- In the second instance, Allotment to all QIBs may be determined as follows: (i) In the event of oversubscription in the QIB Category, all QIBs who have submitted Bids above the Issue Price may be Allotted Equity Shares on a proportionate basis for up to 95% of the QIB Category; (ii) Mutual Funds, who have received allocation as per (a) above, for less than the number of Equity Shares Bid for by them, are eligible to receive Equity Shares on a proportionate basis along with

other QIBs; and (iii) Under-subscription below 5% of the QIB Category, if any, from Mutual Funds, may be included for allocation to the remaining QIBs on a proportionate basis.

#### **7.4 ALLOTMENT TO ANCHOR INVESTOR (IF APPLICABLE)**

1. Allocation of Equity Shares to Anchor Investors at the Anchor Investor Issue Price will be at the discretion of the issuer in consultation with the Investor, LM, subject to compliance with the following requirements:
  - not more than 60% of the QIB Category will be allocated to Anchor Investors;
  - one-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the price at which allocation is being done to other Anchor Investors; and
  - allocation to Anchor Investors shall be on a discretionary basis and subject to:
    - a. a maximum number of two Anchor Investors for allocation up to Rs. 10 crores;
    - b. a minimum number of two Anchor Investors and maximum number of 15 Anchor Investors for allocation of more than Rs 10 crores and up to Rs 250 crores subject to minimum Allotment of Rs 5 crores per such Anchor Investor; and a minimum number of five Anchor Investors and maximum number of 15 Anchor Investors for allocation of more than Rs 250 crores, and an additional 10 Anchor Investors for every additional Rs 250 crores or part thereof, subject to minimum Allotment of Rs 5 crores per such Anchor Investor.
2. A physical book is prepared by the Registrar on the basis of the Anchor Investor Application Forms received from Anchor Investors. Based on the physical book and at the discretion of the issuer in consultation with the LM, selected Anchor Investors will be sent a CAN and if required, a revised CAN.
3. **In the event that the Issue Price is higher than the Anchor Investor Issue Price:** Anchor Investors will be sent a revised CAN within one day of the Pricing Date indicating the number of Equity Shares allocated to such Anchor Investor and the pay-in date for payment of the balance amount. Anchor Investors are then required to pay any additional amounts, being the difference between the Issue Price and the Anchor Investor Issue Price, as indicated in the revised CAN within the pay-in date referred to in the revised CAN. Thereafter, the Allotment Advice will be issued to such Anchor Investors.
4. **In the event the Issue Price is lower than the Anchor Investor Issue Price:** Anchor Investors who have been Allotted Equity Shares will directly receive Allotment Advice

#### **7.5 BASIS OF ALLOTMENT FOR QIBs (OTHER THAN ANCHOR INVESTORS), NIIs AND RESERVED CATEGORY IN CASE OF OVER-SUBSCRIBED ISSUE**

In the event of the Issue being over-subscribed, the Issuer may finalise the Basis of Allotment in consultation with the Designated Stock Exchange in accordance with the SEBI ICDR Regulations.

The allocation may be made in marketable lots, on a proportionate basis as explained below:

- Bidders may be categorized according to the number of Equity Shares applied for;
- The total number of Equity Shares to be Allotted to each category as a whole may be arrived at on a proportionate basis, which is the total number of Equity Shares applied for in that category (number of Bidders in the category multiplied by the number of Equity Shares applied for) multiplied by the inverse of the over-subscription ratio;
- The number of Equity Shares to be Allotted to the successful Bidders may be arrived at on a proportionate basis, which is total number of Equity Shares applied for by each Bidder in that category multiplied by the inverse of the over-subscription ratio

- In all Bids where the proportionate Allotment is less than the minimum Bid Lot decided per Bidder, the Allotment may be made as follows: the successful Bidders out of the total Bidders for a category may be determined by a draw of lots in a manner such that the total number of Equity Shares Allotted in that category is equal to the number of Equity Shares calculated in accordance with (b) above; and each successful Bidder may be Allotted a minimum of such Equity Shares equal to the minimum Bid Lot finalised by the Issuer;
- If the proportionate Allotment to a Bidder is a number that is more than the minimum Bid lot but is not a multiple of one (which is the marketable lot), the decimal may be rounded off to the higher whole number if that decimal is 0.5 or higher. If that number is lower than 0.5 it may be rounded off to the lower whole number. Allotment to all Bidders in such categories may be arrived at after such rounding off; and
- If the Equity Shares allocated on a proportionate basis to any category are more than the Equity Shares Allotted to the Bidders in that category, the remaining Equity Shares available for Allotment may be first adjusted against any other category, where the Allotted Equity Shares are not sufficient for proportionate Allotment to the successful Bidders in that category. The balance Equity Shares, if any, remaining after such adjustment may be added to the category comprising Bidders applying for minimum number of Equity Shares

## **7.6 DESIGNATED DATE AND ALLOTMENT OF EQUITY SHARES**

- a. Designated Date: On the Designated Date, the Escrow Collection Banks shall transfer the funds represented by allocation of Equity Shares to Anchor Investors from the Escrow Account, as per the terms of the Escrow Agreement, into the Public Issue Account with the Bankers to the Issue. The balance amount after transfer to the Public Issue Account shall be transferred to the Refund Account. Payments of refund to the Bidders applying in the Anchor Investor Portion shall 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 the Designated Stock Exchange, the Registrar shall upload the same on its website. On the basis of the approved Basis of Allotment, the Issuer shall pass necessary corporate action to facilitate the Allotment and credit of Equity Shares. 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 Working Days of the Bid/ 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 may ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at the Stock Exchange is taken within six Working Days of the Bid/ Issue Closing Date. The Registrar to the Issue may give instructions for credit to Equity Shares the beneficiary account with CDPs, and dispatch the Allotment Advice within six Working Days of the Bid/ Issue Closing Date.

## **8.2 GROUNDS FOR REFUND**

### **8.2.1 NON RECEIPT OF LISTING PERMISSION**

An Issuer makes an application to the Stock Exchange for permission to deal in/list and for an official quotation of the Equity Shares. The Stock Exchange from where such permission is sought is disclosed in Prospectus. The Designated Stock Exchange may be as disclosed in the Prospectus with which the Basis of Allotment may be finalised. If the Issuer fails to make application to the Stock Exchange 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 year or with fine which shall not be less than Rs 50,000 but which may extend to Rs 3 lakhs, or with both.

If the permission to deal in and for an official quotation of the Equity Shares is not granted by the Stock Exchange, the Issuer may forthwith take steps to refund, without interest, all moneys received from Applicants. If such money is not refunded to the Bidders 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**

If the Issuer does not receive a minimum subscription of 90% of the Net Issue (excluding offer for sale, if any of specified securities), including devolvement to the Underwriters, the Issuer may forthwith, take steps to unblock the entire subscription amount received within six Working Days of the Bid/ Issue Closing Date and repay, without interest, all moneys received from Anchor Investors. In case the Issue is in the nature of Offer for Sale only, then minimum subscription may not be applicable. In case of under-subscription in the Issue, the Equity Shares in the Fresh Issue will be issued prior to the sale of Equity Shares in the Offer for Sale.

