



## VADIVARHE SPECIALITY CHEMICALS LIMITED

Corporate Identity Number: - U24100MH2009PLC190516

Our Company was originally incorporated on February 23, 2009 as "Vadivarhe Speciality Chemicals Limited" vide Registration no. 11-190516/2008-2009 (CIN: U24100MH2009PLC190516) under the provisions of the Companies Act, 1956 with the Registrar of Companies, Maharashtra, Mumbai and received Certificate for Commencement of Business on March 06, 2009. For further details please refer to chapter titled "History and Certain Corporate Matters" beginning on page 108 of this Prospectus.

**Registered Office:** Gat No. 204, Vadivarhe, Igatpuri, Maharashtra - 422403, India

**Corporate Office:** 1st Floor, K. K. Chambers, Sir P.T. Road, Fort, Mumbai, Maharashtra - 400001, India

**Tel. No.:** +91-2553-282200, +91-2553-282238, **E-mail:** cs@vscl.co.in, **Website:** www.vscl.net.in

**CONTACT PERSON: MR. JAYESH BHAGWATI PRASAD VAISHNAV, (COMPANY SECRETARY & COMPLIANCE OFFICER)**

**PROMOTER OF OUR COMPANY: MR. SUNIL HARIPANT POPHALE**

THE ISSUE	
<p>INITIAL PUBLIC ISSUE OF 34,44,000 EQUITY SHARES OF FACE VALUE OF ₹10 EACH ("EQUITY SHARES") OF VADIVARHE SPECIALITY CHEMICALS LIMITED ("OUR COMPANY" OR "ISSUER") FOR CASH AT A PRICE OF ₹ 42.00 PER EQUITY SHARE (INCLUDING A SHARE PREMIUM OF ₹ 32.00 PER EQUITY SHARE) ("ISSUE PRICE") AGGREGATING TO ₹ 1446.48 LAKHS ("ISSUE") CONSISTING OF A FRESH ISSUE OF 6,89,000 EQUITY SHARES OF FACE VALUE OF ₹10 EACH ("EQUITY SHARES") FOR CASH AT A PRICE OF ₹ 42.00 PER EQUITY SHARE AGGREGATING TO ₹ 289.38 LAKHS ("ISSUE") AND 27,55,000 EQUITY SHARES OF FACE VALUE OF ₹10 EACH ("EQUITY SHARES") FOR CASH AT A PRICE OF ₹ 42.00 PER EQUITY SHARE AGGREGATING TO ₹ 1157.10 LAKHS THROUGH AN OFFER FOR SALE BY MR. SUNIL HARIPANT POPHALE (REFERRED AS PROMOTER SELLING SHAREHOLDER) OF WHICH 1,80,000 EQUITY SHARES OF FACE VALUE OF ₹10.00 EACH FOR A CASH PRICE OF ₹ 42.00 PER EQUITY SHARE, AGGREGATING TO ₹ 75.60 LAKHS WILL BE RESERVED FOR SUBSCRIPTION BY MARKET MAKER ("MARKET MAKER RESERVATION PORTION"). THE ISSUE LESS THE MARKET MAKER RESERVATION PORTION I.E. ISSUE OF 32,64,000 EQUITY SHARES OF FACE VALUE OF ₹ 10.00 EACH AT AN ISSUE PRICE OF ₹ 42.00 PER EQUITY SHARE AGGREGATING TO ₹ 1370.88 LAKHS (IS HEREAFTER REFERRED TO AS THE "NET ISSUE"). THE ISSUE AND THE NET ISSUE WILL CONSTITUTE 26.94% AND 25.53%, RESPECTIVELY OF THE POST ISSUE PAID UP EQUITY SHARE CAPITAL OF OUR COMPANY. FOR FURTHER DETAILS, PLEASE REFER TO SECTION TITLED "TERMS OF THE ISSUE" BEGINNING ON PAGE 210 OF THIS PROSPECTUS.</p>	
<p>THE FACE VALUE OF THE EQUITY SHARES IS ₹ 10.00 EACH AND THE ISSUE PRICE IS ₹ 42.00. THE ISSUE PRICE IS 4.2 TIMES OF THE FACE VALUE.</p>	
<p>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 (THE "SEBI ICDR REGULATIONS"), AS AMENDED. THIS ISSUE IS A FIXED PRICE ISSUE AND ALLOCATION IN THE NET ISSUE TO THE PUBLIC WILL BE MADE IN TERMS OF REGULATION 43(4) OF THE SEBI (ICDR) REGULATIONS, 2009, AS AMENDED. FOR FURTHER DETAILS, PLEASE REFER TO SECTION TITLED "ISSUE PROCEDURE" BEGINNING ON PAGE 219 OF THIS PROSPECTUS.</p>	
<p>All the investors applying in a public offer shall use only Application Supported by Blocked Amount (ASBA) facility for making payment providing details about the bank account which will be blocked by the Self Certified Syndicate Banks ("SCSBs") as per the SEBI circular CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015. For further details, please refer to section titled "Issue Procedure" beginning on page 219 of this Prospectus.</p>	
ELIGIBLE INVESTORS	
<p>For details in relation to Eligible Investors, please refer to section titled "Issue Procedure" beginning on page 219 of this Prospectus.</p>	
RISK IN RELATION TO THE FIRST ISSUE	
<p>This being the first public issue of the Equity Shares of our Company, there has been no formal market for the Equity Shares of our Company. The face value of the Equity Shares of the Company is ₹10.00 per equity share and the Issue Price is 4.2 times of the face value. The Issue Price (will be determined and justified by our Company &amp; Selling Shareholder in consultation with the Lead Manager as stated under the paragraph "Basis for Issue Price" on page 74 of this Prospectus) should not be taken to be indicative of the market price of the Equity Shares after the Equity Shares are listed. No assurance can be given regarding an active and/or sustained trading in the Equity Shares of our Company or regarding the price at which the Equity Shares will be traded after listing.</p>	
GENERAL RISKS	
<p>Investments in equity and equity related securities involve a degree of risk and investors should not invest any funds in this Issue unless they can afford to take the risk of losing their investment. Investors are advised to read the "Risk Factors" carefully before taking an investment decision in this Issue. For taking an investment decision, investors must rely on their own examination of our Company and the Issue including the risks involved. The Equity Shares offered 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 this Prospectus. <b>Specific attention of the investors is invited to the section titled "Risk Factors" beginning on page 14 of this Prospectus.</b></p>	
COMPANY'S & SELLING SHAREHOLDER ABSOLUTE RESPONSIBILITY	
<p>Our Company &amp; Selling Shareholder have made all reasonable inquiries, accepts responsibility for and confirms that this 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 Prospectus is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this Prospectus as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect. Further, the Selling Shareholder accepts responsibility that this Prospectus contains all information about itself as the Selling Shareholder in the context of the Offer for Sale and assumes responsibility for statements in relation to itself included in this Prospectus.</p>	
LISTING	
<p>The Equity Shares offered through this Prospectus are proposed to be listed on the SME Platform of National Stock Exchange of India Limited ("NSE" i.e. "NSE EMERGE"). In terms of the Chapter XB of the SEBI (ICDR) Regulations, 2009, as amended, we are not required to obtain an in-principle listing approval for the shares being offered in this issue. However, our Company has received an approval letter dated May 03, 2017 from NSE for using its name in this offer document for listing of our shares on the SME Platform of NSE ("NSE EMERGE"). For the purpose of this Issue, the Designated Stock Exchange will be the National Stock Exchange of India Limited.</p>	
LEAD MANAGER TO THE ISSUE	REGISTRAR TO THE ISSUE
 <p><b>Hem Securities Ltd</b></p>	
<p><b>HEM SECURITIES LIMITED</b> 14/15 Khatau Building, 1st Floor, 40 Bank Street, Fort, Mumbai – 400001, <b>Tel. No.:</b> +91- 022- 4906 0000 <b>Fax No.:</b> +91- 022- 2262 5991 <b>Website:</b> www.hemsecurities.com <b>Email:</b> ib@hemsecurities.com <b>Investor Grievance Email:</b> redressal@hemsecurities.com <b>Contact Person:</b> Mr. Anil Bhargava <b>SEBI Regn. No.</b> INM000010981</p>	<p><b>BIGSHARE SERVICES PRIVATE LIMITED</b> E-2, Ansa Industrial Estate, Sakivihar Road, Sakinaka, Andheri (East), Mumbai – 400 072, <b>Tel. No.:</b> +91-22 – 40430200 <b>Fax No.:</b> +91-22 – 28475207 <b>Website:</b> www.bigshareonline.com <b>Email:</b> ipo@bigshareonline.com <b>Contact Person:</b> Mr. Srinivas Dornala <b>SEBI Regn. No.</b> INR000001385</p>
ISSUE PROGRAMME	
<p><b>ISSUE OPENS ON: MONDAY, MAY 22, 2017</b></p>	<p><b>ISSUE CLOSES ON: THURSDAY, MAY 25, 2017</b></p>

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## SECTION I – GENERAL

### DEFINITIONS AND ABBREVIATIONS

*This Prospectus uses certain definitions and abbreviations which, unless the context otherwise indicates or implies, shall have the meaning as provided below. References to any legislation, act, regulation, rule, guideline or policy shall be to such legislation, act, regulation, rule, guideline or policy, as amended, supplemented or re-enacted from time to time.*

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

*Notwithstanding the foregoing, terms used in of the sections “Statement of Tax Benefits”, “Financial Information of the Company” and “Main Provisions of Articles of Association” on pages 77, 135 and 263 respectively, shall have the meaning ascribed to such terms in such sections.*

*Unless the context otherwise indicates, all references to “VSCL”, “the Company”, “our Company”, “the Issuer”, “we”, “us” and “our” are references to Vadivarhe Speciality Chemicals Limited, a company incorporated in India under the Companies Act 1956 having its Registered office at Gat No. 204, Vadivarhe Igatpuri Maharashtra-422403, India and “you”, “your” or “yours” refer to Prospective investors in this Issue.*

#### Company related terms

Term	Description
AOA / Articles / Articles of Association	Articles of Association of Vadivarhe Speciality Chemicals Limited, as amended from time to time.
Associate Companies	A body corporate in which any other company has a significant influence, but which is not a subsidiary of the company having such influence and includes a joint venture company.
Auditors/ Statutory Auditors	The Auditors of Vadivarhe Speciality Chemicals Limited being M/s S R Rahalkar & Associates, Chartered Accountants.
Audit Committee	The Committee of the Board of Directors constituted as the Company’s Audit Committee in accordance with Section 177 of the Companies Act, 2013 and Regulation 18 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015
Bankers to the Company	Axis Bank Limited
Board of Directors / the Board / our Board	The Board of Directors of Vadivarhe Speciality Chemicals Limited, including all duly constituted Committees thereof.
CIN	Corporate Identification Number.
Chief Financial Officer	The Chief financial Officer of our Company being Mr. Potdar Laxmikant Shamkant
Companies Act / Act	The Companies Act, 2013 and amendments thereto. The Companies Act, 1956, to the extent of such of the provisions that are in force.
Company Secretary and Compliance Officer	The Company Secretary and Compliance Officer of our Company being Mr. Jayesh Bhagwati Prasad Vaishnav
Corporate Office	1 <sup>st</sup> Floor, K.K. Chambers, Sir, P.T. Road, Fort, Mumbai-400001, Maharashtra, India
CSR Committee	The Corporate Social Responsibility committee of our Board constituted in accordance with the Companies Act, 2013
Depositories Act	The Depositories Act, 1996, as amended from time to time.
Depositories	National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL).
DIN	Directors Identification Number.
Director(s) / our Directors	The Director(s) of our Company, unless otherwise specified.
Equity Shares	Equity Shares of the Company of Face Value of Rs.10/- each unless otherwise specified in the context thereof.
Equity Shareholders	Persons/ Entities holding Equity Shares of our Company.
Factory	Gat No. 204, Vadivarhe Igatpuri, Maharashtra-422403, Maharashtra, India
Group Companies/ Group Company	The word “group companies”, wherever they occur, shall include such companies as covered under the applicable accounting standards and also other companies as considered material by the board of the company as disclosed in “ <b>Our Group Company</b> ” promoted by the Promoter

	on page 131 of this Prospectus.
HUF	Hindu Undivided Family.
IBC	The Insolvency and Bankruptcy Code, 2016
IFRS	International Financial Reporting Standards
Independent Director	A Non- executive, Independent Director as per the Companies Act, 2013 and the Listing Regulations
Indian GAAP	Generally Accepted Accounting Principles in India
ISIN	International Securities Identification Number. In this case being – INE551Q01028
IT Act	The Income Tax Act, 1961 as amended till date
Key Management Personnel/ KMP	Key Management Personnel of our Company in terms of the SEBI Regulations and the Companies Act, 2013. For details, see section entitled “ <i>Our Management</i> ” on page 112 of this Prospectus.
JV/ Joint Venture	A commercial enterprise undertaken jointly by two or more parties which otherwise retain their distinct identities.
Materiality Policy	The policy on identification of group companies, material creditors and material litigation, adopted by our Board on March 24, 2017, in accordance with the requirements of the SEBI (ICDR) Regulations
MOA / Memorandum / Memorandum of Association	Memorandum of Association of Vadivarhe Speciality Chemicals Limited as amended from time to time.
Nomination and Remuneration Committee	The Nomination and Remuneration committee of our Board constituted in accordance the Companies Act, 2013 and the Listing Regulations
Non- Executive Director	A Director not being an Executive Director or an Independent Director
NRIs / Non-Resident Indians	A person resident outside India, as defined under FEMA Regulation and who is a citizen of India or a Person of Indian Origin under Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000.
Offered Shares	Collectively, the shares offered by Promoter
Peer Review Auditor	Independent Auditor having a valid Peer Review certificate in our case being M/s. B. G. Kale & Co., Chartered Accountants.
Person or Persons	Any individual, sole proprietorship, unincorporated association, unincorporated organization, body corporate, corporation, company, partnership, limited liability company, joint venture, or trust or any other entity or organization validly constituted and/or incorporated in the jurisdiction in which it exists and operates, as the context requires.
Promoters	Shall mean promoter of our Company i.e. Mr. Sunil Haripant Pophale.
Promoter Group	Includes such Persons and entities constituting our promoter group covered under Regulation 2(1) (zb) of the SEBI (ICDR) Regulations as enlisted in the section titled “ <i>Our Promoter and Promoter Group</i> ” beginning on page 126 of this Prospectus.
RBI Act	The Reserve Bank of India Act, 1934 as amended from time to time.
Registered Office and Factory of our Company	Gat No. 204, Vadivarhe, Igatpuri, Maharashtra-422403, India.
Reserve Bank of India/RBI	Reserve Bank of India constituted under the RBI Act.
Restated Financial Information	The restated audited financial statements of our Company, which comprises of the restated audited balance sheet, the restated audited profit and loss information and restated audited cash flow information , as at and for years ended March 31, 2017, 2016, 2015, 2014 & 2013 together with the annexure and notes thereto as disclosed in chapter titled “ <i>Financial Information of the Company</i> ” beginning on page 135 of this Prospectus
RoC/ Registrar of Companies	Registrar of Companies, Maharashtra, Mumbai
SEBI	Securities and Exchange Board of India constituted under the SEBI Act, 1992.
SEBI Act	Securities and Exchange Board of India Act, 1992, as amended from time to time.
SEBI (ICDR) Regulations /ICDR Regulation/ Regulation	SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 issued by SEBI on August 26, 2009, as amended, including instructions and clarifications issued by SEBI from time to time.
SEBI Takeover Regulations or SEBI (SAST) Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeover) Regulations, 2011, as amended from time to time.
SEBI (Venture Capital) Regulations	Securities Exchange Board of India (Venture Capital) Regulations, 1996 as amended from time to time.
SEBI Insider Trading Regulations	The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations,

	2015 as amended, including instructions and clarifications issued by SEBI from time to time.
SEBI Listing Regulations, 2015/ SEBI Listing Regulations/ Listing Regulations/SEBI (LODR)	The Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015 as amended, including instructions and clarifications issued by SEBI from time to time.
Selling Shareholder	Mr. Sunil Haripant Pophale
SICA	Sick Industrial Companies (Special Provisions) Act, 1985.
Stakeholder's Relationship Committee	Stakeholder's relationship committee of our Company constituted in accordance with Regulation 20 of the SEBI (LODR) Regulations and Companies Act, 2013
Stock Exchange	Unless the context requires otherwise, refers to, National Stock Exchange of India Limited
Sub- Account	Sub- accounts registered with SEBI under the Securities and Exchange Board of India (Foreign Institutional Investor) Regulations, 1995, other than sub-accounts which are foreign corporate or foreign individuals.

### Issue Related Terms

Term	Description
Allotment/Allot/Allotted	Unless the context otherwise requires, means the allotment of Equity Shares, pursuant to the Issue to the successful applicants.
Acknowledgement Slip	The slip or document issued by the Designated Intermediary to an applicant as proof of registration of the Application.
Allotment Advice	Note or advice or intimation of Allotment sent to the Applicants who have been allotted Equity Shares after the Basis of Allotment has been approved by the Designated Stock Exchanges
Allottee (s)	A successful applicant to whom the Equity Shares are allotted.
Applicant/ Investor	Any prospective investor who makes an application pursuant to the terms of the Prospectus and the Application form.
Application Amount	The amount at which the Applicant makes an application for the Equity Shares of our Company in terms of Prospectus.
Application Form	The form, whether physical or electronic, used by an Applicant to make an application, which will be considered as the application for Allotment for purposes of this Prospectus.
ASBA Account	Account maintained by the ASBA Investor with an SCSB which will be blocked by such SCSB to the extent of the Application Amount of the ASBA Investor.
ASBA Application Location (s)/ Specified Cities	Cities as specified in the SEBI Circular No. CIR/CFD/DIL/1/2011 dated April 29, 2011, namely, Ahmedabad, Bangalore, Baroda (Vadodara), Chennai, Delhi, Hyderabad, Jaipur, Kolkata, Mumbai, Pune, Rajkot and Surat.
Bankers to the Issue	Banks which are clearing members and registered with SEBI as Bankers to an Issue and with whom the Public Issue Account will be opened, in this case being HDFC Bank Limited
Banker to the Issue Agreement	Agreement dated May 08, 2017 entered into amongst the Company, Selling Shareholders, Lead Manager, the Registrar to the Issue and the Banker of the Issue.
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 " <b>Issue Procedure</b> " beginning on page 219 of the Prospectus.
Broker Centres	Broker centres notified by the Stock Exchanges, where the investors 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 websites of the Stock Exchange.
BSE	BSE Limited
Business Day	Monday to Friday (except public holidays).
CAN or Confirmation of Allocation Note	The Note or advice or intimation sent to each successful Applicant indicating the Equity which will be allotted, after approval of Basis of Allotment by the designated Stock Exchange.
Client Id	Client Identification Number maintained with one of the Depositories in relation to demat account
Collecting Depository Participants or CDPs	A depository participant as defined under the Depositories Act, 1996, registered with SEBI and who is eligible to procure Applications at the Designated CDP Locations in terms of circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI
Controlling Branches of the SCSBs	Such branches of the SCSBs which coordinate with the LM, the Registrar to the Issue and the Stock Exchange.

Demographic Details	The demographic details of the applicants such as their Address, PAN, name of the applicants father/husband, investor status, Occupation and Bank Account details.
Depository / Depositories	A depository registered with SEBI under the Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996 as amended from time to time, being NSDL and CDSL.
Designated Date	On the Designated Date, the amounts blocked by SCSBs are transferred from the ASBA Accounts to the Public Issue Account and/ or unblocked in terms of the Prospectus
Designated SCSB Branches	Such branches of the SCSBs which shall collect the ASBA Application Form from the Applicant and a list of which is available on the website of SEBI at <a href="http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/">http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/</a> . Recognized-Intermediaries or at such other website as may be prescribed by SEBI from time to time
Designated CDP Locations	Such locations of the CDPs where Applicant can submit the Application Forms to Collecting Depository Participants. 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 websites of the Stock Exchange i.e. <a href="http://www.nseindia.com">www.nseindia.com</a>
Designated RTA Locations	Such locations of the RTAs where Applicant can submit the Application Forms to RTAs. The details of such Designated RTA Locations, along with names and contact details of the RTAs eligible to accept Application Forms are available on the websites of the Stock Exchange i.e. <a href="http://www.nseindia.com">www.nseindia.com</a>
Designated Intermediaries/ Collecting Agent	An SCSB's with whom the bank account to be blocked, is maintained, a syndicate member (or sub-syndicate member), a Stock Broker registered with recognized Stock Exchange, a Depository Participant, a registrar to an issue and share transfer agent (RTA) (whose names is mentioned on website of the stock exchange as eligible for this activity)
Designated Market Maker	Hem Finlease Private Limited
Designated Stock Exchange	National Stock Exchange of India Limited (SME Exchange) ("NSE EMERGE")
DP	Depository Participant
DP ID	Depository Participant's Identity Number
Draft Prospectus	Draft prospectus dated April 13, 2017 issued in accordance with Section 32 of the Companies Act, 2013.
Eligible NRI	A Non Resident Indian in a jurisdiction outside India where it is not unlawful to make an offer or invitation under the Issue and in relation to whom this Prospectus will constitute an invitation to subscribe for the Equity Shares.
Equity Shares	Equity Shares of our Company of face value ₹ 10.00 each
Electronic Transfer of Funds	Refunds through ECS, NEFT, Direct Credit or RTGS as applicable.
Eligible QFIs	QFIs from such jurisdictions outside India where it is not unlawful to make an issue or invitation under the Issue and in relation to whom the Prospectus constitutes an invitation to purchase the Equity shares issued thereby and who have opened demat accounts with SEBI registered qualified depository participants.
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.
First/ Sole Applicant	The Applicant whose name appears first in the Application Form or Revision Form.
Foreign Venture Capital Investors	Foreign Venture Capital Investors registered with SEBI under the SEBI (Foreign Venture Capital Investor) Regulations, 2000.
FPI / Foreign Portfolio Investor	A Foreign Portfolio Investor who has been registered pursuant to the of Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014, provided that any FII or QFI who holds a valid certificate of registration shall be deemed to be a foreign portfolio investor till the expiry of the block of three years for which fees have been paid as per the SEBI (Foreign Institutional Investors) Regulations, 1995, as amended
General Information Document (GID)	The General Information Document for investing in public issues prepared and issued in accordance with the circulars (CIR/CFD/DIL/12/2013) dated October 23, 2013, notified by SEBI and updated pursuant to the circular (CIR/CFD/POLICYCELL/11/2015) dated November 10, 2015 and (SEBI/HO/CFD/DIL/CIR/P/2016/26) dated January 21, 2016 notified by the SEBI.
Issue Agreement	The Agreement dated March 30 <sup>th</sup> , 2017 between our Company, Selling Shareholder and LM
IPO	Initial Public Offering.

Issue / Public Issue / Issue size/ Initial Public Issue / Initial Public Offer/ Initial Public Offering / IPO	The Public Issue 34,44,000 Equity shares of ₹ 10/- each at issue price of ₹ 42.00/- per Equity share, including a premium of ₹ 32.00/- per equity share aggregating to ₹ 1446.48 Lakhs comprising of a Fresh Issue of 6,89,000 Equity Shares and the Offer for Sale 27,55,000 Equity Shares by Selling Shareholder.
Issue Closing Date	The date after which the Lead Manager, Syndicate Member, Designated Branches of SCSBs and Registered Brokers will not accept any Application for this Issue, which shall be notified in an English national newspaper, Hindi national newspaper and a regional newspaper each with wide circulation as required under the SEBI (ICDR) Regulations. In this case being May 25, 2017
Issue Opening Date	The date on which the Lead Manager, Syndicate Member, Designated Branches of SCSBs and Registered Brokers shall start accepting Application for this Issue, which shall be the date notified in an English national newspaper, Hindi national newspaper and a regional newspaper each with wide circulation as required under the SEBI (ICDR) Regulations. In this case being May 22, 2017
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	The Price at which the Equity Shares are being issued by our Company under this Prospectus being ₹ 42.00 per equity share.
Issue Proceeds	Proceeds to be raised by our Company through this Issue, for further details please refer chapter titled “ <i>Objects of the Issue</i> ” beginning on page 67 of the Prospectus
Listing Agreement	The Equity Listing Agreement to be signed between our Company and NSE.
LM/Lead Manager	Lead Manager to the Issue, in this case being Hem Securities Limited (HSL).
Lot Size	3000 Equity shares
Market Maker	Member Brokers of NSE who are specifically registered as Market Makers with the NSE Emerge Platform. In our case, Hem Finlease Private Limited is the sole Market Marker
Market Making Agreement	The Market Making Agreement dated May 08, 2017 between our Company, Lead Manager and Market Maker, Hem Finlease Private Limited
Market Maker Reservation Portion	The reserved portion of 1,80,000 Equity Shares of ₹ 10 each at an Issue price of ₹ 42.00 each aggregating to ₹ 75.60 Lakh to be subscribed by Market Maker in this issue.
Mutual Funds	A mutual fund registered with SEBI under the SEBI (Mutual Funds) Regulations, 1996, as amended from time to time
Net Issue	The Issue (excluding the Market Maker Reservation Portion) of 32,64,000 equity Shares of ₹10 each at a price of ₹ 42.00 per Equity Share (the “Issue Price”), including a share premium of ₹ 32.00 per equity share aggregating to ₹ 1370.88 (In lacs).
Net Proceeds	The Issue Proceeds received from the fresh Issue excluding Issue related expenses. For further information on the use of Issue Proceeds and Issue expenses, please refer to the section titled “ <i>Objects of the Issue</i> ” beginning on page 67 of this Prospectus.
Non-Institutional Investors	Investors other than Retail Individual Investors, NRIs and QIBs who apply for the Equity Shares of a value of more than ₹ 2,00,000/-
NSEL/NSE	National Stock Exchange of India Limited
NSE EMERGE	The SME platform of NSE, approved by SEBI as an SME Exchange for listing of equity shares offered under Chapter X-B of the SEBI ICDR Regulations.
Other Investor	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.
Overseas Corporate Body/ OCB	Overseas Corporate Body means and includes an entity defined in clause (xi) of Regulation 2 of the Foreign Exchange Management (Withdrawal of General Permission to Overseas Corporate Bodies (OCB’s) Regulations 2003 and which was in existence on the date of the commencement of these Regulations and immediately prior to such commencement was eligible to undertake transactions pursuant to the general permission granted under the Regulations. OCBs are not allowed to invest in this Issue.
Prospectus	The prospectus, filed with the RoC in accordance with the provisions of Section 32 of the Companies Act, 2013, containing, <i>inter alia</i> , the Issue Price will be determined before filing the Prospectus with RoC
Public Issue Account	Account opened with the Bankers to the Issue to receive monies from the SCSBs from the bank

	account of the Applicant, on the Designated Date.
Qualified Institutional Buyers/ QIBs	A Mutual Fund, Venture Capital Fund and Foreign Venture Capital Investor registered with the SEBI, a foreign institutional investor and sub-account (other than a sub-account which is a foreign corporate or foreign individual), registered with SEBI; a public financial institution as defined in Section 2(72) of the Companies Act, 2013; a scheduled commercial bank; a multilateral and bilateral development financial institution; a state industrial development corporation; an insurance company registered with the Insurance Regulatory and Development Authority; a provident fund with minimum corpus of ₹ 25.00 Crore; a pension fund with minimum corpus of ₹ 25.00 Crore; National Investment Fund set up by resolution No. F. No. 2/3/2005 – DDII dated November 23, 2005 of the Government of India published in the Gazette of India, insurance funds set up and managed by army, navy or air force of the Union of India and insurance funds set up and managed by the Department of Posts, India.
Registrar/ Registrar to the Issue/ RTA/ RTI	Registrar to the Issue being Bigshare Services Private limited.
Registrar to the Company	Registrar to the Company being Adroit Corporate Services Private limited.
Registrar Agreement	The agreement dated March 30, 2017 entered into between our Company, the selling shareholder and the Registrar to the Issue in relation to the responsibilities and obligations of the Registrar to the Issue pertaining to the Issue.
Registered Broker	Individuals or companies registered with SEBI as “Trading Members” (except Syndicate/Sub-Syndicate Members) who hold valid membership of either BSE or NSE having right to trade in stocks listed on Stock Exchanges, through which investors can buy or sell securities listed on stock exchanges, a list of which is available on <a href="http://www.nseindia.com/membership/content/cat_of_mem.htm">http://www.nseindia.com/membership/content/cat_of_mem.htm</a>
Regulations	SEBI (Issue of Capital and Disclosure Requirement) Regulations, 2009 as amended from time to time.
Reserved Category/ Categories	Categories of persons eligible for making application under reservation portion.
Reservation Portion	The portion of the Issue reserved for category of eligible Applicants as provided under the SEBI (ICDR) Regulations, 2009.
Retail Individual Investors	Individual investors (including HUFs, in the name of Karta and Eligible NRIs) who apply for the Equity Shares of a value of not more than ₹ 2,00,000.
Revision Form	The form used by the Applicants to modify the quantity of Equity Shares or the Application Amount in any of their Application Forms or any previous Revision Form(s).
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.
SEBI SAST / SEBI (SAST) Regulations	SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 as amended
SEBI Listing Regulations	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015
Self Certified Syndicate Bank(s) / SCSB(s)	Banks which are registered with SEBI under the Securities and Exchange Board of India (Bankers to an Issue) Regulations, 1994 and offer services of ASBA, including blocking of bank account, a list of which is available <a href="http://www.sebi.gov.in/pmd/scsb.pdf">http://www.sebi.gov.in/pmd/scsb.pdf</a>
SME Exchange	SME Platform of the NSE i.e. NSE EMERGE
SEBI(PFUTP) Regulations /PFUTP Regulations	SEBI (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Markets) Regulations, 2003
Share Escrow Agreement	The Share Escrow Agreement dated May 08, 2017 between our Company, Selling Shareholders, Lead Manager and Escrow Agent
Transaction Registration Slip / TRS	The slip or document issued by the 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	The LM who has underwritten this Issue pursuant to the provisions of the SEBI (ICDR) Regulations and the Securities and Exchange Board of India (Underwriters) Regulations, 1993, as amended from time to time.
Underwriting Agreement	The Agreement dated May 08, 2017 entered between the Underwriters, LM, Selling Shareholders and our Company.
U.S. Securities Act	U.S. Securities Act of 1933, as amended
Venture Capital Fund	Foreign Venture Capital Funds (as defined under the Securities and Exchange Board of India



	(Venture Capital Funds) Regulations, 1996) registered with SEBI under applicable laws in India.
Working Day	Any day, other than Saturdays or Sundays, on which commercial banks in India are open for business, provided however, for the purpose of the time period between the Issue Opening Date and listing of the Equity Shares on the Stock Exchanges, “Working Days” shall mean all trading days excluding Sundays and bank holidays in India in accordance with the SEBI circular no. SEBI/HO/CFD/DIL/CIR/P/2016/26 dated January 21, 2016.

### Technical and Industry Related Terms

Term	Description
API	Active Pharmaceutical Ingredients
BOP	Butyl Ortho Propionate
BOV	Butyl Ortho Valerate
DM	De-Mineralized
CHWTSDF	Common Hazardous waste Treatment, storage and Disposal Facility
FTIR	Fourier Transform Infrared
FDA	Food and Drug Administration
IIT	Indian Institute of Technology
ISO	International Organization for Standardization
HPLC	High-performance liquid chromatography
GC	Gas Chromatography
GLP	Good Laboratory Practices
GSK	Glaxo Smithkline
GMP	Good Manufacturing Practices
GLR	Glass lined Reactor
MSRL	Mild Steel Rubber lining
QA	Quality Assurance
QC	Quality Control
R&D	Research and Development
SSR	Stainless Steel Reactor
SOP	Standard Operating Procedure
SS	Stainless Steel
TRS	Technical Reports Series
Vac.	Vacuum
UV	Ultra Violet
WHO	World Health Organisation

### ABBREVIATIONS

Abbreviation	Full Form
AS / Accounting Standard	Accounting Standards as issued by the Institute of Chartered Accountants of India
A/c	Account
ACA	Associate Chartered Accountant
ACS	Associate Company Secretary
AGM	Annual General Meeting
ASBA	Applications Supported by Blocked Amount
AMT	Amount
AIF	Alternative Investment Funds registered under the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012, as amended.
AY	Assessment Year
AOA	Articles of Association
Approx	Approximately
B. A	Bachelor of Arts

B. Com	Bachelor of Commerce
B. E	Bachelor of Engineering
B. Sc	Bachelor of Science
B. Tech	Bachelor of Technology
Bn	Billion
BG/LC	Bank Guarantee / Letter of Credit
BIFR	Board for Industrial and Financial Reconstruction
BSE	BSE Limited (formerly known as the Bombay Stock Exchange Limited)
BSE SENSEX	Sensex in an index; market indicator of the position of stock that is listed in the BSE
CDSL	Central Depository Services (India) Limited
CAGR	Compounded Annual Growth Rate
CAN	Confirmation of Allocation Note
CA	Chartered Accountant
CB	Controlling Branch
CC	Cash Credit
CIN	Corporate Identification Number
CIT	Commissioner of Income Tax
CS	Company Secretary
CS & CO	Company Secretary & Compliance Officer
CENVAT	Central Value Added Tax
CFO	Chief Financial Officer
CST	Central Sales Tax
CWA/ICWA	Cost and Works Accountant
CMD	Chairman and Managing Director
DIN	Director Identification Number
DIPP	Department of Industrial Policy and Promotion, Ministry of Commerce, Government of India
DP	Depository Participant
DP ID	Depository Participant's Identification Number
EBITDA	Earnings Before Interest, Taxes, Depreciation & Amortization
ECS	Electronic Clearing System
ESIC	Employee's State Insurance Corporation
EPS	Earnings Per Share
EGM /EOGM	Extraordinary General Meeting
ESOP	Employee Stock Option Plan
EXIM/ EXIM Policy	Export – Import Policy
FCNR Account	Foreign Currency Non Resident Account
FIPB	Foreign Investment Promotion Board
FY / Fiscal/Financial Year	Period of twelve months ended March 31 of that particular year, unless otherwise stated
FEMA	Foreign Exchange Management Act, 1999 as amended from time to time, and the regulations framed there under.
FCNR Account	Foreign Currency Non Resident Account
FBT	Fringe Benefit Tax
FDI	Foreign Direct Investment
FIs	Financial Institutions
FIIs	Foreign Institutional Investors (as defined under Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000) registered with SEBI under applicable laws in India
FPIs	“Foreign Portfolio Investor” means a person who satisfies the eligibility criteria prescribed under regulation 4 and has been registered under Chapter II of Securities And Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014, which shall be deemed to be an intermediary in terms of the provisions of the SEBI Act, 1992.
FTA	Foreign Trade Agreement.
FTP	Foreign Trade Policy, 2009
FVCI	Foreign Venture Capital Investors registered with SEBI under the Securities and Exchange Board

	of India (Foreign Venture Capital Investors) Regulations, 2000.
FV	Face Value
GoI/Government	Government of India
GDP	Gross Domestic Product
GAAP	Generally Accepted Accounting Principles of India
GDC&A	Government Diploma In Co-operation And Accountancy Board, Maharashtra State
GST	Goods and Service Tax
GVA	Gross value Added
HNI	High Net Worth Individual
HUF	Hindu Undivided Family
ICAI	The Institute of Chartered Accountants of India
ICWAI	The Institute of Cost Accountants of India
IMF	International Monetary Fund
INR/₹/Rupees	Indian Rupees, the legal currency of the Republic of India
IIP	Index of Industrial Production
IPO	Initial Public Offer
ICSI	The Institute of Company Secretaries of India
IFRS	International Financial Reporting Standards
i.e.	That is
I.T. Act	Income Tax Act, 1961, as amended from time to time
IT Authorities	Income Tax Authorities
IT Rules	Income Tax Rules, 1962, as amended, except as stated otherwise
IRDA	Insurance Regulatory and Development Authority
KMP	Key Managerial Personnel
LM	Lead Manager
Ltd.	Limited
MAT	Minimum Alternate Tax
MoF	Ministry of Finance, Government of India
M-o-M	Month-On-Month
MOU	Memorandum of Understanding
M. A	Master of Arts
M. B. A	Master of Business Administration
M. Com	Master of Commerce
MD	Managing Director
Mn	Million
M. E	Master of Engineering
M. Tech	Masters of Technology
Merchant Banker	Merchant Banker as defined under the Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992
MAPIN	Market Participants and Investors Database
MSMEs	Micro, Small and Medium Enterprises
MoA	Memorandum of Association
NA	Not Applicable
Networth	The aggregate of paid up Share Capital and Share Premium account and Reserves and Surplus(Excluding revaluation reserves) as reduced by aggregate of Miscellaneous Expenditure(to the extent not written off) and debit balance of Profit & Loss Account
NEFT	National Electronic Funds Transfer
NECS	National Electronic Clearing System
NAV	Net Asset Value
NPV	Net Present Value
NRI	Non Resident Indians
NRE Account	Non Resident External Account
NRO Account	Non Resident Ordinary Account
NSE	National Stock Exchange of India Limited

NOC	No Objection Certificate
NSDL	National Securities Depository Limited
OCB	Overseas Corporate Bodies
P.A.	Per Annum
PF	Provident Fund
PG	Post Graduate
PAC	Persons Acting in Concert
P/E Ratio	Price/Earnings Ratio
PAN	Permanent Account Number
PAT	Profit After Tax
PBT	Profit Before Tax
PLI	Postal Life Insurance
POA	Power of Attorney
PSU	Public Sector Undertaking(s)
Pvt.	Private
RBI	The Reserve Bank of India
Registration Act	Registration Act, 1908
ROE	Return on Equity
R&D	Research & Development
RONW	Return on Net Worth
RTGS	Real Time Gross Settlement
SCRA	Securities Contracts (Regulation) Act, 1956, as amended from time to time
SCR	Securities Contracts (Regulation) Rules, 1957, as amended from time to time
SCSB	Self Certified Syndicate Banks
SEBI	Securities and Exchange Board of India
SICA	Sick Industrial Companies (Special Provisions) Act, 1985, as amended from time to time
SME	Small and Medium Enterprises
STT	Securities Transaction Tax
Sec.	Section
SPV	Special Purpose Vehicle
TAN	Tax Deduction Account Number
TRS	Transaction Registration Slip
TIN	Taxpayers Identification Number
US/United States	United States of America
USD/ US\$/ \$	United States Dollar, the official currency of the United States of America
VAT	Value Added Tax
VCF / Venture Capital Fund	Venture Capital Funds (as defined under the Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996) registered with SEBI under applicable laws in India.
WDV	Written Down Value
WTD	Whole Time Director
w.e.f.	With effect from
YoY	Year over Year

The words and expressions used but not defined in this Prospectus will have the same meaning as assigned to such terms under the Companies Act, the Securities and Exchange Board of India Act, 1992 (the “SEBI Act”), the SCRA, the Depositories Act and the rules and regulations made thereunder.

Notwithstanding the foregoing, terms in “*Main Provisions of the Articles of Association*”, “*Statement of Tax Benefits*”, “*Industry Overview*”, “*Key Industry Regulations and Policies*”, “*Financial Information of the Company*”, “*Outstanding Litigation and Material Developments*” and “*Part B*” of “*Issue Procedure*”, will have the meaning ascribed to such terms in these respective sections.

## **CERTAIN CONVENTIONS, USE OF FINANCIAL INFORMATION AND MARKET DATA AND CURRENCY OF FINANCIAL PRESENTATION**

### **Certain Conventions**

All references in the Prospectus to “India” are to the Republic of India. All references in the Prospectus to the “U.S.”, “USA” or “United States” are to the United States of America.

In this Prospectus, the terms “we”, “us”, “our”, the “Company”, “our Company”, “Vadivarhe Speciality Chemicals Limited”, and “VSCL”, and, unless the context otherwise indicates or implies, refers to Vadivarhe Speciality Chemicals Limited. In this Prospectus, unless the context otherwise requires, all references to one gender also refers to another gender and the word “Lac / Lakh” means “one hundred thousand”, the word “million (mn)” means “Ten Lac / Lakh”, the word “Crore” means “ten million” and the word “billion (bn)” means “one hundred crore”. In this Prospectus, any discrepancies in any table between total and the sum of the amounts listed are due to rounding-off.

### **Use of Financial Data**

Unless stated otherwise, throughout this Prospectus, all figures have been expressed in Rupees and Lakh. Unless stated otherwise, the financial data in the Prospectus is derived from our financial statements prepared and restated for the financial year ended 31<sup>st</sup> March 2017, 2016, 2015, 2014 & 2013 in accordance with Indian GAAP, the Companies Act and SEBI (ICDR) Regulations, 2009 included under Section titled “*Financial Information of the Company*” beginning on page 135 of this Prospectus. Our Company does not have a subsidiary. Accordingly, financial information relating to us is presented on Standalone basis. Our fiscal year commences on April 1 of every year and ends on March 31st of every next year.

There are significant differences between Indian GAAP, the International Financial Reporting Standards (“IFRS”) and the Generally Accepted Accounting Principles in the United States of America (“U.S. GAAP”). Accordingly, the degree to which the Indian GAAP financial statements included in this Prospectus will provide meaningful information is entirely dependent on the reader’s level of familiarity with Indian accounting practice and Indian GAAP. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in this 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.

Any percentage amounts, as set forth in “*Risk Factors*”, “*Our Business*”, “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” and elsewhere in the Prospectus unless otherwise indicated, have been calculated on the basis of the Company’s restated financial statements prepared in accordance with the applicable provisions of the Companies Act, Indian GAAP and restated in accordance with SEBI (ICDR) Regulations, as stated in the report of our Peer Review Auditor, set out in section titled “*Financial Information of the Company*” beginning on page 135 of this Prospectus.

For additional definitions used in this Prospectus, see the section “*Definitions and Abbreviations*” on page 1 of this Prospectus. In the section titled “*Main Provisions of Articles of Association*”, on page 263 of the Prospectus defined terms have the meaning given to such terms in the Articles of Association of our Company.

### **Use of Industry & Market Data**

Unless stated otherwise, industry and market data and forecast used throughout the prospectus was obtained from internal Company reports, data, websites, Industry publications report as well as Government Publications. Industry publication data and website data generally state that the information contained therein has been obtained from sources believed to be reliable, but that their accuracy and completeness and underlying assumptions are not guaranteed and their reliability cannot be assured.

Although, we believe industry and market data used in the Prospectus is reliable, it has not been independently verified by us or the LM or any of their affiliates or advisors. Similarly, internal Company reports and data, while believed by us to be reliable, have not been verified by any independent source. 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 market and industry sources.

In accordance with the SEBI (ICDR) Regulations, the section titled “*Basis for Issue Price*” on page 74 of the Prospectus includes information relating to our peer group companies. Such information has been derived from publicly available sources, and neither we, nor the LM, have independently verified such information.

### Currency of Financial Presentation

All references to “Rupees” or “INR” or “₹” are to Indian Rupees, the official currency of the Republic of India. Except where specified, including in the section titled “*Industry Overview*” throughout the Prospectus all figures have been expressed in thousands, Lakhs/Lacs, Million and Crore.

Any percentage amounts, as set forth in “*Risk Factors*”, “*Our Business*”, “*Management's Discussion and Analysis of Financial Conditions and Results of Operation*” on page 14, 85 and 172 in the Prospectus, unless otherwise indicated, have been calculated based on our restated respectively financial statement prepared in accordance with Indian GAAP.

The Prospectus contains conversion of certain US Dollar and other currency amounts into Indian Rupees that have been presented solely to comply with the requirements of the SEBI (ICDR) Regulations. These conversions should not be construed as a representation that those US Dollar or other currency amounts could have been, or can be converted into Indian Rupees, at any particular rate.

## **FORWARD LOOKING STATEMENTS**

This Prospectus includes certain “forward-looking statements”. We have included statements in the Prospectus which contain words or phrases such as “will”, “aim”, “is likely to result”, “believe”, “expect”, “will continue”, “anticipate”, “estimate”, “intend”, “plan”, “contemplate”, “seek to”, “future”, “objective”, “goal”, “project”, “should”, “will pursue” and similar expressions or variations of such expressions, that are “forward-looking statements”. Also, statements which describe our strategies, objectives, plans or goals are also forward looking statements.