If there is a delay beyond the prescribed time after the Issuer becomes liable to pay or unblock the amount received from Bidders, then the Issuer and every director of the Issuer who is an officer in default may on and from expiry of 15 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

### **MINIMUM NUMBER OF ALLOTTEES**

The Issuer may ensure that the number of prospective Allottees to whom Equity Shares may be Allotted may not be less than 50 failing which the entire application monies may be refunded forthwith.

### **8.2.4 IN CASE OF ISSUES MADE UNDER COMPULSORY BOOK BUILDING**

In case an Issuer not eligible under Regulation 26(1) of the 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 Bids/Applications (other than Anchor Investors):** Within six Working Days of the Bid/ Issue Closing Date, the Registrar to the Issue may give instructions to SCSBs for unblocking the amount in ASBA Account on unsuccessful Bid/Application and also for any excess amount blocked on Bidding/Application.
- b. **In case of Anchor Investors:** Within six Working Days of the Bid/ Issue Closing Date, 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 Bid 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:

**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;

**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;

**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; and

Please note that refunds through the abovementioned modes shall be credited only to the bank account from which the Bid Amount was remitted to the Escrow Bank.

For details of levy of charges, if any, for any of the above methods, Bank charges, if any, for cashing such cheques, pay orders or demand drafts at other centers, etc. 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 where the refund or portion thereof is made in electronic manner, the refund instructions have not been given to the clearing system in the disclosed manner and/or demat credits are not made to Applicants or instructions for unblocking of funds in the ASBA Account are not dispatched within the 6 working days of the Bid/ Issue Closing Date.

The Issuer may pay interest at 15% per annum for any delay beyond 15 days from the Bid/ Issue Closing Date, if Allotment is not made.

## **SECTION 9: GLOSSARY AND ABBREVIATIONS**

*Unless the context otherwise indicates or implies, certain definitions and abbreviations used in this document may have the meaning as provided below. References to any legislation, act or regulation may be to such legislation, act or regulation as amended from time to time.*

<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

<b>Term</b>	<b>Description</b>
Allot/ Allotted/ Allotment/ Allotment of Equity Shares	Unless the context otherwise requires, the allotment of the Equity Shares pursuant to the Issue to the successful applicants, including transfer of the Equity Shares pursuant to the Issue to the successful applicants
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
Applicant(s)	Any prospective investor who makes an application for Equity Shares in terms of this Draft Prospectus
Application Form	The Form in terms of which the applicant shall apply for the Equity Shares of the Company
Application Supported by Blocked Amount/ ASBA	An application, whether physical or electronic, used by ASBA Applicant to make an Application authorizing an SCSB to block the Application Amount in the specified Bank Account maintained with such SCSB. ASBA is mandatory for all Applicants participating in the Issue
ASBA Account	A bank account maintained with an SCSB and specified in the ASBA Form submitted by the Applicants for blocking the Application Amount mentioned in the ASBA Form
Bankers to the Company	Axis Bank Limited
Bankers to the Issue/ Escrow Collection Banks	The banks which are Clearing Members and registered with SEBI as Banker to an Issue with whom the Escrow Agreement is entered 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 "Issue Procedure" beginning on page 232 of this Draft Prospectus
Broker Centres	Broker centres notified by the Stock Exchanges, where the 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 on the following link:- <a href="http://www.bseindia.com/Markets/PublicIssues/brokercentres_new.aspx?expandable=6">http://www.bseindia.com/Markets/PublicIssues/brokercentres_new.aspx?expandable=6</a>
CAN or Confirmation of Allocation Note	The note or advice or intimation sent to each successful Applicant indicating the Equity Shares which will be Allotted, after approval of Basis of Allotment by the Designated Stock Exchange.
Collecting Depository Participant or CDP	A depository participant as defined under the Depositories Act, 1996, registered with SEBI and who is eligible to procure Applications at the Designated CDP Locations in terms of circular No. 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 Applications by the Applicants with the Registrar to the Issue and the Stock Exchanges and a list of which is available at <a href="http://www.sebi.gov.in">www.sebi.gov.in</a> or at such other website as may be prescribed by SEBI from time to time.
Demographic Details	The demographic details of the Applicants such as their Address, PAN, Occupation and Bank Account details.
Depositories	Depositories registered with SEBI under the Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996, as amended from time to time, being NSDL and CDSL

<b>Term</b>	<b>Description</b>
Depository Participant/DP	A depository participant as defined under the Depositories Act, 1996.
Draft Prospectus	The Draft Prospectus dated August 25, 2017 issued in accordance with Section 26 of the Companies Act and filed with BSE under SEBI ICDR Regulations.
Designated Date	The date on which the funds blocked by the SCSBs are transferred from the ASBA Accounts specified by the Applicants to the Public Offer Account
Designated Stock Exchange	SME Exchange of BSE Limited
Designated CDP Locations	Such centers of the CDPs where Applicant can submit the Application Forms. The details of such Designated CDP Locations, along with names and contact details of the Collecting Depository Participants eligible to accept Application Forms are available on the website of the Stock Exchange ( <a href="http://www.bseindia.com">www.bseindia.com</a> ) and updated from time to time
Designated SCSB Branches	Such Branches of the SCSBs which shall collect the Application Forms used by the Applicants applying through the ASBA process and a list of which is available on <a href="http://www.sebi.gov.in/pmd/scsb.pdf">http://www.sebi.gov.in/pmd/scsb.pdf</a>
Designated RTA Locations	Such centers of the RTAs where Applicants can submit the Application Forms.  The details of such Designated RTA Locations, along with the names and contact details of the RTAs are available on the website of the Stock Exchange
Designated Market Maker	[•] 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
Eligible NRI	An NRI from such a jurisdiction outside India where it is not unlawful to make an Issue or invitation under this Issue and in relation to whom the Application Form and the Draft Prospectus constitutes an invitation to purchase the equity shares
Foreign Portfolio Investor / FPIs	Foreign Portfolio Investor as defined under the SEBI (Foreign Portfolio Investors) Regulations, 2014.
FII / Foreign Institutional Investors	Foreign Institutional Investor (as defined under SEBI (Foreign Institutional Investors) Regulations, 1995, as amended) registered with SEBI under applicable laws in India.
General Information Document	The General Information Document for investing in public issues prepared and issued in accordance with the circular (CIR/CFD/DIL/12/2013) dated October 23, 2013, notified by SEBI
Issue Proceeds	The proceeds of the Issue as stipulated by the Company. For further information about use of the Issue Proceeds please see the chapter titled “ <i>Objects of the Issue</i> ” beginning on page 68 of this Draft Prospectus
Issue / Issue Size / Public Issue / IPO	Initial Public Issue of 23,76,000 Equity Shares of face value of Rs. 10 each for cash at a price of Rs. 36 per equity share (Including a premium of Rs. 26 per equity share) aggregating to Rs. 855.36 lakhs by our Company
Issue Closing Date	[•]
Issue Opening Date	[•]
Issue Period	The period between the Issue Opening Date and the Issue Closing Date inclusive of both days and during which prospective Applicants can submit their Applications.
Issue Price	Rs. 36 per Equity Share



<b>Term</b>	<b>Description</b>
Issue Agreement	The agreement dated August 16, 2017 between our Company and the Lead Manager, pursuant to which certain arrangements are agreed to in relation to the Issue.
Lead Manager	Lead Manager to the Issue, in this case being Fedex Securities Limited
Listing Agreement	The Equity Listing Agreement to be signed between our Company and the SME Platform of BSE Limited
Market Making Agreement	The Market Making Agreement dated [•] between our Company, Lead Manager and Market Maker.
Market Maker Reservation Portion	The Reserved Portion of 1,26,000 Equity Shares of face value of Rs. 10 each fully paid for cash at a price of Rs. 36 per Equity Share aggregating Rs.45.36 for the Market Maker in this Issue
Mutual Fund(s)	Mutual fund(s) registered with SEBI pursuant to the SEBI (Mutual Funds) Regulations, 1996, as amended from time to time.
Net Issue	The Issue (excluding the Market Maker Reservation Portion) of 22,50,000 Equity Shares of face value Rs. 10 each fully paid of our Company for cash at a price of Rs. 36 per Equity Share (the Issue Price) aggregating up to Rs. 810.00 lakhs.
Net Proceeds	The Issue Proceeds less the Issue related expenses. For further details, please see “ <i>Objects of the Issue</i> ” on page 68 of this Draft Prospectus.
Non-Institutional Applicant	All Applicants, including Eligible QFIs, sub accounts of FIIs registered with SEBI which are foreign corporates or foreign individuals, that are not QIBs or Retail Individual Applicants and who have applied for Equity Shares for an amount of more than Rs. 2,00,000 (but not including NRIs other than Eligible NRIs)
Non-Resident	A person resident outside India, as defined under FEMA and includes Eligible NRIs, Eligible QFIs, FIIs registered with SEBI and FVCIs registered with SEBI
Other Investors	Investors other than Retail Individual Investors. These include individual applicants other than retail individual investors and other investors including corporate bodies or institutions irrespective of the number of specified securities applied for.
Person or Persons	Any individual, sole proprietorship, unincorporated association, unincorporated organization, body corporate, corporation, Company, partnership firm, limited liability partnership firm, joint venture, or trust or any other entity or organization validly constituted and/or incorporated in the jurisdiction in which it exists and operates, as the context requires
Prospectus	The Prospectus, to be filed with the RoC in accordance with the provisions of Section 26 of the Companies Act containing, <i>inter alia</i> , the issue opening and closing dates and other information
Public Issue Account	Account opened with Bankers to the Issue for the purpose of transfer of monies from the SCSBs from the bank accounts of the ASBA Applicants on the Designated Date
Qualified Foreign Investors / QFIs	Non-resident investors other than SEBI registered FIIs or sub-accounts or SEBI registered FVCIs who meet ‘know your client’ requirements prescribed by SEBI
QIBs or Qualified Institutional Buyers	Public financial institutions as defined in Section 2(72) of the Companies Act, 2013, Foreign Portfolio Investor other than Category III Foreign Portfolio Investor, AIFs, VCFs, FVCIs, Mutual Funds, multilateral and bilateral financial institutions, scheduled commercial banks, state

<b>Term</b>	<b>Description</b>
	industrial development corporations, insurance companies registered with the IRDA, provident funds and pension funds with a minimum corpus of Rs. 250 million, insurance funds set up and managed by the army, navy or air force of the Union of India and insurance funds set up and managed by the Department of Posts, Government of India, eligible for Bidding and does not include FVCIs and multilateral and bilateral institutions
Refund through electronic transfer of funds	Refund through ASBA process, as applicable
Registered Broker	Individuals or companies 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 Stock Exchanges, through which investors can buy or sell securities listed on stock exchange, a list of which is available on <a href="http://www.bseindia.com/members/MembershipDirectory.aspx">http://www.bseindia.com/members/MembershipDirectory.aspx</a>
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 Bigshare Services Private Limited
Retail Individual Investors	Individual investors (including HUFs, in the name of Karta and Eligible NRIs) who apply for the Equity Shares of a value of not more than Rs. 2,00,000
SME Exchange	SME Platform of the BSE Limited
Self-Certified Syndicate Bank(s) / SCSBs	A Bank registered with SEBI under the SEBI (Bankers to an Issue) Regulations, 1994 and Issues the facility of ASBA, including blocking of bank account. A list of all SCSBs is available at <a href="http://www.sebi.gov.in/pmd/scsb.pdf">http://www.sebi.gov.in/pmd/scsb.pdf</a>
TRS / Transaction Registration Slip	The slip or document issued by a member of the Syndicate or an SCSB (only on demand), as the case may be, to the Applicant, as proof of registration of the Application.
Underwriters	Fedex Securities Limited
Underwriting Agreement	The Agreement August 16, 2017 entered into amongst the Underwriter and our Company.
Wilful Defaulter	Company or person categorised as a wilful defaulter by any bank or financial institution or consortium thereof, in accordance with the guidelines on wilful defaulters issued by the Reserve Bank of India and includes any company whose director or promoter is categorised as such
U.S Securities Act	U.S Securities Act of 1933, as amended
Working Days	All trading days of the Stock Exchange excluding Sundays and Bank holidays in Mumbai.

## RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES

Foreign investment in Indian securities is regulated through the Industrial Policy, 1991 of the Government of India and FEMA. While the Industrial Policy, 1991 prescribes the limits and the conditions subject to which foreign investment can be made in different sectors of the Indian economy, FEMA regulates the precise manner in which such investment may be made. Under the Industrial Policy, unless specifically restricted, foreign investment is freely permitted in all sectors of Indian economy up to any extent and without any prior approvals, but the foreign investor is required to follow certain prescribed procedures for making such investment. The government bodies responsible for granting foreign investment related approval are DIPP, RBI and various ministries or their departments.

The Government has from time to time made policy pronouncements on FDI through press notes and press releases. The Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India (“DIPP”), issued Consolidated FDI Policy, which with effect from June 07, 2016 consolidates and supersedes all previous press notes, press releases and clarifications on FDI issued by the DIPP that were in force and effect as on June 07, 2016. The Government proposes to update the consolidated circular on Consolidated FDI Policy once every year and therefore, the Consolidated FDI Policy will be valid until the DIPP issues an updated circular. In terms of the Consolidated FDI Policy, 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 prescribed). Such fresh issue of shares shall be subject to inter-alia, the pricing guidelines prescribed under the Consolidated FDI Policy. The Indian company making such fresh issue of shares would be subject to the reporting requirements, inter-alia with respect to consideration for issue of shares and also subject to making certain filings including filing of Form FC-GPR.