All forward looking statements are subject to risks, uncertainties and assumptions about us that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement. Forward-looking statements reflect our current views with respect to future events and are not a guarantee of future performance. These statements are based on our management’s beliefs and assumptions, which in turn are based on currently available information. Although we believe the assumptions upon which these forward-looking statements are based are reasonable, any of these assumptions could prove to be inaccurate, and the forward-looking statements based on these assumptions could be incorrect. Important factors that could cause actual results to differ materially from our expectations include but are not limited to:

1. Disruption in our Active Pharmaceutical ingredients, specialty chemical or related intermediaries business.
2. Failure to comply with regulations prescribed by authorities of the jurisdictions in which we operate;
3. Inability to successfully obtain registrations in a timely manner or at all;
4. General economic and business conditions in the markets in which we operate and in the local, regional and national economies;
5. Our ability to effectively manage a variety of business, legal, regulatory, economic, social and political risks associated with our operations;
6. Disruption in supply of Raw Materials at our manufacturing facilities;
7. Recession in the market;
8. Changes in laws and regulations relating to the industries in which we operate;
9. Effect of lack of infrastructure facilities on our business;
10. Occurrence of Environmental Problems & Uninsured Losses;
11. Our ability to successfully implement our growth strategy and expansion plans;
12. Our ability to meet our capital expenditure requirements;
13. Our ability to attract, retain and manage qualified personnel;
14. Failure to adapt to the changing technology in our industry of operation may adversely affect our business and financial condition;
15. Failure to obtain any approvals, licenses, registrations and permits in a timely manner;
16. The timely completion of the Company’s projects;
17. Changes in political and social conditions in India or in countries that we may enter, the monetary and interest rate policies of India and other countries, inflation, deflation, unanticipated turbulence in interest rates, equity prices or other rates or prices;
18. Occurrence of natural disasters or calamities affecting the areas in which we have operations;
19. Conflicts of interest with affiliated companies, the promoter group and other related parties;
20. The performance of the financial markets in India and globally;
21. Any adverse outcome in the legal proceedings in which we are involved;
22. Our ability to expand our geographical area of operation;
23. Concentration of ownership among our Promoters.

For further discussion of factors that could cause our actual results to differ, see the Section titled “**Risk Factors**”; “**Our Business**” & and “**Management’s Discussion and Analysis of Financial Condition and Results of Operations**” beginning on page 14, 85 and 172 respectively of the Prospectus. By their nature, certain market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual future gains or losses could materially differ from those that have been estimated.

Neither our Company, our Directors, Selling Shareholders, our Officers, Lead Manager and Underwriter nor any of their respective affiliates have any obligation to update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition. In accordance with SEBI requirements, our Company, Selling Shareholder and the Lead Manager will ensure that investors in India are informed of material developments until such time as the grant of listing and trading permission by the Stock Exchange for the Equity Shares allotted pursuant to this Issue.

## SECTION II: RISK FACTORS

An investment in our Equity Shares involves a high degree of financial risk. Prospective investors should carefully consider all the information in the Prospectus, particularly the “**Financial Information of the Company**” and the related notes, “**Our Business**” and “**Management’s Discussion and Analysis of Financial Condition and Results of Operations**” on page 135, 85 & 172 respectively of this Prospectus and the risks and uncertainties described below, before making a decision to invest in our Equity Shares.

The risk factors set forth below are not exhaustive and do not purport to be complete or comprehensive in terms of all the risk factors that may arise in connection with our business or any decision to purchase, own or dispose of the Equity Shares. This section addresses general risks associated with the industry in which we operate and specific risks associated with our Company. Any of the following risks, individually or together, could adversely affect our business, financial condition, results of operations or prospects, which could result in a decline in the value of our Equity Shares and the loss of all or part of your investment in our Equity Shares. While we have described the risks and uncertainties that our management believes are material, these risks and uncertainties may not be the only risks and uncertainties we face. Additional risks and uncertainties, including those we currently are not aware of or deem immaterial, may also have an adverse effect on our business, results of operations, financial condition and prospects.

This Prospectus contains forward-looking statements that involve risks and uncertainties. Our actual results could differ materially from those anticipated in these forward-looking statements as a result of certain factors, including the considerations described below and elsewhere in this Prospectus. The financial and other related implications of risks concerned, wherever quantifiable, have been disclosed in the risk factors below. However, there are risk factors the potential effects of which are not quantifiable and therefore no quantification has been provided with respect to such risk factors. In making an investment decision, prospective investors must rely on their own examination of our Company and the terms of the Issue, including the merits and the risks involved. You should not invest in this Issue unless you are prepared to accept the risk of losing all or part of your investment, and you should consult your tax, financial and legal advisors about the particular consequences to you of an investment in our Equity Shares.

### 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 found material collectively.
2. Some events may have material impact qualitatively instead of quantitatively.
3. Some events may not be material at present but may be having material impact in future.

### **Note:**

The risk factors as envisaged by the management along with the proposals to address the risk if any. Unless specified or quantified in the relevant risk factors below, we are not in a position to quantify the financial implication of any of the risks described in this section.

In this Prospectus, any discrepancies in any table between total and the sums of the amount listed are due to rounding off. Any percentage amounts, as set forth in “**Risk Factors**” on page 14 and “**Management Discussion and Analysis of Financial Condition and Results of Operations**” on page 172 of this Prospectus unless otherwise indicated, has been calculated on the basis of the amount disclosed in the “Audited Financial Statements, as restated” prepared in accordance with the Indian Accounting Standards

1. **There are certain outstanding legal proceedings involving our Company, Group Company, Promoter and Directors. Any failure to defend these proceedings successfully may have an adverse effect on our business prospects, financial condition, result of ongoing operations and reputation.**

Our Company, Group Company, its Promoter and Directors are involved in certain legal proceedings, which if determined, against us could have adverse impact on the business and financial results of our Company. For details kindly refer chapter titled “**Outstanding Litigation and Material Developments**” at page 185 of this Prospectus. A brief detail of such outstanding litigations as on the date of this Prospectus are as follows:

### **Matters involving Our Company:-**



Nature of Cases	No. of Outstanding Cases	Amount Involved (in ₹ Lacs)*
Labour Law case	1	Not ascertainable
Consumer complaint filed by Company	1	19.64

**Matters involving Our Group Company:-**

Nature of Cases	No of Outstanding Cases	Amount involved (in ₹ Lacs)*
Consumer Complaint	2	Not ascertainable

**Matters involving Our Promoter:-**

Nature of Cases	No of Outstanding Cases	Amount involved (in ₹ Lacs)*
Direct Tax laws	5	348.83

\*Amount mention to the extent quantifiable. The amounts may be subject to additional interest/other charges being levied by the concerned authorities which is unascertainable as on the date of this Prospectus

Any developments in the proceedings, against us, our Group Company & our Promoter may constrain us to make provisions in our financial statements which may have an adverse impact on our business, goodwill, result of operations and financial condition.

2. ***Our Company operates under several statutory and regulatory permits, licenses and approvals. Our inability to obtain, renew or maintain the statutory and regulatory licenses, permits and approvals required to operate our business may have an adverse effect on our business & operations.***

We require certain statutory and regulatory permits, licenses and approvals to operate our business. We believe that we have taken all requisite permissions to operate our manufacturing facility. However, we are in the process of obtaining approval for expansion of the Bulk Drug and intermediaries from the Ministry of Environment, Forest and Climate Change but we are still waiting for the said approval. Except as stated above, we believe that we have obtained all the requisite permits and licenses which are adequate to run our business. However there is no assurance that there are no other statutory/regulatory requirements which we are required to comply with.

Further, some of these approvals are granted for fixed periods of time and need renewal from time to time. We are required to renew such permits, licenses and approvals. Further, certain licenses and registrations obtained by our Company contain certain terms and conditions, which are required to be complied by us. Any default by our Company in complying with the same, may result in interalia the cancellation of such licenses, consents, authorizations and/or registrations, which may adversely affect our operations. There can be no assurance that the relevant authorities will issue or renew any of such permits or approvals in time or at all. Failure to renew, maintain or obtain the required permits or approvals in time may result in the interruption of our operations and may have a material adverse effect on our business.

For further details, please refer to section titled “**Government and Other Approvals**” beginning on page 190 of the Prospectus

3. ***We are engaged in manufacturing of API’s and related products which is highly regulated and controlled industry. Any change in regulatory environment may have an impact on the business of the Company.***

We are engaged in manufacturing of API’s and related products which is highly regulated and controlled. We are subject to extensive regulations pertaining to research, testing, manufacturing, quality standards, documentation of the manufacturing process, quality checks etc. The Company keeps itself updated for various developments relating to the regulatory environment and gears itself in order to comply with such regulatory changes, application and the renewal of regulatory approvals. However, in case the Company is unable to adapt itself to such regulatory changes, obtain the necessary approvals/renewals for all our products the business of the Company may be impacted adversely.

4. ***Quality of product is very important in our industry and the success of our company is dependent on the quality of our product and any failure to maintain the quality of our products may have an adverse affect our reputation and business.***

We believe that our success is dependent on our quality of our product. Our quality control department ensures quality control at every stage of production, packaging and dispatch. We are also required to follow the proper control during our manufacturing process. We believe that we have built strong relationships with our customers due to the quality of our products which has

translated into operational growth. We are subjected to inspection of the manufacturing process and product from various agencies. In the event we are unable to maintain our quality, for any reason whatsoever, our business, reputation and results of operations would be adversely affected.

**5. Our revenue are dependent on the service charges received from Enaltec Labs Pvt. Ltd. Loss of business or breach of any terms of the agreement with Enaltec Labs Pvt. Ltd. may have an adverse effect on our revenue and profitability.**

Our company has entered into an agreement with Enaltec Labs Pvt Ltd dated December 03, 2012 to manufacture API products for them for a period of 10 years based on the material and specification provided by them. As per the terms of the agreement our company will also not manufacture or market the products manufactured by Enaltec Labs Pvt. Limited under the name of VSCL during the continuance of the agreement. During the period ended March 2017, March 2016 & March 2015 the Service revenue from the said agreement was 41.32%, 50.64 % and 75.53 % of the total revenue. The company is taking all necessary steps to increase its revenue from other sources and reduce the dependency on the said arrangement however any breach of the terms of condition of the said agreement by any of the parties may lead to termination of the agreement and loss of customer which may adversely affect our revenues and profitability.

**6. Our company has not complied with some statutory provisions of the Companies Act. Such non-compliance may attract penalties against our company.**

Our Company have not complied with certain statutory provisions under the Companies Act in the past, for instance the number of members in the past have fall below the statutory minimum as required for a public limited company. However, as on date there is no such non-compliance pending against the company.

Additionally our Company have not complied with some Accounting Standard in the past for instance, Accounting Standards 3. However, now the Company has made necessary compliance in accordance with the Accounting Standards in the re-stated financial statements of the Company. For further details on the same please refer section **“Financial Information of the Company”** beginning on page 135 of this Prospectus.

Also, Our Company has made some clerical mistakes in the form filed with Registrar of Companies for instance filing of form related to the creation and modification of charge and in some cases where forms have been filed belatedly such as delay in filing of the statutory report. Further, there are some cases where forms have not been filed such as appointment of Managing Director/Whole time Director/Manager and fixation of managerial remuneration and filing of form u/s 293 of the Companies act 1956. These mistakes occurred due to absence of professional guidance on the matter and we did not follow the prescribed procedures as laid down under the relevant sections of Companies Act. Although upon discovery of the aforesaid fact our company has made the necessary compliance under the Companies Act as on date. In case of any cognizance being taken we may be subjected to penalty in respect of them. Although no show cause notice have been issued against the Company till date in respect of above, but in case of any such event we may be subjected to penal actions from the concerned authorities for the same.

**7. Any fluctuations in prices of raw materials or shortage in supply of raw material for manufacturing our products, could adversely impact our business.**

Our Company is dependent mainly on the various raw materials and packaging materials required for the manufacturing of our products. Thus, we are exposed to risk of upward fluctuations in the prices of various raw materials and packing materials and their availability. Also, we have not entered into any supply agreements with our suppliers and all raw materials are bought by our Company from various suppliers on order to order basis. Any upward fluctuation in the prices of the major raw materials or shortage in supply of any major raw material would result in increase of cost of production which may adversely impact the business and profitability of the Company. Further, with a view to reduce the cost of production and insulate from future rise in prices or mitigate the risk of shortage of raw material, the Company has always been innovative in sourcing of raw materials and packaging materials, and will continue to maintain this approach. In case we are not able to pass on any such increase to the consumers because of competition or otherwise, it may affect the profitability of the Company.

**8. Our business is substantially dependent on our key clients from whom we derive a significant portion of our revenues. The loss of any significant clients may have a material and adverse effect on our business and results of operations.**

We derive a significant portion of our revenues from a limited number of clients. For the year ended on March 31, 2017 our top five clients cumulatively accounted for more than 90% of our revenue from operations. In the event any one or more customers cease to continue doing business with us, our business may be adversely affected. The loss of such clients may be caused mainly because of competition. There may be factors other than our performance, which may not be predictable, which could cause loss of clients.

Further, any significant reduction in demand for our products from our key clients, any requirement to lower the price offered by these clients, or any loss or financial difficulties caused to these clients, change in relationship with the clients could have a material adverse effect on our business, result of operations, financial conditions and cash flow.

While we are constantly striving to increase our customer base and reduce dependence on any particular customer, there is no assurance that we will be able to broaden our customer base in any future periods, or that our business or results of operations will not be adversely affected by a reduction in demand or cessation of our relationship with any of our major customers.

**9. Our Statutory Auditors have provided qualification in the annexure to the audit report for non availability of internal audit system for the year ended March 31, 2012, March 31, 2013 and March 31, 2014.**


Our Statutory Auditors M/s S.R. Rahalkar & Associates, Chartered Accountants, have provided qualification in the annexure to the audit report (Companies (Auditor's Report) Order) on our financial statements for the year ended March 31, 2012, March 31, 2013 & March 31, 2014 as mentioned below:

“In our opinion the company has no internal audit system in commensurate with the size and nature of the business”.  
 The financial impact of the said qualifications is not quantifiable.

**10. Any change in the technology may render our current technologies obsolete or require us to make substantial capital investment to cope with the market.**

Technology upgradation is a regular process and it is also essential for providing the desired quality to the customers. We are taking all the possible steps to keep our manufacturing facilities in line with the latest technology. However any further upgradation in the technology may render our current technology obsolete and require us to upgrade the existing technology or implement new technology. Further implementing new technology may require us to incur huge capital expenditure which could affect our cash flows and result of operations.

**11. Our Company has not yet applied for the registration of the logo with the registrar of Trademarks.**

Currently we are using logo i.e.  which has not yet been applied by the company for registration with the registrar of Trademarks. Any failure to get the same registered in our name may cause any third-party claim and may lead to litigation and our business operations could be affected. Even if our trademarks are registered, we may not be able to detect any unauthorized use or infringement or take appropriate and timely steps to enforce or protect our intellectual property, nor can we provide any assurance that any unauthorized use or infringement will not cause damage to our business prospects.

For further details of our pending approvals, please see section Intellectual Property under chapter “Government and Other Approvals” beginning on page 190 of this Prospectus.

**12. We have incurred substantial indebtedness which exposes us to various risks which may have an adverse effect on our business and results of operations**

Our ability to borrow and the terms of our borrowings will depend on our financial condition, the stability of our cash flows, general market conditions, economic and political conditions in the markets where we operate and our capacity to service debt. As on March 31, 2017, our total outstanding indebtedness was ₹ 1278.59 Lakhs.

Our significant indebtedness results in substantial amount of debt service obligations which could lead to:

- increasing our vulnerability to general adverse economic, industry and competitive conditions;
- limiting our flexibility in planning for, or reacting to, changes in our business and the industry;
- affecting our credit rating;
- limiting our ability to borrow more money both now and in the future; and
- increasing our interest expenditure and adversely affecting our profitability.

If the loans are recalled on a short notice, we may be required to arrange for funds to fulfil the necessary requirements. The occurrence of these events may have an adverse effect on our cash flow and financial conditions of the company. For further details regarding our indebtedness, see “Statement of Financial Indebtedness” on page 169 of this Prospectus.

**13. Our Company has posted negative profits in the past.**

Our Company has in the past incurred losses. Although we have made profits in the years ended on 31 March 2017, March 31, 2016 and March 31, 2015 but there can be no assurance that we will be able to maintain the profitability in future. The details are as mentioned below:

(In ₹ Lakhs)

Particulars	March 31, 2017	March 31, 2016	March 31, 2015	March 31, 2014	March 31, 2013
Profit after Tax	578.81	337.85	397.65	7.30	(339.06)

For further details, please see the chapter titled “*Financial Information of Our Company*” on page 135 of this prospectus

**14. Our net cash flows from operating, investing and financing activities have been negative in some years in the past. Any negative cash flow in the future may affect our liquidity and financial condition.**

Our cash flow from our operating, investing and financing activities have been negative in the past. Following are the details of our cash flow position during the last five financial years based on standalone restated financial statements are:-

Particulars	For the year ended (in ₹ Lakhs)				
	31.03.2017	31.03.2016	31.03.2015	31.03.2014	31.03.2013
Net cash flow from Operating activities	567.00	363.54	526.53	657.96	(280.40)
Net cash flow from Investing activities	(361.83)	(64.14)	(18.34)	(17.37)	(104.99)
Net cash flow from Financing activities	(241.97)	(388.50)	(401.14)	(618.68)	387.30

For details, please see the chapter titled “*Financial Information of Our Company*” on page 135 of this prospectus. Any negative cash flows in the future could adversely affect our results of operations and consequently our revenues, profitability and growth plans.

**15. Excessive dependence on Axis Bank Limited for obtaining financial facilities.**

Most of our fund based and non fund base financial assistance has been sanctioned by Axis Bank limited. We have been sanctioned the financial assistance on the security of assets and personal guarantee of our Promoter and Promoter Group member. Any default under such arrangement or non renewal or renewal of the sanction on adverse term with such lender may result into difficulty in arranging of funds for re-payment and may also adversely affect our operations and financials.

Also we have provided the collateral security of our registered office and factory for the above loan taken from Axis Bank Limited. Any impairment in the right to use the above property may require us to arrange for the additional security or arranging the funds for the pre-payment which may adversely affect the financial position of our Company.

For further details on the Cash Credit Limits and other banking facilities, please see “*Statement of Financial Indebtedness*” on page 169 of the Prospectus.

**16. Our Company is subject to risk resulting from foreign exchange rate fluctuations, which could adversely affect our results of operations.**

During Financial Year 2017, 2016 and Financial Year 2015, our export sales contributed approximately ₹ 1714.31 lakhs, ₹ 875.63 lakhs & ₹ 150.00 lakhs, constituting 48.94%, 33.29%, and 7.88%, respectively, of our total revenue, as per the Restated financial statements. Any change in currency exchange rates influence our Company’s results of operations. Some of our expenses are also denominated in currencies other than Indian Rupees. In addition, depreciation of the Indian Rupee against the other foreign currencies may adversely affect our results of operations by increasing the cost of financing. Any adverse fluctuations in the value of the Indian Rupee against the relevant foreign currencies could affect our result of operation and financials.

**17. Dependence upon transportation services for supply and transportation of our products are subject to various uncertainties and risks, and delays in delivery may result in rejection of products by customer.**

We depend on transportation services to deliver our products. We rely on third parties to provide such services. Disruptions of transportation services because of weather related problems, strikes, lock-outs, inadequacies in road infrastructure or other events could impair our procurement of raw materials and our ability to supply our products to our customers There is no assurance that

such disruptions will not occur in the future. Any such disruptions could materially adversely affect our business, financial condition and results of operations.

**18. We have not identified any alternate source of raising the working capital and the deployment of funds is entirely at our discretion and as per the details mentioned in the section titled “Objects of the Issue”.**

Our Company has not identified any alternate source of funding for our working capital requirement and hence any failure or delay on our part to mobilize the required resources or any shortfall in the Issue proceeds can adversely affect our growth plan and profitability. The delay/shortfall in receiving these proceeds could result in inadequacy of working capital or may result in borrowing funds on unfavorable terms, both of which scenarios may affect the business operation and financial performance of the company. Further the deployment of the funds raised in the issue will be entirely at the discretion of the management and any revision in the estimates may require us to reschedule our projected expenditure and may have a bearing on our expected revenues and earnings.

For further details of our working capital requirement, Please refer chapter titled “*Object for the Issue*” beginning on page 67 of this Prospectus.

**19. We do not own the premises of our corporate office and Guest House used by our Company.**

Our Corporate office situated at 1<sup>st</sup> Floor, K.K. Chambers Sir P.T. Road Fort, Mumbai – 400001, Maharashtra, India, has been taken on rent without consideration vide No objection letter dated March 27, 2017 from the promoter of our company. Further, the guest house situated at Flat/Room No. 7, Serena Park Apartment, S. No. 42 Canal Road, Anandwadi, Nashik -422003 has been taken on rent vide leave and License agreement dated April 01, 2017. As per the lease agreements, any breach of the terms / non renewal of the license agreement may require us to vacate the said premises which may cause disruption in our corporate affairs and business and impede our effective operations and thus adversely affect our profitability. For more information, please refer to chapter “*Our Business*” on page 85 of this Prospectus.

Further, we also share the corporate office of our company with our Group Company but there is no sharing agreement between our Company and our group company nor there is any demarcation of the premises and facilities installed therein for use. Any multiple or overlapping use of the said facilities may create some disruption which may affect our business operation.

**20. Any delay in production at, or shutdown of, any of our manufacturing facilities, could adversely affect our business, results of operations and financial condition.**

The success of our manufacturing activities depends on, among others, the productivity of our workforce, compliance with regulatory requirements and the continued functioning of our manufacturing processes and machinery. Disruptions in our manufacturing activities could delay production or require us to shut down the affected manufacturing facility, which could adversely affect our finance and operations. Further our manufacturing facility is located in Igatputi, Nashik any disruption in the location where our manufacturing facility is situated may also have an adverse impact on our operations.

**21. Relevant copies of educational qualifications of some of our Director are not traceable.**

Relevant copies of the educational qualifications of Mrs. Meena Sunil Pophale are not traceable. In accordance with the disclosure requirements brief biographies of the Directors are disclosed in the section entitled “*Our Management*” on page 112 of this Prospectus. However, we have relied on affidavits provided by such Director.

**22. Our Contingent Liability and Commitments could affect our financial position.**

As on March 31<sup>st</sup>, 2017 we had Contingent Liability of ₹ 6.97 Lakhs which has not been provided in our financial statements and which could affect our financial position. Details of Contingent Liabilities and commitments are as follows:-

Particulars	Amount (in ₹ Lakhs)
<b>Contingent Liabilities:</b>	
Bank Guarantee issued to Maharashtra Pollution Control Board	5.00
Commitments ( not provided for)	1.97
<b>TOTAL</b>	<b>6.97</b>

For further details on the same please refer “Annexure S” under section “Financial Information of the Company” beginning on page 167 of Prospectus.

**23. Our Company is vulnerable to risk of environmental clearance from regulatory authority which may have an effect on our results of operations.**

Our business is operated from our factory situated at Igatpuri Nashik which is exposed to risk of environmental clearance from regulatory authority as our company is engaged in manufacturing of chemicals products which are hazardous products and if any of regulatory authority impose any penalty and take any action against us will impact our operation. In addition any harm to our labour and our employees in factories will affect our manufacturing process and overall affect the operation of our Company. For further details of our business and employees, please refer to chapter titled “Our Business” beginning on Page 85 of this Prospectus.

**24. Failure to effectively manage labour or failure to ensure availability of sufficient labour could affect the business operations of the Company.**

Our business activities are dependent on availability of skilled and unskilled labour. Non-availability of labour at any time or any disputes with them may affect our production schedule and timely delivery of our products to customers which may adversely affect our business and result of operations. However we have entered into a contract for supply of labour as per the requirements of the business but there is no certainty that the contractor will be able to supply the requisite amount of manpower whenever required. Though we have not faced any labour problem in the past we cannot assure that we will not experience disruptions to 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 adverse effect on our business, and results of operations.

**25. Our Company had entered into various transactions with our Promoter, Promoter Group, Directors and Group Company.**

Our Company had entered into various transactions with our Promoter, Promoter Group, Group Company & Directors. We believe that all such transactions have been conducted on arm’s length basis; however, there can be no assurance that we could not have obtained better and more favourable terms than from transaction with related Parties. Our Company may continue to enter into such transactions in future also and we cannot assure that in such an event there would be no adverse effect on results of our operations although going forward, all related party transactions that we may enter will be subject to board or shareholder approval, as under the Companies Act, 2013 and the Listing Regulations. For details please refer to Annexure R on Related Party Transactions of the Auditor’s Report under Section titled “Financial Information of the Company” beginning on page 165 of the Prospectus.

**26. Being a part of the chemical and pharmaceutical industry our revenue are largely dependent upon the growth and expansion of the chemical and pharmaceutical industry.**

Our financial performance depends significantly on the stability of the chemical and Pharmaceutical industry, as well as general economic conditions, including changes in gross domestic product. Adverse conditions in or uncertainty about these markets, or the economy could adversely impact our customers’ confidence or financial condition. Other factors beyond our control, including the availability of raw material, machines required for production, prices, the state of the credit markets, including mortgages, loans and consumer credit and other conditions beyond our control, could further adversely affect demand for our products and services, our costs of doing business and our financial performance.

**27. Loans availed by our Company have been secured on personal guarantees of our Promoter and Promoter Group member. Our business, financial condition, results of operations, cash flows and prospects may be adversely affected in case of invocation of any personal guarantees or securities of the collateral provided by our Promoter and Promoter Group members.**

Our Promoter and Promoter Group Member has provided personal guarantees to secure a significant portion of our existing borrowings taken from SIDBI and Axis Bank Limited, and may continue to provide such guarantees and other security post listing. In case of a default under our loan agreements, any of the personal guarantees provided by our Promoter and Promoter Group Member may be invoked which could negatively impact the reputation and network of our Promoter. Also, we may face certain impediments in taking decisions in relation to our Company, which in turn would result in a material adverse effect on our financial condition, business, results of operations and prospects and would negatively impact our reputation. In addition, our Promoter and Promoter Group Member may be required to liquidate his shareholding in our Company to settle the claims of the lenders, thereby diluting his shareholding in our Company. We may also not be successful in procuring alternate guarantees/ alternate security satisfactory to the lenders, as a result may need to repay outstanding amounts under such facilities or seek additional sources of

capital, which could affect our financial condition and cash flows. For further details regarding loans availed by our Company, please refer “*Statement of Financial Indebtedness*” on page 169 of this Prospectus.

**28. Our Company has during the preceding one year from the date of the Prospectus have allotted Equity Shares at a price which may be lower than the Issue Price.**

In the last 12 months, we have made allotments of Equity Shares to the promoters and their relatives details of which are as follows:-

- Bonus issue in the ratio of 3:2 dated February 27, 2017 issued 72,56,250 Equity shares face value ₹10/- per Equity Share for consideration other than cash.

The Equity Shares allotted to investors pursuant to this Issue may be priced significantly higher due to various reasons including better performance by the Company, better economic conditions and passage of time. For Further details of equity shares issued, please refer to the chapter titled “*Capital Structure*” and “*Basis for Issue Price*” beginning on page 49 & 74 of this Prospectus.

**29. The Company has not made any provision for decline or revalued in value of Investment of the Company.**

Our Company has made investment in Shares, the total value of the investment as on March 31, 2017 stood at ₹ 5.10 Lacs. We have not made any provision for this Increase or decrease in the value of investments, if provision is made in future on account of permanent decrease in value of these investments, our profits would reduce to the extent of such provision. This may have an adverse impact on our results of operations and financial conditions.

**30. We are heavily dependent on our Promoters and Key Managerial Personnel for the continued success of our business through their continuing services and strategic guidance and support.**

Our success heavily depends upon the continued services of our Key managerial personnel, along with support of our Promoter. We also depend significantly on our Key Managerial Persons for executing our day to day activities. The loss of any of our Promoter and Key Management Personnel, or failure to recruit suitable or comparable replacements, could have an adverse effect on us. The loss of service of the Promoters and other senior management could seriously impair the ability to continue to manage and expand the business efficiently. If we are unable to retain qualified employees at a reasonable cost, we may be unable to execute our growth strategy. For further details of our Directors and key managerial personnel, please refer to Section “*Our Management*” on page 112 of this Prospectus.

**31. Our Group Company have incurred losses in past and any operating losses in the future could adversely affect the results of operations and financial conditions of our group company.**

The details of profit and loss of our Group Company in past years are as follows:-

Name of the Group Company	Profit/ (Loss) for the year ended (Amount in Lacs)		
	31 <sup>st</sup> March 2016	31 <sup>st</sup> March 2015	31 <sup>st</sup> March 2014
Reelabs Private Limited	(225.22)	(509.77)	(395.35)

Further, our Group Company has a negative networth of ₹ 1339.87 as on March 31<sup>st</sup> 2016. Any operating losses could adversely affect the overall operations of the group and financial conditions and also divert the attention of the management and promoter towards the group company which could have an adverse affect on our operations and financials. For more information, regarding the Company, please refer chapter titled “*Our Group Company*” beginning on page 131 of this Prospectus.

**32. We are subject to the restrictive covenants of banks in respect of the Loans/ Credit Limits and other banking facilities availed from them.**

Our financing arrangements contain restrictive covenants whereby we are required to obtain approval from our lender, regarding, among other things such as major changes in share capital, changes in fixed assets, creation of any other charge, undertake any guarantee obligation etc. There can be no assurance that such consents will be granted or that we will be able to comply with the financial covenants under our financing arrangements. In the event we breach any financial or other covenants contained in any of our financing arrangements, we may be required under the terms of such financing arrangements to immediately repay our

borrowings either in whole or in part, together with any related costs. This may adversely impact our results of operations and cash flows.

For further details on the Cash Credit Limits and other banking facilities, please see “*Statement of Financial Indebtedness*” on page 169 of the Prospectus.

**33. *Our operations are subject to high working capital requirements. Our inability to maintain an optimal level of working capital required for our business may impact our operations adversely.***

Our business requires significant amount of working capital and major portion of our working capital is utilized towards debtors, inventories and cash and cash equivalents. We have been sanctioned working capital of ₹ 500 lakhs from Axis Bank Limited. Our growing scale and expansion, if any, may result in increase in the quantum of current assets. Our inability to maintain sufficient cash flow, credit facility and other sourcing of funding, in a timely manner, or at all, to meet the requirement of working capital or pay out debts, could adversely affect our financial condition and result of our operations. Further, we have high outstanding amount due from our debtors which may result in a high risk in case of non-payment by these debtors. In case of any such defaults from our debtors, may affect our business operations and financials.

For further details regarding working capital requirement, please refer to the section “*Objects of the Issue*” on page 67 of this Prospectus.

**34. *We appoint contract labour for carrying out certain operations and we may be held responsible for paying the wages of such workers, if the independent contractors through whom such workers are hired default on their obligations, and such obligations could have an effect on our results of operations and financial condition.***

In order to retain flexibility and control costs, our Company appoints independent contractors who in turn engage contract labour for performance of certain of our operations at our manufacturing facility. Although our Company does not engage these labourers directly, we may be held responsible for any wage payments to be made to such labourers in the event of default by such independent contractors. Any requirement to fund their wage requirements may have an impact on our results of operations and financial condition. Additionally, non adherence of any regulatory compliance under the Contract Labour (Regulation and Abolition) Act, 1970, as amended will affect our business. Thus, any such order from a regulatory body or court may have an effect on our business, results of operations and financial condition.

**35. *Any Penalty or demand raised by statutory authorities in future will affect our financial position of the Company.***

Our Company is engaged in business of manufacturing of API's, specialty chemicals and related intermediaries products and personal care products which attracts tax liability such as Sales tax, Excise duty, professional tax, Value added Tax and Service Tax as per the applicable provisions of Law. We are also subject to the labour laws like depositing of contributions with Provident Fund. However, we have deposited the required returns under various applicable Acts but any demand or penalty raised by the concerned authority in future for any previous year and current year will affect the financial position of the Company.

**36. *The business segment in which we operate is highly competitive, which may adversely affect our business operation and financial condition.***

Players in API's and specialty chemical industry generally competes with each other on attributes such as quality of product, pricing and timely delivery. Some of our competitors may have longer industry experience and greater financial, technical and other resources, which may enable them to react faster in changing market scenario and remain competitive. Growing competition may result in a decline in our market share and may affect our margins which may adversely affect our business operations and our financial condition.

**37. *We may not be able to sustain effective implementation of our business and growth strategy.***

The success of our business will largely depend on our ability to effectively implement our business and growth strategy. In the past we have generally been successful in execution of our business but there can be no assurance that we will be able to execute our strategy on time and within the estimated budget in the future. If we are unable to implement our business and growth strategy, this may have an adverse effect on our business, financial condition and results of operations.



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

Employee misconduct or errors could expose us to business risks or losses, including regulatory sanctions and serious harm to our reputation. There can be no assurance that we will be able to detect or deter such misconduct. Moreover, the precautions we take to prevent and detect such activity may not be effective in all cases. Our employees 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.

**39. Information relating to our production capacities and the historical capacity utilization of our production facilities included in this Prospectus is based on certain assumptions and has been subjected to rounding off, and future production and capacity utilization may vary.**

Information relating to our production capacities and the historical capacity utilization of our production facilities included in this Prospectus is based on various assumptions and estimates of our management, including proposed operations, assumptions relating to availability and quality of raw materials, assumptions relating to operational efficiencies, as well as assumptions in relation to the average density of chemicals manufactured by us. Actual production levels and utilization rates may differ significantly from the estimated production capacities or historical estimated capacity utilization information of our facilities. Undue reliance should therefore not be placed on our production capacity or historical estimated capacity utilization information for our existing facilities included in this Prospectus. For further information, see the section titled “**Our Business**” on page 85 of this Prospectus.

**40. We are susceptible to product liability claims that may not be covered by insurance and may subject us to substantial expenditure thereby adversely affecting our reputation and if the claim is successful, could require us to pay substantial amounts.**

We may be subject to claims resulting from our manufacturing defects or negligence in storage, packaging or handling etc. which may lead to deficient safety norms, or inconsistency. In case of any claim would require us to incur expenses on litigation, divert management’s time, adversely affect our reputation and impair the market of products. Although, we undergo complete testing in-house and we are liable for the quality of the products manufactured by us for the duration of their shelf life, if any. Further, we may not have adequate insurance coverage for product liability and if we are to take the same, it may result in additional expense. In case of any such claim is sustained could have an adverse affect on our business, financial condition, results of operations and cash flows.

**41. Industrial accidents at our production facility may adversely affect our operation**

Usage of boilers, ETP, Chilling Plant and chemicals by the labour during the production processor otherwise may result in accidents which can cause injury to the labour and employees of the company and this could also cause damage to the property and plant and machinery situated at the factory which could have an adverse affect on our operation. Though, we have taken adequate safety measures and also insurance policies to safeguard from damage but we cannot assure you in case of any such accident will be honored by the insurance companies or not. Further occurrence of such accidents could impact our production and consequently affect our profitability and cash flows.

**42. Obsolescence, destruction, theft, breakdowns of our major plants or machineries or failures to repair or maintain the same may affect our business, cash flows, financial condition and results of operations**

Obsolescence, destruction, theft or breakdowns of our major plants or machineries may significantly increase our machineries purchase cost and the depreciation of our plants and machineries, as well as change the way our management estimates the useful life of our plants and machineries. In such cases, we may not be able to acquire new plants or machineries or repair the damaged plants or machineries in time or at all, particularly where our plants or machineries are not readily available from the market or require services from original machinery manufacturers. Some of our major machineries or parts may be costly to replace or repair. We may experience significant price increases due to supply shortages, inflation, transportation difficulties or unavailability. Such obsolescence, destruction, theft, breakdowns, repair or maintenance failures or price increases may not be adequately covered by the insurance policies availed by our Company and may have an effect our business, cash flows, financial condition and results of operations For further details of our Plant and Machineries, please refer to chapter titled “**Our Business**” beginning on page 85 of the Prospectus.

**43. Our insurance coverage may not be adequate to protect us against certain operating hazards and this may have a material adverse effect on our business.**

Our company has obtained insurance coverage in respect of certain risks. Our insurance coverage consists of Standard fire and special perils, vehicle insurance, workmen compensation policy. We believe that the insurance coverage maintained by us is adequate and consistent with the size of our business. However, there is no assurance that the insurance policy taken by us will be adequate for us to cover the losses. If we suffer any uninsured loss or if claim made by us in respect of an insurance is not accepted or any loss occurred by us is in excess of the insurance coverage may adversely affect our operation, results and financials.

For further information, see the section titled “*Our Business*” on page 85 of this Prospectus.

**44. We will not receive any proceeds from the shares sold under the Offer for sale by Selling Shareholder.**

This Issue includes an Offer for Sale of 27,55,000 Equity Shares by the Selling Shareholder and a Fresh Issue of 6,89,000 shares. The entire proceeds from the Offer for Sale will be paid to the Selling Shareholder and our company will not receive any proceeds from such Offer for Sale. For further details, refer to the Section “*Objects of the Issue*” on page 67 of the Prospectus.

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

We may retain all our future earnings, if any, for use in the operations and expansion of our business. As a result, we may not declare dividends in the foreseeable future. Any future determination as to the declaration and payment of dividends will be at the discretion of our Board of Directors and will depend on factors that our Board of Directors deem relevant, including among others, our results of operations, financial condition, cash requirements, business prospects and any other financing arrangements. Accordingly, realization of a gain on shareholders investments may largely depend upon the appreciation of the price of our Equity Shares. There can be no assurance that our Equity Shares will appreciate in value. For details of our Dividend history refer to the Section “*Dividend Policy*” on page 134 of the Prospectus.

**46. There is no monitoring agency appointed by Our Company to monitor the utilization of the Issue proceeds.**

As per SEBI (ICDR) Regulations, 2009, as amended, appointment of monitoring agency is required only for Issue size above ₹50,000.00 Lacs. Hence, we have not appointed any monitoring agency to monitor the utilization of Issue proceeds. However, the audit committee of our Board will monitor the utilization of Issue proceeds in terms of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Further, our Company shall inform about material deviations in the utilization of Issue proceeds to the stock exchange and shall also simultaneously make the material deviations / adverse comments of the audit committee public.

**47. Our company has not carried out any independent appraisal of our working capital requirements. Therefore, if our estimation is not accurate or the assumptions we have taken prove to be not correct, we may be required to raise additional debt on terms that may not be totally favorable to us.**

Our working capital requirements have been assessed based on the management’s estimates and the same have not been independently appraised or evaluated by any bank or financial institution. Further, the estimates of our working capital requirement are totally based on the experience of our management and Promoters. We cannot assure that these estimates may be accurate. If these estimates prove to be wrong, we may be required to raise additional debt, on terms that may not be totally favorable to our Company, which may in turn adversely affect our profitability.

For further details please refer Chapter titled “*Objects of the Issue*” on page 67 of Prospectus

**48. Our Promoters and the Promoter Group will jointly continue to retain majority shareholding in our Company after the issue, which will allow them to determine the outcome of the matters requiring the approval of shareholders.**

Our promoters along with the promoter group will continue to hold collectively 72.88 % of the equity share capital of the company. As a result of the same they will be able to exercise significant influence over the control of the outcome of the matter that requires approval of the majority shareholders vote. Such a concentration of the ownership may also have the effect of delaying, preventing or deterring any change in the control of our company. In addition to the above, our promoters will continue to have the ability to take actions that are not in, or may conflict with our interest or the interest of some or all of our minority shareholders, and there is no assurance that such action will not have any adverse effect on our future financials or results of operations.

**49. Any future issuance of Equity Shares may dilute the shareholding of the Investor or any sale of Equity Shares by our Promoter or other significant shareholder(s) may adversely affect the trading price of the Equity Shares.**

Any future issuance of Equity Shares by our Company could dilute the shareholding of the investor. Any such future issuance of our Equity Shares or sales of our Equity Shares by any of our significant shareholders may adversely affect the trading price of our Equity Shares and could impact our ability to raise capital through an offering of our securities. While the entire Post-Issue paid-up share capital, held by our Promoters or other shareholders will be locked-in for a period of 1 (one) year and minimum promoter contribution subject to a minimum of 20% of our post-Issue paid-up capital will be locked-in for a period of 3 (three) years from the date of allotment of Equity Shares in the Issue, upon listing of our Equity Shares on the Stock Exchanges. For further information relating to such Equity Shares that will be locked-in, please refer to the section titled “**Capital Structure**” beginning on page 49 of the Prospectus. Any future issuance or sale of the equity shares of our company by our Promoter or by other significant shareholder(s) or any perception or belief that such sales of Equity Shares might occur may significantly affect the trading price of our Equity Shares.

**50. 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. The price of the equity shares have been based on many factor and may not be indicative of the market price of our Equity Shares after the Issue. For further information please refer the section titled “**Basis for Issue Price**” beginning on page 74 of the Prospectus. 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.

**51. Non-Institutional Investors are not permitted to withdraw or lower their Bids (in terms of quantity of Equity Shares or the Amount) at any stage after submitting an Application.**

Pursuant to the SEBI ICDR Regulations, Non-Institutional Investors are not permitted to withdraw or lower their Application (in terms of quantity of Equity Shares or the Amount) at any stage after submitting an Application. While our Company is required to complete Allotment pursuant to the issue within six Working Days from the issue Closing Date, events affecting the Applicants decision to invest in the Equity Shares, including material adverse changes in international or national monetary policy, financial, political or economic conditions, our business, results of operation or financial condition, may arise between the date of submission of the Application and Allotment. Our Company may complete the Allotment of the Equity Shares even if such events occur, and such events limit the applicant’s ability to sell the Equity Shares Allotted pursuant to the issue or cause the trading price of the Equity Shares to decline on listing.

**52. Certain data mentioned in this Prospectus has not been independently verified.**

We have not independently verified data from industry publications contained herein and although we believe these sources to be reliable, we cannot assure that they are complete or reliable. Such data may also be produced on a different basis from comparable information compiled with regard to other countries. Therefore, discussions of matters relating to India and its economy are subject to the limitation that the statistical and other data upon which such discussions are based have not been verified by us and may be incomplete or unreliable.

**EXTERNAL RISK FACTORS**

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

Under current Indian tax laws and regulations, 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 shares on a stock exchange held for more than 12 months will not be subject to capital gains tax in India if the securities transaction tax (STT) has been paid on the transaction. The STT will be levied on and collected by an Indian stock exchange on which equity shares are sold. Further, any gain realized on the sale of listed equity shares held for a period of 12 months or less will be subject to short term capital gains tax in India, if securities transaction tax has been paid on the transaction. Any gain realized on the sale of shares held for more than 36 months to an Indian resident, which are sold other than on a recognized stock exchange and as a result of which no STT has been paid, will be subject to long term capital gains tax in India. Further, any gain realized on the sale of equity shares held for a period of 36 months or less which are sold other than on a recognized stock exchange and on which no STT has been paid, may be subject to short term capital gains tax at a relatively higher rate as compared to the transaction where STT has been paid in India.

**54. Any downgrading of India's debt rating by a domestic or international rating agency could have a negative impact on our business.**

India's sovereign debt rating could be downgraded due to various factors, including changes in tax or fiscal policy or a decline in India's foreign exchange reserves, which are outside our control. Any adverse revisions to India's credit ratings for domestic and international debt by domestic or international rating agencies may adversely impact our ability to raise additional financing, and the interest rates and other commercial terms at which such additional financing is available. This could have a material adverse effect on our business and financial performance, ability to obtain financing for capital expenditures and the price of our Equity Shares.

**55. Regional hostilities, terrorist attacks, communal disturbances, civil unrest and other acts of violence or war involving India and other countries may result in a loss of investor confidence and adversely affect the financial markets and our business.**

Terrorist attacks, civil unrest 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. In addition, the Asian region has from time to time experienced instances of civil unrest and hostilities among neighboring countries. Hostilities and tensions may occur in the future and on a wider scale. Military activity or terrorist attacks in India, may result in investor concern about stability in the region, which may adversely affect the price of our Equity Shares. Events of this nature in the future, as well as social and civil unrest within other countries in the world, could influence the Indian economy and could have an adverse effect on the market for securities of Indian companies, including our Equity Shares.