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

The transfer of shares by an Indian resident to a Non-Resident does not require the prior approval of the DIPP or the RBI or various ministries or their departments, 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 the 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 Government of India, OCBs cannot participate in this Issue. Investors are advised to confirm their eligibility under the relevant laws before investing and / or subsequent purchase or sale transaction in the Equity Shares of our Company. Investors will not offer, sell, pledge or transfer the Equity Shares of our Company to any person who is not eligible under applicable laws, rules, regulations, guidelines. Our Company, the Underwriters and their respective directors, officers, agents, affiliates and representatives, as applicable, accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire Equity Shares of our Company.

**The Equity Shares issued in the Issue have not been and will not be registered under the Securities Act or any other laws in the United States of America and may not be issued or sold or offered within the United States of America, or to, or for the account or benefits of “US Persons” as defined in Regulation S of the Securities Act, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable laws.**

**Accordingly, the Equity Shares are being offered and sold (i) within the United States to persons reasonably believed to be “qualified institutional investors” (as defined in Rule 144A under the Securities Act) pursuant to Rule 144A under the Securities Act or other applicable exemption under**

**the Securities Act and (ii) outside the United States in offshore transactions in reliance on Regulation S under the Securities Act and the applicable laws of the jurisdictions where such offers and sales occur.**

**The above information is given for the benefit of the Applicants. Our Company and the Lead Manager are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Draft Red Herring 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 VIII – MAIN PROVISIONS OF ARTICLES OF ASSOCIATION**

### **THE COMPANIES ACT, 2013 [COMPANY LIMITED BY SHARES] ARTICLES OF ASSOCIATION**

**I.** (1) In these regulations --

- (a) “the Act” means the Companies Act, 2013,
- (b) “the seal” means the common seal of the company.

(2) Unless the context otherwise requires, words or expressions contained in these regulations shall bear the same meaning as in the Act or any statutory modification thereof in force at the date at which these regulations become binding on the company.

(3) The Company is a "Public Company" within the meaning of Section 2(71) of the Companies Act, 2013.

### **Share capital and variation of rights**

**II.**

1. Subject to the provisions of the Act and these Articles, the shares in the capital of the company shall be under the control of the Directors who may issue, allot or otherwise dispose of the same or any of them to such persons, in such proportion and on such terms and conditions and either at a premium or at par and at such time as they may from time to time think fit.
2. (i) Every person whose name is entered as a member in the register of members shall be entitled to receive within two months after incorporation, in case of subscribers to the memorandum or after allotment or within one month after the application for the registration of transfer or transmission or within such other period as the conditions of issue shall be provided, --
  - (a) one certificate for all his shares without payment of any charges; or
  - (b) several certificates, each for one or more of his shares, upon payment of twenty rupees for each certificate after the first.(ii) Every certificate shall be under the seal and shall specify the shares to which it relates and the amount paid-up thereon.
  - (iii) In respect of any share or shares held jointly by several persons, the company shall not be bound to issue more than one certificate, and delivery of a certificate for a share to one of several joint holders shall be sufficient delivery to all such holders.
3. (i) If any share certificate be worn out, defaced, mutilated or torn or if there be no further space on the back for endorsement of transfer, then upon production and surrender thereof to the company, a new certificate may be issued in lieu thereof, and if any certificate is lost or destroyed then upon proof thereof to the satisfaction of the company and on execution of such indemnity as the company deem adequate, a new certificate in lieu thereof shall be given. Every certificate under this Article shall be issued on payment of twenty rupees for each certificate.
  - (ii) The provisions of Articles (2) and (3) shall mutatis mutandis apply to debentures of the company.
4. Except as required by law, no person shall be recognised by the company as holding any share upon any trust, and the company shall not be bound by, or be compelled in any way to recognise (even when having notice thereof) any equitable, contingent, future or partial interest in any share, or any interest in any fractional part of a share, or (except only as by these regulations or by law otherwise

provided) any other rights in respect of any share except an absolute right to the entirety thereof in the registered holder.

5. (i) The company may exercise the powers of paying commissions conferred by sub-section (6) of section 40, provided that the rate per cent or the amount of the commission paid or agreed to be paid shall be disclosed in the manner required by that section and rules made thereunder.  
(ii) The rate or amount of the commission shall not exceed the rate or amount prescribed in rules made under sub-section (6) of section 40.  
(iii) The commission may be satisfied by the payment of cash or the allotment of fully or partly paid shares or partly in the one way and partly in the other.
6. (i) If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may, subject to the provisions of section 48, and whether or not the company is being wound up, be varied with the consent in writing of the holders of three-fourths of the issued shares of that class, or with the sanction of a special resolution passed at a separate meeting of the holders of the shares of that class.  
(ii) To every such separate meeting, the provisions of these regulations relating to general meetings shall mutatis mutandis apply, but so that the necessary quorum shall be at least two persons holding at least one-third of the issued shares of the class in question.
7. The rights conferred upon the holders of the shares of any class issued with preferred or other rights shall not, unless otherwise expressly provided by the terms of issue of the shares of that class, be deemed to be varied by the creation or issue of further shares ranking pari passu therewith.
8. Subject to the provisions of section 55, any preference shares may, with the sanction of an ordinary resolution, be issued on the terms that they are to be redeemed on such terms and in such manner as the company before the issue of the shares may, by special resolution, determine.

### **Lien**

9. (i) The company shall have a first and paramount lien --  
(a) on every share (not being a fully paid share), for all monies (whether presently payable or not) called, or payable at a fixed time, in respect of that share; and  
(b) on all shares (not being fully paid shares) standing registered in the name of a single person, for all monies presently payable by him or his estate to the company:  
Provided that the Board of directors may at any time declare any share to be wholly or in part exempt from the provisions of this clause.  
(ii) The company's lien, if any, on a share shall extend to all dividends payable and bonuses declared from time to time in respect of such shares.
10. The company may sell, in such manner as the Board thinks fit, any shares on which the company has a lien:  
Provided that no sale shall be made --  
(a) unless a sum in respect of which the lien exists is presently payable; or  
(b) until the expiration of fourteen days after a notice in writing stating and demanding payment of such part of the amount in respect of which the lien exists as is presently payable, has been given to the registered holder for the time being of the share or the person entitled thereto by reason of his death or insolvency.

11. (i) To give effect to any such sale, the Board may authorise some person to transfer the shares sold to the purchaser thereof  
(ii) The purchaser shall be registered as the holder of the shares comprised in any such transfer.  
(iii) 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 in reference to the sale.
12. (i) The proceeds of the sale shall be received by the company and applied in payment of such part of the amount in respect of which the lien exists as is presently payable.  
ii) The residue, if any, shall, subject to a like lien for sums not presently payable as existed upon the shares before the sale, be paid to the person entitled to the shares at the date of the sale.