**56. Instability in financial markets could materially and adversely affect our results of operations and financial condition.**

The Indian economy and financial markets are significantly influenced by worldwide economic, financial and market conditions. Any financial turmoil, especially in the United States of America or Europe, may have a negative impact on the Indian economy. Although economic conditions differ in each country, investors' reactions to any significant developments in one country can have adverse effects on the financial and market conditions in other countries. A loss in investor confidence in the financial systems, particularly in other emerging markets, may cause increased volatility in Indian financial markets. The global financial turmoil, an outcome of the sub-prime mortgage crisis which originated in the United States of America, led to a loss of investor confidence in worldwide financial markets. Indian financial markets have also experienced the contagion effect of the global financial turmoil, evident from the sharp decline in SENSEX, BSE's benchmark index. Any prolonged financial crisis may have an adverse impact on the Indian economy and us, thereby resulting in a material and adverse effect on our business, operations, financial condition, profitability and price of our Equity Shares.

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

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

**58. Government regulation of foreign ownership of Indian securities may have an adverse effect on the price of the Equity Shares.**

Foreign ownership of Indian securities is subject to government regulation. Under foreign exchange regulations currently in effect in India, transfer 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 rupees proceeds from the 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 authorities. There can be no assurance that any approval required from the RBI or any other government agency can be obtained.

**59. If certain labour laws become applicable to us, our profitability may be adversely affected.**

India has stringent labour legislations that protect the interests of workers, including legislation that sets forth detailed procedures for dispute resolution and employee removal and legislation that imposes certain financial obligations on employers upon retrenchment. Any change or modification in the existing labour laws may affect our flexibility in formulating labour related policies.

**60. Political, economic and social changes in India could adversely affect our business.**

Our business, and the market price and liquidity of our Company's shares, may be affected by changes in Government policies, including taxation, social, political, economic or other developments in or affecting India could also adversely affect our business. Since 1991, successive governments have pursued policies of economic liberalization and financial sector reforms including significantly relaxing restrictions on the private sector. In addition, any political instability in India may adversely affect the Indian economy and the Indian securities markets in general, which could also affect the trading price of our Equity Shares.

**61. Our transition to IFRS reporting could have an adverse effect on our reported results of operations or financial condition.**

Our Company may be required to prepare annual and interim financial statements under IFRS in accordance with the roadmap for the adoption of, and convergence with, the IFRS announced by the Ministry of Corporate Affairs, Government of India through a press note dated January 22, 2010 ("IFRS Convergence Note"). The Ministry of Corporate Affairs by a press release dated February 25, 2011 has notified that 32 Indian Accounting Standards are to be converged with IFRS. The date of implementation of such converged Indian accounting standards has not yet been determined and will be notified by the Ministry of Corporate Affairs after various tax related issues are resolved. We have not yet determined with certainty what impact the adoption of IFRS will have on our financial reporting. Our financial condition, results of operations, cash flows or changes in shareholders' equity may appear materially different under IFRS than under Indian GAAP or our adoption of IFRS may affect our reported results of operations or financial condition.

**Prominent Notes:**

1. Public Issue Of 34,44,000 Equity Shares of Face Value of ₹ 10/- each of Vadivarhe Speciality Chemicals Limited ("VSCL" or "Our Company" or "The Company") for cash at a Price of ₹ 42.00 Per Equity Share (Including a Share Premium of ₹ 32.00 per Equity Share) ("Issue Price") aggregating to ₹ 1446.48 Lacs, of which 1,80,000 Equity Shares of Face Value of ₹10/- each at a price of ₹ 42.00 aggregating to ₹ 75.60 Lacs will be reserved for subscription by Market Maker ("Market Maker Reservation Portion") and Net Issue to Public of 32,64,000 Equity Shares of Face Value of ₹ 10/- each at a price of ₹ 42.00 aggregating to ₹ 1370.88 Lacs (hereinafter referred to as the "Net Issue") The Issue and the Net Issue will constitute 26.94% and 25.53 % respectively of the Post Issue paid up Equity Share Capital of Our Company.
2. This Issue is being made for at least 25% of the post issue paid-up Equity Share capital of our Company, pursuant to Rule 19(2) (b) (i) of the Securities Contracts (Regulation) Rules, 1957 as amended. This Issue is being made in terms of Chapter XB of the SEBI (ICDR) Regulations, 2009, as amended from time to time. As per Regulation 43(4) of the SEBI (ICDR) Regulations, as amended, since our is a fixed price issue 'the allocation' is the net issue to the public category shall be made as follows:
  - a) Minimum fifty percent to retail individual investors; and
  - b) Remaining to other than retail individual investors;
  - 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.

3. The Net worth of our Company as on March 31<sup>st</sup>, 2017, March 31<sup>st</sup>, 2016 and March 31<sup>st</sup>, 2015 was ₹ 23.69 crores, ₹ 17.90 crores and ₹ 14.52 crores respectively. For more information, see the section titled "**Financial Information of our Company**" beginning on page 135 of this Prospectus.
4. The NAV or the Book Value per Equity Share based on Restated Financials of our Company as on March 31<sup>st</sup>, 2017, March 31<sup>st</sup>, 2016 and March 31<sup>st</sup> 2015 was ₹ 19.59, ₹ 370.02 and ₹ 300.18 per equity share respectively. For more information, see the section titled "**Financial Information of our Company**" beginning on page 135 of this Prospectus.

5. The average cost of acquisition of Equity Shares by our Promoter is set out below:

Sr. No.	Name of the Promoters	No. of Shares held	Average cost of Acquisition (in ₹)
1.	Sunil Haripant Pophale	1,05,65,625	14.32

For Further details please see the section “*Capital Structure*” on page 49 of this Prospectus

6. We have entered into various related party transactions with related parties including our Promoter Group and Group Companies for the period ended March 31<sup>st</sup> 2017 & March 31<sup>st</sup>, 2016. For nature of transactions and other details as regard to related party transactions section titled “*Financial Statements - Annexure R - Statement of Related Parties Transactions*” on page 165 of this Prospectus.
7. No Group Company has any business or other interest in our Company, except as stated in section titled “*Financial Statements - Annexure R - Statement of Related Parties Transactions*” on page 165 and “*Our Promoter and Promoter Group*” and “*Our Group Company*” on page 126 and 131 respectively and to the extent of any Equity Shares held by them and to the extent of the benefits arising out of such shareholding.
8. Our Company was originally incorporated on February 23, 2009 as “Vadivarhe Speciality Chemicals Limited” vide Registration no. 11-190516/2008-2009 (CIN: U24100MH2009PLC190516) under the provisions of the Companies Act, 1956 with the Registrar of Companies, Maharashtra, Mumbai. The Corporate Identification Number of our Company is U24100MH2009PLC190516.

For details of change in our name and registered office, please refer to Section titled “*History and Certain Corporate Matters*” on page 108 of this Prospectus.

9. None of our Promoter, Promoter Group, Directors and their relatives has entered into any financing arrangement or financed the purchase of the Equity Shares of our Company by any other person during the period of six months immediately preceding the date of filing of Prospectus.
10. Our Company, Promoter, Directors, Promoter Group, Group Company have not been prohibited from accessing the Capital Market under any order or direction passed by SEBI nor they have been declared as willful defaulters by RBI / Government authorities. Further, no violations of securities laws have been committed by them in the past or pending against them.
11. Investors are advised to see the paragraph titled “*Basis for Issue Price*” beginning on page 74 of this Prospectus.
12. The Lead Manager and our Company and the Selling Shareholder shall update this Prospectus and keep the investors / public informed of any material changes till listing of the Equity Shares offered in terms of this Prospectus and commencement of trading.
13. Investors are free to contact the Lead Manager i.e. Hem Securities Limited 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.
14. In the event of over-subscription, allotment shall be made as set out in paragraph titled “*Basis of Allotment*” beginning on page 253 of this Prospectus and shall be made in consultation with the Designated Stock Exchange i.e. National Stock Exchange of India Limited. The Registrar to the Issue shall be responsible to ensure that the basis of allotment is finalized in a fair and proper manner as set out therein.
15. The Directors / Promoters of our Company have no interest in our Company except to the extent of remuneration and reimbursement of expenses (if applicable) and to the extent of any Equity Shares of our company held by them or their relatives and associates or held by the companies, firms and trusts in which they are interested as director, member, partner, and/or trustee, and to the extent of benefits arising out of such shareholding and to the interest as disclosed in this Prospectus. For further details please see the chapter titled “*Our Management*” beginning at page 112 chapter titled “*Our Promoter and Promoter Group*” and “*Our Group Company*” beginning at page 126 and 131 respectively, and chapter titled “*Financial Information of the Company*” beginning at page 135 of this Prospectus.

16. No loans and advances have been made to any person(s) / companies in which Directors are interested except as stated in the Auditors Report. For details, please see “**Financial Information of the Company**” beginning on page 135 of this Prospectus.
17. Trading in the Equity Shares for all investors shall be in dematerialized form only.
18. No part of the Issue proceeds will be paid as consideration to Promoter, Promoter Group, Directors, Key Managerial Personnel or Group Company except for the proceeds from the sale of sale by the selling shareholders through offer for sale.
19. For information on the changes of the objects clause of the Memorandum of Association of our Company, please refer to the chapter titled “**History and Other Corporate Matters**” beginning on page 108 of this Prospectus.

## **SECTION III – INTRODUCTION**

### **SUMMARY OF OUR INDUSTRY**

#### **Global growth: moderate recovery expected.**

Global growth is estimated to have fallen to 2.3 percent in 2016—the weakest performance since the global financial crisis (Figure 1.A). Anemic global investment was accompanied by a further weakening of global trade. Mitigating these headwinds for emerging market and developing economies (EMDEs), commodity prices strengthened. However, the rapid rise in U.S. bond yields and appreciation of U.S. dollar towards the end of the year led to a notable tightening of financing conditions for EMDEs, and in some cases significant portfolio outflows. In 2017, global growth should pick up to 2.7 percent, with the recovery mainly driven by receding obstacles to activity in commodity-exporting EMDEs.

Advanced economies continue to be afflicted by weak underlying growth and low inflation, while uncertainty about future policy direction increased. Growth is projected to recover modestly to 1.8 percent in 2017 (from 1.6 percent in 2016), although the range of possible outcomes has markedly widened after the electoral outcome in the United States and the United Kingdom’s decision to leave the European Union. In particular, current forecasts do not incorporate the potential effects of policy proposals suggested by the new U.S. administration, as their scope is still highly uncertain. Fiscal stimulus, if implemented, could result in stronger U.S. growth than currently predicted. However, some other policy changes, or persistent policy uncertainty, could dampen U.S. and international growth prospects.

EMDE growth is expected to accelerate to 4.2 percent in 2017 and to an average of 4.7 percent in 2018-19 (Figure 1.B). EMDEs are forecast to contribute 1.6 percentage points to global growth in 2017, accounting for about 60 percent of global growth for the first time since 2013. Given the expected increases in commodity prices, particularly for oil, the divergence in growth outlooks between commodity exporters and importers is on track to narrow. However, the outlook for EMDE regions with large numbers of commodity exporters remain mixed. Growth in Latin America and the Caribbean, and in Europe and Central Asia, is expected to accelerate in 2017, mainly reflecting a bottoming out in activity in Brazil and Russia. Growth in the Middle East and North Africa will pick up modestly as oil prices recover. While growth should also rebound in Sub-Saharan Africa, the improvement is notably weaker than previously expected, as some commodity exporters struggle to adjust to past deterioration in their terms of trade. EMDE regions with substantial numbers of commodity-importing economies—East Asia and the Pacific, and South Asia—are projected to continue to experience solid growth.

(Source - <http://pubdocs.worldbank.org/en/255181481727526594/Global-Economic-Prospect-2017-Highlights-Chapter-1.pdf>)

#### **Indian Economy Outlook**

With projected annual growth of 7.5% in 2017-18, India will remain the fastest growing G20 economy. Private consumption will be supported by the hike in public wages and pensions and by higher agricultural production, on the back of a return to normal rain fall. Private investment will revive gradually as excess capacity in some sectors diminishes, infrastructure projects mature, corporates deleverage, banks clean their loan portfolios, and the Goods and Service Tax (GST) is implemented.

Despite commendable fiscal consolidation efforts at the central government level, the combined debt of states and central government remains high compared with other emerging economies. Inflation expectations are adjusting down only slowly. Overall there is little room for accommodative policies, although some monetary impulse is still to come, as recent cuts in policy rates are yet to be reflected fully in lower lending rates. Repairing public banks’ balance sheets and improving their governance would support the revival in investment. Creating more and better jobs will require policies to improve the ease of doing business further, in particular faster and more predictable land acquisition, and upgrading social and physical infrastructure.

Despite the high public deficit compared with other emerging economies, there is room to make public finance more growth-friendly and inclusive. The ongoing landmark GST and subsidy reforms are promising. The government plan to cut the corporate income tax rate while broadening the base is also welcome. More revenue could be raised from the personal income tax, and its redistributive impact enhanced, to finance higher spending on health, education, housing, transport and water infrastructure and make growth more inclusive.

(Source - <http://www.oecd.org/economy/india-economic-forecast-summary.htm>)



## Indian Pharmaceutical Industry - A Global Industry

The Indian Pharmaceutical Industry has witnessed a robust growth over the past few years moving on from a turnover of approx. US \$ 1 billion in 1990 to over US \$30 billion in 2015 of which the export turnover is approximately US \$ 15 billion. The country now ranks 3rd world wide by volume of production and 14th by value, thereby accounting for around 10% of world's production by volume and 1.5% by value. Globally, it ranks 4th in terms of generic production and 17th in terms of export value of bulk actives and dosage forms. Indian exports are destined to more than 200 countries around the globe including highly regulated markets of US, West Europe, Japan and Australia. It has shown tremendous progress in terms of infrastructure development, technology base creation and a wide range of products. It has established its presence and determination to flourish in the changing environment.

The industry now produces bulk drugs belonging to all major therapeutic groups requiring complicated manufacturing technologies. Formulations in various dosage forms are being produced in GMP compliant facilities. Strong scientific and technical manpower and pioneering work done in process development have made this possible.

An assessment of the Indian Pharmaceutical Industry's strength reveals the following key features:

- Strong export market- India exported drugs worth US\$ 15 billion to more than 200 countries including highly regulated markets in the US, Europe, Japan and Australia. Large Indian pharma companies have emerged as among the most competitive in the evolving generic space in North America and have created an unmatched platform in this space. Indian companies are also making their presence felt in the emerging markets around the world, particularly with a strong portfolio in anti-infective and antiretroviral.
- Large domestic pharma companies have continued to grow, assuming leadership position in many therapies and segments in the Indian market as well as creating a strong international exports back-bone.
- Competitive market with the emergence of a number of second tier Indian companies with new and innovative business modules.
- Indian players have also developed expertise in significant biologics capabilities.
- Biologic portfolios while still nascent in India are being built with an eye on the future.
- Multinational companies have continued to invest significantly in India and are making their presence felt across most segments of the Indian pharma market. Companies have also begun to invest in increasing their presence in tier II cities and rural areas and making medical care more accessible to a large section of the Indian population.
- Low cost of production.
- Low R&D costs.
- Innovative Scientific manpower.
- Excellent and world-class national laboratories specializing in process development and development of cost effective technologies.
- Increasing balance of trade in Pharma sector.
- An efficient and cost effective source for procuring generic drugs, especially the drugs going off patent in the next few years.
- An excellent centre for clinical trials in view of the diversity in population.

## Experience & Expertise

India is the only country with largest number of US-FDA compliant plants (more than 262 including APIs) outside of USA and have nearly 1400 WHO-GMP approved Pharma Plants, 253 European Directorate of Quality Medicines (EDQM) approved plants with modern state of the art Technology.

## Research & Development

The Government has taken several policy initiatives for strengthening Research & Development in Pharmaceuticals sector such as fiscal incentives to R&D units sector and streamlining of procedures concerning development of new drug molecules, clinical research and new drug delivery systems leading to new R&D set-ups with excellent infrastructure in the field of original drug discovery.

India has a large branded generics market which enables most companies to launch their version of a generic drug in the market place. Research and Development is an important aspect for development of generics that match the quality and cost targets.

## DRUGS AND PHARMACEUTICALS INDUSTRY

As per CMIE estimates, Sales of the Drugs and Pharmaceuticals Industry registered a (y-o-y) growth of 12-14%, 14-69% and 11.46% respectively, during the years 2012-13 to 2014-15. Net sales of the Drugs and Pharmaceuticals Industry grew by 14.91% (y-o-y) in the March 2015 quarter but declined to 9.24% (y-o-y) in the June 2015 quarter. In the September 2015 quarter, net sales witnessed an upturn, at 17.01% (y-o-y), and at 16.74% (y-o-y) for the December 2015 quarter. The profitability of the industry too improved during the said period. A healthy sales growth combined with an over three-fold rise in operating profits helped the industry to earn net profits equivalent to 13.1 % of income.

In the December 2014 quarter, the industry had incurred a net loss equivalent to 8.4 % of income. Most of the leading drug manufacturers posted higher sales during the quarter under review as compared to the corresponding year-ago quarter. This was aided by a healthy growth in the companies' export revenues, especially from the US market. The profit after Tax (PAT) net of prior period and extraordinary items, declined by (-) 27.35% (y-o-y) in the March 2015 quarter, by (-) 36.44% (y-o-y) in the June 2015 quarter but increased thereafter to 61.55% (y-o-y) in the quarter ended September 2015, as compared to the corresponding period last year.

As per CMIE estimates, investments in the drugs and pharmaceuticals industry is expected to remain buoyant during 2015-18 with companies in the industry altogether investing a little over Rs. 82 billion by March 2018.

## INTERNATIONAL COOPERATION/EXPORT PROMOTION OF PHARMA

Department of Pharmaceuticals has the following MoUs with foreign governments:-

MoU between Department of Pharmaceuticals Government of India and Department of Pharmaceutical Industry, Ministry of Health of the Republic of Belarus to strengthen cooperation in the spheres of manufacturing and trade of pharmaceutical products between the two countries and desirous of simplifying the process of registration of pharmaceutical products

MoU between Department of Pharmaceuticals Government of India and The State Administration of Ukraine on Medicinal Products on Mutual cooperation in Trade, Industry, Joint Venture (JV), Research & Development (R&D) in Pharmaceuticals and Bio-pharmaceuticals sectors

## NEW INITIATIVES

Constitution of Task Forces to promote the development of the drugs and Pharmaceuticals sector Cluster Development Programme for Pharma Sector (CDP-PS) New Initiatives Taken by National Pharmaceutical Pricing Authority (NPPA) National Centre for Research and Development in Bulk Drug (NCRDBD) at NIPER.

## SUMMARY OF OUR BUSINESS

*The following information should be read together with, the more detailed financial and other information included in this Prospectus, including the information contained in “Risk Factors”, “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and “Financial Information of the Company” on page 14, 172 & 135 respectively*

### OVERVIEW

Our company was incorporated in 2009, we are a globally active, Indian chemical producer, focused on organic chemicals and custom synthesis and primarily engaged in manufacturing of Speciality chemicals, Active Pharmaceutical ingredients, intermediate and personal care ingredients. Our Company is also ISO 9001:2015 certified company by Quality Systems Zurich. Our company has also received WHO- GMP Certificate for our Manufacturing, Marketing & Supply of Active Pharma Ingredients i.e. API's and intermediates. The manufacturing facility is located at Vadivarhe, Nashik which is about 20 Km from Nashik towards Mumbai and around 150 Km from Mumbai.

Over the years, we have established ourselves as a successful Manufacturer of Organic Chemicals with a core focus on Intermediates, Personal Care Products and Speciality Chemicals. We place a great emphasis on research & development, evolving proprietary process development methodologies and reliance on our manufacturing facility to deliver products of the desired quality standards. Good Manufacturing Practices i.e. GMP rules are strictly followed on every stage of manufacturing process and we are committed to quality and take special care for the quality of materials received from our suppliers as the same affect our product quality and specifications. We have been consistent in maintaining the quality and delivery of our products consistently over a period of time.

Our company has entered into an agreement with Enaltec Labs Pvt Ltd dated December 03, 2012 to manufacture API products for them for a period of 10 years based on the material and specification provided by them. Under the agreement we have provided working capital subject to a maximum of Rs. 4.00 crore for facilitating the manufacture of products of Enaltec Labs Pvt. Ltd. As per the terms of the agreement our company will also not manufacture or market the products manufactured by Enaltec Labs Pvt. Ltd. during the continuance of the agreement. The company has also entered into an agreement with Zenvision Pharma LLP for offering its manufacturing facility on Loan and License basis. Pursuant to the agreement, the Company has given a security deposit to Zenvision Pharma LLP of Rs. 2,50,00,000 (Rupees Two crore fifty lacs only) during the financial year 2016-17.

Our Company was originally incorporated on February 23, 2009 as “Vadivarhe Speciality Chemicals Limited” vide Registration no. 11-190516/2008-2009 (CIN: U24100MH2009PLC190516) under the provisions of the Companies Act, 1956 with the Registrar of Companies, Maharashtra, Mumbai. Our company was incorporate in year 2009 and prior to the incorporation of our company, Fem Care Pharma Ltd was promoted by our promoter Mr. Sunil Haripant Pophale which was later taken over by Dabur India Ltd in the year 2009. Mr. Sunil Haripant Pophale sold his stake in Fem Care Pharma Ltd to Dabur India Ltd and as per the terms and condition of the Division Transfer Agreement dated May 07, 2009 the Speciality chemical division of Fem Care Pharma Limited was transferred to Vadivarhe Speciality Chemicals Limited. After the above transfer we are running the Speciality chemical division under the leadership of our promoter Mr. Sunil Haripant Pophale.

Our promoter Mr. Sunil Haripant Pophale is a B. Tech from the Indian Institute of Technology (I.I.T.), Bombay and has a vast experience of over 36 years in the field of Chemical division. He has a proven track record as a founder and chief promoter of Fem Care Pharma Ltd, listed with the Bombay Stock Exchange in 1994, and successfully sold his stake in 2009. Our promoter along with his qualified team members focus on quality, timely delivery and building the positive image for our company. Under the leadership of our promoter we have been able to successfully lay down our growth strategies and focus on continual improvement and value creation in all aspects of the transformation of raw materials into finished products.

Some of our major clients are Glaxo Smithkline Pharmaceuticals Ltd, Fine Organics Ltd UK, Chem-Impex International INC, D C Fine Chemicals, USV Ltd, Lupin Ltd, Mankind Pharma Limited, Himedia Laboratories Pvt. Ltd., Hetero Labs Ltd & many others in the Domestic and International sector.

For the fiscal year ended on March 31, 2017, March 31, 2016, fiscal 2015 and fiscal 2014 our total revenue stood at 3537.28 Lakhs, 2642.51 Lakhs, 1913.31 Lakhs & 1398.55 Lakhs respectively. Further, our EAT for the fiscal year ended on March 31, 2017, March 31, 2016, fiscal 2015 and fiscal 2014 were 578.81 Lakhs, 337.85 Lakhs, 397.65 Lakhs & 7.30 Lakhs respectively. We have been able to increase our revenue at an annual growth rate of 36.24 % from fiscal 2014 until fiscal 2017.

## CERTIFICATIONS & RECOGNITIONS RECEIVED BY OUR COMPANY

High quality and consistency of our products are very important for the growth and survival of the organization and increasing confidence of our customer.

Some of the prominent certifications and recognitions received by our Company are the following:-

- Our company has been accredited with WHO GMP Certificate for the manufacturing, marketing & supply of active pharmaceutical ingredients and intermediates valid till 07, December, 2019.
- Our company has been accredited with Good Laboratory Practices (GLP) Certificate for the manufacturing, marketing & supply of active pharmaceutical ingredients and intermediates valid till 07 December, 2019
- Accreditation of ISO 9001:2015 certificate for the manufacturing, marketing & supply of active pharmaceutical ingredients and intermediates valid till 07, December, 2019.
- Certificate of Good Manufacturing Practices for the dosage forms, categories and activities for Active Pharmaceutical Ingredients (Bulk Drugs) valid till 14, June, 2017.
- Company has rated 1 Star Export House by DGFT, India

## OUR BUSINESS STRENGTHS

### 1. Experienced Promoters

Our Promoter Mr. Sunil Haripant Pophale is having an overall experience 36 years in the manufacturing of Cosmetics, Pharmaceuticals and specialty chemicals products and has a proven background and rich experience in the industry. Our Promoter, Mr. Sunil Haripant Pophale was the founder and Promoter of Fem Care Pharma Ltd. which was engaged in the business of personal care, Pharmaceuticals, specialty chemical and intermediates. Later, our Promoter sold his stake with Dabur India Ltd and retained the chemical division which was transferred under the Division Transfer Agreement to Vadivarhe Speciality Chemicals Limited. Since then, our Promoter has over the years expanded our scale of operations. For further details of our Promoter's experience and background, please refer the chapter titled "*Our Promoters and Promoter Group*" on page 126 of this Prospectus. Also, our Company and our Promoter are aided by a team of experienced personnel. The team comprises of personnel having technical, operational and business development experience.

### 2. Wide range of product

Vadivarhe Speciality Chemicals Limited is mainly engaged in manufacturing of Personal Care products, APIs, Intermediates and Speciality chemicals. Apart from the above we have also entered into a loan licensing activity wherein we undertake contract manufacturing of APIs for Enaltec Labs Private Limited. With our wide product portfolio our company is able to cater to the demand of both domestic as well as international market.

### 3. Long term relationship with the clients

Our company focuses on providing the customers with the desired and standard quality product. By providing the desired quality and standards we aim to achieve highest level of customer satisfaction and procure repeated orders from customers. Because of our good reputation with the clients we have been able to attain orders from a diverse range of client base. Presently our key customers include Enaltec Labs Private Limited, GlaxoSmith Kline Pharmaceuticals Ltd, Fine Organics Ltd. and USV Ltd.

### 4. Certifications and compliance with Quality Standards

Our products conform to the national and international standards governing the said products. Our Company has received an ISO 9001:2015 in the year 2016 from QS Zurich AG. Our company has also received the WHO- GMP certification for its products and manufacturing facility. We have been consistent in delivering quality products to our customer. Our company has also maintained a quality policy that supports the company's GMP and customer satisfaction goals. Our focus on quality has enabled us to sustain and grow our business model to benefit our customers.

## OUR BUSINESS STRATEGIES

### 1. Entering into new geographies

We intend to cater to the increasing demand of our existing customers and also to increase our existing customer base by enhancing the distribution reach of our products in different parts of the country and also world. We propose to increase our marketing and sales team which can focus in different regions and also maintain and establish relationship with customers. Enhancing our presence

in additional regions will enable us to reach out to a larger population. Further, our Company believes in maintaining long term relationships with our customers in terms of increased sales. We aim to achieve this by adding value to our customers through innovation, quality assurance, timely delivery, and reliability of our products.

## 2. Improving operational efficiencies

Our Company intends to improve efficiencies to achieve cost reductions so that our products can be competitive. We believe that this can be done through economies of scale. Further, the Company is also taking steps to reduce the consumption of power and other utilities. As a result of these measures, our Company will be able to increase its market share and profitability.

## 3. Attract and retain talented employee

Employees are essential for the success of every organization. We rely on them to operate our manufacturing facilities and deliver quality performance to our clients. We constantly intend to continue our focus on improving health, safety and environment for our employees and provide various programs and benefits for the personal well-being and career development of our employees. We intend to strive to further reduce the employee attrition rate and retain more of our skilled workers for our future expansion by providing them with better, safer and healthier working environment.

## 4. Focus on consistently meeting quality standards

Our Company intends to focus on adhering to the quality standards of the products. This is necessary so as to make sure that we get repeat orders from our customers. Quality of the product is very important for the company from both customer point of view and regulatory point of view. Providing the desired and good quality product help us in enhancing our brand value and maintaining long term relationships with customers.

## 5. Develop and maintain relationships with our Suppliers and Customers

We believe in maintaining good relationship with our Suppliers and Customers which is the most important factor to keep our Company growing. Our dedicated and focused approach and efficient and timely delivery of products has helped us build strong relationships over a number of years. We bag and place repetitive order with our customers as well as with our suppliers. For us, establishing strong, mutually beneficial long-term relationships with strategic supplier relationship management is a critical step in improving performance across the supply chain, generating greater cost efficiency and enabling the business to grow and develop.

## 6. Invest significantly in Research and development

We intend to increase our initiatives in R&D in order to constantly study industry verticals to identify product inefficiencies in areas in which we could add value. Going forward, we intend to expand our research and development capabilities, by increasing our investment in employing qualified individuals from the industry. We believe that continued investments in R&D will enable us to increase our productivity, improve our operating efficiency, and enable us to penetrate existing and new market segments.

### OUR LOCATION

<b>Registered Office &amp; Factory Unit</b>	Gat No. 204, Vadivarhe, , Igatpuri,– 422 403, Maharashtra, India
<b>Corporate Office</b>	1 <sup>st</sup> Floor, K.K. Chambers Sir P.T. Road Fort, Mumbai – 400001, Maharashtra, India
<b>Guest House</b>	Flat/Room No. 7, Serena Park Apartment, S. No. 42 Canal Road, Anandwali, Nasik - 422003

### SWOT ANALYSIS

<b>Strengths</b> <ul style="list-style-type: none"> <li>Well Established Manufacturing facility</li> <li>Quality assurance and Standard</li> <li>Experienced Promoter &amp; Management Team.</li> <li>Wide range of Products</li> <li>Strong relationship with customer and suppliers</li> </ul>	<b>Weakness</b> <ul style="list-style-type: none"> <li>Higher taxes</li> <li>Dependence on suppliers for products availability</li> </ul>
<b>Opportunities</b> <ul style="list-style-type: none"> <li>Large growth potential.</li> <li>Increasing interest of products in international market</li> <li>Increasing demand</li> </ul>	<b>Threats</b> <ul style="list-style-type: none"> <li>Competition from other developing countries.</li> <li>Government &amp; regulatory norms</li> <li>Fluctuations in the material prices</li> </ul>

**SUMMARY OF OUR FINANCIALS**
**ANNEXURE – I**  
**RESTATED STATEMENT OF ASSETS AND LIABILITIES**

(Amt in Rs. Lakhs)

Particulars	As at				
	31.03.2017	31.03.2016	31.03.2015	31.03.2014	31.03.2013
<b>I. EQUITY AND LIABILITIES</b>					
<b>Shareholder's Funds</b>					
Share Capital	1209.38	483.75	483.75	483.75	483.75
Reserves and Surplus (excluding Revaluation Reserves, if any)	1159.42	1306.23	968.39	572.94	565.64
Money received against share warrants	-	-	-	-	-
Share Application Money Pending Allotment	-	-	-	-	-
<b>Non Current Liabilities</b>					
Long-term Borrowings	377.05	543.17	839.14	1155.02	1672.66
Deferred tax liabilities	249.08	87.82	-	-	-
Other Long Term Liabilities	25.36	29.28	28.14	3.53	3.53
Long-term Provisions	35.85	26.82	8.74	15.97	15.41
<b>Current Liabilities</b>					
Short-term Borrowings	743.11	313.60	284.78	279.85	3.92
Trade Payables	372.04	223.82	27.75	93.47	150.44
Other Current Liabilities	163.23	217.42	197.57	609.65	167.85
Short-term Provisions	206.39	173.30	104.70	52.45	90.02
<b>Total</b>	<b>4540.90</b>	<b>3405.22</b>	<b>2942.97</b>	<b>3266.62</b>	<b>3153.22</b>
<b>II. ASSETS</b>					
<b>Non Current Assets</b>					
<b>Fixed assets</b>					
(i) Tangible Assets	1702.52	1454.96	1489.98	1585.77	1773.64
(ii) Intangible Assets	9.38	11.35	11.75	7.48	5.35
(iii) Capital Work-In-Progress	8.61	-	-	-	-
(iv) Intangible Assets Under Development	-	-	-	-	-
Non Current Investments	5.10	5.10	5.10	5.10	5.10
Deferred Tax Assets (Net)	-	-	99.46	265.07	270.63
Long-term Loans and Advances	694.08	638.46	531.64	484.28	472.69
Other Non Current Assets	19.73	20.79	19.75	19.67	2.27
<b>Current Assets</b>					
<b>Current Investments</b>					
Inventories	198.30	242.29	123.62	161.60	194.20
Trade Receivables	1532.19	846.43	370.30	512.94	258.03
Cash and Cash Equivalents	10.79	47.59	136.69	29.63	7.72
Short-term Loans and Advances	360.15	138.25	154.69	195.09	142.81
Other Current Assets	0.03	-	-	-	20.77
<b>Total</b>	<b>4540.90</b>	<b>3405.22</b>	<b>2942.97</b>	<b>3266.62</b>	<b>3153.22</b>

**ANNEXURE II**  
**RESTATED STATEMENT OF PROFIT AND LOSS**

(Amt. in Rs. Lakhs)

Particulars		For the Year ended				
		31.03.2017	31.03.2016	31.03.2015	31.03.2014	31.03.2013
Revenue from Operations		3502.88	2628.27	1902.74	1387.31	1316.09
Other Incomes		34.40	14.24	10.28	11.24	4.96
<b>Total Revenue</b>	<b>A</b>	<b>3537.28</b>	<b>2642.51</b>	<b>1913.31</b>	<b>1398.55</b>	<b>1321.06</b>
Expenses:						
Cost of materials consumed		1163.76	812.74	186.46	212.48	343.89
Purchase of Stock-in-Trade		-	-	-	3.57	51.78
Employee Benefits Expense		392.27	321.77	281.51	251.28	457.36
Administrative and other Expenses		886.95	811.04	664.55	603.40	710.02
Finance Costs		85.19	120.94	89.03	102.26	109.60
Depreciation And Amortization Expense		113.60	103.37	109.29	165.20	169.06
Changes in inventory of Stock in Trade		19.99	(56.47)	18.28	47.51	(21.24)
<b>Total Expenses</b>	<b>B</b>	<b>2661.76</b>	<b>2113.39</b>	<b>1349.13</b>	<b>1385.69</b>	<b>1820.48</b>
Profit before exceptional and extraordinary items and tax (A-B)	<b>C</b>	875.53	529.12	564.18	12.86	(499.42)
Exceptional/Prior Period item		-	-	-	-	-
Profit before extraordinary items and tax		875.53	529.12	564.18	12.86	(499.42)
Extraordinary item		-	-	-	-	-
<b>Profit Before Tax</b>		<b>875.53</b>	<b>529.12</b>	<b>564.18</b>	<b>12.86</b>	<b>(499.42)</b>
Provision for Tax						
- Current Tax		178.51	111.88	42.14	-	-
- Deferred Tax Liability / (Asset)		161.26	187.27	165.61	5.57	(160.36)
MAT Credit Entitlement		(47.40)	(107.88)	(41.21)	-	-
Short/(Excess) Tax adjustment of prior years		4.34	-	-	-	-
<b>Restated profit after tax for the period from continuing operations</b>		<b>578.81</b>	<b>337.85</b>	<b>397.65</b>	<b>7.30</b>	<b>(339.06)</b>
Profit/ (Loss) from Discontinuing operation		-	-	-	-	-
Tax expenses of discontinuing operations		-	-	-	-	-
<b>Restated profit for the period</b>		<b>578.81</b>	<b>337.85</b>	<b>397.65</b>	<b>7.30</b>	<b>(339.06)</b>

**ANNEXURE III**  
**RESTATED CASH FLOW STATEMENT**

(Amt. in Rs. Lakhs)

Particulars	For the Year ended				
	31.03.2017	31.03.2016	31.03.2015	31.03.2014	31.03.2013
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>					
Net Profit before tax	875.53	529.12	564.19	12.86	(499.42)
Adjustment for :					
Less: Interest on Fixed Deposit	(4.32)	(4.76)	(1.10)	(0.19)	-
Less: Profit on Sale of Fixed Assets	-	-	-	-	-
Less: Dividend Income	(0.60)	(0.60)	(0.60)	(0.75)	(0.12)
Add : Loss by Sale of Fixed Assets	-	0.50	-	21.46	3.38
Add: Depreciation	113.60	103.37	109.29	165.20	169.06
Add: Provision of Gratuity	30.25	19.02	15.56	12.90	17.88
Add: Interest on Borrowed Fund & Finance Charges	75.85	92.53	85.26	101.04	111.18
Operating profit before working capital changes	1090.31	739.18	772.59	312.52	(198.04)
Adjustment for :					
(Increase)/Decrease in Inventories	43.99	(118.66)	37.97	32.61	4.51
(Increase)/Decrease in Trade Receivables	(685.76)	(476.13)	142.64	(254.91)	(17.25)
(Increase)/Decrease in Short Term loans and advances	(221.90)	16.44	40.40	(52.28)	(8.37)
(Increase)/Decrease in Other Current Assets	(0.03)	0.00	0.00	20.77	(13.89)
(Increase)/Decrease in Long Term loans and advances	(55.63)	(106.82)	(47.36)	(11.59)	(131.30)
(Increase)/Decrease in Long Terms Liabilities	(3.92)	1.13	24.62	0.00	0.00
(Increase)/Decrease in Long Terms Provisions	(21.22)	(0.94)	(22.80)	(12.33)	(23.11)
Increase/(Decrease) in trade payables	148.23	196.07	(65.71)	(56.97)	17.03
Increase/(Decrease) in Short Term Borrowings	429.50	28.82	4.93	275.92	0.49
Increase/(Decrease) in Short Term Provisions	33.09	68.60	52.25	(37.57)	49.32
Increase/(Decrease) in other current liabilities	(54.19)	19.85	(412.07)	441.80	40.22
	<b>(387.86)</b>	<b>(371.64)</b>	<b>(245.13)</b>	<b>345.43</b>	<b>(82.36)</b>
<b>Cash generated from / (used in) operations</b>	<b>702.46</b>	<b>367.54</b>	<b>527.46</b>	<b>657.96</b>	<b>(280.40)</b>
Income Tax paid/(refund)	(135.45)	(4.00)	(0.93)	0.00	0.00
Net cash generated from/(used in) operating activities - (A)	<b>567.00</b>	<b>363.54</b>	<b>526.53</b>	<b>657.96</b>	<b>(280.40)</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>					
Purchase of tangible fixed assets	(359.08)	(68.69)	(19.96)	(32.91)	(253.95)
Adjusted against accumulated balances write off	(0.11)	-	-	-	-
(Increase)/Decrease in Capital Work-in-Progress	(8.61)	-	-	-	59.63
sale of fixed assets	-	0.23	-	32.00	90.86
(Increase)/Decrease in other	-	-	-	-	-



Investments					
(Increase)/Decrease in other Non-Current Assets	1.06	(1.04)	(0.08)	(17.40)	(1.66)
Interest Income on Fixed Deposit	4.32	4.76	1.10	0.19	-
Dividend Income	0.60	0.60	0.60	0.75	0.12
<b>Net cash (used in) Investing Activities - (B)</b>	<b>(361.83)</b>	<b>(64.14)</b>	<b>(18.34)</b>	<b>(17.37)</b>	<b>(104.99)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>					
Proceeds from Loan	(166.12)	(295.97)	(315.88)	(517.64)	498.48
Repayment of Share Application Money	-	-	-	-	-
Interest on Borrowed Fund	(75.85)	(92.53)	(85.26)	(101.04)	(111.18)
Dividend & DDT	-	-	-	-	-
<b>Net cash(used in) / from financing activities - (C)</b>	<b>(241.97)</b>	<b>(388.50)</b>	<b>(401.14)</b>	<b>(618.68)</b>	<b>387.30</b>
Net Increase/(decrease) in Cash & Cash Equivalents (A+B+C)	(36.80)	(89.10)	107.06	21.90	1.90
Cash and cash equivalents at the beginning of the year	47.59	136.69	29.63	7.72	5.82
Cash and cash equivalents at the end of the year	10.79	47.59	136.69	29.63	7.72
Cash and cash equivalents at the end of year comprises :					
1. Components of cash and cash equivalents:					
<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>
Cash on hand	0.86	7.09	8.28	3.69	2.92
Balances with scheduled banks:					
In current accounts	9.18	20.57	107.05	5.94	4.80
In Deposits with Scheduled Bank	0.75	19.93	21.35	20.00	0.00
Total Cash and cash equivalents	10.79	47.59	136.69	29.63	7.72

### THE ISSUE

PRESENT ISSUE IN TERMS OF THIS PROSPECTUS	
<b>Equity Shares Offered:</b> Public Issue of Equity Shares by our Company	34,44,000 Equity Shares of ₹ 10/- each for cash at a price of ₹ 42.00/- per share aggregating to ₹ 1446.48 Lakhs
<i>of which</i>	
<i>Fresh Issue<sup>(1)</sup></i>	6,89,000 Equity Shares of ₹ 10/- each for cash at a price of ₹ 42.00/- per share aggregating to ₹ 289.38 Lakhs
<i>Offer for Sale<sup>(2)</sup></i>	27,55,000 Equity Shares of ₹ 10/- each for cash at a price of ₹ 42.00/- per share aggregating to ₹ 1157.10 Lakhs
<i>of which</i>	
<b>Issue Reserved for the Market Makers</b>	1,80,000 Equity Shares of ₹ 10/- each for cash at a price of ₹ 42.00/- per share aggregating ₹ 75.60 Lakhs
<b>Net Issue to the Public*</b>	32,64,000 Equity Shares of ₹ 10/- each for cash at a price of ₹ 42.00/- per share aggregating ₹ 1370.88 Lakhs
	<b>of which</b>
	16,32,000 Equity Shares of ₹ 10/- each for cash at a price of ₹ 42.00/- per share ( including a premium of ₹ 32.00 per Equity Share) will be available for allocation for allotment to Retail Individual Investors of up to ₹ 2.00 Lacs
	16,32,000 Equity Shares of ₹ 10/- each for cash at a price of ₹ 42.00/- per share ( including a premium of ₹ 32.00 per Equity Share) will be available for allocation for allotment to Other Investors of above ₹ 2.00 Lacs
<b>Equity Shares outstanding prior to the Issue</b>	1,20,93,750 Equity Shares of face value of ₹10 each
<b>Equity Shares outstanding after the Issue</b>	1,27,82,750 Equity Shares of face value of ₹10 each
<b>Objects of the Issue/ Use of Issue Proceeds</b>	Please see the chapter titled “ <i>Objects of the Issue</i> ” on page 67 of this Prospectus

<sup>(1)</sup>Fresh Issue of 6,89,000 Equity Shares in terms of Prospectus has been authorized pursuant to a resolution of our Board of Directors dated February 01, 2017 and by special resolution passed under Section 62(1) (c) of the Companies Act, 2013 at the Extra Ordinary General Meeting of the members held on February 27, 2017.

<sup>(2)</sup>The offer for sale by Mr. Sunil Haripant Pophale (“Promoter Selling Shareholder”) for 27,55,000 equity shares authorized by their respective undertaking dated January 31, 2017. It has been authorized pursuant to a resolution of our Board of Directors dated February 01, 2017 and by special resolution passed under Section 28 of the Companies Act, 2013 at the Extra Ordinary General Meeting of the members held on February 27, 2017.

- a) The Selling Shareholder severally and not jointly, specifically confirms that their portion of the Offered shares by each of them by way of the offer, are eligible in accordance with the ICDR Regulations.
- b) This Issue is being made in terms of Chapter XB of the SEBI (ICDR) Regulations, 2009, as amended from time to time. For further details please see the section titled “*Issue Structure*” beginning on page 216 of the Prospectus
- c) \*As per Regulation 43(4) of the SEBI (ICDR) Regulations, as amended, the present issue is a fixed price issue ‘the allocation’ is 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.
    - ii. Other investors including corporate bodies or institutions, irrespective of the number of specified securities applied for
  - c) The unsubscribed portion in either of the categories specified in (a) or (b) above may be allocated to the applicants in the other category.

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

For further details please refer to the chapter titled “*Issue Structure*” beginning on page 216 of the prospectus.