### **Calls on shares**

13. (i) The Board may, from time to time, make calls upon the members in respect of any monies unpaid on their shares (whether on account of the nominal value of the shares or by way of premium) and not by the conditions of allotment thereof made payable at fixed times:  
Provided that no call shall exceed one-fourth of the nominal value of the share or be payable at less than one month from the date fixed for the payment of the last preceding call.  
(ii) Each member shall, subject to receiving at least fourteen days' notice specifying the time or times and place of payment, pay to the company, at the time or times and place so specified, the amount called on his shares.  
(iii) A call may be revoked or postponed at the discretion of the Board.
14. A call shall be deemed to have been made at the time when the resolution of the Board authorizing the call was passed and may be required to be paid by installments.
15. The joint holders of a share shall be jointly and severally liable to pay all calls in respect thereof.
16. (i) If a sum called in respect of a share is not paid before or on the day appointed for payment thereof, the person from whom the sum is due shall pay interest thereon from the day appointed for payment thereof to the time of actual payment at ten per cent per annum or at such lower rate, if any, as the Board may determine.  
(ii) The Board shall be at liberty to waive payment of any such interest wholly or in part.
17. (i) Any sum which by the terms of issue of a share becomes payable on allotment or at any fixed date, whether on account of the nominal value of the share or by way of premium, shall, for the purposes of these regulations, be deemed to be a call duly made and payable on the date on which by the terms of issue such sum becomes payable.  
(ii) In case of non-payment of such sum, all the relevant provisions of these regulations as to payment of interest and expenses, forfeiture or otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified.
18. The Board --
  - (a) may, if it thinks fit, receive from any member willing to advance the same, all or any part of the monies uncalled and unpaid upon any shares held by him; and
  - (b) upon all or any of the monies so advanced, may (until the same would, but for such advance, become presently payable) pay interest at such rate not exceeding, unless the company in general meeting shall otherwise direct, twelve per cent per annum, as may be agreed upon between the Board and the member paying the sum in advance.

### **Transfer of shares**

19. (i) The instrument of transfer of any share in the company shall be executed by or on behalf of both the transferor and transferee.  
(ii) The transferor shall be deemed to remain a holder of the share until the name of the transferee is entered in the register of members in respect thereof.
20. The Board may, subject to the right of appeal conferred by section 58 decline to register --
  - (a) the transfer of a share, not being a fully paid share, to a person of whom they do not approve; or
  - (b) any transfer of shares on which the company has a lien.
21. The Board may decline to recognize any instrument of transfer unless --
  - (a) The instrument of transfer is in the form as prescribed in rules made under sub-section (1) of section 56;
  - (b) the instrument of transfer is accompanied by the certificate of the shares to which it relates, and such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer; and
  - (c) the instrument of transfer is in respect of only one class of shares.
22. On giving not less than seven days' previous notice in accordance with section 91 and rules made thereunder, the registration of transfers may be suspended at such times and for such periods as the Board may from time to time determine:  
Provided that such registration shall not be suspended for more than thirty days at any one time or for more than forty-five days in the aggregate in any year.

### **Transmission of shares**

23. (i) On the death of a member, the survivor or survivors where the member was a joint holder, and his nominee or nominees or legal representatives where he was a sole holder, shall be the only persons recognised by the company as having any title to his interest in the shares  
(ii) Nothing in clause (i) shall release the estate of a deceased joint holder from any liability in respect of any share which had been jointly held by him with other persons.
24. (i) Any person becoming entitled to a share in consequence of the death or insolvency of a member may, upon such evidence being produced as may from time to time properly be required by the Board and subject as hereinafter provided, elect, either --
  - (a) to be registered himself as holder of the share; or
  - (b) to make such transfer of the share as the deceased or insolvent member could have made.  
(ii) The Board shall, in either case, have the same right to decline or suspend registration as it would have had, if the deceased or insolvent member had transferred the share before his death or insolvency.
25. (i) If the person so becoming entitled shall elect to be registered as holder of the share himself, he shall deliver or send to the company a notice in writing signed by him stating that he so elects.  
(ii) If the person aforesaid shall elect to transfer the share, he shall testify his election by executing a transfer of the share.  
(iii) All the limitations, restrictions and provisions of these regulations relating to the right to transfer and the registration of transfers of shares shall be applicable to any such notice or transfer as aforesaid as if the death or insolvency of the member had not occurred and the notice or transfer were a transfer signed by that member.



26. A person becoming entitled to a share by reason of the death or insolvency of the holder shall be entitled to the same dividends and other advantages to which he would be entitled if he were the registered holder of the share, except that he shall not, before being registered as a member in respect of the share, be entitled in respect of it to exercise any right conferred by membership in relation to meetings of the company:

Provided that the Board may, at any time, give notice requiring any such person to elect either to be registered himself or to transfer the share, and if the notice is not complied with within ninety days, the Board may thereafter withhold payment of all dividends, bonuses or other monies payable in respect of the share, until the requirements of the notice have been complied with.

### **Forfeiture of shares**

27. If a member fails to pay any call, or installment of a call, on the day appointed for payment thereof, the Board may, at any time thereafter during such time as any part of the call or installment remains unpaid, serve a notice on him requiring payment of so much of the call or installment as is unpaid, together with any interest which may have accrued.

28. The notice aforesaid shall --

(a) name a further day (not being earlier than the expiry of fourteen days from the date of service of the notice) on or before which the payment required by the notice is to be made; and

(b) state that, in the event of non-payment on or before the day so named, the shares in respect of which the call was made shall be liable to be forfeited.

29. If the requirements of any such notice as aforesaid are not complied with, any share in respect of which the notice has been given may, at any time thereafter, before the payment required by the notice has been made, be forfeited by a resolution of the Board to that effect.

30. (i) A forfeited share may be sold or otherwise disposed of on such terms and in such manner as the Board thinks fit.

(ii) At any time before a sale or disposal as aforesaid, the Board may cancel the forfeiture on such terms as it thinks fit.

31. (i) A person whose shares have been forfeited shall cease to be a member in respect of the forfeited shares, but shall, notwithstanding the forfeiture, remain liable to pay to the company all monies which, at the date of forfeiture, were presently payable by him to the company in respect of the shares.

(ii) The liability of such person shall cease if and when the company shall have received payment in full of all such monies in respect of the shares.

32. (i) A duly verified declaration in writing that the declarant is a director, the manager or the secretary, of the company, and that a share in the company has been duly forfeited on a date stated in the declaration, shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the share;

(ii) The company may receive the consideration, if any, given for the share on any sale or disposal thereof and may execute a transfer of the share in favour of the person to whom the share is sold or disposed of;

(iii) The transferee shall thereupon be registered as the holder of the share; and

(iv) The transferee shall not be bound to see to the application of the purchase money, if any, nor shall his title to the share be affected by any irregularity or invalidity in the proceedings in reference to the forfeiture, sale or disposal of the share.

33. The provisions of these regulations as to forfeiture shall apply in the case of nonpayment of any sum which, by the terms of issue of a share, becomes payable at a fixed time, whether on account of the nominal value of the share or by way of premium, as if the same had been payable by virtue of a call duly made and notified.

#### **Alteration of capital**

34. The company may, from time to time, by ordinary resolution increase the share capital by such sum, to be divided into shares of such amount, as may be specified in the resolution.
35. Subject to the provisions of section 61, the company may, by ordinary resolution, --
- (a) consolidate and divide all or any of its share capital into shares of larger amount than its existing shares;
  - (b) convert all or any of its fully paid-up shares into stock, and reconvert that stock into fully paid-up shares of any denomination;
  - (c) sub-divide its existing shares or any of them into shares of smaller amount than is fixed by the memorandum;
  - (d) cancel any shares which, at the date of the passing of the resolution, have not been taken or agreed to be taken by any person.
36. Where shares are converted into stock, --

(a) the holders of stock may transfer the same or any part thereof in the same manner as, and subject to the same regulations under which, the shares from which the stock arose might before the conversion have been transferred, or as near thereto as circumstances admit:

Provided that the Board may, from time to time, fix the minimum amount of stock transferable, so, however, that such minimum shall not exceed the nominal amount of the shares from which the stock arose.

(b) the holders of stock shall, according to the amount of stock held by them, have the same rights, privileges and advantages as regards dividends, voting at meetings of the company, and other matters, as if they held the shares from which the stock arose; but no such privilege or advantage (except participation in the dividends and profits of the company and in the assets on winding up) shall be conferred by an amount of stock which would not, if existing in shares, have conferred that privilege or advantage.

(c) such of the regulations of the company as are applicable to paid-up shares shall apply to stock and the words "share" and "shareholder" in those regulations shall include "stock" and "stockholder" respectively.

37. The company may, by special resolution, reduce in any manner and with, and subject to, any incident authorised and consent required by law, --
- (a) its share capital;
  - (b) any capital redemption reserve account; or
  - (c) any share premium account.

#### **Capitalisation of profits**

38. (i) The company in general meeting may, upon the recommendation of the Board, resolve --
- (a) that it is desirable to capitalise any part of the amount for the time being standing to the credit of any of the company's reserve accounts, or to the credit of the, profit and loss account, or otherwise available for distribution; and
  - (b) that such sum be accordingly set free for distribution in the manner specified in clause (ii) amongst the members who would have been entitled thereto, if distributed by way of dividend and in the same proportions.
- (ii) The sum aforesaid shall not be paid in cash but shall be applied, subject to the provision contained in clause (iii), either in or towards --
- (A) paying up any amounts for the time being unpaid on any shares held by such members respectively;
  - (B) paying up in full, unissued shares of the company to be allotted and distributed, credited as fully paid-up, to and amongst such members in the proportions aforesaid;
  - (C) partly in the way specified in sub-clause (A) and partly in that specified in sub-clause (B);
  - (D) A securities premium account and a capital redemption reserve account may, for the purposes of this regulation, be applied in the paying up of unissued shares to be issued to members of the company as fully paid bonus shares;
  - (E) The Board shall give effect to the resolution passed by the company in pursuance of this regulation.
39. (i) 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 capitalised thereby, and all allotments and issues of fully paid shares if any; and
  - (b) generally do all acts and things required to give effect thereto.
- (ii) The Board shall have power --
- (a) to make such provisions, by the issue of fractional certificates or by payment in cash or otherwise as it thinks fit, for the case of shares becoming distributable in fractions; and
  - (b) to authorise any person to enter, on behalf of all the members entitled thereto, into an agreement with the company providing for the allotment to them respectively, credited as fully paid-up, of any further shares to which they may be entitled upon such capitalisation, or as the case may require, for the payment by the company on their behalf, by the application thereto of their respective proportions of profits resolved to be capitalised, of the amount or any part of the amounts remaining unpaid on their existing shares;
- (iii) Any agreement made under such authority shall be effective and binding on such members.

#### **Buy-back of shares**

40. Notwithstanding anything contained in these articles but subject to the provisions of sections 68 to 70 and any other applicable provision of the Act or any other law for the time being in force, the company may purchase its own shares or other specified securities.

#### **General meetings**

41. All general meetings other than annual general meeting shall be called extraordinary general meeting.
42. (i) The Board may, whenever it thinks fit, call an extraordinary general meeting.
- (ii) If at any time directors capable of acting who are sufficient in number to form a quorum are not within India, any director or any two members of the company may call an extraordinary general

meeting in the same manner, as nearly as possible, as that in which such a meeting may be called by the Board.

#### **Proceedings at general meetings**

43. (i) No business shall be transacted at any general meeting unless a quorum of members is present at the time when the meeting proceeds to business.  
(ii) Save as otherwise provided herein, the quorum for the general meetings shall be as provided in section 103.
44. The chairperson, if any, of the Board shall preside as Chairperson at every general meeting of the company.
45. If there is no such Chairperson, or if he is not present within fifteen minutes after the time appointed for holding the meeting, or is unwilling to act as chairperson of the meeting, the directors present shall elect one of their members to be Chairperson of the meeting.
46. If at any meeting no director is willing to act as Chairperson or if no director is present within fifteen minutes after the time appointed for holding the meeting, the members present shall choose one of their members to be Chairperson of the meeting.

#### **Adjournment of meeting**

47. (i) The Chairperson may, with the consent of any meeting at which a quorum is present, and shall, if so directed by the meeting, adjourn the meeting from time to time and from place to place.  
  
(ii) No business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.  
  
(iii) 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.  
  
(iv) Save as aforesaid, and as provided in section 103 of the Act, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.

#### **Voting rights**

48. Subject to any rights or restrictions for the time being attached to any class or classes of shares, --
  - (a) On a show of hands, every member present in person shall have one vote; and
  - (b) On a poll, the voting rights of members shall be in proportion to his share in the paid-up equity share capital of the company.
49. A member may exercise his vote at a meeting by electronic means in accordance with section 108 and shall vote only once.
50. (i) In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders.  
(ii) For this purpose, seniority shall be determined by the order in which the names stand in the register of members.
51. A member of unsound mind, or in respect of whom an order has been made by any court having jurisdiction in lunacy, may vote, whether on a show of hands or on a poll, by his committee or other legal guardian, and any such committee or guardian may, on a poll, vote by proxy.

52. Any business other than that upon which a poll has been demanded may be proceeded with, pending the taking of the poll.
53. No member shall be entitled to vote at any general meeting unless all calls or other sums presently payable by him in respect of shares in the company have been paid.
54. (i) No objection shall be raised to the qualification of any voter except at the meeting or adjourned meeting at which the vote objected to is given or tendered, and every vote not disallowed at such meeting shall be valid for all purposes.  
(ii) Any such objection made in due time shall be referred to the Chairperson of the meeting, whose decision shall be final and conclusive.