### GENERAL INFORMATION

Our Company was originally incorporated on February 23, 2009 as “Vadivarhe Speciality Chemicals Limited” vide Registration no. 11-190516/2008-2009 (CIN: U24100MH2009PLC190516) under the provisions of the Companies Act, 1956 with the Registrar of Companies, Maharashtra, Mumbai

For further details please refer to chapter titled “*History and Certain Corporate Matters*” beginning on page 108 of this Prospectus.

#### Registered Office & Factory of our Company

##### **Vadivarhe Speciality Chemicals Limited**

Gat No. 204, Vadivarhe, Igatpuri,

Maharashtra-422403, India

Tel. No. +91-2553-282200/282238

E-mail: [cs@vscl.co.in](mailto:cs@vscl.co.in)

Website: [www.vscl.net.in](http://www.vscl.net.in)

Corporate Identification Number: U24100MH2009PLC190516

Registration Number: 11-190516/2008-2009

#### Corporate Office

##### **Vadivarhe Speciality Chemicals Limited**

1<sup>st</sup> Floor, K.K. Chambers, Sir P.T. Road,

Fort, Mumbai, Maharashtra-400001, India

Tel. No. +91-22-61872121

Fax No. - +91-22-26740371

E-mail: [cs@vscl.co.in](mailto:cs@vscl.co.in)

Website: [www.vscl.net.in](http://www.vscl.net.in)

Corporate Identification Number: U24100MH2009PLC190516

Registration Number: 11-190516/2008-2009

#### Address of Registrar of Companies

##### **Registrar of Companies, Maharashtra, Mumbai**

100, Everest, Marine Drive,

Mumbai, Maharashtra-400002, India

Tel No. 022-22812627/22020295/22846954;

Fax No. 022-22811977

Email: [roc.mumbai@mca.gov.in](mailto:roc.mumbai@mca.gov.in)

Website: <http://www.mca.gov.in>

#### Board of Directors of our Company

The Board of Directors of our Company consists of:

Name	Designation	Address	DIN
Mr. Sunil Haripant Pophale	Chairman cum Executive Director	Flat no 15, Lalit Bldg Wode House Road. Colaba Mumbai 400039 Maharashtra, India	00064412
Mrs. Meena Sunil Pophale	Whole time Director	Flat No.15, 8th Floor, Lalit, Wodehouse Road, Colaba Mumbai 400005 Maharashtra, India	00834085
Mr. Vasant Pandit Jagtap	Executive Director	Plot No. 9, S.No. 219/B, Shreemahalaxmi, Opposite Vikhe Patil School, Vrundavan Nagar, Ambad, Ambad Khurd Nashik- 422010, Maharashtra, India	06904144
Mrs. Uttara Adwait Kher	Non Executive Independent Director	Tathastu, Someshwer, Near Datar Farms, Gangapur Road, Nashik – 422222, Maharashtra, India	07805920
Mr. Ravindra Keshav Paranjpe	Non Executive Independent Director	Flat No 2, Priya CHS, 9 AG Khan Road, Worli Sea Face , Mumbai 400025, Maharashtra, India	06816384

Mr. Prasanna Prabhakar Rege	Non Executive Independent Director	B/605, Sabarmati Apts., Sahakargram, Ashoknagar X Rd # 3, Kandivli (East), Mumbai – 400 101, India	02795136
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For further details of the Directors of our Company, please refer to the chapter titled “*Our Management*” on page 112 of this Prospectus.

### Company Secretary and Compliance Officer

**Mr. Jayesh Bhagwati Prasad Vaishnav**  
**Vadivarhe Speciality Chemicals Limited**

Gat No. 204, Vadivarhe Igatpuri,  
 Maharashtra-422403, India  
 Tel. No. +91-2553-282200/282238  
 E-mail: [cs@vscl.co.in](mailto:cs@vscl.co.in)  
 Website: [www.vscl.net.in](http://www.vscl.net.in)

### Chief Financial Officer

**Mr. Potdar Laxmikant Shamkant**  
**Vadivarhe Speciality Chemicals Limited**

Gat No. 204, Vadivarhe Igatpuri,  
 Maharashtra-422403, India  
 Tel. No. +91-2553-282200/282238  
 E-mail: [info@vscl.co.in](mailto:info@vscl.co.in)  
 Website: [www.vscl.net.in](http://www.vscl.net.in)

Investors may contact our Company Secretary and Compliance Officer and / or the Registrar to the Issue and/ or the Lead Manager, in case of any pre-issue or post-issue related problems such as non-receipt of letters of Allotment, credit of allotted Equity Shares in the respective beneficiary account.

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

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

**For all Issue related queries, and for redressal of complaints, applicant may also write to the Lead Manager. All complaints, queries or comments received by Stock Exchange shall be forwarded to the Lead Manager, who shall respond to the same.**

#### Selling Shareholders:-

The details of our Selling Shareholders are set forth below:

Sr. No.	Name of Selling Shareholder	Number of Equity Shares offered for sale
1.	Sunil Haripant Pophale	2,755,000
	<b>Total</b>	<b>2,755,000</b>

#### Details of Key Intermediaries pertaining to this Issue and our Company:

### LEAD MANAGER OF THE ISSUE

**HEM SECURITIES LIMITED**

14/15 Khatau Building, 1st Floor, 40 Bank Street,  
 Fort, Mumbai – 400001, Maharashtra, India  
 Tel No.:+91-22-49060000

Fax No.:+91-22-22625991

Email: [ib@hemsecurities.com](mailto:ib@hemsecurities.com)

Investor Grievance Email: [redressal@hemsecurities.com](mailto:redressal@hemsecurities.com)

Website: [www.hemsecurities.com](http://www.hemsecurities.com)

Contact Person: Mr. Anil Bhargava

SEBI Regn. No.: INM000010981

#### LEGAL ADVISOR TO THE OF ISSUE

##### MMJC & ASSOCIATES LLP

Ecstasy, 803/804 9th floor Citi of Joy,  
JSD Road, Mulund (W), Mumbai – 400080

Tel No.:+91-22-21678100

Email: [makrandjoshi@mmjc.in](mailto:makrandjoshi@mmjc.in)

Website: [www.mmjadvisory.com](http://www.mmjadvisory.com)

Contact Person: Mr. Makrand Joshi

#### REGISTRAR TO THE ISSUE

##### BIGSHARE SERVICES PRIVATE LIMITED

E2 Asna Industrial Estate, Sakivihar Road  
Sakinaka, Andheri East, Mumbai -400072

Tel No.:+91-22-40430200

Fax No.:+91-22-28475207

Email: [ipo@bigshareonline.com](mailto:ipo@bigshareonline.com)

Website: [www.bigshareonline.com](http://www.bigshareonline.com)

Contact Person: Mr. Srinivas Dornala

SEBI Regn. No.: INR000001385

#### REGISTRAR AND SHARE TRANSFER AGENT TO THE COMPANY

##### ADROIT CORPORATE SERVICES PRIVATE LIMITED

17/20, Jaferbhoy Indl. Estate, Makwana Road,  
Marol Naka, Andheri East, Mumbai -400059

Tel No.:+91-22-42270400

Fax No.:+91-22-28503748

Email: [info@adroitcorporate.com](mailto:info@adroitcorporate.com)

Investor Grievance Email:- [info@adroitcorporate.com](mailto:info@adroitcorporate.com)

Website: [www.adroitcorporate.com](http://www.adroitcorporate.com)

Contact Person: Mr. Sadashiva S Shetty

SEBI Regn. No.: INR000002227

#### BANKER TO THE COMPANY

##### AXIS BANK LIMITED

Mazda Tower, Trimbak Naka,  
GPO Road, Nasik – 422001

Tel No: 0253-6627400

Email: [nashik.branchhead@axisbank.com](mailto:nashik.branchhead@axisbank.com)

#### STATUTORY AUDITORS OF THE COMPANY

##### M/s S.R. RAHALKAR AND ASSOCIATES.

##### CHARTERED ACCOUNTANTS

Flat No. 1, “A” Wing, Bhumi Exotica Appt.,  
Near Rathi Amrai, Near Chopda lawns,  
Swami Vivekanand Road, Off Gangapur Road,

Nashik-422013, Maharashtra, India  
**Tel. No:** +91-253-2575093/2581597  
**Email:** [srr.assoc@gmail.com](mailto:srr.assoc@gmail.com)  
**Firm Registration No.:** 108283W  
**Contact Person:** S.R. Rahalkar

#### PEER REVIEW AUDITORS

**M/s B.G. Kale & Co.**  
**CHARTERED ACCOUNTANTS**  
02, Ichchamani Sankul, 23, Adwait Colony,  
College Road, Nashik-422005, Maharashtra, India  
**Tel. No:** +91-253-2570479/2315432  
**Email:** [info@bgkaleco.com](mailto:info@bgkaleco.com), [bgkale@bgkaleco.com](mailto:bgkale@bgkaleco.com)  
**Firm Registration No.:** 120842W  
**Contact Person:** B.G. Kale

#### BANKERS TO THE ISSUE

**HDFC BANK LIMITED**  
FIG- OPS Department, Lodha I, Think Techno Campus,  
Level O-3, Opp. Crompton Greaves,  
Next to Kanjurmarg Railway Station,  
Kanjurmarg (E), Mumbai - 400042.  
**Tel No.:** +91 – 22 – 3075 2928/27/2914  
**Fax No.:** 022-25799801  
**Email:** [vincent.dsouza@hdfcbank.com](mailto:vincent.dsouza@hdfcbank.com), [siddharth.jadhav@hdfcbank.com](mailto:siddharth.jadhav@hdfcbank.com), [prasanna.uchil@hdfcbank.com](mailto:prasanna.uchil@hdfcbank.com)  
**Website:** [www.hdfcbank.com](http://www.hdfcbank.com)  
**Contact Person:** Vincent Dsouza, Siddhartha Jadhav, Prasanna Uchil  
**SEBI Registration No. :** INB100000063

#### STATEMENT OF INTER SE ALLOCATION OF RESPONSIBILITIES

Since Hem Securities Limited is the sole Lead Manager to this issue, a statement of inter se allocation of responsibilities among Lead Managers is not required.

#### SELF CERTIFIED SYNDICATE BANKS (“SCSBS”)

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

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

#### REGISTERED BROKERS

The list of the Registered Brokers, including details such as postal address, telephone number and e-mail address, is provided on the websites of the NSE at [www.nseindia.com](http://www.nseindia.com), as updated from time to time.

#### REGISTRAR TO THE ISSUE AND SHARE TRANSFER AGENTS

The list of the RTAs eligible to accept application forms at the Designated RTA Locations, including details such as address, telephone number and e-mail address, are provided on the websites of Stock Exchange at [www.nseindia.com](http://www.nseindia.com), 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 websites of Stock Exchange at [www.nseindia.com](http://www.nseindia.com), as updated from time to time.

## BROKERS TO THE ISSUE

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

## 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.

## DEBENTURE TRUSTEES

As the Issue is of Equity Shares, the appointment of Debenture trustees is not required.

## TRUSTEES

As the Issue is of Equity Shares, the appointment of Trustees is not mandatory.

## MONITORING AGENCY

As per Regulation 16(1) of the SEBI (ICDR) Regulations, 2009 as amended, the requirement of Monitoring Agency is not mandatory if the Issue size is below Rs. 50000.00 Lacs and hence our Company has not appointed a monitoring agency for this issue.

However, as per the Regulation 18 (3) read with part C of schedule II of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Audit Committee of our Company would be monitoring the utilization of the proceeds of the Issue.

## APPRAISING ENTITY

No appraising entity has been appointed in respect of any objects of this Issue

## EXPERTS OPINION

Except for the reports in the section “*Financial Information of the Company*” and “*Statement of Tax Benefits*” on page 135 and page 77 of this Prospectus from the Peer Review Auditors and Statutory Auditor respectively, our Company has not obtained any expert opinions. We have received written consent from the Peer Review Auditors and Statutory Auditor for inclusion of their name. However, the term “expert” shall not be construed to mean an “expert” as defined under the U.S. Securities Act 1933.

## WITHDRAWAL OF THE ISSUE

Our Company and/or the Selling Shareholder, in consultation with the LM, reserve the right not to proceed with the Issue at any time before the Issue Opening Date without assigning any reason thereof.

If our Company and/or the Selling Shareholder withdraw the Issue anytime after the Issue Opening Date but before the allotment of Equity Shares, a public notice within 2 (two) working days of the Issue Closing Date, providing reasons for not proceeding with the Issue shall be issued by our Company and/or the Selling Shareholder. The notice of withdrawal will be issued in the same newspapers where the pre-issue advertisements have appeared and the Stock Exchange will also be informed promptly. The LM, through the Registrar to the Issue, will instruct the SCSBs to unblock the ASBA Accounts within 1 (one) working Day from the day of receipt of such instruction.

If our Company and/or the Selling Shareholder withdraw the Issue after the Issue Closing Date and subsequently decides to proceed with an Issue of the Equity Shares, our Company and/or the Selling Shareholders will have to file a fresh Prospectus with the stock exchange where the Equity Shares may be proposed to be listed.

Notwithstanding the foregoing, the Issue is subject to obtaining (i) the final listing and trading approvals of the Stock Exchange with respect to the Equity Shares offered through the Prospectus, which our Company will apply for only after Allotment; and (ii) the final RoC approval of the Prospectus.

## UNDERWRITING

The Company, the selling Shareholder and the Lead Manager to the Issue hereby confirm that the Issue is 100% Underwritten by Hem Securities Limited in the capacity of Underwriter to the Issue.

Pursuant to the terms of the Underwriting Agreement dated May 08, 2017, entered into by Company, the selling shareholder and Underwriter Hem Securities Limited, the obligations of the Underwriter are subject to certain conditions specified therein. The Details of the Underwriting commitments are as under:

Details of the Underwriter	No. of shares underwritten	Amount Underwritten (₹ in Lakh)	% of Total Issue Size Underwritten
Hem Securities Limited 203, Jaipur Tower, M.I. Road, Jaipur, Rajasthan Tel : 0141-4051000; Fax: 0141-5010174 Website : ww.hemsecurities.com Email : underwriter@hemsecurities.com Contact Person: Mr. Anil Bhargava SEBI Regn No. INM000010981	34,44,000* Equity Shares of ₹ 10/- being issued at ₹ 42.00 each	1446.48	100%

\*Includes 1,80,000 Equity Shares of the Market Maker Reservation Portion which are to be subscribed by the Market Maker Hem Finlease Private Limited in its OWN account in order to claim compliance with the requirements of Regulation 106 V (4) of the SEBI (ICDR) Regulations, 2009, as amended.

As per Regulation 106P (2) of SEBI (ICDR) Regulations, the Lead Manager has agreed to underwrite to a minimum extent of 15 % of the Issue out of its own account.

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

## DETAILS OF THE MARKET MAKING ARRANGEMENT FOR THIS ISSUE

Our Company and the Lead Manager has entered into Market Making Agreement dated May 08, 2017 with the following Market Maker, to fulfill the obligations of Market Making for this Issue:

<b>Name</b>	Hem Finlease Private Limited
<b>Correspondence Address:</b>	203, Jaipur Tower, M I Road Jaipur, 302001, Rajasthan
<b>Tel No.:</b>	+91 – 141 – 4051000, 5108113
<b>Fax No.</b>	+91 – 141 – 5101757
<b>E-mail:</b>	<a href="mailto:hem@hemsecurities.com">hem@hemsecurities.com</a>
<b>Website:</b>	<a href="http://www.hemsecurities.com">www.hemsecurities.com</a>
<b>Contact Person:</b>	Mr. Anil Bhargava
<b>SEBI Registration No.:</b>	INB231110033
<b>Market Maker Registration No.</b>	11100

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

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



- 1) The Market Maker(s) (individually or jointly) shall be required to provide a 2-way quote for 75% of the time in a day. The same shall be monitored by the stock exchange. Further, the Market Maker(s) shall inform the exchange in advance for each and every black out period when the quotes are not being offered by the Market Maker(s).
- 2) The prices quoted by Market Maker shall be in compliance with the Market Maker Spread Requirements and other particulars as specified or as per the requirements of SME Platform of NSE and SEBI from time to time.
- 3) The minimum depth of the quote shall be ₹ 1,00,000/-. However, the investors with holdings of value less than ₹ 1,00,000/- shall be allowed to offer their holding to the Market Maker(s) (individually or jointly) in that script provided that he sells his entire holding in that script in one lot along with a declaration to the effect to the selling broker.
- 4) The Market Maker shall not sell in lots less than the minimum contract size allowed for trading on the SME Platform (in this case currently the minimum trading lot size is 3000 equity shares; however the same may be changed by the SME Platform of NSE from time to time).
- 5) 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. Any Equity Shares allotted to Market Maker under this Issue over and above 25% of Issue Size 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 reduces to 24% of Issue Size, the Market Maker will resume providing 2 way quotes.
- 6) There shall be no exemption/threshold on downside. However, in the event the Market Maker exhausts his inventory through market making process, NSE may intimate the same to SEBI after due verification.
- 7) Execution of the order at the quoted price and quantity must be guaranteed by the Market Maker(s), for the quotes given by him.
- 8) There would not be more than five Market Makers for a script at any point of time and the Market Makers may compete with other Market Makers for better quotes to the investors.
- 9) On the first day of the listing, there will be pre-opening session (call auction) and there after the trading will happen as per the equity market hours. The circuits will apply from the first day of the listing on the discovered price during the pre-open call auction.
- 10) The Marker maker may also be present in the opening call auction, but there is no obligation on him to do so.
- 11) 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
- 12) The Market Maker(s) shall have the right to terminate said arrangement by giving a six months notice or on mutually acceptable terms to the Merchant Banker, who shall then be responsible to appoint a replacement Market Maker(s) and execute a fresh arrangement.

In case of termination of the above mentioned Market Making agreement prior to the completion of the compulsory Market Making period, it shall be the responsibility of the Lead Manager to arrange for another Market Maker in replacement during the term of the notice period being served by the Market Maker but prior to the date of releasing the existing Market Maker from its duties in order to ensure compliance with the requirements of regulation 106 V of the SEBI (ICDR) Regulations, 2009, as amended. Further our Company and the Lead Manager reserve the right to appoint other Market Makers either as a replacement of the current Market Maker or as an additional Market Maker subject to the total number of Designated Market Makers does not exceed five or as specified by the relevant laws and regulations applicable at that particulars point of time. The Market Making Agreement is available for inspection at our office from 11.00 a.m. to 5.00 p.m. on working days.

- 13) **Risk containment measures and monitoring for Market Makers:** NSE SME Exchange will have all margins, which are applicable on the NSE main board viz., Mark-to-Market, Value-At-Risk (VAR) Margin, Extreme Loss Margin, Special Margins and Base Minimum Capital etc. NSE can impose any other margins as deemed necessary from time-to-time.

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

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

- 15) **Price Band and Spreads:** The price band shall be 20% and the market maker spread (difference between the sell and the buy quote) shall be within 10% or as intimated by Exchange from time to time
- 16) Pursuant to SEBI Circular number CIR/MRD/DSA/31/2012 dated November 27, 2012, limits on the upper side for market makers during market making process has been made applicable, based on the Issue size and as follows:

Issue Size	Buy quote exemption threshold (including mandatory initial inventory of 5% of the Issue Size)	Re-Entry threshold for buy quote (including mandatory initial inventory of 5% of the Issue Size)
Up to ₹ 20 Crore	25%	24%
₹ 20 to ₹ 50 Crore	20%	19%
₹ 50 to ₹ 80 Crore	15%	14%
Above ₹ 80 Crore	12%	11%

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

### CAPITAL STRUCTURE

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

Amt. (Rs. in Lacs, except share data)

Sr. No.	Particulars	Aggregate nominal Value	Aggregate Value at Issue Price
A	<b>Authorized Share Capital</b> 1,50,00,000 Equity Shares having Face Value of Rs 10/- each	1,500.00	-
B	<b>Issued, Subscribed &amp; Paid-up Share Capital prior to the Issue</b> 1,20,93,750 Equity Shares having Face Value of Rs.10/- each fully paid up before the Issue.	1,209.375	-
C	<b>Present Issue in terms of the Prospectus</b> 34,44,000 Equity Shares having Face Value of Rs.10/- each with a premium of ₹ 32.00 per Equity Share.	344.40	1446.48
	<b>Which Comprises</b>		
I.	<b>Reservation for Market Maker portion</b> 1,80,000 Equity Shares of Rs. 10/- each at a premium of ₹ 32.00 per Equity Share	18.00	75.60
II.	<b>Net Issue to the Public</b> 32,64,000 Equity Shares of Rs.10/- each at a premium of ₹ 32.00 per Equity Share	326.40	1370.88
	<b>of which</b>		
	16,32,000 Equity Shares of Rs.10/- each at a premium of ₹ 32.00 per Equity Share will be available for allocation for allotment to Retail Individual Investors applying for a value of up to Rs. 2.00 Lacs	163.20	685.44
	16,32,000 Equity Shares of Rs.10/- each at a premium of ₹ 32.00 per Equity Share will be available for allocation for allotment to Other Investors applying for a value of above Rs. 2.00 Lacs	163.20	685.44
D	<b>Issued, Subscribed and Paid up Equity Share capital after the Issue</b> 1,27,82,750 Equity Shares having Face Value of ₹ 10/- each	1278.275	
E	<b>Securities Premium Account</b> Before the Issue After the Offer		445.625 666.105

*\*Fresh Issue and Offer of Equity Shares in terms of Prospectus has been authorized pursuant to a resolution of our Board of Directors dated February 1, 2017 and by special resolution passed at the Extra Ordinary General Meeting of the members held on February 27, 2017.*

*The offer for sale by Mr. Sunil Haripant Pophale (“Selling Shareholders”) for 27,55,000 authorized by their respective undertaking dated January 31, 2017 and has been authorized pursuant to a resolution of our Board of Directors dated February 1, 2017 and by special resolution passed at the Extra Ordinary General Meeting of the members held on February 27, 2017.*

#### **Class of Shares**

Our Company has only one class of share capital i.e. Equity Shares of Rs.10/- each only. All Equity Shares issued are fully paid up. Our Company does not have any outstanding convertible instruments as on the date of the Prospectus.

#### **Details of changes in Authorized Share Capital of our Company:**

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

- a) The initial authorized share capital of our Company was ₹ 200.00 Lacs divided into 2,00,000 Equity Shares of ₹ 100/- each. This authorized capital was increased to ₹ 500.00 Lacs divided into 5,00,000 Equity Shares of ₹ 100/- each pursuant to a resolution passed by our Shareholders in their extra-ordinary general meeting held on February 20, 2013.
- b) Subdivision of Equity Shares of the Company having face value of ₹ 100/- each into 10 Equity Shares of face value of ₹ 10/- each and authorized share capital of the Company is change from ₹ 500.00 Lacs divided into 5,00,000 Equity Shares of ₹ 100/-

each to ₹ 500.00 Lacs divided into 50,00,000 Equity Shares of ₹ 10/- each pursuant to a resolution passed by our Shareholders in their extra-ordinary general meeting held on August 17, 2016.

- c) The authorized capital of our Company of ₹ 500.00 Lacs divided into 50,00,000 Equity Shares of ₹10/- each was increased to ₹ 1500.00 Lacs divided into 1,50,00,000 Equity Shares of ₹ 10/- each pursuant to a resolution passed by our Shareholders in their extra-ordinary general meeting held on February 27, 2016.

## Notes to Capital Structure

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

- (a) The history of the equity share capital and the securities premium account of our company are set out in the following table:-

Date of Allotment / Date of Fully Paid Up	No. of Equity Shares allotted	Face Value (Rs.)	Issue Price (Rs.)	Nature of Consideration	Nature of Allotment	Cumulative No. of Equity Shares	Cumulative Paid Up Share Capital (Rs.)	Cumulative Securities Premium (Rs.)
On Incorporation	5,000	100	100	Cash	Subscription to MOA <sup>(i)</sup>	5,000	5,00,000	Nil
January 13, 2010	16,500	100	10000	Cash	Right Issue <sup>(ii)</sup>	21,500	21,50,000	16,33,50,000
January 29, 2010*	1,72,000	100	--	--	Bonus Issue in the ratio of 8:1 <sup>(iii)</sup>	1,93,500	1,93,50,000	14,61,50,000
February 22, 2013**	2,90,250	100	--	--	Bonus Issue in the ratio of 1.5:1 <sup>(iv)</sup>	4,83,750	4,83,75,000	11,71,25,000
Sub- Division of each Equity Shares of the Company having face Value of ₹ 100/- each into 10 Equity Shares of face value of ₹ 10/- each with effect from August 17, 2016 after subdivision the restated position was as under:-								
-----	-----	10	--	---	-----	48,37,500	4,83,75,000	11,71,25,000
February 27, 2016***	72,56,250	10	--	---	Bonus Issue in the ratio of 3:2 <sup>(v)</sup>	1,20,93,750	12,09,37,500	4,45,62,500

\* Bonus issue of 1,72,000 equity shares in the ratio of 8:1 dated January 29, 2010 has been issued by Capitalization of Reserve & Surplus of the Company.

\*\* Bonus issue of 2,90,250 equity shares in the ratio of 1.5:1 dated February 22, 2013 has been issued by Capitalization of Reserve & Surplus of the Company.

\*\*\* Bonus issue of 72,56,250 equity shares in the ratio of 3:2 dated February 27, 2017 has been issued by Capitalization of Reserve & Surplus of the Company.

All the above mentioned shares are fully paid up since the date of allotment.

### Notes:

- (i) Initial Subscribers to the Memorandum of Association subscribed 5,000 Equity Shares of Face Value of Rs. 100/- each, details of which are given below:

S. No.	Names of Person	Number of Shares Allotted
1.	Mr. Sunil Haripant Pophale	4940
2.	Mr. Abhijit Shyamsunder Bopardikar	10
3.	Mrs. Saloni Abhijit Bopardikar	10
4.	Mrs. Meena Sunil Pophale	10
5.	Mrs. Vijaya Sujit Bopardikar	10
6.	Mr. Sujit Shyamsunder Bopardikar	10
7.	Mrs. Manasi Sunil Pophale	10

	<b>Total</b>	<b>5,000</b>
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(ii) **Right Issue of 16,500 Equity Shares of Face Value of Rs. 100/- each fully paid at Issue Price of Rs. 10,000 (including Securities Premium of Rs. 9900/- each)**

S. No.	Names of Person	Number of Shares Allotted
1.	Mr. Sunil Haripant Pophale	16,500
	<b>Total</b>	<b>16,500</b>

(iii) **Bonus allotment of 1,72,000 Equity Shares of Face Value of Rs. 100/- each fully paid in the ratio 8:1 i.e.8 Bonus Equity Shares for every 1 Equity Shares held**

S. No.	Names of Person	Number of Shares Allotted
1.	Mr. Sunil Haripant Pophale	1,71,520
2.	Mr. Abhijit Shyamsunder Bopardikar	80
3.	Mrs. Saloni Abhijit Bopardikar	80
4.	Mrs. Meena Sunil Pophale	80
5.	Mrs. Vijaya Sujit Bopardikar	80
6.	Mr. Sujit Shyamsunder Bopardikar	80
7.	Mrs. Manasi Sunil Pophale	80
	<b>Total</b>	<b>1,72,000</b>

(iv) **Bonus allotment of 2,90,250 Equity Shares of Face Value of Rs. 100/- each fully paid in the ratio 1.5:1 i.e. 1.5 Bonus Equity Shares for every 1 Equity Shares held**

S. No.	Names of Person	Number of Shares Allotted
1.	Mr. Sunil Haripant Pophale	2,64,690
2.	Mr. Abhijit Shyamsunder Bopardikar	135
3.	Mrs. Saloni Abhijit Bopardikar	135
4.	Mrs. Meena Sunil Pophale	135
5.	Mrs. Vijaya Sujit Bopardikar	135
6.	Mr. Sujit Shyamsunder Bopardikar	135
7.	Mrs. Manasi Sunil Pophale	24885
	<b>Total</b>	<b>2,90,250</b>

(v) **Bonus allotment of 72,56,250 Equity Shares of Face Value of Rs. 10/- each fully paid in the ratio 3:2 i.e. 3 Bonus Equity Shares for every 2 Equity Shares held**

S. No.	Names of Person	Number of Shares Allotted
1.	Mr. Sunil Haripant Pophale	63,39,375
2.	Mr. Abhijit Shyamsunder Bopardikar	3,375
3.	Mrs. Saloni Abhijit Bopardikar	3,375
4.	Mrs. Meena Sunil Pophale	3,225
5.	Mrs. Vijaya Sujit Bopardikar	3,375
6.	Mr. Sujit Shyamsunder Bopardikar	3,375
7.	Mrs. Manasi Sunil Pophale	150
8.	Mrs. Aditi Sunil Pophale	9,00,000
	<b>Total</b>	<b>72,56,250</b>

b) As on the date of the Prospectus, our Company does not have any preference share capital.

## 2. Issue of Equity Shares for consideration other than cash

Save and Except as set out below we have not issued any Equity Shares for consideration other than cash:

Date of the allotment	No. of Equity shares allotted	Face Value (₹)	Issue Price (₹)	Reasons for allotment	Benefit Accrued to our Company	Allottees	No. of Shares allotted
January 29, 2010	1,72,000	100	NIL	Bonus Issue of equity shares in the ratio of 8:1 by way of capitalization of Reserves & Surplus of ₹ 172.00 Lacs*	Expansion of Capital	Mr. Sunil Haripant Pophale	1,71,520
						Mr. Abhijit Shyamsunder Bopardikar	80
						Mrs. Saloni Abhijit Bopardikar	80
						Mrs. Meena Sunil Pophale	80
						Mrs. Vijaya Sujit Bopardikar	80
						Mr. Sujit Shyamsunder Bopardikar	80
						Mrs. Manasi Sunil Pophale	80
February 22, 2013	2,90,250	100	NIL	Bonus Issue of equity shares in the ratio of 1.5:1 by way of capitalization of Reserves & Surplus of ₹ 290.25 Lacs*	Expansion of Capital	Mr. Sunil Haripant Pophale	2,64,690
						Mr. Abhijit Shyamsunder Bopardikar	135
						Mrs. Saloni Abhijit Bopardikar	135
						Mrs. Meena Sunil Pophale	135
						Mrs. Vijaya Sujit Bopardikar	135
						Mr. Sujit Shyamsunder Bopardikar	135
						Mrs. Manasi Sunil Pophale	24885
February 27, 2017	72,56,250	10	NIL	Bonus Issue of equity shares in the ratio of 3:2 by way of capitalization of Reserves & Surplus of ₹ 725.62 Lacs*	Expansion of Capital	Mr. Sunil Haripant Pophale	63,39,375
						Mr. Abhijit Shyamsunder Bopardikar	3,375
						Mrs. Saloni Abhijit Bopardikar	3,375
						Mrs. Meena Sunil Pophale	3,225
						Mrs. Vijaya Sujit Bopardikar	3,375
						Mr. Sujit Shyamsunder Bopardikar	3,375
						Mrs. Manasi Sunil Pophale	150
Mrs. Aditi Sunil Pophale	9,00,000						

\*Above allotment of shares have been made out of Reserves & Surplus (Securities Premium) available for distribution to shareholders and no part of revaluation reserve has been utilized for the purpose.

### 3. Details of Allotment made in the last two years preceding the date of the Prospectus:

Except as mentioned in point 1 (a) (v) above, we have not issued any Equity Shares in the last two years preceding the date of the Prospectus

- No Equity Shares have been allotted pursuant to any scheme approved under Section 230-233 of the Companies Act, 2013.
- We have not revalued our assets since inception. Also, we have not issued any Equity Shares (including bonus shares) by capitalizing any revaluation reserves.
- Except as mentioned below, no Equity Shares have been issued which may at price below the Issue Price within last one year from the date of the Prospectus.

Date of Allotment	Allottees	No. of Equity Shares Allotted	Face Value (in ₹)	Issue Price (in ₹)	Reason for Allotment	Category of Allottees
February 27, 2017	Mr. Sunil Haripant Pophale	63,39,375	10	--	Bonus Issue in the ratio of 3:2 (3) Equity Shares for every (2)	Promoter
	Mr. Abhijit Shyamsunder Bopardikar	3,375				Public

	Mrs. Saloni Abhijit Bopardikar	3,375			Equity Shares held	Public
	Mrs. Meena Sunil Pophale	3,225				Promoter Group
	Mrs. Vijaya Sujit Bopardikar	3,375				Public
	Mr. Sujit Shyamsunder Bopardikar	3,375				Public
	Mrs. Manasi Sunil Pophale	150				Promoter Group
	Mrs. Aditi Sunil Pophale	9,00,000				Promoter Group

### 7. Capital Build up in respect of shareholding of our Promoter:

As on date of the Prospectus, our promoter Mr. Sunil Haripant Pophale 1,05,65,625 Equity Shares respectively of our Company. None of the Equity Shares held by our Promoter are subject to any pledge.

Date of Allotment and made fully paid up /transfer	Nature of Issue	No. of Equity Shares	Face Value Per Share (₹)	Issue /Acquisition/ Transfer Price per Equity Share (₹)*	Pre-Issue Shareholding %	Post-Issue Shareholding %	Lock in Period	Source of Funds
<b>Mr. Sunil Haripant Pophale</b>								
February 23, 2009	On Incorporation	4,940	100	100	0.04	0.04	--	Own fund
January 13, 2010	Allotment	16,500	100	10,000	0.14	0.13	--	Own fund
January 29, 2010	Bonus Issue	1,71,520	100	--	1.42	1.34	--	--
February 23, 2010	Transfer <sup>(i)</sup>	(16,500)	100	860	(0.14)	(0.13)	--	--
February 22, 2013	Bonus Issue	2,64,690	100	--	2.19	2.07	--	--
October 21, 2014	Acquisition of Shares by way of Gift <sup>(ii)</sup>	41,475	100	--	0.34	0.32	--	--
May 18, 2015	Transfer of Shares by way of Gift <sup>(iii)</sup>	(60,000)	100	--	(0.50)	(0.47)	--	--
August 17, 2016	Sub-division of Shares from Rs. 100 each to Rs. 10 each	<u>27,55,000</u> 14,71,250	10	--	<u>22.78</u> 12.17	<u>21.55</u> 11.51	<u>OFS*</u> 1 year	--
February 27, 2017	Bonus Issue	<u>26,84,000</u> 36,55,375	10	--	<u>22.19</u> 30.23	<u>21.00</u> 28.60	<u>3 year</u> 1 year	--

\*27,55,000 Shares of Mr. Sunil Haripant Pophale are offered in this Public Issue vide authorization letter dated January 31, 2017.

#### (i) Details of Transfer of Share of Mr. Sunil Haripant Pophale dated February 23, 2010

S. No.	Date of Transfer	Name of Transferor	No. of Share Transfer	Name of Transferee
1	23.02.2010	Sunil Haripant Pophale	16500	Manasi Sunil Pophale
		<b>Total</b>	<b>16500</b>	

## (ii) Details of Acquisition of Share by Mr. Sunil Haripant Pophale dated October 21, 2014

S. No.	Date of Transfer	Name of Transferor	No. of Share Transfer	Name of Transferee
1	21.10.2014	Manasi Sunil Pophale	41475	Sunil Haripant Pophale
		<b>Total</b>	<b>41475</b>	

## (iii) Details of Transfer of Share of Mr. Sunil Haripant Pophale dated May 18, 2015

S. No.	Date of Transfer	Name of Transferor	No. of Share Transfer	Name of Transferee
1	18.05.2015	Sunil Haripant Pophale	60000	Aditi Sunil Pophale
		<b>Total</b>	<b>60000</b>	

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

Name of the Promoter	No. of Shares held	Average Cost of Acquisition per Share (In Rs.)*
Mr. Sunil Haripant Pophale	1,05,65,625	14.32

\*Average cost of acquisition is calculated on the basis of face value of equity shares of Rs. 10/- each.

8. Except as provided below there are no Equity Shares purchased/acquired or sold by our Promoters, Promoter Group and/or by our Directors and their immediate relatives within six months immediately preceding the date of filing of the Prospectus.

Date of Transaction	Number of Equity Shares Allotted/ Acquired	Face Value (Rs. )	Issue Price/ Acquired Price (Rs.)*	Nature	Nature of Consideration	Name of the Allottees	Category
February 27, 2017	63,39,375	10	---	Allotted by way of Bonus Issue	----	Sunil Haripant Pophale	Promoter
	3,225					Meena Sunil Pophale	Promoter Group
	150					Manasi Sunil Pophale	Promoter Group
	9,00,000					Aditi Sunil Pophale	Promoter Group
	3,375					Mr. Abhijit Shyamsunder Bopardikar	Director
	3,375					Mrs. Saloni Abhijit Bopardikar	Relative of Director
	3,375					Mrs. Vijaya Sujit Bopardikar	Relative of Director
	3,375					Mr. Sujit Shyamsunder Bopardikar	Director

\*The maximum and minimum price at which the aforesaid transaction was nil

## 9. Details of the Pre and Post Issue Shareholding of our Promoter and Promoter Group as on the date of the Prospectus is as below:-

S.No	Names	Pre Issue		Post Issue	
		Shares Held	% Shares Held	Shares Held	% Shares Held
	<b>Promoter</b>				
1.	Sunil Haripant Pophale	1,05,65,625	87.36	78,10,625	61.10



	<b>TOTAL (A)</b>	<b>1,05,65,625</b>	<b>87.36</b>	<b>78,10,625</b>	<b>61.10</b>
	<b>Promoter Group</b>				
2.	Meena Sunil Pophale	5375	0.04	5375	0.04
3.	Manasi Sunil Pophale	250	0.01	250	0.01
4.	Aditi Sunil Pophale	15,00,000	12.40	15,00,000	11.73
	<b>TOTAL (B)</b>	<b>15,05,625</b>	<b>12.45</b>	<b>15,05,625</b>	<b>11.78</b>
	<b>GRAND TOTAL (A+B)</b>	<b>1,20,71,250</b>	<b>99.81</b>	<b>93,16,250</b>	<b>72.88</b>

#### 10. Details of Promoter Contribution locked in for three years:

Date of Allotment / transfer of fully paid up Shares	Date when made Fully paid up	Nature of Allotment/ Acquired/Transfer	No. of shares Allotted/ Acquired Transferred	Face Value (Rs.)	Issue Price/ Transfer Price (Rs.)	% of Pre Issue Shareholding	% of Post Issue Shareholding	Lock in Period
Sunil Haripant Pophale								
27.02.2017	27.02.2017	Bonus	26,84,000	10	---	22.19	21.00	3 Years
<b>Sub Total</b>			<b>26,84,000</b>			<b>22.19</b>	<b>21.00</b>	
<b>Grand Total</b>			<b>26,84,000</b>			<b>22.19</b>	<b>21.00</b>	

The minimum Promoter contribution has been brought in to the extent of not less than the specified minimum lot and from persons defined as “promoter” under the SEBI ICDR Regulations. All Equity Shares, which are being locked in are not ineligible for computation of Minimum Promoters Contribution as per Regulation 33 of the SEBI ICDR Regulations and are being locked in for 3 years as per Regulation 36(a) of the SEBI ICDR Regulations i.e. for a period of three years from the date of allotment of Equity Shares in this Issue.

No Equity Shares proposed to be locked-in as Minimum Promoters Contribution have been issued out of revaluation reserve or for consideration other than cash and revaluation of assets or capitalization of intangible assets, involved in such transactions.

The entire pre-issue shareholding of the Promoters, other than the Minimum Promoters contribution which is locked in for three years and shares offered in Offer for sale, shall be locked in for a period of one year from the date of allotment in this Issue.

Our Promoter Mr. Sunil Haripant Pophale have, by a written undertaking, consented to have 26,84,000 Equity Shares held by them respectively to be locked in as Minimum Promoters Contribution for a period of three years from the date of allotment in this Issue and will not be disposed / sold / transferred by the promoters during the period starting from the date of filing this Prospectus with SME Platform of NSE till the date of commencement of lock-in period as stated in this Prospectus. The Equity Shares under the Promoters contribution will constitute 21.00 % of our post-issue paid up share capital.

Our Promoters have also consented that the Promoters contribution under Regulation 32 of the SEBI ICDR Regulations will not be less than 20% of the post issue paid up capital of our Company.

#### Eligibility of Share for “Minimum Promoters Contribution in terms of clauses of Regulation 33 (1) of SEBI (ICDR) Regulations, 2009

Reg. No.	Promoters’ Minimum Contribution Conditions	Eligibility Status of Equity Shares forming part of Promoter’s Contribution
33(1) (a) (i)	Specified securities acquired during the preceding three years, if they are acquired for consideration other than cash and revaluation of assets or capitalization of intangible assets is involved in such transaction	The Minimum Promoter’s contribution does not consist of such Equity Shares which have been acquired for consideration other than cash and revaluation of assets or capitalization of intangible assets. <b>Hence Eligible</b>
33 (1) (a) (ii)	Specified securities acquired during the preceding three years, resulting from a bonus issue by utilization of revaluation reserves or unrealized profits of the issuer or from bonus issue against Equity Shares which are ineligible	The minimum Promoter’s contribution does not consist of such Equity Shares. <b>Hence Eligible</b>

Reg. No.	Promoters' Minimum Contribution Conditions	Eligibility Status of Equity Shares forming part of Promoter's Contribution
	for minimum promoters' contribution	
33 (1) (b)	Specified securities acquired by promoters during the preceding one year at a price lower than the price at which specified securities are being offered to public in the initial public offer	The minimum Promoter's contribution does not consist of such Equity Shares. <b>Hence Eligible.</b>
33 (1) (c)	Specified securities allotted to promoters during the preceding one year at a price less than the issue price, against funds brought in by them during that period, in case of an issuer formed by conversion of one or more partnership firms, where the partners of the erstwhile partnership firms are the promoters of the issuer and there is no change in the management: Provided that specified securities, allotted to promoters against capital existing in such firms for a period of more than one year on a continuous basis, shall be eligible	The minimum Promoter's contribution does not consist of such Equity Shares. <b>Hence Eligible.</b>
33 (1) (d)	Specified securities pledged with any creditor.	Our Promoter's has not Pledged any shares with any creditors. Accordingly, the minimum Promoter's contribution does not consist of such Equity Shares. <b>Hence Eligible.</b>

#### Details of Share Capital Locked In For One Year

In terms of Regulation 36(b) and 37 of the SEBI ICDR Regulations, in addition to the Minimum Promoters contribution which is locked in for 3 (three) years, as specified above, the entire pre-issue equity share capital held by promoters and entire pre-issue capital held by persons other than promoters of our Company i.e. Promoter Group Entities and public shareholders, except the shares offered for sale through the Issue constituting 66,54,750 Equity Shares shall be locked in for a period of 1 (one) year from the date of allotment of Equity Shares in this Issue.

The Equity Shares which are subject to lock-in shall carry inscription '**non-transferable**' along with the duration of specified non-transferable period mentioned in the face of the security certificate. The shares which are in dematerialized form, if any, shall be locked-in by the respective depositories. The details of lock-in of the Equity Shares shall also be provided to the Designated Stock Exchange before the listing of the Equity Shares.

#### Other requirements in respect of lock-in:

- a) In terms of Regulation 39 of the SEBI ICDR Regulations, the locked in Equity Shares held by the Promoters, as specified above, can be pledged with any scheduled commercial bank or public financial institution as collateral security for loan granted by such bank or institution provided that the pledge of Equity Shares is one of the terms of the sanction of the loan. Provided that securities locked in as minimum promoter contribution may be pledged only if, in addition to fulfilling the above requirements, the loan has been granted by such bank or institution, for the purpose of financing one or more of the objects of the Issue.
- b) In terms of Regulation 40 of the SEBI ICDR Regulations, the Equity Shares held by persons other than the Promoters prior to the Offer may be transferred to any other person holding the Equity Shares which are locked in as per Regulation 36 or 37 of the SEBI ICDR Regulations, subject to continuation of the lock-in in the hands of the transferees for the remaining period and compliance with the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as applicable.

Further in terms of Regulation 40 of the SEBI ICDR Regulations, the Equity Shares held by the Promoters may be transferred to and amongst the Promoter Group or to new promoters or persons in control of the company subject to continuation of the lock-in in the hands of the transferees for the remaining period and compliance with SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as applicable.

**11. Our Shareholding Pattern**

The table below represents the shareholding pattern of our Company in accordance with Regulation 31 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as on the date of the Prospectus:

**I – Summary of Shareholding Pattern:-**

**Table I - Summary Statement holding of specified securities**

Category	Category of shareholder	Nos. of shareholders	No. of fully paid up equity shares held	No. of Partly paid-up equity shares held	No. of shares underlying Depository Receipts	Total nos. shares held	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957)	Number of Voting Rights held in each class of securities				No. of Shares Underlying Outstanding convertible securities (including Warrants)	Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital)	Number of Locked in shares		Number of Shares pledged or otherwise encumbered		Number of equity shares held in dematerialized form
								No of Voting Rights			Total as a % of (A+B+C)			No.	As a % of total Shares held (b)	No.	As a % of total Shares held (b)	
								Class: Equity Shares	Class: NIL	Total								
(I)	(II)	(III)	(IV)	(V)	(VI)	(VII)=(IV)+(V)+(VI)	(VIII) As a % of (A+B+C 2)	(IX)				(X)	(XI)=(VII)+(X) As a % of (A+B+C2)	(XII)	(XIII)	(XIV)		
(A)	Promoter & Promoter Group	4	12071250	-	-	12071250	99.81	12071250	-	12071250	99.81	-	99.81	-	-	12071250		
(B)	Public	4	22500	-	-	22500	0.19	22500	-	0.19	0.19	-	0.19	-	-	15750		
	Non Promoter-Non Public	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
(C1)	Shares underlying DRs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
(C2)	Shares held by Employee Trusts	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
	<b>Total</b>	<b>8</b>	<b>12093750</b>	<b>-</b>	<b>-</b>	<b>12093750</b>	<b>100.00</b>	<b>12093750</b>	<b>-</b>	<b>12093750</b>	<b>100.00</b>	<b>-</b>	<b>100.00</b>	<b>-</b>	<b>-</b>	<b>12087000</b>		

**Table II - Statement showing shareholding pattern of the Promoter and Promoter Group**

(I)	Category & Name of the Shareholders (I)	PAN (II)	No. of shareholder (I II)	No. of fully paid up equity shares held (IV)	Partly paid-up equity shares held (V)	Nos. of shares underlying Depository Receipts (VI)	Total nos. shares held (VII = IV+V+VI)	Shareholding % 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 Shares Underlying Outstanding convertible securities (including Warrants) (X)	Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI) = (VII)+(X) as a % of A+B+C2	Number of Locked in shares (XII)		Number of Shares pledged or otherwise encumbered (XIII)		Number of equity shares held in dematerialized form (XIV)	
									No of Voting Rights					Total as a % of Total Voting rights	No. (a)	As a % of total Shares held (b)	No. (a)		As a % of total Shares held (b)
									Class: Equity Shares	Class: NIL	Total								
(1)	<b>Indian</b>																		
(a)	<b>Individuals/Hindu undivided Family</b>		1	10565625	0	0	10565625	87.36	10565625	0	10565625	87.36	0	87.36	0	0.00	0	0.00	10565625
	Sunil Haripant Pophale	AAHPP4573G		10565625	0	0	10565625	87.36	10565625	0	10565625	87.36	0	87.36	0	0.00	0	0.00	10565625
(b)	<b>Central Government/ State Government(s)</b>		0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	0	0.00	0
(c)	<b>Financial Institutions/ Banks</b>		0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	0	0.00	0
(d)	<b>Any Other (specify)</b>		0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	0	0.00	0
	<b>Promoter Group (Individuals &amp; HUF)</b>		3	1505625	0	0	1505625	12.45	1505625	0	1505625	12.45	0	12.45	0	0.00	0	0.00	1505625
	Meena Sunil Pophale	AAEPP7757M		5375	0	0	5375	0.04	5375	0	5375	0.04	0	0.04	0	0.00	0	0.00	5375
	Manasi Sunil Pophale	AMJPP6022A		250	0	0	250	0.00	250	0	250	0.00	0	0.00	0	0.00	0	0.00	250

	Aditi Sunil Pophale	BBZPP9887P		1500000	0	0	1500000	12.40	1500000	0	1500000	12.40	0	0.00	0	0.00	0	0.00	1500000
	<b>Sub-Total (A)(1)</b>		<b>4</b>	<b>12071250</b>	<b>0</b>	<b>0</b>	<b>12071250</b>	<b>99.81</b>	<b>1271250</b>	<b>0</b>	<b>12071250</b>	<b>99.81</b>	<b>0</b>	<b>99.81</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0.00</b>	<b>12071250</b>
(2)	<b>Foreign</b>																		
(a)	<b>Individuals (Non-Resident Individuals/ Foreign Individuals)</b>		0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	0	0.00	0
(b)	<b>Government</b>		0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	0	0.00	0
(c)	<b>Institutions</b>		0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	0	0.00	0
(d)	<b>Foreign Portfolio Investor</b>		0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	0	0.00	0
(f)	<b>Any Other (specify)</b>		0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	0	0.00	0
	<b>Sub-Total (A)(2)</b>		0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	0	0.00	0
<b>Total Shareholding of Promoter and Promoter Group (A)= (A)(1)+(A)(2)</b>			<b>4</b>	<b>12071250</b>	<b>0</b>	<b>0</b>	<b>12071250</b>	<b>99.81</b>	<b>1271250</b>	<b>0</b>	<b>12071250</b>	<b>99.81</b>	<b>0</b>	<b>99.81</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0.00</b>	<b>12071250</b>

**Table III - Statement showing shareholding pattern of the Public shareholder**

Category & Name of the Shareholders (I)	PAN (II)	No. of shareholder (I II)	No. of fully paid up equity shares held (IV)	Partly paid-up equity shares held (V)	Nos. of shares underlying Depository Receipts (VI)	Total nos. shares held (VII = IV+V+VI)	Share holding % 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 Shares Underlying Outstanding convertible securities (including Warrants) (X)	Total shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI)	Number of Locked in shares (XII)		Number of Shares pledged or otherwise encumbered (XIII)		Number of equity shares held in dematerialized form (XIV)	
								No of Voting Rights					Total as a % of Total Voting rights	No.	As a % of total Shares held (b)	No.		As a % of total shares held (b)
								Class: Equity Shares	Class: NIL	Total								

(1)	<b>Institutions</b>																	
(a)	<b>Mutual Funds/</b>	0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	0	NA	0
(b)	<b>Venture Capital Funds</b>	0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	0	NA	0
(c)	<b>Alternate Investment Funds</b>	0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	0	NA	0
(d)	<b>Foreign Venture Capital Investors</b>	0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	0	NA	0
(e)	<b>Foreign Portfolio Investors</b>	0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	0	NA	0
(f)	<b>Financial Institutions/ Banks</b>	0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	0	NA	0
(g)	<b>Insurance Companies</b>	0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	0	NA	0
(h)	<b>Provident Funds/ Pension Funds</b>	0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	0	NA	0
(i)	<b>Any Other (specify)</b>	0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	0	NA	0
	<b>Sub-Total (B)(1)</b>	0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	0	NA	0
(2)	<b>Central Government/ State Government(s) / President of India</b>	0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	0	NA	0
	<b>Sub-Total (B)(2)</b>	0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	0	NA	0
(3)	<b>Non-institutions</b>																	
	<b>Individuals</b>																	
(a)	<b>i. Individual shareholders</b>	4	22500	0	0	22500	0.20	22500	0	22500	0.20	0	0.20	0	0.00	0	NA	15750

	holding nominal share capital up to Rs. 2 lakhs.																	
	ii. Individual shareholders holding nominal share capital in excess of Rs. 2 lakhs.		0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	NA	0
(b)	NBFCs registered with RBI		0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	NA	0
(c)	Employee Trusts		0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	NA	0
(d)	Overseas Depositories (holding DRs) (balancing figure)		0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	NA	0
(e)	Any Other (specify)		0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	NA	0
1	Private Corporate Bodies		0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	NA	0
	<b>Sub-Total (B)(3)</b>		<b>4</b>	<b>22500</b>	<b>0</b>	<b>0</b>	<b>22500</b>	<b>0.20</b>	<b>22500</b>	<b>0</b>	<b>22500</b>	<b>0.20</b>	<b>0</b>	<b>0.20</b>	<b>0</b>	<b>0.00</b>	<b>NA</b>	<b>15750</b>
	<b>Total Public Shareholding (B)= (B)(1)+(B)(2)+(B)(3)</b>		<b>4</b>	<b>22500</b>	<b>0</b>	<b>0</b>	<b>22500</b>	<b>0.20</b>	<b>22500</b>	<b>0</b>	<b>22500</b>	<b>0.20</b>	<b>0</b>	<b>0.20</b>	<b>0</b>	<b>0.00</b>	<b>NA</b>	<b>15750</b>

**Table IV - Statement showing shareholding pattern of the Non Promoter- Non Public shareholder**

Category & Name of the Shareholders (I)	PAN (II)	No. of shareholder (I)	No. of fully paid up shares held (IV)	Partly paid-up equity shares (V)	Nos. of shares underlying Depository Receipts (VI)	Total nos. shares held (VII) = IV+V+VI)	Shareholding % calculated as per SCRR, 1957 As a % of (A+B)	Number of Voting Rights held in each class of securities (IX)			No. of Shares Underlying Outstanding convertible securities (X)	Total shareholding, as a % assuming full conversion of convertible securities (as a percentage)	Number of Locked in shares (XII)		Number of Shares pledged or otherwise encumbered (XIII)		Number of equity shares held in dematerialized form (XIV)
								No of Voting Rights		Total as a % of			No.	As a % of	No.	As a % of	
								Class: Equity	Class: as								

			II )		es held (V )	ei pt s (VI)		+C2) (VIII)	Shares	s: NI L		Total Votin g rights	ties (inclu ding Warr ants) (X)	of diluted share capital) (XI)		tota l Sha res hel d		total shar es held	
(1 )	<b>Custodian/DR Holder</b>		0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.0 0	0	0.00	0
(a )	Name of DR Holder (if available)																		
(2 )	<b>Employee Benefit Trust (under SEBI (Share based Employee Benefit Regulations, 2014)</b>		0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.0 0	0	0.00	0
	<b>Total Non- Promoter- Non Public Shareholding (C)= (C)(1)+(C)(2)</b>		0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.0 0	0	0.00	0

\*As on date of this Prospectus 1 Equity share holds 1 vote.

^ We have only one class of Equity Shares of face value of Rs. 10/- each.



## 12. The Top Ten Shareholders of our Company and their Shareholding is set forth below:-

As on the date of the Prospectus, our Company has 8 (Eight) shareholders.

a) Our top ten shareholders as on the date of filing of the Prospectus are as follow:

S. No.	Names	Shares Held (Face Value of Rs. 10.00 each)	% shares held (% Pre paid up Capital)
1.	Sunil Haripant Pophale	1,05,65,625	87.36
2.	Aditi Sunil Pophale	15,00,000	12.40
3.	Abhijit Shyamsunder Bopardikar	5,625	0.05
4.	Saloni Abhijit Bopardikar	5,625	0.05
5.	Vijaya Sujit Bopardikar	5,625	0.05
6.	Sujit Shyamsunder Bopardikar	5,625	0.05
7.	Meena Sunil Pophale	5,375	0.04
8.	Manasi Sunil Pophale	250	0.00
	<b>Total</b>	<b>1,20,93,750</b>	<b>100.00</b>

b) Our top ten shareholders 10 days prior filing of the Prospectus are as follows:

S. No.	Names	Shares Held (Face Value of Rs. 10.00 each)	% shares held (% Pre Issue paid up Capital)
1.	Sunil Haripant Pophale	10,565,625	87.36
2.	Aditi Sunil Pophale	15,00,000	12.40
3.	Abhijit Shyamsunder Bopardikar	5,625	0.05
4.	Saloni Abhijit Bopardikar	5,625	0.05
5.	Vijaya Sujit Bopardikar	5,625	0.05
6.	Sujit Shyamsunder Bopardikar	5,625	0.05
7.	Meena Sunil Pophale	5,375	0.04
8.	Manasi Sunil Pophale	250	0.00
	<b>Total</b>	<b>1,20,93,750</b>	<b>100.00</b>

c) \*Details of top ten shareholders of our Company two years prior to the date of filing of the Prospectus are as follows:

S.No.	Names	Shares Held (Face Value of Rs. 10.00 each)	% of Paid Up Equity Shares as on 2 years prior to the date of filing of the Prospectus
1.	Sunil Haripant Pophale	482625	99.77
2.	Abhijit Shyamsunder Bopardikar	225	0.05
3.	Saloni Abhijit Bopardikar	225	0.05
4.	Vijaya Sujit Bopardikar	225	0.05
5.	Sujit Shyamsunder Bopardikar	225	0.05
6.	Meena Sunil Pophale	215	0.04
7.	Manasi Sunil Pophale	10	0.00
	<b>Total</b>	<b>4,83,750</b>	<b>100.00</b>

\*Details of shares held on May 15, 2015 and Percentage held has been calculated based on the paid up capital of our company as on May 15, 2015

13. None of our public shareholders are holding more than 1% of the pre –offer share capital of our company.

14. Except as provided below, no subscription to or sale or purchase of the securities of our Company within three years preceding the date of filing of the Prospectus by our Promoters or Directors or Promoter Group which in aggregate equals to or is greater than 1% of the pre- Offer share capital of our Company.

S. No.	Name of Shareholder	Date of Transaction	Promoter/ Promoter Group/ Director	Number of Equity Shares subscribed to/Acquired	Number of Equity Shares Sold	Subscribed/ Acquired/ Transferred
1.	Sunil Haripant Pophale	27.02.2017*	Promoter	63,39,375	--	Subscribed
		18.05.2015**		--	60,000	Transfer by Gift
		21.10.2014**		41,475	--	Transfer by Gift
2.	Aditi Sunil Pophale	27.02.2017*	Promoter Group	9,00,000	--	Subscribed
		18.05.2015**		60,000	--	Transfer by Gift
3.	Manasi Sunil Pophale	21.10.2014**	Promoter Group	--	41475	Transfer by Gift

\*Face Value Rs. 10 Each

\*\* Face Value Rs. 100 Each

**15. None of our Directors or Key Managerial Personnel hold any Equity Shares other than as set out below:**

Name	Designation	No. of Equity Shares held
Mr. Sunil Haripant Pophale	Chairman & Executive Director	1,05,65,625
Mrs. Meena Sunil Pophale	Whole time Director	5,375

16. None of our Promoters, Promoter Group, Directors and their relatives has entered into any financing arrangement or financed the purchase of the Equity Shares of our Company by any other person during the period of six months immediately preceding the date of filing of the Prospectus.
17. Neither, we nor our Promoters, Directors, Selling Shareholder and the Lead Manager to this Issue have entered into any buyback and / or standby arrangements and / or similar arrangements for the purchase of our Equity Shares from any person.
18. As on the date of filing of the Prospectus, there are no outstanding warrants, options or rights to convert debentures, loans or other instruments which would entitle Promoters or any shareholders or any other person, any option to acquire our Equity Shares after this Initial Public Offer.
19. As on the date of the Prospectus, the entire Issued Share Capital, Subscribed and Paid up Share Capital of our Company is fully paid up.
20. Our Company has not raised any bridge loan against the proceeds of the Issue.
21. Since the entire Issue price per share is being called up on application, all the successful applicants will be allotted fully paid-up shares.
22. As on the date of the Prospectus, none of the shares held by our Promoters / Promoters Group are subject to any pledge.
23. The Lead Manager i.e. Hem Securities Ltd. and their associates do not hold any Equity Shares in our Company as on the date of filing of the Prospectus.
24. We here by confirm that there will be no further issue of capital whether by way of issue of bonus shares, preferential allotment, rights issue or in any other manner during the period commencing from the date of the Prospectus until the Equity Shares offered have been listed or application moneys refunded on account of failure of Issue.

25. Our Company does not presently intend or propose to alter its capital structure for a period of six months from the date of opening of the Issue, by way of split or consolidation of the denomination of Equity Shares or further issue of Equity Shares (including issue of securities convertible into or exchangeable, directly or indirectly for Equity Shares) whether preferential or otherwise. This is except if we enter into acquisition or joint ventures or make investments, in which case we may consider raising additional capital to fund such activity or use Equity Shares as a currency for acquisition or participation in such joint ventures or investments
26. None of our Equity Shares have been issued out of revaluation reserve created out of revaluation of assets.
27. An over-subscription to the extent of 10% of the total 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. In such an event, the Equity Shares held by the Promoter is used for allotment and lock- in for three years shall be suitably increased; so as to ensure that 20% of the post Issue paid-up capital is locked in.
28. 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 LM and Designated Stock Exchange i.e. NSE. Such inter-se spill over, if any, would be affected in accordance with applicable laws, rules, regulations and guidelines.
29. 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, 2009 and its amendments from time to time.
30. The unsubscribed portion in any reserved category (if any) may be added to any other reserved category.
31. The unsubscribed portion if any, after such inter se adjustments among the reserved categories shall be added back to the net offer to the public portion.
32. At any given point of time there shall be only one denomination of the Equity Shares, unless otherwise permitted by law.
33. Our Company shall comply with such disclosure and accounting norms as may be specified by NSE, SEBI and other regulatory authorities from time to time.
34. As on the date of the Prospectus, Our Company has not issued any equity shares under any employee stock option scheme and we do not have any Employees Stock Option Scheme / Employees Stock Purchase Scheme.
35. There are no Equity Shares against which depository receipts have been issued.
36. Other than the Equity Shares, there is no other class of securities issued by our Company as on date of filing of the Prospectus.
37. We have 8 (Eight) Shareholders as on the date of filing of the Prospectus.
38. There are no safety net arrangements for this Public issue.
39. Our Promoters and Promoter Group will not participate in this Issue except for the sale of Equity Shares offered by them for sale in the Offer.
40. This Issue is being made through Fixed Price method.
41. Except as disclosed in the Prospectus, our Company has not made any public issue or rights issue of any kind or class of securities since its incorporation to the date of the Prospectus.

42. No person connected with the Issue shall offer any incentive, whether direct or indirect, in the nature of discount, commission, and allowance, or otherwise, whether in cash, kind, services or otherwise, to any Applicant.
43. We shall ensure that transactions in Equity Shares by the Promoters and members of the Promoter Group, if any, between the date of registering the Prospectus with the RoC and the Offer Closing Date are reported to the Stock Exchanges within 24 hours of such transactions being completed. The Selling Shareholders shall not transfer their Equity Shares during the period commencing from submission of the Prospectus with Stock Exchange until the final approval on Basis of Allotment has been obtained from the Stock Exchange for the Equity Shares Allotted/ to be Allotted pursuant to the Offer except for transfer the Equity Shares held by them to demat escrow account as mutually agreed between our Company, Selling Shareholder and the Lead Manager.
44. In terms of Rule 19(2)(b)(i) of the Securities Contracts (Regulation) Rules, 1957, as amended, (the SCRR) the Issue is being made for at least 25% of the post-issue paid-up Equity Share capital of our Company. Further, this Issue is being made in terms of Chapter XB of the SEBI (ICDR) Regulations, 2009, as amended from time to time.
45. As per RBI regulations, OCB's are not allowed to participate in the Issue
46. Allocation to all categories shall be made on a proportionate basis subject to valid applications received at or above the Issue Price. 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 NSE. Such inter-se spill over, if any, would be affected in accordance with applicable laws, rules, regulations and guidelines.
47. The details of equity shares being offered for sale are as follows:

Sr. No.	Name of Selling Shareholder	Number of Equity Shares
1.	Sunil Haripant Pophale	27,55,000
	<b>Total</b>	<b>27,55,000</b>

### OBJECTS OF THE ISSUE

The Issue includes a fresh Issue of 6,89,000 Equity Shares of our Company at an Issue Price of ₹ 42.00 per Equity Share and an Offer for Sale for 27,55,000 equity shares of our Company at an Issue Price of ₹ 42.00 per Equity Share.

#### **The Offer for Sale**

Our Company will not receive any proceeds from the Offer for Sale.

#### **The Fresh Issue**

The Net Proceeds from the Fresh Issue will be utilized towards the following objects:

1. To Meet Working Capital Requirement
2. General Corporate Purpose
3. To Meet the Issue Expenses

*(Collectively referred as the “objects”)*

We believe that listing will enhance our corporate image and visibility of brand name of our Company. We also believe that our Company will receive the benefits from listing of Equity Shares on the SME Platform of NSE (“NSE EMERGE”). It will also provide liquidity to the existing shareholders and will also create a public trading market for the Equity Shares of our Company.

Our Company is primarily engaged in the business of manufacturing of intermediates, specialty chemicals, API's and personal care products. The main objects clause of our Memorandum enables our Company to undertake its existing activities and these activities which have been carried out until now by our Company are valid in terms of the objects clause of our Memorandum of Association.

#### **Requirement of Funds:-**

The following table summarizes the requirement of funds:

S.No	Particulars	Amt (₹ in Lacs)
1.	To Meet Working Capital Requirement	245.38
2.	Public Issue Expenses	24.00
3.	General Corporate Expenses	20.00
	<b>Gross Issue Proceeds</b>	289.38
	<b>Less: Issue Expenses</b>	24.00
	<b>Net Issue Proceeds</b>	265.38

**Utilization of Net Issue Proceeds:** The Net Issue Proceeds will be utilized for following purpose:

S.No	Particulars	Amt (₹ in Lacs)
1.	To Meet Working Capital Requirement	245.38
2.	General Corporate Expenses	20.00
	<b>Total</b>	265.38

**Means of Finance:** - We intend to finance our Objects of Issue through Net Issue Proceeds which is as follows:

Particulars	Amt (₹ in Lacs)
Net Issue Proceeds	265.38
<b>Total</b>	265.38

*Since the entire fund requirement are to be funded from the proceeds of the Issue, 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 proposed Issue.*

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

In case of any increase in the actual utilization of funds earmarked for the Objects, such additional funds for a particular activity will be met by way of means available to our Company, including from internal accruals. If the actual utilization towards any of the Objects is lower than the proposed deployment such balance will be used for future growth opportunities including funding existing objects, if required. In case of delays in raising funds from the Issue, our Company may deploy certain amounts towards any of the above mentioned Objects through a combination of Internal Accruals or Unsecured Loans (Bridge Financing) and in such case the Funds raised shall be utilized towards repayment of such Unsecured Loans or recouping of Internal Accruals. However, we confirm that no bridge financing has been availed as on date, which is subject to being repaid from the Issue Proceeds.

We further confirm that no part proceed of the Issue shall be utilised for repayment of any Part of unsecured loan outstanding as on date of Prospectus

As we operate in competitive environment, our Company may have to revise its business plan from time to time and consequently our fund requirements may also change. Our Company's historical expenditure may not be reflective of our future expenditure plans. Our Company may have to revise its estimated costs, fund allocation and fund requirements owing to various factors such as economic and business conditions, increased competition and other external factors which may not be within the control of our management. This may entail rescheduling or revising the planned expenditure and funding requirements, including the expenditure for a particular purpose at the discretion of the Company's management.

For further details on the risks involved in our business plans and executing our business strategies, please see the section titled "Risk Factors" beginning on page 14 of the Prospectus.

#### **Details of Use of Issue Proceeds:**

##### **1. To Meet Working Capital Requirement**

Our business is working capital intensive as the capital is invested in construction of projects. The Company will meet the requirement to the extent of ₹ 245.38 Lakhs from the Net Proceeds of the Issue and balance from borrowings at an appropriate time as per the requirement.

Details of Estimation of Working Capital requirement are as follows:

(₹ In Lacs)					
S. No.	Particulars	Actual (Restated)	Actual (Restated)	Actual (Restated)	Provisional
		31-March-15	31-March-16	31-March-17	31- March-18
I	<b>Current Assets</b>				
	Inventories	123.62	242.29	198.30	250.00
	Trade receivables	370.30	846.43	1532.19	1383.01
	Cash and cash equivalents	136.69	47.59	10.79	1292.42
	Short Term Loans and Advances	154.69	138.25	360.15	475.00
	Other Current Assets	0.00	0.00	0.03	4.00
	<b>Total(A)</b>	<b>785.30</b>	<b>1274.56</b>	<b>2101.47</b>	<b>3404.43</b>
II	<b>Current Liabilities</b>				
	Trade payables	27.75	223.82	372.04	512.50
	Short Term Provisions	197.57	217.42	163.23	774.06
	Other Current Liabilities	104.70	173.30	206.39	127.00
	<b>Total (B)</b>	<b>330.03</b>	<b>614.54</b>	<b>741.66</b>	<b>1413.56</b>

III	<b>Total Working Capital Gap (A-B)</b>	<b>455.27</b>	<b>660.02</b>	<b>1359.81</b>	<b>1990.87</b>
IV	Funding Pattern				
	Short term borrowing & Internal Accruals	455.27	660.02	1359.81	1745.49
	<b>IPO Proceeds</b>				245.38

**Justification:**

S. No.	Particulars
<b>Debtors</b>	We expect Debtors Holding days to be at 127.41 Days for FY 2017-18 based on increased sales of services and better credit Management policies ensuring timely recovery of dues.
<b>Creditors</b>	We expect Creditors payments days to be 91.25 days due to reduction in credit period.
<b>Inventory</b>	We expect Inventory holding period days to be 36.99 days.

**2. General Corporate Purposes**

Our management, in accordance with the policies of our Board, will have flexibility in utilizing the proceeds earmarked for general corporate purposes. We intend to deploy the balance Fresh Issue proceeds aggregating ₹ 20.00 Lakhs towards the general corporate purposes to drive our business growth. In accordance with the policies set up by our Board, we have flexibility in applying the remaining Net Proceeds, for general corporate purpose including but not restricted to, meeting operating expenses, initial development costs for projects other than the identified projects, and the strengthening of our business development and marketing capabilities, meeting exigencies, which the Company in the ordinary course of business may not foresee or any other purposes as approved by our Board of Directors, subject to compliance with the necessary provisions of the Companies Act.

We confirm that any issue related expenses shall not be considered as a part of General Corporate Purpose. Further, we confirm that the amount for general corporate purposes, as mentioned in the Prospectus, shall not exceed 25% of the amount raised by our Company through this Issue.

**3. Public Issue Expenses:-**

The estimated Issue related expenses includes Issue Management Fee, Underwriting and Selling Commissions, Printing and Distribution Expenses, Legal Fee, Advertisement Expenses, Registrar's Fees, Depository Fee and Listing Fee. The total expenses for this Issue are estimated to be approximately ₹ 108.07 which is 7.47 % of the Issue Size. All the Issue related expenses shall be met out by the company and the same will be distributed among the company and the selling shareholders as per the applicable laws.

All the Issue related expenses and the break-up of the same is as follows:

Activity	(Rs .in Lacs)*
Payment to Merchant Banker including underwriting, Selling commission and Brokerage, payment to other intermediaries such as Legal Advisors, Registrars, etc, Printing and Stationery and postage expenses, Advertising and Marketing expenses, Statutory expenses	108.07
<b>Total Estimated Issue Expenses</b>	<b>108.07</b>

\*Included Commission/ processing fees for SCSB, Brokerage and selling commission for Registered Brokers, RTA's and CDPs.

**Proposed Schedule of Implementation:**

The proposed year wise break up of deployment of funds and Schedule of Implementation of Net Issue Proceeds is as under:

S. No.	Particulars	Amount to be deployed and utilized in
--------	-------------	---------------------------------------

(₹ In Lakhs)

		<b>F.Y. 17-18</b>
1.	To Meet Working Capital Requirement	245.38
2.	General Corporate Purpose	20.00
	<b>Total</b>	<b>265.38</b>

#### **Funds Deployed and Source of Funds Deployed:**

Our Statutory Auditors M/s S. R. Rahalkar & Associates, Chartered Accountants vide their certificate dated March 25, 2017 have confirmed that as on date of certificate the following funds have been deployed for the proposed object of the Issue:

<b>Particulars</b>	<b>Amt (₹ in Lakh)</b>
Issue Expenses	5.75
<b>Total</b>	<b>5.75</b>

#### **Sources of Financing for the Funds Deployed:**

Our Statutory Auditors M/s S. R. Rahalkar & Associates, Chartered Accountants vide their certificate dated March 25, 2017 have confirmed that as on date of certificate the following funds have been deployed for the proposed object of the Issue:

<b>Particulars</b>	<b>Amt (₹ in Lakh)</b>
Internal Accruals	5.75
<b>Total</b>	<b>5.75</b>

#### **Appraisal**

None of the Objects have been appraised by any bank or financial institution or any other independent third party organization. The funding requirements of our Company and the deployment of the proceeds of the Issue are currently based on available quotations and management estimates. The funding requirements of our Company are dependent on a number of factors which may not be in the control of our management, including variations in interest rate structures, changes in our financial condition and current commercial conditions and are subject to change in light of changes in external circumstances or in our financial condition, business or strategy.

#### **Shortfall of Funds**

Any shortfall in meeting the fund requirements will be met by way of internal accruals and or unsecured Loans.

#### **Bridge Financing Facilities**

As on the date of the Prospectus, we have not raised any bridge loans which are proposed to be repaid from the Net Proceeds.

#### **Monitoring Utilization of Funds**

The Audit committee & the Board of Directors of our Company will monitor the utilization of funds raised through this public issue. Pursuant to Regulation 32 of SEBI Listing Regulation 2015, our Company shall on half-yearly basis disclose to the Audit Committee the Applications of the proceeds of the Issue. On an annual basis, our Company shall prepare a statement of funds utilized for purposes other than stated in the Prospectus and place it before the Audit Committee. Such disclosures shall be made only until such time that all the proceeds of the Issue have been utilized in full. The statement of funds utilized will be certified by the Statutory Auditors of our Company.

#### **Interim Use of Proceeds**

Pending utilization of the Issue proceeds of the Issue for the purposes described above, our Company will deposit the Net Proceeds with scheduled commercial banks included in schedule II of the RBI Act.



Our Company confirms that it shall not use the Net Proceeds for buying, trading or otherwise dealing in shares of any listed company or for any investment in the equity markets or investing in any real estate product or real estate linked products.

**Variation in Objects**

In accordance with Section 27 of the Companies Act, 2013, our Company shall not vary the objects of the Issue without our Company being authorized to do so by the Shareholders by way of a special resolution. In addition, the notice issued to the Shareholders in relation to the passing of such special resolution shall specify the prescribed details as required under the Companies Act and shall be published in accordance with the Companies Act and the rules there under. As per the current provisions of the Companies Act, our Promoters or controlling Shareholders would be required to provide an exit opportunity to such shareholders who do not agree to the proposal to vary the objects, at such price, and in such manner, as may be prescribed by SEBI, in this regard.

**Other confirmations**

There is no material existing or anticipated transactions with our Promoter, our Directors, our Company's key Managerial personnel and Group Companies, in relation to the utilization of the Net Proceeds. Except for the proceeds from the Offer for Sale by Mr. Sunil Haripant Pophale no part of the proceeds of the Issue will be paid by us to the Promoters and Promoter Group, Group Companies, the Directors, associates or Key Management Personnel, except in the normal course of business and in compliance with applicable law.

## BASIC TERMS OF ISSUE

### Authority for the Present Issue

#### Fresh Issue

This Issue in terms of the Prospectus has been authorized by the Board of Directors pursuant to a resolution dated February 01, 2017 and by the shareholders pursuant to a special resolution in an Extra Ordinary General Meeting held on February 27, 2017 under section 62 (1) (c) of the Companies Act, 2013.

#### Offer for Sale

The Offer for Sale has been authorised by a resolution of the Board of Directors of the Company passed at their meeting held on February 01, 2017 and by the shareholders pursuant to a special resolution in an Extra Ordinary General Meeting held on February 27, 2017 under section 28 of the Companies Act, 2013. The Selling Shareholder Mr. Sunil Haripant Pophale have authorised the sale of 27,55,000 Equity Shares pursuant to the Offer vide his authorisation letter dated January 31, 2017.

The Selling Shareholder have severally confirmed that the Equity Shares proposed to be offered and sold in the Offer are eligible in term of SEBI (ICDR) Regulations and that they have not been prohibited from dealings in securities market and the Equity Shares offered and sold are free from any lien, encumbrance or third party rights. The Selling Shareholder has also severally confirmed that they are the legal and beneficial owners of the Equity Shares being offered by them under the Offer.

#### Terms of the Issue

The Equity Shares, now being offered, are subject to the terms and conditions of the Draft Prospectus, Prospectus, Application form, Confirmation of Allocation Note (“CAN”), 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, 2009, the Depositories Act, Stock Exchange, 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, 2009, 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.

<b>Face Value</b>	Each Equity Share shall have the face value of ₹ 10.00 each.
<b>Issue Price</b>	Each Equity Share is being offered at a price of ₹ 42.00 each and is 4.2 times of Face Value.
<b>Market Lot and Trading Lot</b>	The Market lot and Trading lot for the Equity Share is 3000 Equity shares and the multiple of 3000 equity shares; subject to a minimum allotment of 3000 Equity Shares to the successful applicants.
<b>Terms of Payment</b>	100% of the issue price of ₹ 42.00 each shall be payable on Application. For more details please refer “ <i>Terms of the Issue</i> ” beginning to page 210 of this Prospectus.
<b>Ranking of the Equity Shares</b>	The Equity Shares being offered pursuant to this issue shall be subject to the provisions of Companies Act, Memorandum and Articles of Association of the Company and shall rank pari-passu in all respects including dividends with the existing Equity Shares of the Company. 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 the Company after the date of Allotment. For further details, please see “ <i>Main Provisions of Articles of Association</i> ” on page 263 of this Prospectus.

#### MINIMUM SUBSCRIPTION

In accordance with Regulation (106P) (1) of SEBI ICDR Regulations, this Issue is 100% underwritten. Also, in accordance with explanation to Regulation (106P) (1) of SEBI ICDR Regulations the underwriting shall not be restricted up to the minimum subscription level.

If our Company does not receive the subscription of 100% of the Issue including devolvement of Underwriters within 60 (Sixty) days from the date of closure of the issue, our Company shall forthwith unblock the entire subscription amount received. If there is a delay beyond the prescribed time, our Company shall pay interest prescribed in the Companies Act, the SEBI (ICDR) Regulations and other applicable Laws, if any.

Further, In accordance with Regulation [106R] of SEBI ICDR Regulations, no allotment shall be made pursuant to the Issue, if the number of prospective allottees is less than 50 (fifty).

For further details, please refer to section titled ***“Terms of the Issue”*** beginning on page 210 of this Prospectus.

### BASIS FOR ISSUE PRICE

Investors should read the following summary with the section titled “**Risk Factors**”, the details about our Company under the section titled “**Our Business**” and its financial statements under the section titled “**Financial Information of the Company**” beginning on page 14, page 85 and page 135 respectively of this Prospectus. The trading price of the Equity Shares of our Company could decline due to these risks and the investor may lose all or part of his investment.

The Issue Price has been determined by the Company and the selling shareholder in consultation with the LM on the basis of the key business strengths of our Company. The face value of the Equity Shares is ₹ 10.00 each and the Issue Price is ₹42.00 which is 4.2 times of the face value.

### QUALITATIVE FACTORS

- Experienced Promoters
- Wide range of product
- Long term relationship with the clients
- Certifications and compliance with Quality Standards

For a detailed discussion on the qualitative factors which form the basis for computing the price, please refer to sections titled “**Our Business**” beginning on page 85 of this Prospectus.

### QUANTITATIVE FACTORS

The information presented below relating to our Company is based on the Restated Financial Statements. For details, please see the section entitled “**Financial Information of the Company**” on page 135 of this Prospectus.

#### 1. Basic and Diluted Earnings per Share (“EPS”), as adjusted for change in capital on Standalone basis:

Period	Basic & Diluted (₹)	Weights
FY 2014-15	3.29	1
FY 2015-16	2.79	2
FY 2016-17	4.79	3
<b>Weighted Average</b>	<b>3.87</b>	

Notes:

- i. The figures disclosed above are based on the Restated Financial Statements of the Company.
- ii. The face value of each Equity Share is ₹ 10.00.
- iii. Earnings per Share has been calculated in accordance with Accounting Standard 20 – “Earnings per Share” issued by the Institute of Chartered Accountants of India.
- iv. The above statement should be read with Significant Accounting Policies and the Notes to the Restated Financial Statements as appearing in Annexure IV.

#### 2. Price Earning (P/E) Ratio in relation to the Issue Price of ₹ 42.00:

S. No	Particulars	P/E
1	P/E ratio based on the Basic & Diluted EPS, as restated for FY 2016-17	8.77
2	P/E ratio based on the Weighted Average EPS, as restated for FY 2016-17	10.85

#### Peer Group P/ E\*

S. No	Particulars	P/E
-------	-------------	-----

1	Highest (Advance Enzymes Limited)	160.30
2	Lowest (India Glycols Ltd.)	11.00
	<b>Industry Composite</b>	<b>32.40</b>

\*Source: Capital Market Vol. XXXII/03, Mar 27 – Apr 09, 2017

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

S. No	Period	RONW (%)	Weights
1.	FY 2014-15	27.38	1
2.	FY 2015-16	18.87	2
3.	FY 2016-17	24.43	3
	<b>Weighted Average</b>	<b>23.07%</b>	

\*Restated Profit after tax/Net Worth

### 4. Minimum Return on Net Worth after Issue to maintain Pre-Issue EPS

- (a) Based on Basic and Diluted EPS, as restated of FY 2016-17 of ₹ 4.79 at the Issue Price of ₹ 42.00:
- 23.03% on the restated financial statements.
- (b) Based on Weighted Average Basic and Diluted EPS, as adjusted of ₹ 3.87 at the Issue Price of ₹ 42.00:
- 18.61% on the restated financial statements.

### 5. Net Asset Value (NAV) per Equity Share :

Sr. No.	As at	NAV (₹)*	NAV (₹)**
1.	March 31, 2015	30.02	12.01
2.	March 31, 2016	37.00	14.80
3.	March 31, 2017	19.59	19.59
4.	NAV after Issue	20.79	20.79
	<b>Issue Price</b>	<b>42.00</b>	

\*Based on the Face value of Rs. 10 each

\*\*Based on weighted average number of shares considering the Bonus Issue at the ratio of 3:2 dated February 27, 2017.

### 6. Comparison of Accounting Ratios with Industry Peers<sup>1</sup>

S. No.	Name of Company	Face Value (₹)	EPS (₹)	PE	RoNW (%)	Book Value (₹)
1.	Aarti Industries Ltd.	5.00	36.20	21.80	25.52	128.40
2.	Alkyl Amines Chemicals Ltd.	5.00	26.30	14.00	26.64	97.80
3.	Indo Amines Ltd.	10.00	3.80	17.71	18.54	14.80
4.	Vivimed Labs Ltd.	2.00	5.60	17.40	2.20	45.50
5.	Vadivarhe Speciality Chemicals Limited <sup>2</sup>	10	4.79 <sup>3</sup>	8.77 <sup>4</sup>	24.43	19.59 <sup>5</sup>

<sup>1</sup>\*Source: Capital Market Vol. XXXII/03, Mar 27 – Apr 09, 2017

<sup>2</sup>Based on March 31, 2017 restated financial statements

<sup>3</sup>Basic & Diluted Earnings per share (EPS), as adjusted

<sup>4</sup>Price Earning (P/E) Ratio in relation to the Issue Price of ₹ 42.00 per share

<sup>5</sup>Book Value has been calculated based on the weighted average number of shares of the company.

*Considering the nature of business of the company the peers are not strictly comparable, however same have been included for board comparison.*

7. The face value of our shares is ₹ 10.00 per share and the Issue Price is of ₹ 42.00 per share is 4.2 times of the face value.
8. Our Company and selling shareholder in consultation with the Lead Manager believes that the Issue Price of ₹ 42.00 per 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 Auditors' Report in the offer Document to have more informed view about the investment.

Investors should read the above mentioned information along with section titled **“Our Business”**, **“Risk Factors”** and **“Financial Information of the Company”** beginning on page 85, 14 and 135 respectively including important profitability and return ratios, as set out in **“Annexure P – Statement of Mandatory Accounting Ratios”** to the **“Financial Information of the Company”** on page 164 of this Prospectus to have a more informed view.

**STATEMENT OF TAX BENEFITS**

To,  
The Board of Directors,  
Vadivarhe Speciality Chemicals Limited  
GAT NO. 204, Vadivarhe, Igatpuri  
Maharashtra-422403, India

Dear Sir,

**Sub: Statement of Possible Tax Benefits ('The Statement') available to Vadivarhe Speciality Chemicals Limited ('The Company') and its shareholders prepared in accordance with the requirement in SCHEDULE VIII- CLAUSE (VII) (L) of Securities and Exchange Board of India (Issue of Capital Disclosure Requirements) Regulations 2009, as amended ('The Regulation')**

We hereby report that the enclosed annexure prepared by Vadivarhe Speciality Chemicals Limited, states the possible special Tax benefits available to Vadivarhe Speciality Chemicals Limited ("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 provisions of the Act. 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, the Company may or may not choose to fulfill.

The benefits discussed in the enclosed Annexure cover only special tax benefits available to the Company and do not cover any general tax benefits available to the Company Further , the preparation of enclosed statement and the contents stated therein is the responsibility of the Company's management. We are informed that, this Statement is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences and the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the proposed initial public offering of equity shares ("the Issue") by the Company.

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

- a) The Company or its Equity Shareholders will continue to obtain these benefits in future; or
- b) The conditions prescribed for availing the benefits have been / would be met with.

The contents of the enclosed statement 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. Our views are based on facts and assumptions indicated to us and the existing provisions of tax law and its interpretations, which are subject to change or modification from time to time by subsequent legislative, regulatory, administrative, or judicial decisions. Any such changes, which could also be retrospective, could have an effect on the validity of our views stated herein. We assume no obligation to update this statement on any events subsequent to its issue, which may have a material effect on the discussions herein. This report including enclosed annexure are intended solely for your information and for the inclusion in the Draft Prospectus/ Prospectus or any other issue related material in connection with the proposed initial public offer 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 Rahalkar & Associates**  
**Chartered Accountants**  
**Firm Registration No. 108283W**

**(CA S R Rahalkar)**  
**Partner**  
**Membership No. 014509**  
**Date: 25/03/2017**  
**Place: Nashik**

**ANNEXURE TO THE STATEMENT OF POSSIBLE TAX BENEFITS**

*The information provided below sets out the possible special tax benefits available to the Company and the Equity Shareholders under the Income Tax Act 1961 presently in force in India. It is not exhaustive or comprehensive and is not intended to be a substitute for professional advice. Investors are advised to consult their own tax consultant with respect to the tax implications of an investment in the Equity Shares particularly in view of the fact that certain recently enacted legislation may not have a direct legal precedent or may have a different interpretation on the benefits, which an investor can avail.*

**YOU SHOULD CONSULT YOUR OWN TAX ADVISORS CONCERNING THE INDIAN TAX IMPLICATIONS AND CONSEQUENCES OF PURCHASING, OWNING AND DISPOSING OF EQUITY SHARES IN YOUR PARTICULAR SITUATION.**

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

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

Note:

1. All the above benefits are as per the current tax laws and will be available only to the sole / first name holder where the shares are held by joint holders.
2. 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.
3. No assurance is given that the revenue authorities/courts will concur with the views expressed herein. Our views are based on the existing provisions of law and its interpretation, which are subject to changes from time to time. We do not assume responsibility to update the views consequent to such changes. We do not assume responsibility to update the views consequent to such changes. We shall not be liable to 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 or intentional misconduct. We will not be liable to any other person in respect of this statement



## SECTION IV – ABOUT THE ISSUER COMPANY

### INDUSTRY OVERVIEW

*The information in this section is derived from industry sources and government publications. None of the company and any other person connected with the Issue have independently verified this information. Industry sources and publications generally state that the information contained therein has been obtained from sources believed to be reliable, but their accuracy, completeness and underlying assumptions are not guaranteed and their reliability cannot be assured. Industry sources and publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends. Industry sources and publications may also base their information on estimates, projections, forecasts and assumptions that may prove to be incorrect. Accordingly, investors should not place undue reliance on this information.*

#### **Global growth: moderate recovery expected.**

Global growth is estimated to have fallen to 2.3 percent in 2016—the weakest performance since the global financial crisis (Figure 1.A). Anemic global investment was accompanied by a further weakening of global trade. Mitigating these headwinds for emerging market and developing economies (EMDEs), commodity prices strengthened. However, the rapid rise in U.S. bond yields and appreciation of U.S. dollar towards the end of the year led to a notable tightening of financing conditions for EMDEs, and in some cases significant portfolio outflows. In 2017, global growth should pick up to 2.7 percent, with the recovery mainly driven by receding obstacles to activity in commodity-exporting EMDEs.