### **Proxy**

55. The instrument appointing a proxy and the power-of-attorney or other authority, if any, under which it is signed or a notarised copy of that power or authority, shall be deposited at the registered office of the company not less than 48 hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote, or, in the case of a poll, not less than 24 hours before the time appointed for the taking of the poll; and in default the instrument of proxy shall not be treated as valid.
56. An instrument appointing a proxy shall be in the form as prescribed in the rules made under section 105.
57. A vote given in accordance with the terms of an instrument of proxy shall be valid, notwithstanding the previous death or insanity of the principal or the revocation of the proxy or of the authority under which the proxy was executed, or the transfer of the shares in respect of which the proxy is given:  
Provided that no intimation in writing of such death, insanity, revocation or transfer shall have been received by the company at its office before the commencement of the meeting or adjourned meeting at which the proxy is used.

### **Board of Directors**

58. (i) There shall be at least two directors of the company. The maximum number of directors cannot exceed fifteen. The prescribed limit of fifteen directors may be increased by passing a special resolution.  
(ii) The first directors of the company shall be:  
1. Chanudubhai Manubhai Kothia-DIN: 00652806  
2. Ashokkumar Manubhai Kothia-DIN: 01076171  
3. Hasmukh Manubhai Kothia-DIN: 01076206
59. (i) The remuneration of the directors shall, in so far as it consists of a monthly payment, be deemed to accrue from day-to-day.  
(ii) In addition to the remuneration payable to them in pursuance of the Act, the directors may be paid all travelling, hotel and other expenses properly incurred by them --  
(a) in attending and returning from meetings of the Board of Directors or any committee thereof or general meetings of the company; or  
(b) in connection with the business of the company.

60. The Board may pay all expenses incurred in getting up and registering the company.
61. The company may exercise the powers conferred on it by section 88 with regard to the keeping of a foreign register; and the Board may (subject to the provisions of that section) make and vary such regulations as it may think fit respecting the keeping of any such register.
62. All cheques, promissory notes, drafts, hundis, bills of exchange and other negotiable instruments, and all receipts for monies paid to the company, shall be signed, drawn, accepted, endorsed, or otherwise executed, as the case may be, by such person and in such manner as the Board shall from time to time by resolution determine.
63. Every director present at any meeting of the Board or of a committee thereof shall sign his name in a book to be kept for that purpose.
64. (i) Subject to the provisions of section 149, the Board shall have power at any time, and from time to time, to appoint a person as an additional director, provided the number of the directors and additional directors together shall not at any time exceed the maximum strength fixed for the Board by the articles.  
(ii) Such person shall hold office only up to the date of the next annual general meeting of the company but shall be eligible for appointment by the company as a director at that meeting subject to the provisions of the Act.

#### **Proceedings of the Board**

65. (i) The Board of Directors may meet for the conduct of business, adjourn and otherwise regulate its meetings, as it thinks fit.  
(ii) A director may, and the manager or secretary on the requisition of a director shall, at any time, summon a meeting of the Board.
66. (i) Save as otherwise expressly provided in the Act, questions arising at any meeting of the Board shall be decided by a majority of votes.  
(ii) In case of an equality of votes, the Chairperson of the Board, if any, shall have a second or casting vote.
67. The continuing directors may act notwithstanding any vacancy in the Board; but, if and so long as their number is reduced below the quorum fixed by the Act for a meeting of the Board, the continuing directors or director may act for the purpose of increasing the number of directors to that fixed for the quorum, or of summoning a general meeting of the company, but for no other purpose.
68. (i) The Board may elect a Chairperson of its meetings and determine the period for which he is to hold office.  
(ii) If no such Chairperson is elected, or if at any meeting the Chairperson is not present within five minutes after the time appointed for holding the meeting, the directors present may choose one of their number to be Chairperson of the meeting.
69. (i) The Board may, subject to the provisions of the Act, delegate any of its powers to committees consisting of such member or members of its body as it thinks fit.  
(ii) Any committee so formed shall, in the exercise of the powers so delegated, conform to any regulations that may be imposed on it by the Board.

70. (i) A committee may elect a Chairperson of its meetings.  
(ii) If no such Chairperson is elected, or if at any meeting the Chairperson is not present within five minutes after the time appointed for holding the meeting, the members present may choose one of their members to be Chairperson of the meeting.
71. (i) A committee may meet and adjourn as it thinks fit.  
(ii) Questions arising at any meeting of a committee shall be determined by a majority of votes of the members present, and in case of an equality of votes, the Chairperson shall have a second or casting vote.
72. All acts done in any meeting of the Board or of a committee thereof or by any person acting as a director, shall, notwithstanding that it may be afterwards discovered that there was some defect in the appointment of any one or more of such directors or of any person acting as aforesaid, or that they or any of them were disqualified, be as valid as if every such director or such person had been duly appointed and was qualified to be a director.
73. Save as otherwise expressly provided in the Act, a resolution in writing, signed by all the members of the Board or of a committee thereof, for the time being entitled to receive notice of a meeting of the Board or committee, shall be valid and effective as if it had been passed at a meeting of the Board or committee, duly convened and held.

#### **Chief Executive Officer, Manager, Company Secretary or Chief Financial Officer**

74. Subject to the provisions of the Act,-
- (i) A chief executive officer, manager, company secretary or chief financial officer may be appointed by the Board for such term, at such remuneration and upon such conditions as it may think fit; and any chief executive officer, manager, company secretary or chief financial officer so appointed may be removed by means of a resolution of the Board;
- (ii) A director may be appointed as chief executive officer, manager, company secretary or chief financial officer
75. A provision of the Act or these regulations requiring or authorising a thing to be done by or to a director and chief executive officer, manager, company secretary or chief financial officer shall not be satisfied by its being done by or to the same person acting both as director and as, or in place of, chief executive officer, manager, company secretary or chief financial officer.

#### **The Seal**

76. (i) The Board shall provide for the safe custody of the seal.  
(ii) The seal of the company shall not be affixed to any instrument except by the authority of a resolution of the Board or of a committee of the Board authorised by it in that behalf, and except in the presence of at least two directors and of the secretary or such other person as the Board may appoint for the purpose; and those two directors and the secretary or other person aforesaid shall sign every instrument to which the seal of the company is so affixed in their presence.

#### **Dividends and Reserve**

77. The company in general meeting may declare dividends, but no dividend shall exceed the amount recommended by the Board.