Advanced economies continue to be afflicted by weak underlying growth and low inflation, while uncertainty about future policy direction increased. Growth is projected to recover modestly to 1.8 percent in 2017 (from 1.6 percent in 2016), although the range of possible outcomes has markedly widened after the electoral outcome in the United States and the United Kingdom's decision to leave the European Union. In particular, current forecasts do not incorporate the potential effects of policy proposals suggested by the new U.S. administration, as their scope is still highly uncertain. Fiscal stimulus, if implemented, could result in stronger U.S. growth than currently predicted. However, some other policy changes, or persistent policy uncertainty, could dampen U.S. and international growth prospects.

EMDE growth is expected to accelerate to 4.2 percent in 2017 and to an average of 4.7 percent in 2018-19 (Figure 1.B). EMDEs are forecast to contribute 1.6 percentage points to global growth in 2017, accounting for about 60 percent of global growth for the first time since 2013. Given the expected increases in commodity prices, particularly for oil, the divergence in growth outlooks between commodity exporters and importers is on track to narrow. However, the outlook for EMDE regions with large numbers of commodity exporters remain mixed. Growth in Latin America and the Caribbean, and in Europe and Central Asia, is expected to accelerate in 2017, mainly reflecting a bottoming out in activity in Brazil and Russia. Growth in the Middle East and North Africa will pick up modestly as oil prices recover. While growth should also rebound in Sub-Saharan Africa, the improvement is notably weaker than previously expected, as some commodity exporters struggle to adjust to past deterioration in their terms of trade. EMDE regions with substantial numbers of commodity-importing economies—East Asia and the Pacific, and South Asia—are projected to continue to experience solid growth.

*(Source - <http://pubdocs.worldbank.org/en/255181481727526594/Global-Economic-Prospect-2017-Highlights-Chapter-1.pdf>)*

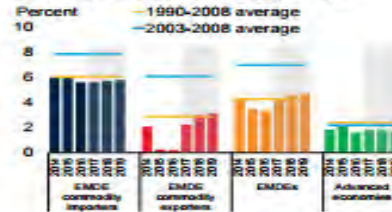
**Figure 1: Global Outlook and Risks**

After reaching a post-crisis low of 2.3 percent, global growth is expected to recover to 2.7 percent in 2017, mainly supported by stronger growth in EMDEs. Growth in commodity exporters is expected to pick up, while growth in commodity importers is projected to remain robust. Downside risks to global growth still dominate. They are associated with heightened policy uncertainty, protectionist pressures, and risk of financial market disruptions. A prolonged period of elevated policy uncertainty could weigh on EMDE investment growth. In turn, weak investment could adversely affect productivity growth, which has slowed considerably in the post-crisis period.

**A. Global growth**



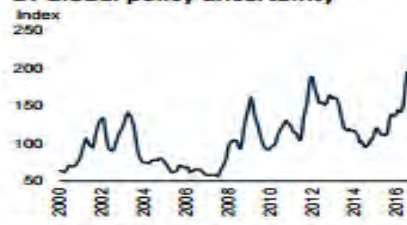
**B. Growth by country groups**



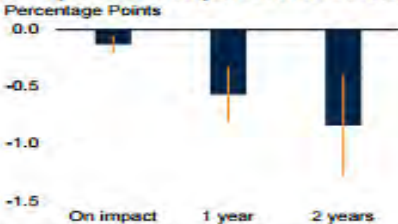
**C. GDP growth in LICs**



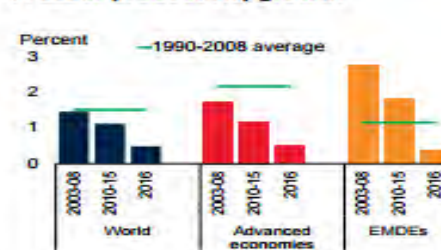
**D. Global policy uncertainty**



**E. Impact of 10-percent rise in U.S. Economic Policy Uncertainty on EMDE investment**



**F. Labor productivity growth**



Sources: Conference Board, Economic Policy Uncertainty, World Bank.

A. B. C. Shaded area indicate forecasts. Aggregate growth rates calculated using constant 2010 U.S. dollars GDP weights.

C. Commodity-exporting LICs include oil and metal exporters. Commodity-importing LICs include 22 low-income countries for which data are available. Commodity-importing countries comprise non-resource intensive economies. Shaded grey areas denotes forecast period. Shaded area indicates forecasts.

D. Global policy uncertainty as measured in Davis (2016). Based on the frequency of articles in domestic newspapers mentioning economic policy uncertainty. 6-month moving average. Last observation is November 2016.

(Source - <http://pubdocs.worldbank.org/en/255181481727526594/Global-Economic-Prospect-2017-Highlights-Chapter-1.pdf>)

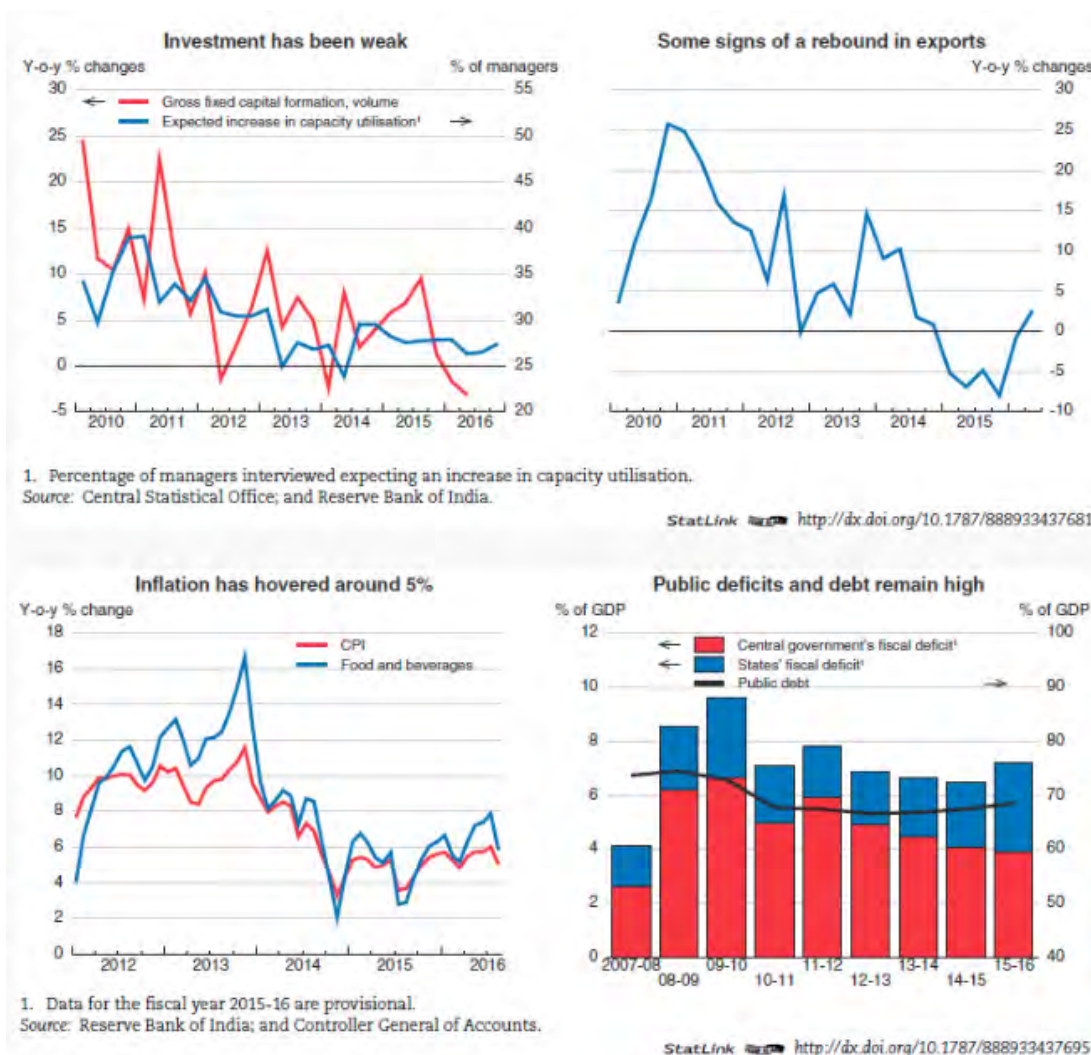
**Indian Economy Outlook**

With projected annual growth of 7.5% in 2017-18, India will remain the fastest growing G20 economy. Private consumption will be supported by the hike in public wages and pensions and by higher agricultural production, on the back of a return to normal rain fall. Private investment will revive gradually as excess capacity in some sectors diminishes, infrastructure projects mature, corporates deleverage, banks clean their loan portfolios, and the Goods and Service Tax (GST) is implemented.

Despite commendable fiscal consolidation efforts at the central government level, the combined debt of states and central government remains high compared with other emerging economies. Inflation expectations are adjusting down only slowly. Overall there is little room for accommodative policies, although some monetary impulse is still to come, as recent cuts in policy rates are yet to be reflected fully in lower lending rates. Repairing public banks' balance sheets and improving their governance would support the revival in investment. Creating more and better jobs will require policies to improve the ease of doing business further, in particular faster and more predictable land acquisition, and upgrading social and physical infrastructure.

Despite the high public deficit compared with other emerging economies, there is room to make public finance more growth-friendly and inclusive. The ongoing landmark GST and subsidy reforms are promising. The government plan to cut the corporate income tax rate while broadening the base is also welcome. More revenue could be raised from the personal income tax, and its redistributive impact enhanced, to finance higher spending on health, education, housing, transport and water infrastructure and make growth more inclusive.

(Source - <http://www.oecd.org/economy/india-economic-forecast-summary.htm>)



(Source - <http://www.oecd.org/economy/india-economic-forecast-summary.htm>)

### Indian Pharmaceutical Industry - A Global Industry

The Indian Pharmaceutical Industry has witnessed a robust growth over the past few years moving on from a turnover of approx. US \$ 1 billion in 1990 to over US \$30 billion in 2015 of which the export turnover is approximately US \$ 15 billion. The country now ranks 3rd world wide by volume of production and 14th by value, thereby accounting for around 10% of world's production by volume and 1.5% by value. Globally, it ranks 4th in terms of generic production and 17th in terms of export value of bulk actives and dosage forms. Indian exports are destined to more than 200 countries around the globe including highly regulated markets of US, West Europe, Japan and Australia. It has shown tremendous progress in terms of

infrastructure development, technology base creation and a wide range of products. It has established its presence and determination to flourish in the changing environment.

The industry now produces bulk drugs belonging to all major therapeutic groups requiring complicated manufacturing technologies. Formulations in various dosage forms are being produced in GMP compliant facilities. Strong scientific and technical manpower and pioneering work done in process development have made this possible.

An assessment of the Indian Pharmaceutical Industry's strength reveals the following key features:

- Strong export market- India exported drugs worth US\$ 15 billion to more than 200 countries including highly regulated markets in the US, Europe, Japan and Australia. Large Indian pharma companies have emerged as among the most competitive in the evolving generic space in North America and have created an unmatched platform in this space. Indian companies are also making their presence felt in the emerging markets around the world, particularly with a strong portfolio in anti-infective and antiretroviral.
- Large domestic pharma companies have continued to grow, assuming leadership position in many therapies and segments in the Indian market as well as creating a strong international exports back-bone.
- Competitive market with the emergence of a number of second tier Indian companies with new and innovative business modules.
- Indian players have also developed expertise in significant biologics capabilities.
- Biologic portfolios while still nascent in India are being built with an eye on the future.
- Multinational companies have continued to invest significantly in India and are making their presence felt across most segments of the Indian pharma market. Companies have also begun to invest in increasing their presence in tier II cities and rural areas and making medical care more accessible to a large section of the Indian population.
- Low cost of production.
- Low R&D costs.
- Innovative Scientific manpower.
- Excellent and world-class national laboratories specializing in process development and development of cost effective technologies.
- Increasing balance of trade in Pharma sector.
- An efficient and cost effective source for procuring generic drugs, especially the drugs going off patent in the next few years.
- An excellent centre for clinical trials in view of the diversity in population.

### **Experience & Expertise**

India is the only country with largest number of US-FDA compliant plants (more than 262 including APIs) outside of USA and have nearly 1400 WHO-GMP approved Pharma Plants, 253 European Directorate of Quality Medicines (EDQM) approved plants with modern state of the art Technology.

### **Research & Development**

The Government has taken several policy initiatives for strengthening Research & Development in Pharmaceuticals sector such as fiscal incentives to R&D units sector and streamlining of procedures concerning development of new drug molecules, clinical research and new drug delivery systems leading to new R&D set-ups with excellent infrastructure in the field of original drug discovery.

India has a large branded generics market which enables most companies to launch their version of a generic drug in the market place. Research and Development is an important aspect for development of generics that match the quality and cost targets.

## **DRUGS AND PHARMACEUTICALS INDUSTRY**

As per CMIE estimates, Sales of the Drugs and Pharmaceuticals Industry registered a (y-o-y) growth of 12-14%, 14-69% and 11.46% respectively, during the years 2012-13 to 2014-15. Net sales of the Drugs and Pharmaceuticals Industry grew by

14.91% (y-o-y) in the March 2015 quarter but declined to 9.24% (y-o-y) in the June 2015 quarter. In the September 2015 quarter, net sales witnessed an upturn, at 17.01% (y-o-y), and at 16.74% (y-o-y) for the December 2015 quarter. The profitability of the industry too improved during the said period. A healthy sales growth combined with an over three-fold rise in operating profits helped the industry to earn net profits equivalent to 13.1 % of income.

In the December 2014 quarter, the industry had incurred a net loss equivalent to 8.4 % of income. Most of the leading drug manufacturers posted higher sales during the quarter under review as compared to the corresponding year-ago quarter. This was aided by a healthy growth in the companies' export revenues, especially from the US market. The profit after Tax (PAT) net of prior period and extraordinary items, declined by (-) 27.35% (y-o-y) in the March 2015 quarter, by (-) 36.44% (y-o-y) in the June 2015 quarter but increased thereafter to 61.55% (y-o-y) in the quarter ended September 2015, as compared to the corresponding period last year.

As per CMIE estimates, investments in the drugs and pharmaceuticals industry is expected to remain buoyant during 2015-18 with companies in the industry altogether investing a little over Rs. 82 billion by March 2018.

**Investments**

(Rs. million)

Year	Project completed
2011-12	65,448.90
2012-13	42,988.30
2013-14	19,205.90
2014-15	14,864.30
2015-16 (F)	27,099.60
2016-17 (F)	30,328.00
2017-18 (F)	24,600.00

Source:- CMIE

#### IMPORT BULK DRUG & DRUG INTERMEDIARIES

Import of medicinal and pharmaceuticals products for the last three years were as under:

Year	Import of Bulk Drugs & Drug Intermediates*		Import of Drug Formulations & Biologicals*	
	Quantity in (Thousand kgs)	(Value in US \$ Millions)	Quantity in (Thousand kgs)	(Value in US \$ Millions)
2012-13	222147.44	3189.1	1765.64	1690.3
2013-14	246466.56	3146.8	2226.93	1491.7
2014-15	249944.64	3245.6	2764.27	1562.5
<b>Total</b>	<b>718558.64</b>	<b>9582.1</b>	<b>6756.81</b>	<b>4744.5</b>

The Figures of import for first 9 months of 2015-16 are as follows:-

2015-2016 (April-Dec)	200134.83	2510.4	2307.20	1209.9
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\* Source: - Directorate General of Commercial Intelligence & Statistics, Kolkata.

#### EXPORT OF BULK DRUG & DRUG INTERMEDIARIES

Year	Exports of Medicines & Pharmaceuticals Products (Rupees in Crore)
2012-13	79840
2013-14	90341
2014-15	94275

#### INTERNATIONAL COOPERATION/EXPORT PROMOTION OF PHARMA

Department of Pharmaceuticals has the following MoUs with foreign governments:-

MoU between Department of Pharmaceuticals Government of India and Department of Pharmaceutical Industry, Ministry of Health of the Republic of Belarus to strengthen cooperation in the spheres of manufacturing and trade of pharmaceutical products between the two countries and desirous of simplifying the process of registration of pharmaceutical products

MoU between Department of Pharmaceuticals Government of India and The State Administration of Ukraine on Medicinal Products on Mutual cooperation in Trade, Industry, Joint Venture (JV), Research & Development (R&D) in Pharmaceuticals and Bio-pharmaceuticals sectors

#### NEW INITIATIVES

Constitution of Task Forces to promote the development of the drugs and Pharmaceuticals sector Cluster Development Programme for Pharma Sector (CDP-PS) New Initiatives Taken by National Pharmaceutical Pricing Authority (NPPA) National Centre for Research and Development in Bulk Drug (NCRDBD) at NIPER.

## OUR BUSINESS

*The following information is qualified in its entirety by, and should be read together with, the more detailed financial and other information included in this Prospectus, including the information contained in “Risk Factors”, “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and “Financial Information Of the Company” beginning on page 14, 172 & 135 respectively of this Prospectus. The financial figures used in this section, unless otherwise stated, have been derived from our Company’s restated audited financial statements. Further, all references to “VSC”, “Vadivarhe Speciality Chemicals Limited”, ‘the Company’, ‘our Company’ and ‘the Company’ and the terms ‘we’, ‘us’ and ‘our’, are to Vadivarhe Speciality Chemicals Limited.*

### OVERVIEW

Our company was incorporated in 2009, we are a globally active, Indian chemical producer, focused on organic chemicals and custom synthesis and primarily engaged in manufacturing of Speciality chemicals, Active Pharmaceutical ingredients, intermediate and personal care ingredients. Our Company is also ISO 9001:2015 certified company by Quality Systems Zurich. Our company has also received WHO- GMP Certificate for our Manufacturing, Marketing & Supply of Active Pharma Ingredients i.e. API’s and intermediates. The manufacturing facility is located at Vadivarhe, Nashik which is about 20 Km from Nashik towards Mumbai and around 150 Km from Mumbai.

Over the years, we have established ourselves as a successful Manufacturer of Organic Chemicals with a core focus on Intermediates, Personal Care Products and Speciality Chemicals. We place a great emphasis on research & development, evolving proprietary process development methodologies and reliance on our manufacturing facility to deliver products of the desired quality standards. Good Manufacturing Practices i.e. GMP rules are strictly followed on every stage of manufacturing process and we are committed to quality and take special care for the quality of materials received from our suppliers as the same affect our product quality and specifications. We have been consistent in maintaining the quality and delivery of our products consistently over a period of time.

Our company has entered into an agreement with Enaltec Labs Pvt Ltd dated December 03, 2012 to manufacture API products for them for a period of 10 years based on the material and specification provided by them. Under the agreement we have provided working capital subject to a maximum, of Rs. 4.00 crore for facilitating the manufacture of products of Enaltec Labs Pvt. Ltd. As per the terms of the agreement our company will also not manufacture or market the products manufactured by Enaltec Labs Pvt. Ltd. during the continuance of the agreement. The company has also entered into an agreement with Zenvision Pharma LLP for offering its manufacturing facility on Loan and License basis. Pursuant to the agreement, the Company has given a security deposit to Zenvision Pharma LLP of Rs. 2,50,00,000 (Rupees Two crore fifty lacs only) during the financial year 2016-17.

Our Company was originally incorporated on February 23, 2009 as “Vadivarhe Speciality Chemicals Limited” vide Registration no. 11-190516/2008-2009 (CIN: U24100MH2009PLC190516) under the provisions of the Companies Act, 1956 with the Registrar of Companies, Maharashtra, Mumbai. Our company was incorporate in year 2009 and prior to the incorporation of our company, Fem Care Pharma Ltd was promoted by our promoter Mr. Sunil Haripant Pophale which was later taken over by Dabur India Ltd in the year 2009. Mr. Sunil Haripant Pophale sold his stake in Fem Care Pharma Ltd to Dabur India Ltd and as per the terms and condition of the Division Transfer Agreement dated May 07, 2009 the Speciality chemical division of Fem Care Pharma Limited was transferred to Vadivarhe Speciality Chemicals Limited. After the above transfer we are running the Speciality chemical division under the leadership of our promoter Mr. Sunil Haripant Pophale.

Our promoter Mr. Sunil Haripant Pophale is a B. Tech from the Indian Institute of Technology (I.I.T.), Bombay and has a vast experience of over 36 years in the field of Chemical division. He has a proven track record as a founder and chief promoter of Fem Care Pharma Ltd, listed with the Bombay Stock Exchange in 1994, and successfully sold his stake in 2009. Our promoter along with his qualified team members focus on quality, timely delivery and building the positive image for our company. Under the leadership of our promoter we have been able to successfully lay down our growth strategies and focus on continual improvement and value creation in all aspects of the transformation of raw materials into finished products.

Some of our major clients are Glaxo Smithkline Pharmaceuticals Ltd, Fine Organics Ltd UK, Chem-Impex International INC, D C Fine Chemicals, USV Ltd, Lupin Ltd, Mankind Pharma Limited, Himedia Laboratories Pvt. Ltd., Hetero Labs Ltd & many others in the Domestic and International sector.

For the fiscal year ended on March 31, 2017, March 31, 2016, fiscal 2015 and fiscal 2014 our total revenue stood at 3537.28 Lakhs, 2642.51 Lakhs, 1913.31 Lakhs & 1398.55 Lakhs respectively. Further, our EAT for the fiscal year ended on March 31, 2017, March 31, 2016, fiscal 2015 and fiscal 2014 were 578.81 Lakhs, 337.84 Lakhs, 397.65 Lakhs & 7.30 Lakhs respectively. We have been able to increase our revenue at an annual growth rate of 36.24 % from fiscal 2014 until fiscal 2017.

## **CERTIFICATIONS & RECOGNITIONS RECEIVED BY OUR COMPANY**

High quality and consistency of our products are very important for the growth and survival of the organization and increasing confidence of our customer.

Some of the prominent certifications and recognitions received by our Company are the following:-

- Our company has been accredited with WHO GMP Certificate for the manufacturing, marketing & supply of active pharmaceutical ingredients and intermediates valid till 07, December, 2019.
- Our company has been accredited with Good Laboratory Practices (GLP) Certificate for the manufacturing, marketing & supply of active pharmaceutical ingredients and intermediates valid till 07 December, 2019
- Accreditation of ISO 9001:2015 certificate for the Organic Chemicals with a core focus on Intermediates, Personal Care Products and Speciality Chemicals valid till 07, December, 2019.
- Certificate of Good Manufacturing Practices for the dosage forms, categories and activities for Active Pharmaceutical Ingredients (Bulk Drugs) valid till 14, June, 2017.
- Company has rated 1 Star Export House by DGFT, India

## **OUR BUSINESS STRENGTHS**

### **1. Experienced Promoters**

Our Promoter Mr. Sunil Haripant Pophale is having an overall experience 36 years in the manufacturing of Cosmetics, Pharmaceuticals and specialty chemicals products and has a proven background and rich experience in the industry. Our Promoter, Mr. Sunil Haripant Pophale was the founder and Promoter of Fem Care Pharma Ltd. which was engaged in the business of personal care, Pharmaceuticals, specialty chemical and intermediates. Later, our Promoter sold his stake with Dabur India Ltd and retained the chemical division which was transferred under the Division Transfer Agreement to Vadivarhe Speciality Chemicals Limited. Since then, our Promoter has over the years expanded our scale of operations. For further details of our Promoter's experience and background, please refer the chapter titled "**Our Promoters and Promoter Group**" on page 126 of this Prospectus. Also, our Company and our Promoter are aided by a team of experienced personnel. The team comprises of personnel having technical, operational and business development experience.

### **2. Wide range of product**

Vadivarhe Speciality Chemicals Limited is mainly engaged in manufacturing of Personal Care products, APIs, Intermediates and Speciality chemicals. Apart from the above we have also entered into a loan licensing activity wherein we undertake contract manufacturing of APIs for Enaltec Labs Private Limited. With our wide product portfolio our company is able to cater to the demand of both domestic as well as international market.

### **3. Long term relationship with the clients**

Our company focuses on providing the customers with the desired and standard quality product. By providing the desired quality and standards we aim to achieve highest level of customer satisfaction and procure repeated orders from customers. Because of our good reputation with the clients we have been able to attain orders from a diverse range of client base. Presently our key customers include Enaltec Labs Private Limited, GlaxoSmith Kline Pharmaceuticals Ltd, Fine Organics Ltd. and USV Ltd.



#### **4. Certifications and compliance with Quality Standards**

Our products conform to the national and international standards governing the said products. Our Company has received an ISO 9001:2015 in the year 2016 from QS Zurich AG. Our company has also received the WHO- GMP certification for its products and manufacturing facility. We have been consistent in delivering quality products to our customer. Our company has also maintained a quality policy that supports the company's GMP and customer satisfaction goals. Our focus on quality has enabled us to sustain and grow our business model to benefit our customers.

### **OUR BUSINESS STRATEGIES**

#### **1. Entering into new geographies**

We intend to cater to the increasing demand of our existing customers and also to increase our existing customer base by enhancing the distribution reach of our products in different parts of the country and also world. We propose to increase our marketing and sales team which can focus in different regions and also maintain and establish relationship with customers. Enhancing our presence in additional regions will enable us to reach out to a larger population. Further, our Company believes in maintaining long term relationships with our customers in terms of increased sales. We aim to achieve this by adding value to our customers through innovation, quality assurance, timely delivery, and reliability of our products.

#### **2. Improving operational efficiencies**

Our Company intends to improve efficiencies to achieve cost reductions so that our products can be competitive. We believe that this can be done through economies of scale. Further, the Company is also taking steps to reduce the consumption of power and other utilities. As a result of these measures, our Company will be able to increase its market share and profitability.

#### **3. Attract and retain talented employee**

Employees are essential for the success of every organization. We rely on them to operate our manufacturing facilities and deliver quality performance to our clients. We constantly intend to continue our focus on improving health, safety and environment for our employees and provide various programs and benefits for the personal well-being and career development of our employees. We intend to strive to further reduce the employee attrition rate and retain more of our skilled workers for our future expansion by providing them with better, safer and healthier working environment.

#### **4. Focus on consistently meeting quality standards**

Our Company intends to focus on adhering to the quality standards of the products. This is necessary so as to make sure that we get repeat orders from our customers. Quality of the product is very important for the company from both customer point of view and regulatory point of view. Providing the desired and good quality product help us in enhancing our brand value and maintaining long term relationships with customers.

#### **5. Develop and maintain relationships with our Suppliers and Customers**

We believe in maintaining good relationship with our Suppliers and Customers which is the most important factor to keep our Company growing. Our dedicated and focused approach and efficient and timely delivery of products has helped us build strong relationships over a number of years. We bag and place repetitive order with our customers as well as with our suppliers. For us, establishing strong, mutually beneficial long-term relationships with strategic supplier relationship management is a critical step in improving performance across the supply chain, generating greater cost efficiency and enabling the business to grow and develop.

#### **6. Invest significantly in Research and development**

We intend to increase our initiatives in R&D in order to constantly study industry verticals to identify product inefficiencies in areas in which we could add value. Going forward, we intend to expand our research and development capabilities, by increasing our investment in employing qualified individuals from the industry. We believe that continued investments in

R&D will enable us to increase our productivity, improve our operating efficiency, and enable us to penetrate existing and new market segments.

**OUR LOCATION**

<b>Registered Office &amp; Factory Unit</b>	Gat No. 204, Vadivarhe, Igatpuri,– 422 403, Maharashtra, India
<b>Corporate Office</b>	1 <sup>st</sup> Floor, K.K. Chambers Sir P.T. Road Fort, Mumbai – 400001, Maharashtra, India
<b>Guest House</b>	Flat/Room No. 7, Serena Park Apartment, S. No. 42 Canal Road, Anandwali, Nasik -422003

**OUR MANUFACTURING FACILITY**



**SWOT ANALYSIS**

<p><b>Strengths</b></p> <ul style="list-style-type: none"> <li>• Well Established Manufacturing facility</li> <li>• Quality assurance and Standard</li> <li>• Experienced Promoter &amp; Management Team.</li> <li>• Wide range of Products</li> <li>• Strong relationship with customer and suppliers</li> </ul>	<p><b>Weakness</b></p> <ul style="list-style-type: none"> <li>• Higher taxes</li> <li>• Dependence on suppliers for products availability</li> </ul>
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Opportunities	Threats
<ul style="list-style-type: none"> <li>• Large growth potential.</li> <li>• Increasing interest of products in international market</li> <li>• Increasing demand</li> </ul>	<ul style="list-style-type: none"> <li>• Competition from other developing countries.</li> <li>• Government &amp; regulatory norms</li> <li>• Fluctuations in the material prices</li> </ul>

### OUR PRODUCT PORTFOLIO

Sr. No.	Product Group	Product	Application/Use of the Products
1.	Specialty chemicals	Indole-3-carboxaldehyde (Indole-3-aldehyde)	Use in preparation of Anticancer agents
		3- Cyanoindole	Intermediates for cardio selective compounds
		Tert-Butoxy-bis (dimethyl amino)methane (Bredereck's reagent)	Re-agent
		Propionyl chloride	For preparation of esters derivatives
		3-Aminophthalhydrazide sodium salt	Use in Demonstration of chemiluminescence
		Phenyl phosphate disodium salt	Intermediate for Drugs
		3-Aminophthalhydrazide (Luminol)	Use in Demonstration of chemiluminescence
		2,2-Azino-bis(3-ethylenzothiazoline-6-sulfonic acid) ABTS	As Enzyme
2.	Active Pharmaceutical ingredients (APIs)	Phenylepherin Hydrochloride (PPH)	Anti Histaminic Drug
		Methdilazine hydrochloride	Used for Cough Syrup
3.	Intermediate	Trimethyl ortho Propionate	Intermediate for Steroids
		Tributyl ortho Propionate	
		Trimethyl orthoValerate	
		Trimethyl ortho Butyrate	
		Trimethyl ortho Benzoate	
		Tributyl orthoValerate	
		Quinoline-6- Carboxylic acid	Intermediate for Rubber Chemicals & Solvent for Resin
		Di methyl malonic acid	used extensively in the fragrance industry - synthesize a group of derivatives of 7-methanesulfonylamino-6-phenoxychromone
		4-Chloro-3-Nitroanisole	at the pyrone and phenoxy rings <b>synthesis</b> of 4-tert-butyl-phenylboronic acid - useful urinary biomarker for certain cancers such as gastric cancer and oxidative stress.
		1-Bromo-4-tert butyl benzene	preparation of central nervous system (CNS) active agents.
		Sodium Hippurate hydrate	It can react with formic acid to produce N-
		4-Morpholinoaniline	benzyl-N-formyl-glycine ethyl ester Intermediate.
N-Benzylglycine ethyl ester	Drug Intermidate for anti cancer API		
6-Methoxyquinoline			

		1-Bromo-2-methyl propane	
		Indole-3-methanol (Indole-3-carbinol)	
		Indole-3- carboxylic acid	starting material for tryptophan syntheses.
		Indole-5- carboxylic acid	Intermediate for Steroids
		3-(Demethylaminomethyl) Indole (Gramine)	Intermediate for Drugs
		Trimethyl Ortho Acetate	used as a cell culture
		Cheamide	Used for Cough Syrup
		L-Cystine disodium Salt	Anti Histaminic Drug
		Methdilazine hydrochloride	Drug Intermediate for Migraine
		Phenylepherin Hydrochloride (PPH)	Drug Intermediate for Malaria
		Heck Coupled Product	Preventing Copper Corrosion
		ChloroAtavaquinone Immidazolyl acetic acid 4-Aminomorpholine 2-Amino-4-HydroxyAcetophenone Hydrochloride	the production of compounds having pharmaceutical activity, for example octopamine or synephrine. Also used Agro-Chemicals
4.	Personal care ingredients	Aloe Vera juice (Stabilized)	Used in Cosmetic & Pharma
		Lecithin powder	
		Sodium Thioglycolate (powder)	Depilatory
		Calcium Thioglycolate (powder)	
		Ammonium Thioglycolate (solution)	
		5-Bromo,5-Nitro,1:3 Dioxane	Stabilizer for cosmetic

Apart from the above products we have also entered into a loan licensing activity wherein we undertake contract manufacturing of APIs for Enaltec Labs Private Limited.

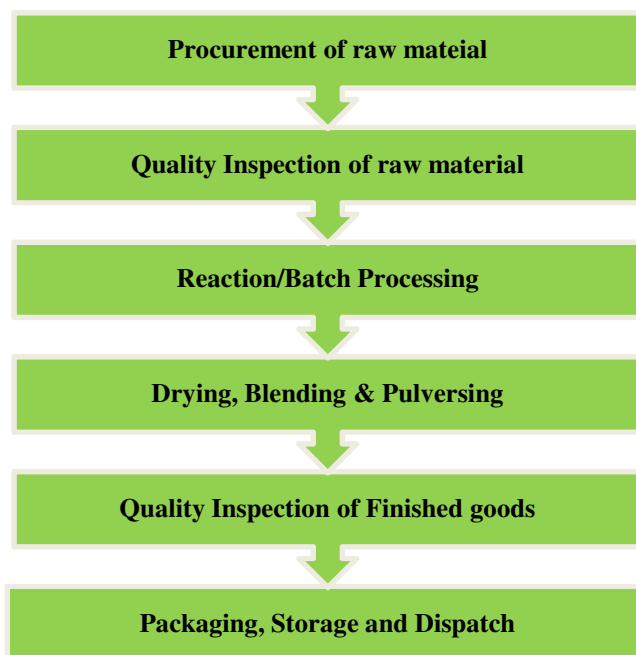
Below is the revenue-wise breakup of the different product group manufacture by our company:-

Product details	2015-16	April to December 2016
Personal Care	67.93	72.02
API	98.70	54.70
Intermediate	1126.03	1420.33
Others including service income	1335.60	977.70
<b>Total</b>	<b>2628.26</b>	<b>2524.76</b>

Some of the prominent features of our products are:-

- Quality
- Durable
- Most reliable
- Available at reasonable prices

## MANUFACTURING PROCESS



### **1. Procurement of Raw Material**

Our production process starts with the procurement of raw material. On receiving the sales order from the client our first step is the identification of the raw material required for manufacturing. This also involves identification of the vendor from whom the material is to be procured and the quantity of the material required. Once the raw material is received from the vendor they are sent to the Quality control department.

### **2. Quality Inspection of the Raw Material**

Quality control is one of the most important factors as quality of the finished product is also determined from the quality of the raw material. On receipt of the raw material the same is received by the quality control department. An inspection of the material received is done, samples are taken from the material received and records are maintained for the sample and the results of the inspection.

### **3. Reaction/Batch Processing**

Reaction process is undertaken in batches. Complete production is taken down in batches and issued for production. The material are then reacted at controlled temperature and pressure in the Glass line reactors or Stainless steel reactors as per the requirement of the production process.

### **4. Drying, Blending and Pulversing**

After the reaction is over the reaction mass is centrifuged, washed with water, dried and pulversied. Pulversied product is blended for homogenization & to maintain uniformity of quality, as required. Once the reactions are completed products are purified and taken for further processing.

### **5. Quality Inspection of finished goods**

On receipt of the material from the production process the same are send to the quality department for quality inspection. Inspection of the material received is done, samples are taken from the material received and records are maintained for the sample and the results of the inspection.

### **6. Packaging, Storage and Dispatch**

After the quality inspection of the final product the same are packed as per the requirements of the customer. Once the goods are packed they are sent to the storehouse for storage. All batches are tested as per quality standards of ISO before final packing. Dispatch is done as per the terms and condition of the sale order and the delivery schedule mutually agreed between the company and the customer.

## EQUIPMENTS

The manufacturing facilities have been built with keeping in mind Efficiency, Safety and Environment factors. Our compact factory complex has all the key ingredients for a successful manufacturing unit. We have made all endeavors in procuring top of the line equipment and building that can effectively cater to specific customer needs.

Brief details of major Plant and Machinery installed for each Product are as follows:-

**Production machinery:** -GLR (Glass lined Reactor), SSR (Stainless Steel Reactor), Autoclave (Hydrogenate), Centrifuge SS-316 /MSRL (48" & 36"), Air Tray dryer (48 & 24 T), Vac. Tray Dryers (24 T), Vac. Dryers –Rotary, Blender- Octa, Clean Rooms, Boiler :-850Kg/H, DM plant, Chiller-Water, Chiller-Brine (-15 & -20°C), Cooling Towers, Main water storage Tanks, Air Handling units, FDV, Scrubber, High Vac Pumps(Oil)200 to 350, Electrical sanctioned Load, Electrical connected Load and Transformer

**Quality Control equipments:** - HPLC, GC, Electronic Weighting Balances & FTIR/UV Spectrophotometer

## SUPPORT FACILITIES

Plant would be equipped with support facilities to ensure smooth operation with minimum down time. The support facilities may be summarized as under:-

- HVAC & Clean Room Environment
- Purified water system
- Compressed Air
- Chilled Brine plant
- Boilers
- Diesel Generator
- Scrubbers
- ETP plant

## COLLABORATIONS/TIE UPS/ JOINT VENTURES

Except as disclosed in this Prospectus and those entered in the normal Course of business, we do not have any Collaborations/ Tie-Ups/ Joint Ventures as on the date of Prospectus.

## EXPORT OBLIGATION

Below are the details of the export obligation as on date of this Prospectus:-

File No.	Date	Export Product	Amount (in ₹)	Export Period
03/95/040/00926/AM16	29/02/2016	Chemical & Allied Product	114,653,750	18 months
03/95/040/00740/AM17	22/12/2016	Chemical & Allied Product	38,088,000	18 months

## CAPACITY AND CAPACITY UTILIZATION

Particulars	Existing Capacity (in Kgs)				Proposed Capacity (in Kgs)		
	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
Installed	170000	170000	180000	200000	220000	250000	275000

Capacity							
Actual Production*	78187	95513	135240	188910	215500	238000	264000
Capacity Utilization	45.99	56.18	75.13	94.45	97.95	95.20	96.00

\*Actual production includes the production of VSCL and done on our machines for Enaltec. Actual production may vary depending upon the business requirements and type of products manufactured

## HEALTH, SAFETY AND ENVIRONMENT

Safety and environmental protection, together with quality and operating efficiency, are among our key success factors of any organization. The prevention of accidents is one of our foremost priorities. Whether in the workplace or outside it, every accident is preventable and every risk can be lowered. Management at all levels of the organization is responsible for creating the framework and implementing measures to promote awareness of safety and environmental issues. The implementation of our safety and environmental policy and the compliance with regulations is taken care at all levels of the organization. The safety goals and programs are developed as part of the medium-term planning process and regularly reviewed. Management evaluates the safety and environmental protection system and identifies any corrective measures to be taken. To help ensure effective implementation of our safety policies and practices, we identify potential hazards, evaluate all material risks and institute, implement and monitor appropriate risk mitigation measures. We endeavor to minimize any accidents at our manufacturing facilities.

## INFRASTRUCTURE AND UTILITIES

### Raw Materials

Major raw materials used in the manufacturing of our products are chemicals. The raw material used in the manufacturing are majorly procured from the domestic market but some of the chemicals are also imported from outside India.

### Power

The power requirements at the manufacturing facility are procured from the Maharashtra State Electricity Distribution Company (MSEDCO). To meet any disruption in the supply of power from the state authority, we have installed one 250 KVA diesel generator at our manufacturing facility at Vadivarhe. Company has also installed 193 KWp Solar Power & 3000 Ltr Per day capacity Solar Water heater plant.

### Water

Water requirement for our manufacturing facilities are procured from the local available supplier. Our Company has set up its Effluent Treatment Plant (ETP) which is used to treat the waste generated during the process of chemicals. It includes physical, chemical, and biological processes to remove physical, chemical and biological contaminants. Its objective is to produce a waste stream including solid waste suitable for discharge or reuse back into the environment

## Human Resource

As on February 28, 2017, we have employed total 89 full-time employees at our location. We have employed a prudent mix of the experienced staff and youth which gives us the dual advantage. The company has also employed contract labour as per the business requirement.

Category	No. of Employees
Administrative or Managerial Staff	7
Skilled Workers	56
Operators	26
Total	89

## SALES AND MARKETING

Marketing is an important function of our organization. Our success lies in the strength of our relationship with our customers and suppliers who have been associated with our Group for a long period. We sell our products in the domestic market as well as international market viz United States of America, Portugal, Malasiya, United Kingdom, Italy and Ukraine. As we deal directly deal with our customers and respond quickly to their requirements, we are able to build long term relationship with them. Further timely and quality delivery of the product plays in important role in creating and expanding our market size.

## REVENUE MODEL OF THE COMPANY

Our Company mainly derives its revenue from operations from own manufacturing and loan licensing. We are engaged in the manufacturing of Speciality Chemicals, personal care products, APIs and intermediates. Further under loan licensing, Company undertakes contract manufacturing of APIs for Enaltec Labs Private Limited. The other income of our company constitutes around 1% of the Company's total revenue from operations which includes interest on investments, dividend income, foreign exchange difference gain and miscellaneous income.

Below are the details of the geography-wise sale and service revenue in ₹ Lakhs:-

Particulars	2017	2016	2015	2014	2013	2012
India	1788.57	1752.63	1752.74	1236.71	586.78	776.95
Outside India	1714.31	875.63	150.00	150.59	94.96	64.46
<b>Total</b>	<b>3502.88</b>	<b>2628.26</b>	<b>1902.74</b>	<b>1387.31</b>	<b>681.74</b>	<b>841.41</b>

## Client wise revenue Break-up for our top 10 Clients for the year ended March 31<sup>st</sup>, 2017

Name of the Clients	Amount (₹ in Lacs)	As % of total turnover*
Fine Organics	1,524.85	41.54
Enaltec Labs Pvt Ltd	1,447.47	39.43
Glaxo Smith Kline Pharmaceuticals Ltd., (UK)	112.39	3.06
USV Limited (Chiplun)	88.85	2.42
Glaxo Smith Kline Pharmaceuticals Ltd.,	88.47	2.41
Encube Ethicals Pvt Ltd (Goa)	38.00	1.04
Envee Drugs Pvt Ltd	28.86	0.79
Whyte Chemicals Limited	25.29	0.69
Chem-Impex International INC	11.29	0.31
VWR Chemicals LLC	10.86	0.30
<b>Total</b>	<b>3376.32</b>	<b>91.97</b>

\*The above value is inclusive of all applicable taxes and incidental expenses.

## MARKETING STRATEGY:

We intend to focus on following marketing strategies:

1. Focus on existing markets.
2. To expand our existing distribution base
3. Continuously holding markets trends.
4. Supply of Quality Products.
5. Fulfillment of Order in a timely manner.

## COMPETITION

The market for API is highly competitive and fragmented, and we face competition from various domestic and international manufacturers. Moreover, as we seek to diversify into new geographical areas globally, we may face competition from existing players that have presence in respective markets. In order to counter the competition, our focus would be to provide



products that would be in consonance with technical and quality requirements of our customer as well as by trying to offer a competitive pricing model without compromise on the quality.

## INSURANCE

We maintain a range of insurance policies to cover our assets, risks and liabilities. Substantially all of our insurance policies related to our manufacturing facility, our movable property and workmen compensation policy. The policies provide appropriate coverage in relation to fire, vehicle, Medclaim for employees, marine cargo and workmen compensation claims by our personnel. We constantly evaluate the risks in an effort to be sufficiently covered for all known risks. We believe that the amount of insurance coverage presently maintained by us represents an appropriate level of coverage required to insure our business and operations and is in accordance with the industry standard in India.

## INTELLECTUAL PROPERTY

The details of the Domain name in the name of our company:-

Sr. No	Domain name	Sponsoring Registrar and IANA ID	Creation Date	Expiry Date
1.	<a href="http://www.vscl.net.in">www.vscl.net.in</a>	Endurance Domains Technology Pvt. Ltd. (R173-AFIN)	April 08, 2009	April 08, 2020

## LAND & PROPERTY

Details of our property are as follows:-

S. No.	Details of the Property	Use	Owned/ Leased/ License	Licensor/ Lessor/ Vendor	Consideration
1.	Gat No. 204, Vadivarhe, Nashik-Mumbai Highway, Igatpuri, District-Nashik – 422 403, Maharashtra, India	Registered Office and Factory	Owned	M/s Fem Care Pharma Ltd.	The said property has been acquired by our company vide Division Transfer Agreement dated May 07, 2009 from Fem Care Pharma Ltd. The same was originally purchased by Fem Care Pharma from Shri. Tukaram Mahadu Nagare and Sakharam Mahadu Nagare
2.	1 <sup>st</sup> Floor, K.K. Chambers Sir P T Road Fort, Mumbai – 400001, Maharashtra, India	Corporate Office	Rented but without any consideration	Mr. Sunil Haripant Pophale	Mr. Sunil Haripant Pophale has provided a No objection certificate dated March 27, 2017 to our company for use of the said property.
3.	Flat/Room No. 7, Serena Park Apartment, S. No. 42 Canal Road, Anandwali, Nashik - 422003	Guest House	Rented	Swati Langote	Vide a leave and license agreement dated April 01, 2017 entered into between the parties for a consideration of Rs. 15000 p.m.

## **KEY INDUSTRY REGULATIONS AND POLICIES**

*The following description is a summary of certain sector specific laws and regulations in India, which are applicable to the Company. The information detailed in this chapter has been obtained from publications available in the public domain. The regulations set out below may not be exhaustive, and are only intended to provide general information to the investors and are neither designed nor intended to substitute for professional legal advice.*

Our Company is engaged in the business of manufacturing, selling and exporting organic chemicals, inorganic chemicals, agrochemicals, bio-chemicals, pesticides, bulk drug, drug intermediaries, and active pharmaceutical ingredients. Our Company is governed by a number of central and state legislations that regulate its business. The following discussion summarizes certain significant Indian laws and regulations that govern our Company's business.

### **INDUSTRY-SPECIFIC REGULATIONS**

#### **The Drugs and Cosmetics Act, 1940 (“D. C. Act”)**

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

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

The Drugs and Cosmetics Rules, 1945 (the “**DCA Rules**”) have been enacted to give effect to the provisions of the DCA Act to regulate the, manufacture, distribution and sale of drugs and cosmetics in India. The DCA Rules prescribe the procedure for submission of report to the Central Drugs Laboratory, of samples of drugs for analysis or test, the forms of Central Drugs Laboratory's reports thereon and the fees payable in respect of such reports. The DCA Rules also prescribe the drugs or classes of drugs or cosmetics or classes of cosmetics for the import of which a license is required, and prescribe the form and conditions of such license. Further, the DCA Rules provide for the cancellation or suspension of such license in any case where any provisions or rule applicable to the import of drugs and cosmetic is contravened or any of the conditions subject to which the license is issued is not complied with. The DCA Rules further prescribe the manner of labelling and packaging of drugs.

#### **The Indian Boilers Act, 1923**

The Indian Boilers Act, 1923 (the ‘Boilers Act’) states that the owner of any boiler (as defined therein), which is wholly or partly under pressure when is shut off, shall under the provisions of the Boilers Act, apply to the Inspector appointed thereunder to have the boiler registered which shall be accompanied by prescribed fee. The certificate for use of a registered boiler is issued pursuant to such application, for a period not exceeding twelve months, provided that a certificate in respect of an economiser or of an unfired boiler which forms an integral part of a processing plant in which steam is generated solely by the use of oil, asphalt or bitumen as a heating medium may be issued for a period not exceeding twenty-four months in accordance with the regulations made under Boilers Act. On the expiry of the term or due to any structural alteration, addition or renewal to the boiler, the owner of the boiler shall renew the certificate by providing the Inspector all reasonable facilities for the examination and all such information as may reasonably be required of him to have the boiler properly prepared and ready for examination in the prescribed manner.

### **LABOUR LAWS**

#### **Industries (Development and Regulation) Act 1951**

In order to provide the Central Government with the means to implement its industrial policies, several legislations have been enacted and amended in response to the changing environment. Out of these several legislations, one of the most important is the Industries (Development and Regulation) Act, 1951 (IDRA) which was enacted in pursuance of the Industrial Policy Resolution, 1948. The Act was formulated for the purpose of development and regulation of industries in India by the Central Government.

### **The Factories Act, 1948**

The Factories Act, 1948 (“**the Factories Act**”) seeks to regulate labour employed in factories and makes provisions for safety, health and welfare of the workers. The Factories Act defines a ‘factory’ to cover any premises, which employs ten or more workers and in which manufacturing processes are carried on with the aid of power, and to cover any premises, where there are at least 20 (twenty) workers who may or may not be engaged in an electrically aided manufacturing process. Each State Government has set out rules in respect of the prior submission of plans and its approval for the establishment of factories and registration and licensing of factories. The Factories Act also provides for the mechanisms for safety of certain equipment used in factories, procedures for periodic examination of equipment such as pressure vessels and lifting tackles, regulation of working conditions within the factories and includes specific provisions applicable to women and children employed in factories.

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

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

### **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.

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

Under the Employees’ Provident Funds and Miscellaneous Provisions Act, 1952 (EPF Act), compulsory provident fund, family pension fund and deposit linked insurance are payable to employees in factories and other establishments. The legislation provides that an establishment employing more than 20 (twenty) persons, either directly or indirectly, in any capacity whatsoever, is either required to constitute its own provident fund or subscribe to the statutory employee’s provident fund. The employer of such establishment is required to make a monthly contribution to the provident fund equivalent to the amount of the employee’s contribution to the provident fund. 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.

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

The Payment of Gratuity Act, 1972 provides for payment of gratuity to employees employed in factories, shops and other establishments who have put in a continuous service of 5 (five) years, in the event of their superannuation, retirement, resignation, death or disablement due to accidents or diseases. The rule of ‘five year continuous service is however relaxed in case of death or disablement of an employee. Gratuity is calculated at the rate of 15 (fifteen) days wages for every completed year of service with the employer. Presently, an employer is obliged for a maximum gratuity payout of Rs. 10,00,000/- for an employee.

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

The Minimum Wages Act, 1948 (MWA Act) was enacted to establish minimum wages for certain categories of employees. Under this Act, the Central and the State Governments stipulate the scheduled industries and establishments and fix minimum wages.

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

Pursuant to the Payment of Bonus Act, 1965, as amended, an employee in a factory or in any establishment where 20 (twenty) or more persons are employed on any day during an accounting year, who has worked for at least 30 (thirty) working days in a year, is eligible to be paid a bonus. Contravention of the provisions of the Payment of Bonus Act, 1965 by a company is punishable with imprisonment upto 6 (six) months or a fine up to Rs. 1,000/- (Rupees one thousand only) or both.

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

The purpose of the Maternity Benefit Act, 1961 is to regulate the employment of pregnant women in certain establishments for certain periods and to ensure that they get paid leave for a specified period before and after childbirth, or miscarriage or medical termination of pregnancy. It inter alia provides for payment of maternity benefits, medical bonus and prohibits the dismissal of and reduction of wages paid to pregnant women.

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

The Payment of Wages Act, 1936 (PWA) is applicable to the payment of wages to persons in factories and other establishments. PWA 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.

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

The Employee's Compensation Act, 1923 has been enacted with the objective to provide for the payment of compensation by certain classes of employers to their workmen or their survivors for industrial accidents and occupational diseases resulting in the death or disablement of such workmen. The Act makes every employer liable to pay compensation in accordance with the Act if a personal injury/disablement/loss of life is caused to a workman (including those employed through a contractor) by an accident arising out of and in the course of his employment. In case the employer fails to pay compensation due under the Act within one month from the date it falls due, the Commissioner may direct the employer to pay the compensation amount along with interest and may also impose a penalty.

#### **Equal Remuneration Act, 1979**

Equal Remuneration Act, 1979 provides for payment of equal remuneration to men and women workers and for prevention discrimination, on the ground of sex, against female employees in the matters of employment and for matters connected therewith.

#### **The 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 behaviour namely, physical contact and advances or a demand or request for sexual favours or making sexually coloured remarks, showing pornography or any other unwelcome physical, verbal or non-verbal conduct of sexual nature. The SHWW Act makes it mandatory for every employer of a workplace to constitute an Internal Complaints Committee which shall always be presided upon by a woman. It also provides for the manner and time period within which a complaint shall be made to the Internal Complaints Committee i.e. a written complaint is to be made within a period of 3 (three) months from the date of the last incident. If the establishment has less than 10 (ten) employees, then the complaints from employees of such establishments as also complaints made against the employer himself shall be received by the Local Complaints Committee. The penalty for non-compliance with any provision of the SHWW Act shall be punishable with a fine extending to Rs. 50,000/- (Rupees fifty thousand only).

### **Apprentices Act, 1961**

The Apprentices Act was enacted in 1961 for imparting training to apprentices i.e. a person who is undergoing apprenticeship training in pursuance of a contract of apprenticeship. Every employer shall make suitable arrangements in his workshop for imparting a course of practical training to every apprentice engaged by him in accordance with the programme approved by the apprenticeship adviser. The central apprenticeship adviser or any other person not below the rank of an assistant apprenticeship adviser shall be given all reasonable facilities for access to each apprentice with a view to test his work and to ensure that the practical training is being imparted in accordance with the approved programme.

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

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

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

The Child Labour (Prohibition and Regulation) Act, 1986 (the CLPR Act) seeks to prohibit the engagement of children in certain employments and to regulate the conditions of work of children in certain other employments. It also prescribes hours and periods of work, holidays, the requirement of keeping a register, etc for the establishments falling under this act. Ashopora commercial establishment is included under the definition of an establishment according to Section 2(iv) of the CLPR Act.

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

Industrial Dispute Act, 1947 and the Rules made thereunder provide for the investigation and settlement of industrial disputes. The Industrial Disputes Act, 1947 (IDA) was enacted to make provision for investigation and settlement of industrial disputes and for other purposes specified therein. Workmen under the IDA 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 IDA also sets out certain requirements in relation to the termination of the services of the workman. The IDA 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. Industrial Dispute (Punjab) Rules, 1958 are applicable to the Company.

### **The Micro, Small and Medium Enterprises Development Act, 2006 and Industries (Development and Regulation) Act, 1951**

The Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act) inter – alia provides for facilitating the promotion and development and enhancing the competitiveness of micro, small and medium enterprises. The Central Government is empowered to classify by notification, any class of enterprises including inter-alia, a company, a partnership, firm or undertaking by whatever name called, engaged in the manufacture or production of goods pertaining to any industry specified in the First Schedule to the Industries (Development and Regulation) Act, 1951 as: (i) a micro enterprise, where the investment in plant and machinery does not exceed Rs. 25,00,000/- (Rupees Twenty Five Lakhs Only) (ii) a small enterprise, where the investment in plant and machinery is more than Rs. 25,00,000/- (Rupees Twenty Five Lakh Only) but does not exceed Rs. 5,00,00,000/- (Rupees Five Crores Only); or (iii) a medium enterprise, where the investment in plant and machinery is more than Rs. 5,00,00,000/- (Rupees Five Crores Only) but does not exceed Rs. 10,00,00,000/- (Rupees Ten Crores Only). The MSMED Act inter-alia stipulates that any person who intends to establish, a micro or small enterprise or a medium enterprise engaged in rendering of services, may at his discretion and a medium enterprise engaged in the manufacture or production of goods as specified hereinabove, file a memorandum of micro, small or medium enterprise, as the case may be, with the prescribed authority.

### **Shops & Commercial Establishments Acts of the respective States in which Our Company has an established place of business/ office ("Shops Act")**

The Shops Act provides for the regulation of conditions of work in shops, commercial establishments, restaurants, theatres and other establishments. The Act is enforced by the Chief Inspector of Shops (CIS) and various inspectors under the supervision and control of Deputy/Assistant Labour Commissioners of the concerned District, who in turn functions under the supervision of Labour Commissioner.

### **Motor Vehicles Act, 1988 and Central Motor Vehicle Rules, 1989**

The purpose of Motor Vehicles Act, 1988 is to regulate the activities associated with the driving licenses, vehicle registration, vehicles safety etc. The Central Motor Vehicle Rules, 1989 framed under the above Act also prescribe various road safety measures. The Motor Vehicles Act, 1988 and the Central Motor Vehicle Rules, 1989 (Chapter- II) prescribes stringent procedure for grant of Driving Licenses. Changes in the said Act and related rules have a bearing on the business of the Company

### **The Specific Relief Act, 1963 ("Specific Relief Act")**

The Specific Relief Act is complimentary to the provisions of the Contract Act and the Transfer of Property Act, as the Specific Relief Act applies both to movable property and immovable property. The Specific Relief Act applies in cases where the Court can order specific performance of a contract. Specific relief can be granted only for purpose of enforcing individual civil rights and not for the mere purpose of enforcing a civil law. 'Specific performance' means Court will order the party to perform his part of agreement, instead of imposing on him any monetary liability to pay damages to other party.

## **TAX RELATED LEGISLATIONS**

### **The Maharashtra State Tax on Professions, Trades, Callings and Employments Act, 1979:**

This Act provides for the levy and collection of tax on professions, trades, callings and employments for raising additional resources for the benefit of the State and for matters connected therewith or incidental thereto.

Every person, engaged actively or otherwise in any profession, trade, calling or employment and falling under one or other classes mentioned in Schedule I of the Maharashtra State Tax on Professions, Trades, Callings and Employments Act, 1975, is liable to pay, to the State Government, tax prescribed under the said Schedule. [S. 3(2)]

Persons earning salary or wages are also covered. Employers are required to deduct Profession Tax, at prescribed rates, from salary/wages paid to employees, and to pay the tax to State Government on behalf of employees. Employer is liable to pay tax irrespective of deduction. (S.4)

Where any employee is covered by one or more entries other than entry 1 in Schedule I and rate of tax under any such other entry is more than rate of tax under entry I of that Schedule and if he issues to his employer, a certificate in Form IIB, or where employee is simultaneously engaged in employment of more than one employer and if such employee issues to his employer, a certificate in Form IIC, the employer(s) has not to deduct tax from the salary/wages payable and such employer(s) are not liable to deposit tax on behalf of such employee.

### **The Central Sales Tax Act, 1956**

The Central Sales tax (CST) is levied on the sale of moveable goods within India in the course of inter-state trade or commerce and is governed by the provisions of the Central Sales Tax Act, 1956. If the goods move between states pursuant to a sale arrangement, then the taxability of such sale is determined by the CST. On the other hand, the taxability of a sale of movable goods within the jurisdiction of the State is determined as per the local sales tax/Value Added Tax legislation in place within such State.

### **The Maharashtra Value Added Tax Act, 2002**

The Maharashtra Value Added Tax Act, 2002 (VAT) is a system of multipoint levies on each of the purchases in the supply chain with the facility of set-off input tax on sales whereby tax is paid at the stage of purchase of goods by a trader and on purchase of raw materials by a manufacturer. VAT is based on the value addition of goods, and the related VAT liability of the dealer is calculated by deducting input tax credit for tax collected on the sales during a particular period.

VAT is a consumption tax applicable to all commercial activities involving the production and distribution of goods and the provisions of services, and each State that has introduced VAT has its own VAT Act under which persons liable to pay VAT must register and obtain a registration number from the Sales Tax Officer of the respective State.

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

The Income tax Act, 1961 (IT Act) is applicable to every Company, whether domestic or foreign whose income is taxable under the provisions of the IT Act or Rules made thereunder depending upon its —Residential Status and Type of Income involved. The IT Act provides for the taxation of persons resident in India on global income and persons not resident in India on income received, accruing or arising in India or deemed to have been received, accrued or arising in India. Every Company assessable to income tax under the IT Act is required to comply with the provisions thereof, including those relating to Tax Deduction at Source, Advance Tax, Minimum Alternative Tax and like. Every such Company is also required to file its returns by September 30 of each assessment year.

### **Service Tax**

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

### **Central Excise Act, 1944 and Excise-Related Regulations**

Excise duty imposes a liability on a manufacturer to pay excise duty on production or manufacture of goods in India. The Central Excise Act, 1944 is the principal legislation in this respect, which provides for the levy and collection of excise and requires every person who produces, manufactures, carries on trade, holds private store-room or warehouse or otherwise uses excisable goods, to obtain registration thereunder. Additionally, the Central Excise Tariff Act, 1985 prescribes the rates of excise duties for various goods. The Central Excise Rules, 2002 provides the manner of payment of the central excise duty as well as the rebate and remission provisions.

For details of the Company's material registrations under the applicable the tax legislations, kindly refer to the chapter "Government and Other Approvals" on page 190 of this Prospectus.

### **The Customs Act, 1962 and the Customs Tariff Act, 1975**

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. The Customs Tariff Act, 1975 provides the rates at which duties of customs will be levied under the Customs Act, 1962.

## **ENVIRONMENT RELATED LAWS**

### **Environment Protection Act, 1986**

The Environmental Protection Act, 1986 is an "umbrella" legislation designed to provide a framework for co- ordination of the activities of various central and state authorities established under various laws. The potential scope of the Act is broad, with "environment" defined to include water, air and land and the interrelationships which exist among water, air and land, and human beings and other living creatures, plants, micro-organisms and property.

### **The Water (Prevention and Control of Pollution) Act, 1974 ("Act")**

The Act provides for the prevention and control of water pollution and the maintaining or restoring of wholesomeness of water, for the establishment, with a view to carrying out the purposes aforesaid, of Boards for the prevention and control of water pollution, for conferring on and assigning to such Boards powers and functions relating thereto and for matters connected therewith. The Act defines pollution as such contamination of water or such alteration of the physical, chemical or biological properties of water or such discharge of any sewage or trade effluent or of any other liquid, gaseous or solid substance into water (whether directly or indirectly) as may, or likely to create a nuisance or render such water harmful or injurious to public health or safety, or to domestic, commercial, industrial, agricultural or other legitimate uses, or to the life and health of animals or plants or of aquatic organisms. The Act envisages establishing a Central Board as well as State Board for Prevention and Control of Water Pollution.

Accordingly, the previous consent of the Board constituted under the Act must be obtained, for establishing or taking steps to establish operation or process, or any treatment and disposal system or any extension or addition thereto, which is likely to discharge sewage or trade effluent into a stream or well or sewer or on land. Such previous consent is required for bringing into use any new or altered outlet for the discharge of sewage or for the new discharge of sewage. If at any place where any industry, operation or process, or any treatment and disposal system or any extension or addition thereto is being carried on, due to accident or other unforeseen act or event, any poisonous, noxious or pollution matter is being discharged, or is likely to be discharged into a stream or well or sewer or on land and, as a result of such discharge, the water in any stream or well is being polluted, or is likely to be polluted, then the person in charge of such place shall forthwith intimate the occurrence of such accident, act or event to the Board constituted under the Act and such other authorities or agencies as may be prescribed.

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

The Act provides for the prevention, control and abatement of air pollution, for the establishment, with a view to carrying out the aforesaid purposes of Boards for conferring on and assigning to such Boards powers and functions relating thereto and for matters connected therewith.

The Act envisages establishing a Central Board as well as State Pollution Control Boards in each State. The Central Board constituted under Water (Prevention and Control of Pollution) Act, 1974, shall, without prejudice to its powers and functions under this Act, shall also exercise the powers and perform the functions of the Central Board under the Prevention and Control of Air Pollution. Similarly if in any State, the State Government has constituted for that State, a State Board for the Prevention and Control of Water Pollution, then such State Board shall be deemed to be the State Board for the Prevention and Control of Air Pollution and exercise the powers and perform the functions of the State Board for the Prevention and Control of Air Pollution also.



As per the Act, no person operating any industrial plant, in any air pollution control area (so declared under Section 19 of the Act) shall discharge or cause or permit to be discharged the emission of any air pollutant in excess of the standards laid down by the Board constituted under the Act. Further, no person shall, without the previous consent of the Board constituted under the Act, establish or operate any industrial plant in an air pollution control area.

The Act further prescribes certain compliances with regard to the reporting and prevention of accidents. Thus, where in any area the emission of any air pollutant into the atmosphere in excess of the standards laid down by the Board constituted under the Act occurs or is apprehended to occur due to accident or other unforeseen act or event, the person in charge of the premises from where such emission occurs or is apprehended to occur shall forthwith intimate the fact of such occurrence or the apprehension of such occurrence to such Board and to such authorities or agencies as may be prescribed by the Act.

#### **Noise Pollution (Regulation & Control) Rules 2000 (“Noise Regulation Rules”)**

The Noise Regulation Rules regulate noise levels in industrial, commercial and residential zones. The Noise Regulation Rules also establish zones of silence of not less than 100 meters near schools, courts, hospitals, etc. The rules also assign regulatory authority for these standards to the local district courts. Penalty for non-compliance with the Noise Regulation Rules shall be under the provisions of the Environment (Protection) Act, 1986.

#### **Electricity Act, 2003**

The Electricity Act, 2003 has been recently introduced with a view to rationalize electricity tariff, and to bring about transparent policies in the sector. The Act provides for private sector participation in generation, transmission and distribution of electricity, and provides for the corporatization of the state electricity boards. The related Electricity Regulatory Commissions Act, 1998 has been enacted with a view to confer on these statutory Commissions the responsibility of regulating this sector

#### **Hazardous Wastes**

There are several legislations that directly or indirectly deal with hazardous wastes. The relevant legislations are:

- The Hazardous Wastes (Management, Handling and Transboundary Movement) Rules, 2008
- The Public Liability Insurance Act, 1991
- The Manufacture, Storage and Import of Hazardous Chemicals Rules, 1989.

#### **Hazardous Wastes (Management, Handling and Transboundary Movement) Rules, 2008**

These rules require that the occupier and the operator of the facility, that treats hazardous wastes, must properly collect, treat, store or dispose the hazardous wastes without adverse effects on the environment.

#### **Public Liability Insurance Act, 1991 (“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.

#### **OTHER LAWS**

##### **Legal Metrology Act, 2009**

The Legal Metrology Act, 2009 (L.M. Act) governs the standards/units/denominations used for weights and measures as well as for goods which are sold or distributed by weight, measure or number. It also states that any transaction/contract relating to goods/class of goods shall be as per the weight/measurement/numbers prescribed by the L.M. Act. Moreover, the L.M. Act prohibits any person from quoting any price, issuing a price list, cash memo or other document, in relation to

goods or things, otherwise than in accordance with the provisions of the L.M. Act. The specifications with respect to the exact denomination of the weight of goods to be considered in transactions are contained in the Rules made by each State. The Act also provides for Legal Metrology (General) Rules, 2011, which may be followed for due compliance, if the respective State does not provide for Rules in this regard.

### **Transfer of Property Act, 1882**

The transfer of property, including immovable property, between living persons, as opposed to the transfer property by operation of law, is governed by the Transfer of Property Act, 1882 ('T.P. Act.'). The T.P. Act establishes the general principles relating to the transfer of property, including among other things, identifying the categories of property that are capable of being transferred, the persons competent to transfer property, the validity of restrictions and conditions imposed on the transfer and the creation of contingent and vested interest in the property. Transfer of property is subject to stamping and registration under the specific statutes enacted for the purposes which have been dealt with hereinafter.

The T.P. Act recognizes, among others, the following forms in which an interest in an immovable property may be transferred:

- Sale: The transfer of ownership in property for a price paid or promised to be paid.
- Mortgage: The transfer of an interest in property for the purpose of securing the payment of a loan, existing or future debt, or performance of an engagement which gives rise to a pecuniary liability. The T.P. Act recognizes several forms of mortgages over a property.
- Charges: Transactions including the creation of security over property for payment of money to another which are not classifiable as a mortgage. Charges can be created either by operation of law, e.g. decree of the court attaching to specified immovable property, or by an act of the parties.
- Leases: The transfer of a right to enjoy property for consideration paid or rendered periodically or on specified occasions.
- Leave and License: The transfer of a right to do something upon immovable property without creating interest in the property.

Further, it may be noted that with regards to the transfer of any interest in a property, the transferor transfers such interest, including any incidents, in the property which he is capable of passing and under the law, he cannot transfer a better title than he himself possesses.

### **The Registration Act, 1908**

The Registration Act, 1908 (Registration Act) was passed to consolidate the enactments relating to the registration of documents. The main purpose for which the Registration Act was designed was to ensure information about all deals concerning land so that correct land records could be maintained. The Registration Act is used for proper recording of transactions relating to other immovable property also. The Registration Act provides for registration of other documents also, which can give these documents more authenticity. Registering authorities have been provided in all the districts for this purpose.

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

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

Instruments chargeable to duty under the Stamp Act which are not duly stamped are incapable of being admitted in court as evidence of the transaction contained therein. The Stamp Act also provides for impounding of instruments which are not sufficiently stamped or not stamped at all. Unstamped and deficiently stamped instruments can be impounded by the

authority and validated by payment of penalty. The amount of penalty payable on such instruments may vary from state to state.

### **The Indian Contract Act, 1872**

The Indian Contract Act, 1872 (Contract Act) codifies the way in which a contract may be entered into, executed, implementation of the provisions of a contract and effects of breach of a contract. A person is free to contract on any terms he chooses. The Contract Act consists of limiting factors subject to which contract may be entered into, executed and the breach enforced. It provides a framework of rules and regulations that govern formation and performance of contract. The contracting parties themselves decide the rights and duties of parties and terms of agreement.

### **Consumer Protection Act, 1986**

The Consumer Protection Act, 1986 seeks to provide better protection of interests of the consumers and for that purpose to make provision for establishment of consumer councils and other authorities for the settlement of consumer's disputes and for matters connected therewith. It seeks to promote and protect the rights of consumers.

To provide steady and simple redressal to consumers' disputes, quasi-judicial machinery is sought to be set up at the district, state and central levels. The quasi-judicial bodies will observe the principles of natural justices and have been empowered to give relieves of a specific nature and to award wherever appropriate compensation to consumers. Penalties for non-compliance of the orders given by the quasi-judicial bodies have also been provided.

### **The Companies Act, 2013/ 1956**

The Companies Act, 2013, has been introduced to replace the existing Companies Act, 1956 in a phased manner. It deals with laws relating to companies and certain other associations. The Act primarily regulates the formation, financing, functioning and winding up of companies. The Act prescribes regulatory mechanism regarding all relevant aspects, including organizational, financial and managerial aspects of companies. It deals with issue, allotment and transfer of securities and various aspects relating to company management. It provides for standard of disclosure in public issues of capital, particularly in the fields of company management and projects, information about other listed companies under the same management, and management perception of risk factors. In the functioning of the corporate sector, although freedom of companies is important, protection of the investors and shareholders, on whose funds they flourish, is equally important. The Companies Act, 2013 plays the balancing role between these two competing factors, namely, management autonomy and investor protection.

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

The Competition Act, 2002 "prohibits anti competitive agreements, abuse of dominant positions by enterprises and regulates "combinations" in India. The Competition Act also established the Competition Commission of India (the "CCI") as the authority mandated to implement the Competition Act. The provisions of the Competition Act relating to combinations were notified recently on March 4, 2011 and came into effect on June 1, 2011. Combinations which are Likely to cause an appreciable adverse effect on competition in a relevant market in India are void under the Competition Act. A combination is defined under Section 5 of the Competition Act as an acquisition, merger or amalgamation of enterprise(s) that meets certain asset or turnover thresholds. There are also different thresholds for those categorized as „Individuals and „Group. The CCI may enquire into all combinations, even if taking place outside India, or between parties outside India, if such combination is Likely to have an appreciable adverse effect on competition in India. Effective June 1, 2011, all combinations have to be notified to the CCI within 30 days of the execution of any agreement or other document for any acquisition of assets, shares, voting rights or control of an enterprise under Section 5(a) and (b) of the Competition Act (including any binding document conveying an agreement or decision to acquire control, shares, voting rights or assets of an enterprise); or the board of directors of a company (or an equivalent authority in case of other entities) approving a proposal for a merger or amalgamation under Section 5(c) of the Competition Act. The obligation to notify a combination to the CCI falls upon the acquirer in case of an acquisition, and on all parties to the combination jointly in case of a merger or amalgamation.

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

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

### **FEMA Regulations**

As laid down by the FEMA Regulations, no prior consents and approvals are required from the Reserve Bank of India, for Foreign Direct Investment under the 'automatic route' within the specified sectoral caps. In respect of all industries not specified as FDI under the automatic route, and in respect of investment in excess of the specified sectoral limits under the automatic route, approval may be required from the FIPB and/or the RBI. The RBI, in exercise of its power under the FEMA, has notified the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000 ("FEMA Regulations") to prohibit, restrict or regulate, transfer by or issue security to a person resident outside India. Foreign investment in India is governed primarily by the provisions of the FEMA which relates to regulation primarily by the RBI and the rules, regulations and notifications thereunder, and the policy prescribed by the Department of Industrial Policy and Promotion, Ministry of Commerce & Industry, Government of India.

### **Laws relating to Intellectual Property**

#### **The Trademarks Act, 1999 (“Trademarks Act”)**

Under the Trademarks Act, a trademark is a mark capable of being represented graphically and which is capable of distinguishing the goods or services of one person from those of others used in relation to goods and services to indicate a connection in the course of trade between the goods and some person having the right as proprietor to use the mark. A 'mark' may consist of a device, brand, heading, label, ticket, name signature, word, letter, numeral, shape of goods, packaging or combination of colours or any combination thereof. Section 18 of the Trademarks Act requires that any person claiming to be the proprietor of a trade mark used or proposed to be used by him, must apply for registration in writing to the registrar of trademarks. The trademark, once applied for and which is accepted by the Registrar of Trademarks (“the Registrar”), is to be advertised in the trademarks journal by the Registrar. Oppositions, if any, are invited and, after satisfactory adjudications of the same, a certificate of registration is issued by the Registrar. The right to use the mark can be exercised either by the registered proprietor or a registered user. The present term of registration of a trademark is 10 (ten) years, which may be renewed for similar periods on payment of a prescribed renewal fee.

#### **Indian Copyright Act, 1957 (Copyright Act)**

The Copyright Act governs copyright protection in India. Under the Copyright Act, copyright may subsist in original literary, dramatic, musical or artistic works, cinematograph films, and sound recordings. Following the issuance of the International Copyright Order, 1999, subject to certain exceptions, the provisions of the Copyright Act apply to nationals of all member states of the World Trade Organization.

While copyright registration is not a prerequisite for acquiring or enforcing a copyright, registration creates a presumption favouring ownership of the copyright by the registered owner. Copyright registration may expedite infringement proceedings and reduce delay caused due to evidentiary considerations. Once registered, the copyright protection of a work lasts for 60 years.

The remedies available in the event of infringement of a copyright under the Copyright Act include civil proceedings for damages, account of profits, injunction and the delivery of the infringing copies to the copyright owner.

#### **The Patents Act, 1970 (Patent Act)**

The purpose of the Patent Act in India is to protect inventions. Patents provide the exclusive rights for the owner of a patent to make, use, exercise, distribute and sell a patented invention. The patent registration confers on the patentee the exclusive right to use, manufacture and sell his invention for the term of the patent. An application for a patent can be made by (a) person claiming to be the true and first inventor of the invention; (b) person being the assignee of the person claiming to be the true and first inventor in respect of the right to make such an application; and (c) legal representative of any deceased person who immediately before his death was entitled to make such an application.

#### **The Designs Act, 2000 (Designs Act)**

The objective of Designs Act is to promote and protect the design element of industrial production. It is also intended to promote innovative activity in the field of industries. The Controller General of Patents, Designs and Trade Marks appointed under the Trademarks Act shall be the Controller of Designs for the purposes of the Designs Act. When a design is registered, the proprietor of the design has copyright in the design during ten years from the date of registration.

#### **Approvals from Local Authorities**

Setting up of a factory or manufacturing entails the requisite planning approvals to be obtained from the relevant Local Panchayat(s) outside the city limits and appropriate Metropolitan Development Authority within the city limits. Consents are also required from the state pollution control board(s), the relevant state electricity board(s), the state excise authorities, sales tax, among others, are required to be obtained before commencing the building of a factory or the start of manufacturing operations.

## HISTORY AND CERTAIN CORPORATE MATTERS

### Brief History and Background

Our Company was originally incorporated on February 23, 2009 as “Vadivarhe Speciality Chemicals Limited” vide Registration no. 11-190516/2008-2009 (CIN: U24100MH2009PLC190516) under the provisions of the Companies Act, 1956 with the Registrar of Companies, Maharashtra, Mumbai and received Certificate for Commencement of Business on March 06, 2009.

Our company was incorporate in year 2009 and prior to the incorporation of our company, Fem Care Pharma Ltd was promoted by our promoter Mr. Sunil Haripant Pophale which was later taken over by Dabur India Ltd in the year 2009. Mr. Sunil Haripant Pophale sold his stake in Fem Care Pharma Ltd to Dabur India Ltd and as per the terms and condition of the Division Transfer Agreement dated May 07, 2009 the Speciality chemical division of Fem Care Pharma Limited was transferred to Vadivarhe Speciality Chemicals Limited. After the above transfer we are running the Speciality chemical division under the leadership of our promoter Mr. Sunil Haripant Pophale.

The initial subscribers to the Company’s Memorandum and Articles of Association were Mr. Sunil Haripant Pophale, Mr. Abhijit Shyamsunder Bopardikar, Mrs. Saloni Abhijit Bopardikar, Mrs. Meena Sunil Pophale, Mrs. Vijaya Sujit Bopardikar, Mr. Sujit Shyamsunder Bopardikar and Mrs. Manasi Sunil Pophale. Presently Mr. Sunil Haripant Pophale is Promoter of the Company.

For information on our Company’s profile, activities, services, market, growth, technology, managerial competence, standing with reference to prominent competitors, major suppliers, please refer the sections entitled “*Industry Overview*”, “*Our Business*”, “*Our Management*”, “*Financial information of the Company*” and “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” on pages 79, 85, 112, 135 & 172 respectively.

### Address of Registered Office:

The Registered Office of the Company is situated at Gat No. 204, Vadivarhe, Igatpuri, Maharashtra-422403, India

### Changes in Registered Office of the Company since incorporation

There has not been any change in our Registered Office since incorporation till date of the Prospectus.

### Our Main Object

The main objects of our Company as set forth in the Memorandum of Association of our Company are as follows:

1. To purchase, sell, manufacture, import, pack, resell, replace or otherwise deal on job work basis or otherwise in all types of organic chemicals, inorganic chemicals, agrochemicals, bio-chemicals, pesticides, bulk drugs, drug intermediaries and active pharmaceutical ingredients and to provide related services.

### Changes in Memorandum of Association

Except as stated below there has been no change in the Memorandum of Association of our Company since its Incorporation:

Sr. No.	Particulars	Date of Meeting	Type of Meeting
1.	The initial authorised share capital increased from ₹ 2,00,00,000 (Two Crore) divided into 2,00,000 (Two lacs) equity Shares of ₹ 100 each to ₹ 5,00,00,000 (Five Crore) divided into 5,00,000 (Five lacs) Equity shares of ₹ 100 each .	February 20, 2013	EGM
2.	Sub- division of Equity Shares of the Company having face Value of ₹ 100/- each into 10 Equity Shares of face value of ₹ 10/- each and authorized	August 17, 2005	EGM

	share capital of the Company is change from ₹ 5,00,00,000 (Five Crore) divided into 5,00,000 (Five lacs) Equity shares of ₹ 100 each to 5,00,00,000 (Five Crore) divided into 50,00,000 (Fifty Lacs) equity Shares of Rs. 10 each.		
3.	Increase in authorized share capital from Rs. 5,00,00,000 (Five Crore) divided into 50,00,000 (Fifty Lacs) Equity Shares to Rs. 15,00,00,000 (Fifteen Crore) divided into 1,50,00,000 (One Crore Fifty Lakh) Equity shares of Rs. 10 each.	February 27, 2017	EGM
4.	Altered the Clause III (A) by altering the sub clause 1 to read as under:-  To purchase, sell, manufacture, import, pack, resell, replace or otherwise deal on job work basis or otherwise in all types of organic chemicals, inorganic chemicals, agrochemicals, bio-chemicals, pesticides, bulk drugs, drug intermediaries and active pharmaceutical ingredients and to provide related services.	February 27, 2017	EGM
5.	Adoption of Memorandum of Association as per Companies Act, 2013	February 27, 2017	EGM

### Adopting New Articles of Association of the Company

Our Company has adopted a new set of Articles of Association of the Company, in the Extra-ordinary General Meeting of the Company dated May 18, 2015 which was later altered in the Extra-ordinary General Meeting dated February 27, 2017.

### Key Events and Mile Stones

Year	Key Events / Milestone / Achievements
2009	Incorporation of the Company in the name and style of "Vadivarhe Speciality Chemicals Limited"
2009	Certificate of Commencement of Business
2009	Entered into a Division transfer agreement with Fem Care Pharma Ltd. For transfer of its Speciality Chemical Division to the Company.
2010	Started API Manufacturing
2015	Company has received Certificate of Good Manufacturing Practices from Food and Drugs Administration
2016	Certificate of Star Export House Category I by DGFT
2016	Company has received ISO 9001:2015 for manufacturing, marketing & Supply of active pharmaceutical ingredients and intermediates from QS Zurich AG
2016	Company has Certificate for Good Laboratory Practices for manufacturing, marketing & Supply of active pharmaceutical ingredients and intermediates from QS Zurich AG
2016	Company has Certificate for WHO-GMP for manufacturing, marketing & Supply of active pharmaceutical ingredients and intermediates from QS Zurich AG

### Other Details about our Company

For details of our Company's activities, products, growth, technology, marketing strategy, competition and our customers, please refer section titled "*Our Business*", "*Management's Discussion and Analysis of Financial Conditions and Results of Operations*" and "*Basis for Issue Price*" on pages 85, 172 and 74 respectively of this Prospectus. For details of our management and managerial competence and for details of shareholding of our Promoters, please refer to sections titled "*Our Management*" and "*Capital Structure*" beginning on page 112 & 49 of the Prospectus respectively.

### Acquisition of Business/Undertakings & Amalgamation

Except as disclose in the Prospectus, there has been no acquisition of business/undertakings, mergers, amalgamation since incorporation.

### **Holding Company**

As on the date of the Prospectus, our Company is not a subsidiary of any company.

### **Subsidiary of our Company**

Our Company does not have any Subsidiary within the meaning of Section 2 (87) of the Companies Act 2013, as on the date of the Prospectus.

### **Capital raising (Debt / Equity)**

For details in relation to our capital raising activities through equity, please refer to the chapter titled “*Capital Structure*” beginning on page 49 of this Prospectus. For details of our Company’s debt facilities, please refer section “*Statement of Financial Indebtedness*” on page 169 of this Prospectus.

### **Time and Cost overruns in setting up projects**

There has been no time / cost overrun in setting up projects by our Company.

### **Injunction or restraining order**

There are no injunctions/ restraining orders that have been passed against the Company.

### **Revaluation of Assets**

Our Company has not revalued its assets since incorporation

### **Defaults or Rescheduling of borrowings with financial institutions/banks and Conversion of loans into Equity Shares**

There have been no defaults or rescheduling of borrowings with any financial institutions/banks as on the date of the Prospectus. Furthermore, none of the Company's loans have been converted into equity in the past.

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

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

### **Shareholders of our Company:**

Our Company has Eight (8) shareholders as on the date of the Prospectus. For further details on the shareholding pattern of our Company, please refer to the chapter titled “*Capital Structure*” beginning on page 49 of this Prospectus.

### **Changes in the Management**

For details of change in Management, please see chapter titled “*Our Management*” on page 112 of the Prospectus.

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

In January-2011, Company has started a Trading Business of Nutraceutical / Health Supplementary Products which was later discontinued w. e. f. 01/04/2013.

Except as stated above, there has been no change in the business activities of our Company during last five (5) years from the date of the Prospectus which may have had a material effect on the profit/loss account of our Company except as mentioned in Material development in chapter titled “*Management’s discussion and analysis of financial conditions & results of operations*” beginning on page 172 of the Prospectus.

### **Shareholders Agreements**



As on the date of the Prospectus, there are no subsisting shareholders agreements among our shareholders in relation to our Company, to which our Company is a party or otherwise has notice of the same.

### **Collaboration Agreements**

As on the date of the Prospectus, our Company is not a party to any collaboration agreements.

### **Material Agreement**

Our Company has not entered into any material agreement, other than the agreements entered into by it in normal course of its business.

### **Acquisition agreements**

Division transfer agreement dated May 07, 2009 executed among our Company and Fem Care Pharma Ltd. Our Company entered into the agreement, pursuant to which the speciality chemical division of Fem Care Pharma Ltd. was transferred to our company as a going concern, for a total sale consideration of ₹ 1084.50 Lakhs. This agreement happened pursuant to the acquisition of Fem Care Pharma Ltd by Dabur India Ltd in the year 2009 under which the Speciality chemical division of Fem Care Pharma Limited was transferred to our Company.

## **OTHER AGREEMENTS**

### **Non Compete Agreement**

Except as disclosed in this Prospectus, our Company has not entered into any Non-compete Agreement on the date of filing of the Prospectus.

### **Joint Venture Agreement**

Except the agreements entered in the ordinary course of business carried on or intended to be carried on by us, we have not entered into any other Joint Venture agreement.

### **Strategic Partners**

Except as mentioned in the Prospectus, Our Company does not have any strategic partners as on the date of the Prospectus.

### **Financial Partners**

Our Company does not have any financial partners as on the date of the Prospectus.

### **Corporate Profile of our Company**

For details on the description of our Company's activities, the growth of our Company, please see "***Our Business***", "***Management's Discussion and Analysis of Financial Conditions and Results of Operations***" and "***Basis for Issue Price***" on pages 85, 172 & 74 of the Prospectus.