78. Subject to the provisions of section 123, the Board may from time to time pay to the members such interim dividends as appear to it to be justified by the profits of the company.
79. (i) The Board may, before recommending any dividend, set aside out of the profits of the company such sums as it thinks fit as a reserve or reserves which shall, at the discretion of the Board, be applicable for any purpose to which the profits of the company may be properly applied, including provision for meeting contingencies or for equalizing dividends; and pending such application, may, at the like discretion, either be employed in the business of the company or be invested in such investments (other than shares of the company) as the Board may, from time to time, think fit.
- (ii) The Board may also carry forward any profits which it may consider necessary not to divide, without setting them aside as a reserve.
80. (i) Subject to the rights of persons, if any, entitled to shares with special rights as to dividends, all dividends shall be declared and paid according to the amounts paid or credited as paid on the shares in respect whereof the dividend is paid, but if and so long as nothing is paid upon any of the shares in the company, dividends may be declared and paid according to the amounts of the shares.
- (ii) No amount paid or credited as paid on a share in advance of calls shall be treated for the purposes of this regulation as paid on the share.
- (iii) All dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the shares during any portion or portions of the period in respect of which the dividend is paid; but if any share is issued on terms providing that it shall rank for dividend as from a particular date such share shall rank for dividend accordingly.
81. The Board may deduct from any dividend payable to any member all sums of money, if any, presently payable by him to the company on account of calls or otherwise in relation to the shares of the company.
82. (i) Any dividend, interest or other monies payable in cash in respect of shares may be paid by cheque or warrant sent through the post directed to the registered address of the holder or, in the case of joint holders, to the registered address of that one of the joint holders who is first named on the register of members, or to such person and to such address as the holder or joint holders may in writing direct.
- (ii) Every such cheque or warrant shall be made payable to the order of the person to whom it is sent.
83. Any one of two or more joint holders of a share may give effective receipts for any dividends, bonuses or other monies payable in respect of such share.
84. Notice of any dividend that may have been declared shall be given to the persons entitled to share therein in the manner mentioned in the Act.
85. No dividend shall bear interest against the company.

### **Accounts**

86. (i) The Board shall from time to time determine whether and to what extent and at what times and places and under what conditions or regulations, the accounts and books of the company, or any of them, shall be open to the inspection of members not being directors.



(ii) No member (not being a director) shall have any right of inspecting any account or book or document of the company except as conferred by law or authorised by the Board or by the company in general meeting.

### **Winding up**

87. Subject to the provisions of Chapter XX of the Act and rules made thereunder --

(i) If the company shall be wound up, the liquidator may, with the sanction of a special resolution of the company and any other sanction required by the Act, divide amongst the members, in specie or kind, the whole or any part of the assets of the company, whether they shall consist of property of the same kind or not.

(ii) For the purpose aforesaid, the liquidator may set such value as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the members or different classes of members.

(iii) The liquidator may, with the like sanction, vest the whole or any part of such assets in trustees upon such trusts for the benefit of the contributories if he considers necessary, but so that no member shall be compelled to accept any shares or other securities whereon there is any liability.

### **Indemnity**

88. 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.

**SECTION IX – OTHER INFORMATION**  
**MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION**

The following contracts (not being contracts entered into in the ordinary course of business carried on by our Company or contracts entered into more than two years before the date of this Draft Prospectus) which are or may be deemed material have been entered or are to be entered into by our Company. These contracts and also the documents for inspection referred to hereunder, may be inspected at the Registered Office between 10:00 A.M. to 5:00 P.M. on all Working Days from the date of this Draft Prospectus until the Issue Closing Date.

**A) Material Contracts for the Issue**

1. Issue Agreement dated August 16, 2017 between our Company and the Lead Manager i.e. Fedex Securities Limited
2. Agreement dated August 18, 2017 between our Company and Bigshare Services Private Limited to act as Registrar to the Issue.
3. Underwriting Agreement dated August 16, 2017 between our Company and Underwriter i.e. Fedex Securities Limited
4. Market Making Agreement dated [•] between our Company, Market Maker and the Lead Manager
5. Agreement dated [•] amongst our Company, the Lead Manager, Registrar to the Issue and the Banker to the Issue.
6. Tripartite agreement dated [•] between our Company, Central Depository Services (India) Limited and Registrar to the Issue.
7. Tripartite agreement dated [•] between our Company, National Securities Depository Limited and Registrar to the Issue.

**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 April 27, 1995 issued by the Assistant Registrar of Companies, Gujarat, Ahmedabad
3. Fresh Certificate of Incorporation dated July 28, 2017 issued by the Registrar of Companies, Ahmedabad consequent upon Conversion of the Company to Public Company
4. Copy of the Board Resolution dated July 29, 2017 authorizing the Issue.
5. Copy of Shareholder's Resolution dated August 19, 2017 authorizing the Issue and other related matters
6. Peer Review Auditors Report dated July 29, 2017 on Restated Financial Statements of our Company for the years ended March 31, 2017, 2016, 2015, 2014 & 2013
7. The Report dated July 29, 2017 from the Peer Reviewed Auditors of our Company, S R M B & Co., Chartered Accountants, confirming the Statement of Possible Tax Benefits available to our Company and its Shareholders as disclosed in this Draft Prospectus
8. Consents of our Directors, Company Secretary and Compliance Officer, Chief Financial Officer, Statutory and Peer Reviewed Auditor, Lead Manager, Legal Advisor to the Issue, the Registrar

to the Issue, Bankers to our Company, Bankers to the Issue, Market Maker, Underwriter to include their names in this Draft Prospectus and to act in their respective capacities.

9. Due Diligence Certificate dated August 24, 2017 from Lead Manager to be submitted to BSE Limited
10. Copy of approval from BSE Limited vide letter dated [•] to use the name of BSE in the offer document for listing of Equity Shares on SME Platform of BSE 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.

## SECTION X - 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>Chandubhai Kothia</b> <i>(Chairman &amp; Managing Director)</i>	<b>Sd/-</b>
<b>Ashokkumar Kothia</b> <i>(Executive Director)</i>	<b>Sd/-</b>
<b>Hasmukh Kothia</b> <i>(Executive Director)</i>	<b>Sd/-</b>
<b>Pooja Koladiya</b> <i>(Independent Director)</i>	<b>Sd/-</b>
<b>Jayesh Savjani</b> <i>(Independent Director)</i>	<b>Sd/-</b>
<b>Surendra Shah</b> <i>(Independent Director)</i>	<b>Sd/-</b>
<b>Bhavita Jain</b> <i>(Chief Financial Officer)</i>	<b>Sd/-</b>
<b>Aditya Patel</b> <i>(Company Secretary and Compliance Officer)</i>	<b>Sd/-</b>

**Date:- August 25, 2017**

**Place:- Gujarat**

**Annexure A**

**DISCLOSURE OF PRICE INFORMATION OF PAST ISSUES HANDLED BY FEDEX SECURTIES LIMITED**

<b>Sr. No</b>	<b>Issue Name</b>	<b>Issue Size (Cr)</b>	<b>Issue Price (Rs.)</b>	<b>Listing date</b>	<b>Opening price on listing date</b>	<b>+/- % change in closing price, [+/- % change in closing benchmark]-30th calendar days from listing</b>	<b>+/- % change in closing price, [+/- % change in closing benchmark]-90th calendar days from listing</b>	<b>+/- % change in closing price, [+/- % change in closing benchmark]-180th calendar days from listing</b>
1.	Jost's Engineering Company Limited	10.00	--	--	--	--	--	--

Note: - Jost's Engineering Company Limited has filled Draft Letter of Offer with Securities and Exchange Board of India & BSE.