### OUR MANAGEMENT

The following table sets forth the details regarding our Board of Directors of our Company as on the date of filing of this Prospectus:

Sr. No.	Name, Father's, Age, Designation, Address, Experience, Occupation, Qualifications, Nationality & DIN	Date of Appointment	No. of Equity Shares held & % of Share holding (Pre Issue)	Other Directorships
1.	<p><b>Mr. Sunil Haripant Pophale</b>  <b>Father Name:</b> Haripant Vishnu Pophale  <b>Age:</b> 60 Years  <b>Designation:</b> Chairman and Executive Director  <b>Address:</b> Flat No. 15, Lalit Bldg Wode House Road, Colaba, Mumbai-400039, Maharashtra, India  <b>Experience:</b> 36 Years  <b>Occupation:</b> Business  <b>Qualifications:</b> Bachelor of Technology  <b>Nationality:</b> Indian  <b>DIN:</b> 00064412</p>	<p>Originally appointed on the Board as w.e.f. February 23, 2009</p> <p>Designated as Chairman in EGM w.e.f March 28, 2017 liable to retire by rotation</p>	1,05,65,625 Equity Shares; 87.36% of Pre- Issue Paid up capital	<p>1. Talk Sales And Marketing Private Limited</p> <p>2. Talk Connexion (India) Private Limited</p> <p>3. Prosales Financial Services Private Limited</p> <p>4. Home Loan Advisor Private Limited</p> <p>5. Starkut Media And Entertainment Private Limited</p> <p>6. Affiliates Management Resources Private Limited</p> <p>7. Andromeda Sales And Distribution Private Limited</p> <p>8. Reelabs Private Limited</p> <p>9. Zenvision Pharma LLP (Designated Partner)</p>
2.	<p><b>Mrs. Meena Sunil Pophale</b>  <b>Father Name:</b> Dhananjay Janardan Mudholkar  <b>Age:</b> 55 Years  <b>Designation:</b> Whole Time Director  <b>Address:</b> Flat 15, 8<sup>th</sup> Floor, Lalit, Wodehouse Road, Colaba, Mumbai-400005, Maharashtra, India  <b>Experience:</b> 30 Years  <b>Occupation:</b> Business  <b>Qualifications:</b> Bachelor of Arts  <b>Nationality:</b> Indian  <b>DIN:</b> 00834085</p>	<p>Originally appointed on the Board as w.e.f. February 23, 2009</p> <p>Re-Designated as Whole Time Director in BM w.e.f November 10, 2016 for a period of 5 years liable to retire by rotation</p>	5,375 Equity Shares; 0.04% of Pre- Issue Paid up capital	1. Starkut Media And Entertainment Private Limited
3.	<p><b>Mr. Vasant Pandit Jagtap</b>  <b>Father Name :</b> Pandit Rambhau Jagtap  <b>Age:</b> 58 Years  <b>Designation:</b> Executive Director  <b>Address:</b> Plot No. 9, S.No. 219/B, Shreemahalaxmi, Opposite Vikhe Patil School, Vrundavan Nagar, Ambad, Ambad Khurd Nashik-</p>	<p>Originally appointed on the Board as Additional Director vide board Meeting dated June 20, 2014</p> <p>Regularized as Executive Director in AGM dated July 31<sup>st</sup>, 2014 liable to</p>	Nil	--

Sr. No.	Name, Father's, Age, Designation, Address, Experience, Occupation, Qualifications, Nationality & DIN	Date of Appointment	No. of Equity Shares held & % of Share holding (Pre Issue)	Other Directorships
	422010, Maharashtra, India <b>Experience:</b> 42 Years <b>Occupation:</b> Service <b>Qualifications:</b> Diploma in Mechanical Engineering <b>Nationality:</b> Indian <b>DIN:</b> 06904144	retire by rotation		
4.	<b>Mrs. Uttara Adwait Kher</b> <b>Father Name:</b> Gajanan Janardhan Mhatre <b>Age:</b> 53 Years <b>Designation:</b> Non Executive Independent Director <b>Address:</b> Tathastu Someshwar Near Datar Farms, Gangapur, Nashik-422222, Maharashtra, India <b>Experience:</b> 25 Years <b>Occupation:</b> Business <b>Qualifications:</b> Bachelor of Science <b>Nationality:</b> Indian <b>DIN:</b> 07805920	Appointed as Independent Non Executive Director vide General Meeting dated May 02, 2017.	Nil	--
5.	<b>Mr. Prasanna Prabhakar Rege</b> <b>Father Name:</b> Prabhakar Anant Rege <b>Age:</b> 54 Years <b>Designation:</b> Non Executive Independent Director <b>Address:</b> B 605, Sabarmati Apts. , Sahakar Gram, Ashok Nagar X Road No. 3, Kandivli (East), Mumbai – 400 101 India <b>Experience:</b> 31 Years <b>Occupation:</b> Profession <b>Qualifications:</b> Chartered Accountant, CISA <b>Nationality:</b> Indian <b>DIN:</b> 02795136	Appointed as Independent Non Executive Director vide General Meeting dated May 02, 2017.	Nil	--
6.	<b>Mr. Ravindra Keshav Paranjpe</b> <b>Father Name:</b> Keshav Paranjpe <b>Age:</b> 60 Years <b>Designation:</b> Non Executive Independent Director <b>Address:</b> Flat No. 2, Priya CHS, 9 AG Khan Road Worli Sea Face Mumbai - 400025, Maharashtra, India <b>Experience:</b> 36 Years <b>Occupation:</b> Business <b>Qualifications:</b> Bachelor of Science & Technology in Dyes and	Appointed as Independent Non Executive Director vide General Meeting dated May 02, 2017.	Nil	1. Ava Organics Private Limited 2. Karandikar Laboratories Private Limited

Sr. No.	Name, Father's, Age, Designation, Address, Experience, Occupation, Qualifications, Nationality & DIN	Date of Appointment	No. of Equity Shares held & % of Share holding (Pre Issue)	Other Directorships
	Intermediate Technology. <b>Nationality:</b> Indian <b>DIN:</b> 06816384			

### **BRIEF PROFILE OF OUR DIRECTORS**

#### **1. Mr. Sunil Haripant Pophale, Chairman and Executive Director, Age: 60 Years**

Mr. Sunil Haripant Pophale aged 60 years, is Chairman and Executive Director and also the Promoter of our Company. He holds a graduation degree in Bachelor of Engineering in Aeronautical Engineering from Indian Institute of Technology, Bombay. He has been the Director of the Company since incorporation and is also one of the subscribers of MOA of our Company and further designated as the Chairman of the Company on March 28, 2017. He has over 36 years in the chemical Industry He is actively engaged in managing the company as a Promoter and Director of the Company. In the Past he was Promoter and Director of Fem care Pharma Limited. He has been instrumental in turn-around the company. He supervises, control, guide the day-to-day affairs of the company and lead the company to the goals set by the board of directors of the company.

#### **2. Mrs. Meena Sunil Pophale, Whole-time Director , Age: 55 Years**

Mrs. Meena Sunil Pophale aged 55 years, is the Whole Time Director of our Company. She holds a graduation degree in Bachelor of Arts by qualification. She has been the Director of the Company since incorporation and is also one of the subscribers of MOA of our Company and further re designated as Whole time Director of the Company on November 10, 2016. She is having around 30 years experience and presently looking after Human Resources and Admin matters of the Company.

#### **3. Mr. Vasant Pandit Jagtap, Executive Director, Age: 58 years**

Mr. Vasant Pandit Jagtap aged 58 years is Executive Director of our Company and was originally appointed as Additional Director on June 20, 2014 and later regularized as Executive Director vide Annual General Meeting held on July 31, 2014. He holds Diploma in Mechanical Engineering. He is having 42 years of experience in the field of Pharmaceutical, Chemical and Cosmetics Manufacturing Plants. He has been associated with our Company from around 8 years. He looks after the production, quality control and research and development of the Company.

#### **4. Mrs. Uttara Adwait Kher, Non Executive Independent Director, Age: 53 Years**

Mrs. Uttara Adwait Kher is an Independent Non Exeutive Director of our company. She is appointed on May 02, 2017 on the Board for a period of 5 years. She also holds a degree of Bachelor in Science.

#### **5. Mr. Prasanna Prabhakar Rege , Non Executive Independent Director, Age: 54 Years**

Mr. Prasanna Prabhakar Rege is an Independent Non Exeutive Director of our company. He is appointed on May 02, 2017 on the Board for a period of 5 years. He is a member of the Institute of Chartered Accountant of India. He has an experience of over 31 years in the field of accounts and Finance.

#### **6. Mr. Ravindra Keshav Paranje, Non Executive Independent Director, Age: 60 Years**

Mr. Ravindra Keshav Paranje is an Independent Non Exeutive Director of our company. He is appointed on May 02, 2017 on the Board for a period of 5 years. He also holds a degree of Bachelor of Science & Technology in Dyes and Intermediate Technology from University of Chemical Technology, Mumbai.

### **Confirmations**

- None of our Directors is or was a director of any listed company during the last five years preceding the date of this Prospectus, whose shares have been or were suspended from being traded on the BSE or the NSE, during the term of their directorship in such company.
- None of our Directors is or was a director of any listed company which has been or was delisted from any stock exchange during the tenure of their directorship in such company.
- None of the above mentioned Directors are on the RBI list of willful defaulters as on the date of filling of this Prospectus.
- Further, our Company, our Promoters, persons forming part of our Promoter Group, Directors and person in control of our Company has/ has not been not debarred from accessing the capital market by SEBI or any other Regulatory Authority.

### **Nature of any family relationship between any of our Directors:**

The present Directors in our Board are related to each other, details of which are as follows:-

Sr. No.	Name Of Director	Name of Director and Relation with Director
1.	Mr. Sunil Haripant Pophale	Mrs. Meena Sunil Pophale (Wife)
2.	Mrs. Meena Sunil Pophale	Mr. Sunil Haripant Pophale (Husband)

### **Arrangements with major Shareholders, Customers, Suppliers or Others**

We have not entered into any arrangement or understanding with our major shareholders, customers, suppliers or others, pursuant to which any of our Directors were selected as Directors or members of the senior management.

### **Service Contracts**

The Directors of our Company have not entered into any service contracts with our company which provides for benefits upon termination of their employment.

### **Details of Borrowing Powers of Directors**

Our Company has passed a Special Resolution in the Extra Ordinary General Meeting of the members held on September 12, 2013 authorizing the Board of Directors of the Company under Section 180 (1) (c) of the Companies Act, 2013 to borrow from time to time all such money as they may deem necessary for the purpose of business of our Company notwithstanding that money borrowed by the Company together with the monies already borrowed by our Company may exceed the aggregate of the paid up share capital and free reserves provided that the total amount borrowed by the Board of Directors shall not exceed the sum of Rs. 50 Crore (Rupees Fifty Crore only).

### **Compensation of our Executive Director and Whole Time Directors**

The compensation payable to our Executive Director and Whole-time Directors will be governed as per the terms of their appointment and shall be subject to the provisions of Sections 2(54), 2(94), 188, 196, 197, 198 and 203 and any other applicable provisions, if any of the Companies Act, 2013 read with Schedule V to the Companies Act, 2013 and the rules made there under (including any statutory modification(s) or re-enactment thereof or any of the provisions of the Companies Act, 1956, for the time being in force).

The following compensation has been approved for Executive Director and Whole Time Directors:

Particulars	Mr. Sunil Haripant Pophale	Mrs. Meena Sunil Pophale	Mr. Vasant Pandit Jagtap
Re-Appointment/Change in Designation	Resolution dated March 28, 2017*	Resolution dated November 10, 2016	Resolution dated July 31, 2014
Designation	Chairman & Executive Director	Whole Time Director	Executive Director
Term of Appointment	Liable to Retire by Rotation	5 years liable to Retire by Rotation	liable to Retire by Rotation
Remuneration	Upto Rs. 12,00,000 p.a./-	Upto Rs 12,00,000 p.a./-	Upto Rs 28,38,360 p.a./-
Remuneration paid for Year 2016-17	Rs. 12,00,000	Rs. 12,00,000	Rs. 24,68,134

\*Redesignated as Chairman of the company vide a resolution dated March 28, 2017

### **Bonus or Profit Sharing Plan for our Directors**

We have no bonus or profit sharing plan for our Directors.

### **Sitting Fee**

The Articles of Association of our Company provides for payment of sitting fees to Directors for attending the meeting of the Board or a committee thereof which shall be decided by the Board of Directors from time to time within the applicable maximum limits.

### **SHAREHOLDING OF OUR DIRECTORS IN OUR COMPANY**

Sr. No.	Name of Director	No. of Shares held	Holding in %
1.	Mr. Sunil Haripant Pophale	1,05,65,625	87.36%
2.	Mrs. Meena Sunil Pophale	5,375	0.04%
3.	Mr. Vasant Pandit Jagtap	Nil	Nil
4.	Mrs. Uttara Adwait Kher	Nil	Nil
5.	Mr. Prasanna Prabhakar Rege	Nil	Nil
6.	Mr. Ravindra Keshav Paranje	Nil	Nil

The Independent Director donot hold any shares in the Company.

We do not have any subsidiary and associate company as defined under Section 2(87) & 2(6) of the Companies Act, 2013.

Our Articles of Association do not require our Directors to hold any qualification Equity Shares in the Company.

### **INTEREST OF DIRECTORS**

All the Directors may be deemed to be interested to the extent of fees payable to them for attending meetings of the Board of Directors or a Committee thereof as well as to the extent of other remuneration and reimbursement of expenses payable to them under the Articles, and to the extent of remuneration paid to them for services rendered as an officer or employee of the Company. For further details, please refer- **“Compensation of our Managing Director a Whole time Directors”** above, beginning on page 114 of this Prospectus

Our Directors may also be regarded as interested their shareholding and dividend payable thereon, if any, Our Directors are also interested to the extent of Equity Shares, if any held by them in our Company or held by their relatives. Further our Director are also interested to the extent of unsecured loans, if any, given by them to our Company or by their relatives or by the companies/ firms in which they are interested as directors/Members/Partners. Further our Directors are also interested to the extent of loans, if any, taken by them or their relatives or taken by the companies/ firms in which they are interested as Directors/Members/Partners.

All Directors may be deemed to be interested in the contracts, agreements/arrangements entered into or to be entered into by our Company with any Company in which they hold Directorships or any partnership firm in which they are partners.

Except as stated otherwise in this Prospectus, our Company has not entered into any Contract, Agreements or Arrangements during the preceding two years from the date of the Prospectus in which the Directors are interested directly or indirectly and no payments have been made to them in respect of the contracts, agreements or arrangements which are proposed to be entered into with them.

Except as stated in this section **“Our Management”** or the section titled **“Financial information of the Company - Related Party Transactions”** beginning on page 112 and 135 respectively of this Prospectus, and except to the extent of shareholding in our Company, our Directors do not have any other interest in our business.

Further except as provided hereunder, our Directors are not interested in our Company in any manner:

Sr. No.	Director	Interest
1.	Mr. Sunil Haripant Pophale	<p>Personal Guarantee of Mr. Sunil Haripant Pophale and his relatives, Mrs. Aditi Sunil Pophale has extended personal guarantee against the total borrowings of ₹ 200 Lakhs made by our Company from SIDBI.</p> <p>Mr. Sunil Haripant Pophale has extended personal guarantee against the total borrowings of ₹ 1477 Lakhs made by our Company from Axis Bank Limited.</p> <p>Mr. Sunil Haripant Pophale has given his premises situated at 1<sup>st</sup> Floor, KK Chambers, Sir P T Road, Fort, Mumbai-400001, Maharashtra, India to use as Corporate Office without any consideration vide No Objection Certificate dated 27.03.2017</p> <p>Mr. Sunil Haripant Pophale have extended unsecured loan to the Company</p>
2.	Mrs. Meena Sunil Pophale	Mr. Meena Sunil Pophale has taken loan from Company

### **Interest in the property of Our Company**

Except as disclosed in the chapters titled **“Our Business and “Financial Information of the Company – Related Party Transactions”** on page 85 and 135 respectively of this Prospectus, our Directors do not have any interest in any property acquired two years prior to the date of this Prospectus.

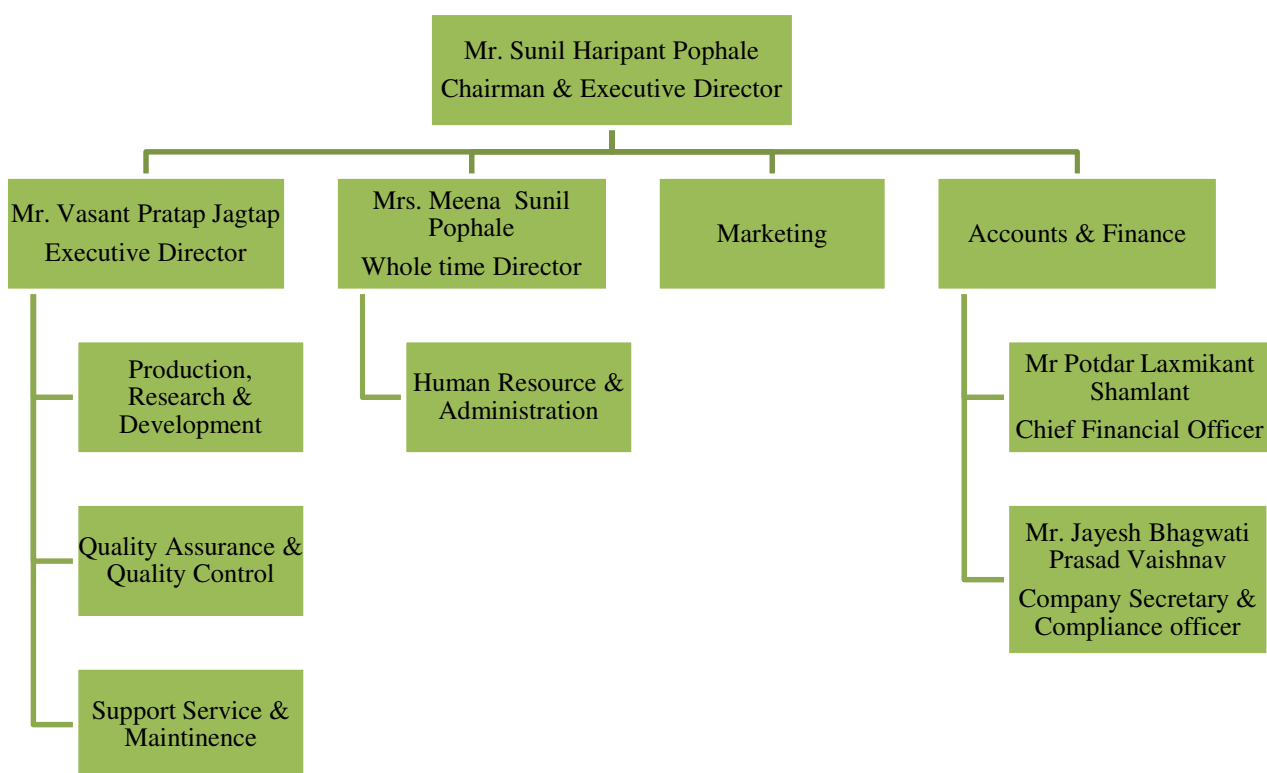
### **CHANGES IN BOARD OF DIRECTORS IN LAST 3 YEARS**

Sr. No.	Name	Date & Nature of Change	Reasons for Change
1.	Len Florence Vez	Cessation from the board in the Board Meeting dated April 01, 2014	Due to personal reason
2.	Vasant Pandit Jagtap	Appointment as Additional Executive Director in the Board Meeting dated June 20, 2014	Appointed as Additional Executive Director on the Board
		Regularized as Executive Director in the AGM dated July 31, 2014	To ensure better Corporate Governance
3.	Meena Sunil Pophale	Re-Designated as Whole time Director in the Board Meeting dated November 10, 2016	As per the requirement of Section 196 of the Companies Act, 2013
4.	Aditi Sunil Pophale	Cessation from the board in the Board Meeting dated March 24, 2017	Due to personal reason
5.	Manasi Sunil Pophale	Cessation from the board in the Board Meeting dated March 24, 2017	Due to personal reason
6.	Abhijit Shyamsunder Bopardikar	Cessation from the board in the Board Meeting dated March 24, 2017	Due to personal reason
7.	Sujit Shyamsunder	Cessation from the board in the Board Meeting dated	Due to personal reason

	Bopardikar	March 24, 2017	
8.	Sunil Haripant Pophale	Designated as Chairman in the EGM dated March 28, 2017	As per the requirement of Section 196 of the Companies Act, 2013
9.	Mrs. Uttara Adwait Kher	Appointment as Non Executive Independent Director in the General Meeting dated May 02, 2017.	To ensure better Corporate Governance
10.	Mr. Prasanna Prabhakar Rege	Appointment as Non Executive Independent Director in the General Meeting dated May 02, 2017.	To ensure better Corporate Governance
11.	Mr. Ravindra Keshav Paranje	Appointment as Non Executive Independent Director in the General Meeting dated May 02, 2017.	To ensure better Corporate Governance

### MANAGEMENT ORGANISATION STRUCTURE

The following chart depicts our Management Organization Structure:-



### COMPLIANCE WITH CORPORATE GOVERNANCE

In addition to the applicable provisions of the Companies Act, 2013, provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and SEBI (ICDR) Regulations, 2009 in respect of corporate governance will be applicable to our Company immediately upon the listing of our Company's Equity Shares on the SME Platform of NSE. The requirements pertaining to the Composition of the Board of Directors and the constitution of the committees such as the Audit Committee, Stakeholders Relationship Committee and Nomination and Remuneration Committees have been complied with.

Our Board of Directors consist of Six (6) directors of which three (3) are Non-Executive Independent Directors (as defined under Regulation 16(1) (b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015), which constitutes 50% of the Board of Directors and two women Director, which is in compliance with the requirements of Regulation 17 of SEBI Listing Regulations, 2015. Our Company has constituted the following committees:



## 1. Audit Committee

Our Company has constituted an Audit Committee (“Audit Committee”), vide Board Resolution dated May 10, 2017 as per the applicable provisions of the Section 177 of the Companies Act, 2013 and also to comply with Regulation 18 of SEBI Listing Regulations, 2015 applicable upon listing of the Company’s Equity shares on SME platform of NSE, The constituted Audit Committee comprises following members:

Name of the Director	Status in Committee	Nature of Directorship
Mrs. Uttara Adwait Kher	Member	Non Executive Independent director
Mr. Prasanna Prabhakar Rege	Chairman	Non Executive Independent director
Mr. Ravindra Keshav Paranje	Member	Non Executive Independent director

The Company Secretary of our Company shall act as a Secretary to the Audit Committee. The Chairman of the Audit Committee shall attend the Annual General Meeting of our Company to furnish clarifications to the shareholders in any matter relating to accounts. The scope and function of the Audit Committee and its terms of reference shall include the following:

**A. Tenure:** The Audit Committee shall continue to be in function as a committee of the Board until otherwise resolved by the Board, to carry out the functions of the Audit Committee as approved by the Board.

**B. Meetings of the Committee:** The committee shall meet at least four times in a year and not more 120 days shall elapse between any two meetings. The quorum for the meeting shall be either two members or one third of the members of the committee, whichever is higher but there shall be presence of minimum two Independent members at each meeting. Meeting of the Audit Committee shall be called by at least seven day’s notice in advance.

**C. Role and Powers:** The Role of Audit Committee together with its powers as Part C of Schedule II of SEBI Listing Regulation, 2015 and Companies Act, 2013 shall be as under:

1. Oversight of the listed entity’s financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
2. Recommendation for 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;
5. Reviewing, with the management, the half yearly financial statements before submission to the board for approval, with particular reference to;
  - 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, 2013;
  - changes, if any, in accounting policies and practices and reasons for the same;
  - major accounting entries involving estimates based on the exercise of judgment by management;
  - significant adjustments made in the financial statements arising out of audit findings;
  - compliance with listing and other legal requirements relating to financial statements;
  - disclosure of any related party transactions;
  - modified opinion(s) in the draft audit report;
6. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the board to take up steps in this matter;
7. Reviewing and monitoring the auditor’s independence and performance, and effectiveness of audit process;
8. Approval or any subsequent modification of transactions of the listed entity with related parties;
9. Scrutiny of inter-corporate loans and investments;
10. Valuation of undertakings or assets of the listed entity, 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 of any significant findings and follow up there on;
15. The Audit Committee may call for the comments of the auditors about internal control systems, the scope of audit, including the observations of the auditors and review of financial statement before their submission to the Board and may also discuss any related issues with the internal and statutory auditors and the management of the company.
16. Discussing with the statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
17. 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;
18. 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;
19. The Audit Committee shall have authority to investigate into any matter in relation to the items specified in section 177(4) of Companies Act 2013 or referred to it by the Board.
20. 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;
21. To review the functioning of the whistle blower mechanism;
22. Approving the appointment of the Chief Financial Officer (i.e. the whole time finance director or any other person heading the finance function) after assessing the qualifications, experience and background, etc., of the candidate; and;
23. Audit committee shall oversee the vigil mechanism.
24. Audit Committee will facilitate KMP/auditor(s) of the Company to be heard in its meetings.
25. Carrying out any other function as is mentioned in the terms of reference of the audit committee or containing into SEBI Listing Regulations 2015.

Further, the Audit Committee shall mandatorily review the following:

- 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.
- f) Statement of deviations:
  - Quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1).
  - Annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7).

## 2. Stakeholder's Relationship Committee

Our Company has formed the Stakeholders Relationship Committee as per Regulation 20 of SEBI Listing Regulation, 2015 vide Resolution dated May 10, 2017. The constituted Stakeholders Relationship Committee comprises the following:

Name of the Director	Status in Committee	Nature of Directorship
Mrs. Uttara Adwait Kher	Chairman	Non Executive Independent director
Mr. Prasanna Prabhakar Rege	Member	Non Executive Independent director
Mr. Sunil Haripant Pophale	Member	Chairman Cum Executive director

The Company Secretary of our Company shall act as a Secretary to the Stakeholder Relationship Committee. The scope and function of the Stakeholder Relationship Committee and its terms of reference shall include the following:

**A. Tenure:** The Stakeholder Relationship Committee shall meet at least four times a year with maximum interval of four months between two meetings and shall report to the Board on a quarterly basis regarding the status of redressal of complaints received from the shareholders of the Company. The quorum shall be two members present.

**B. Meetings:** The Stakeholders Relationship Committee shall meet at least four times a year with maximum interval of four months between two meetings and shall report to the Board on a quarterly basis regarding the status of redressal of complaints received from the shareholders of the Company. The quorum shall be two members present.

**C. Terms of Reference:** Redressal of shareholders' and investors' complaints, including and in respect of:

- Allotment, transfer of shares including transmission, splitting of shares, changing joint holding into single holding and vice versa, issue of duplicate shares in lieu of those torn, destroyed, lost or defaced or where the space at back for recording transfers have been fully utilized.
- Issue of duplicate certificates and new certificates on split/consolidation/renewal, etc.;
- Review the process and mechanism of redressal of Shareholders' /Investor's grievance and suggest measures of improving the system of redressal of Shareholders' /Investors' grievances.
- Non-receipt of share certificate(s), non-receipt of declared dividends, non-receipt of interest/dividend warrants, non-receipt of annual report and any other grievance/complaints with Company or any officer of the Company arising out in discharge of his duties.
- Oversee the performance of the Registrar & Share Transfer Agent and also review and take note of complaints directly received and resolved them.
- Oversee the implementation and compliance of the Code of Conduct adopted by the Company for prevention of Insider Trading for Listed Companies as specified in the Securities & Exchange Board of India (Prohibition of insider Trading) Regulations, 2015 as amended from time to time.
- Any other power specifically assigned by the Board of Directors of the Company from time to time by way of resolution passed by it in a duly conducted Meeting, and
- Carrying out any other function contained in the equity listing agreements as and when amended from time to time.

### 3. Nomination and Remuneration Committee

Our Company has formed the Nomination and Remuneration Committee as per Regulation 19 of SEBI Listing Regulation, 2015 vide Resolution dated May 10, 2017 The Nomination and Remuneration Committee comprise the following:

Name of the Director	Status in Committee	Nature of Directorship
Mrs. Uttara Adwait Kher	Member	Non Executive Independent director
Mr. Prasanna Prabhakar Rege	Chairman	Non Executive Independent director
Mr. Ravindra Keshav Paranje	Member	Non Executive Independent director

The Company Secretary of our Company shall act as a Secretary to the Nomination and Remuneration Committee. The scope and function of the Committee and its terms of reference shall include the following:

**A. Tenure:** The Nomination and Remuneration Committee shall continue to be in function as a committee of the Board until otherwise resolved by the Board.

**B. Meetings:** The committee shall meet as and when the need arises for review of Managerial Remuneration. The quorum for the meeting shall be one third of the total strength of the committee or two members, whichever is higher. The Chairperson of the nomination and remuneration committee may be present at the annual general meeting, to answer the shareholders' queries; however, it shall be up to the chairperson to decide who shall answer the queries.

**C. Role of Terms of Reference:**

- Identify persons who are qualified to become directors and may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal and shall carry out evaluation of every director's performance;

- Formulate the criteria for determining the qualifications, positive attributes and independence of a director and recommend to the Board a policy relating to the remuneration for directors, KMPs and other employees;
- Formulation of criteria for evaluation of performance of independent directors and the board of directors;
- Devising a policy on diversity of board of directors;
- Whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors;
- Determine our Company's policy on specific remuneration package for the Managing Director / Executive Director including pension rights;
- Decide the salary, allowances, perquisites, bonuses, notice period, severance fees and increment of Executive Directors;
- Define and implement the Performance Linked Incentive Scheme (including ESOP of the Company) and evaluate the performance and determine the amount of incentive of the Executive Directors for that purpose.
- Decide the amount of Commission payable to the Whole time Directors;
- Review and suggest revision of the total remuneration package of the Executive Directors keeping in view the performance of the Company, standards prevailing in the industry, statutory guidelines etc; and
- To formulate and administer the Employee Stock Option Scheme.

#### 4. Corporate Social Responsibility Committee

Our Company has pursuant to the provision of Section 135 of the Companies Act, 2013 and Schedule VII constituted a Corporate Social Responsibility Committee of the Board of Director so formed to undertake the below mentioned tasks:-

##### A. Promoting education

###### Conservation and renovation of school buildings and classrooms

1. Donations to schools, colleges, universities or any other educational institution for conservation of buildings and renovation of classrooms would qualify as “promoting education” and hence eligible for compliance of companies with Corporate Social Responsibility.
2. Donations to schools, colleges, universities or any other educational institution for conservation of buildings and renovation of classrooms would qualify as “protection of national heritage, art and culture, including restoration of buildings and sites of historical importance” and hence eligible for compliance of companies with CSR.
3. Monetary contributions to academic and other institutions with the objective of assisting students in their studies.
4. To provide Education Kit comprising study material, uniforms etc. to the poor students of Govt. Schools.
5. To extend support /educational assistance to children from financially backward families and underprivileged community as part of the company's social responsibility.
6. To provide cash awards to students studying in School/Colleges and has secured high academic / professional records.
7. To provide financial assistance to organizations working on the similar objective.

##### B. Providing Healthcare including Preventive Health care

##### C. Helping in Rural Development and Education

##### D. Ensuring Environment Sustainability

The Corporate Social Responsibility Committee comprises the following:-

Name of the Director	Status in Committee	Nature of Directorship
Mr. Sunil Haripant Pophale	Chairman	Chairman & Executive Director
Mr. Meena Sunil Pophale	Member	Whole time Director
Mr. Vasant Pandit Jagtap	Member	Executive Director

#### **POLICY ON DISCLOSURES AND INTERNAL PROCEDURE FOR PREVENTION OF INSIDER TRADING**

The provisions of regulation 9(1) of the SEBI (Prohibition of Insider Trading) Regulations, 2015 will be applicable to our Company immediately upon the listing of its Equity Shares on the SME platform of NSE. We shall comply with the requirements of the SEBI (Prohibition of Insider Trading) Regulations, 2015 on listing of Equity Shares on stock exchanges.

Further, Board of Directors at their meeting held on March 24, 2017 have approved and adopted the policy on insider trading in view of the proposed public issue. Mr. Jayesh Bhagwati Prasad Vaishnav Company Secretary & Compliance Officer will be 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.

### **POLICY FOR DETERMINATION OF MATERIALITY & MATERIALITY OF RELATED PARTY TRANSACTIONS AND ON DEALING WITH RELATED PARTY TRANSACTIONS**

The provisions of the SEBI (Listing Obligation and Disclosures) Regulations, 2015 will be applicable to our Company immediately upon the listing of Equity Shares of our Company on SME Platform of NSE. We shall comply with the requirements of the SEBI (Listing Obligation and Disclosures) Regulations, 2015 on listing of Equity Shares on the SME platform of NSE. The Board of Directors at their meeting held on March 24, 2017 have approved and adopted the policy for determination of materiality and determination of materiality of related party transactions and on dealing with related party transactions.

### **Our Key Managerial Personnel**

Our Company is supported by a well-laid team having good exposure to various operational aspects of our line of business. A brief about the Key Managerial Personnel of our Company is given below:

<b>Name, Designation &amp; Educational Qualification</b>	<b>Age (Years)</b>	<b>Date of joining as KMP</b>	<b>Compensation paid for the F.Y ended 2016 (in Rs Lacs)</b>	<b>Over all experience (in years)</b>	<b>Previous employment</b>
<b>Name:</b> Mr. Meena Sunil Kothari <b>Designation:</b> Whole time Director <b>Qualification:</b> Bachelor of Arts	55	Whole time Director w.e.f. November 10, 2016	6.00	30	-----
<b>Name:</b> Potdar Laxmikant Shamkant <b>Designation:</b> Chief Financial Officer <b>Qualification:</b> Master of Commerce and GDC&A	44	Appointed on March 24, 2017	9.82	23	Jyoti Structures Limited
<b>Name:</b> Jayesh Bhagwati Prasad Vaishnav <b>Designation:</b> Company Secretary & Compliance Officer <b>Qualification:</b> Bachelor of Commerce, L.L.B and Company Secretary	28	Appointed on March 24, 2017	Nil	5	Pepco Health & Beauty care Private Limited

### **BRIEF PROFILE OF KEY MANAGERIAL PERSONNEL**

#### **1. Mrs. Meena Sunil Pophale, Whole-time Director , Age: 55 Years**

Mrs. Meena Sunil Pophale aged 55 years, is the Whole Time Director of our Company. She holds a graduation degree in Bachelor of Arts by qualification. She has been the Director of the Company since incorporation and is also one of the subscribers of MOA of our Company and further re designated as Whole time Director of the Company on November 10, 2016. She is having a 30 years experience and presently looking after Human Resources and Admin matters of the Company.

#### **2. Mr. Potdar Laxmikant Shamkant, Chief Financial Officer, Age: 44 Years**

Mr. Potdar Laxmikant Shamkant aged 44 years, is the Chief Financial Officer of our Company. He holds a Master of Commerce degree and GDC&A. He has been associates with our company from 2011. He is having a 23 years experience in

the field of Corporate, factory Accounts, Taxation & Finance. He currently looks after the Accounting, Financial and Taxation matters of our company.

### 3. Mr. Jayesh Bhagwati Prasad Vaishnav, Company Secretary & Compliance Officer, Age: 28 Years

Mr. Jayesh Bhagwati Prasad Vaishnav is Company Secretary and Compliance Officer of our Company. He holds a Company Secretary degree from Institute of Company Secretaries of India. He has an overall experience of 5 months. He looks after the secretarial matters of our Company. He joined our Company on March 24, 2017.

#### RELATIONSHIP BETWEEN KEY MANAGERIAL PERSONNEL

Except as disclosed in this Prospectus, there is no relationship between our Key Managerial Personnel's

#### We confirm that:

- a. All the persons named as our Key Managerial Personnel above are the permanent employees of our Company.
- b. There is no understanding with major shareholders, customers, suppliers or any others pursuant to which any of the above mentioned Key Managerial Personnel have been recruited.
- c. None of our KMPs except Mrs. Meena Sunil Pophale is also part of the Board of Directors.
- d. In respect of all above mentioned Key Managerial Personnel there has been no contingent or deferred compensation accrued for the period ended November 2016.
- e. Except for the terms set forth in the appointment Letters/Service Agreements the Key Managerial Personnel have not entered into any other contractual arrangements or service contracts (including retirement and termination benefits) with the issuer.
- f. Our Company does not have any bonus/profit sharing plan for any of the Key Managerial Personnel.
- g. None of the Key Managerial Personnel in our Company hold any shares of our Company as on the date of filing of this Prospectus except as under:

Sr. No.	Name of the KMP	No. of shares held
1.	Mrs. Meena Sunil Pophale	5,375

- h. Presently, we do not have ESOP/ESPS scheme for our employees.
- i. The turnover of KMPs is not high, compared to the Industry to which our Company belongs.

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

Except for any statutory payments made by our Company upon termination of services of its officer or employees, our Company has not paid any sum, any non-salary amount or benefit to any of its officers or to its employees including amounts towards super annuation, ex-gratia/rewards.

#### Changes in the Key managerial Personnel in last three years:

There have been no changes in the Key Managerial Personnel of our Company during the last three year except as stated below:

Sr. No.	Name	Designation	Date of Appointment/ Cessation/Promotion/ Transfer	Reasons
---------	------	-------------	----------------------------------------------------------	---------

1.	Mrs. Meena Sunil Pophale	Whole time Director	November 10, 2016	Change in designation
2.	Mr. Potdar Laxmikant Shamkant	Chief Financial Officer	March 24, 2017	Appointment
3.	Mr. Jayesh Bhagwati Prasad Vaishnav	Company Secretary	March 24, 2017	Appointment

### **INTEREST OF KEY MANAGERIAL PERSONNEL IN OUR COMPANY**

Apart from shares held in the Company, and to the extent of remuneration allowed and reimbursement of expenses incurred by them for or on behalf of the Company and to the extent of loans and advances made to or borrowed from the Company, none of our Key managerial personal are interested in our Company, other than as mentioned below:

Sr. No.	Director	Interest
1.	Mrs. Meena Sunil Pophale	Mr. Meena Sunil Pophale has taken loan from Company

Except as provided in this Prospectus, we have not entered into any contract, agreement or arrangement during the preceding 2 (two) years from the date of this Prospectus in which the Key Managerial Personnel are interested directly or indirectly and no payments have been made to them in respect of these contracts, agreements or arrangements or are proposed to be made to them.

For the details unsecured loan taken from or given to our Directors/KMPs and for details of transaction entered by them in the past please refer to “*Annexure R Statement of Related Party Transaction*” on page 165 and Personal Guarantee towards Financial facilities of our Company please refer to “*Statement of Financial Indebtedness*” on page 169 of the Prospectus.

### **OTHER BENEFITS TO OUR KEY MANAGERIAL PERSONNEL**

Except as stated in this Prospectus, there are no other benefits payable to our Key Managerial Personnel.

### **EMPLOYEES**


The details about our employees appear under the Paragraph titled —Human Resource in Chapter Titled — “*Our Business*” beginning on page 85 of this Prospectus.

## OUR PROMOTER AND PROMOTER GROUP

### OUR PROMOTER

Mr. Sunil Haripant Pophale is the Promoter of our Company As on the date of this Prospectus, our Promoter hold 1,05,65,625 Equity Shares which in aggregate, constitutes 87.36 % of the issued and paid-up Equity Share capital of our Company.

**Brief profile of our promoters is as follows:-**

	<b>Mr. Sunil Haripant Pophale – Chairman &amp; Executive Director</b>	
	<b>Qualification</b>	B. Tech
	<b>Age</b>	60 Years
	<b>Address</b>	Flat no 15, Lalit Bldg Wode House Road. Colaba Mumbai 400039, Maharashtra, India
	<b>Experience</b>	36 years
	<b>Occupation</b>	Business
	<b>Permanent Account Number</b>	AAHPP4573G
	<b>Passport Number</b>	K4574779
	<b>Name of Bank &amp; Bank Account Details</b>	Kotak Mahindra Bank, Mumbai – Nariman Point A/c Number - 09582040123495
	<b>Driving License Number</b>	Applied for renewal
	<b>Voter Identification Card Number</b>	HHJ0434852
	<b>Aadhar Card Number*</b>	Applied
	<b>No. of Equity Shares held in VSCL &amp; [% of Shareholding (Pre issue)]</b>	1,05,65,625 Equity Shares; 87.36 % of Pre- Issue Paid up capital
	<b>DIN</b>	00064412
	<b>Other Interests</b>	<p><b>Directorships in other Companies:</b></p> <ol style="list-style-type: none"> <li>1. Talk Sales And Marketing Private Limited</li> <li>2. Talk Connexion (India) Private Limited</li> <li>3. Prosales Financial Services Private Limited</li> <li>4. Home Loan Advisors Private Limited</li> <li>5. Starkut Media and Entertainment Private Limited</li> <li>6. Affiliates Management Resources Private Limited</li> <li>7. Andromeda sales and Distribution Private Limited</li> <li>8. Reelabs Private Limited</li> <li>9. Zenvision Pharma LLP</li> </ol> <p><b>Partnership Firms:- Nil</b>  <b>Proprietorship:- Nil</b>  <b>HUF:- Nil</b>  <b>Trust:- Nil</b></p>



### **Confirmations/Declarations**

We confirm that the Permanent Account Number, Aadhaar Card Number\*, Bank Account Number and Passport Number of the Promoter have been submitted to SME Platform of NSE at the time of filing of the Prospectus.

### **Undertaking/ Confirmations**

None of our Promoter or Promoter Group or Group Company or person in control of our Company has been

- (i) prohibited or debarred from accessing or operating in the capital market or restrained from buying, selling or dealing in securities under any order or direction passed by SEBI or any other authority or
- (ii) refused listing of any of the securities issued by such entity by any stock exchange, in India or abroad. None of our Promoters, person in control of our Company are or have ever been a promoter, director or person in control of any other company which is debarred from accessing the capital markets under any order or direction passed by the SEBI or any other authority.

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

None of our Promoter, Promoter Group Entities or the Group Company has become sick Company under the SICA and no application has been made in respect of any of them, to the Registrar of Companies for striking off their name. Further no winding up proceedings have been initiated against the Promoter or the Group Company.

### **Common Pursuits**

None of our Promoter Group entity or Group company is engaged in the same line of business as our Company as on date of this Prospectus. For further details of our Promoter Group refer to Section titled **“Our Promoter & Promoter Group”** & **“Our Group Company”** on page 126 & 131 of the Prospectus.

Further, we cannot assure that our Promoter/ Promoter Group or Group Company will not promote any new entity in the similar line of business and will not favor the interests of the said entities over our interest or that the said entity will not expand their businesses which may increase our chances of facing competition. This may adversely affect our business operations and financial condition of our Company. For further details, please refer section titled **“Risk Factors”** on page 14 of the Prospectus.

For details of our Promoter Group and Group Company please refer to section titled **“Our Promoter and Promoter Group”** and **“Our Group Company”** beginning on pages 126 & 131 respectively of this Prospectus.

We shall adopt the necessary procedures and practices as permitted by law to address any conflicting situations, as and when they may arise.

### **Interest of our Promoters**

#### **1. Interest in promotion of Our Company**

Our promoter, as stated herein before, are interested to the extent they have promoted our Company and to the extent of their shareholding in our Company and dividend payable thereon and to the extent of their relative’s shareholding in our Company. Our Promoter is also the Executive Director of our Company and may also be deemed to be interested to the extent of his remuneration, as per the terms of their appointment and reimbursement of expenses payable to them and unsecured loan given by them to our Company.

For details, please refer to Annexure R on “*Related Party Transactions*” on page 165 forming part of “*Financial Information of the Company*” of this Prospectus.

## 2. Interest in the property of Our Company

Except as mentioned hereunder, our promoter do not have any other interest in any property acquired by our Company in a period of two years before filing of the Prospectus or proposed to be acquired by us till date of filing the Prospectus with RoC.

Sr. No.	Name of Promoter	Interest and nature of interest
1.	Sunil Haripant Pophale	Mr. Sunil Haripant Pophale has given his premises situated at 1 <sup>st</sup> Floor, KK Chambers, Sir P T Road, Fort, Mumbai-400001, Maharashtra, India to use as Corporate Office without any consideration vide No Objection Certificate dated 27.03.2017

## 3. Interest as members of the Company

Our Promoter is interested to the extent of their shareholding and the dividend declared in relation to such shareholding, if any, by our Company. For further details in this regard, please refer to “*Capital Structure*” on page 49 of this Prospectus.

## 4. Other interests

Our Promoter Mr. Sunil Haripant Pophale is interested to the extent of their shareholding and shareholding of their relatives in our Company. Our Promoter and their relatives may also be deemed interested to the extent of any unsecured loan given and taken by them to/ from our Company.

For transactions in respect of loans and other monetary transactions entered in past please refer “*Annexure R*” on “*Related Party Transactions*” on page 165, forming part of “*Financial Information of the Company*” of the Prospectus.

Further, our promoter Mr. Sunil Haripant Pophale may be interested in the credit facilities sanctioned, in favour of our Company, the details of which are:

Sr. No.	Director	Interest
1.	Mr. Sunil Haripant Pophale	<p>Personal Guarantee of Mr. Sunil Haripant Pophale and his relatives, Mrs. Aditi Sunil Pophale has extended personal guarantee against the total borrowings of ₹ 200 Lakhs made by our Company from SIDBI.</p> <p>Our Promoter Mr. Sunil Haripant Pophale has extended personal guarantee against the total borrowings of ₹ 1477 Lakhs made by our Company from Axis Bank Limited</p> <p>Mr. Sunil Haripant Pophale have extended unsecured loan to the Company</p>

For more details of Personal Guarantee given by our promoter towards Financial facilities of our Company please refer to “*Statement of Financial Indebtedness*” on page 169 respectively of this Prospectus.

## Experience of Promoters in the line of business

Our Promoter Mr. Sunil Haripant Pophale is in the business of Speciality chemical and Active Pharmaceuticals Ingredients manufacturing for about thirty five years. The company shall also endeavor to ensure that relevant professional help is sought as and when required in the future.

For further details in this regard, please refer to “*Our Management*” on page 112 of this Prospectus.

## Related Party Transactions

For the transactions with our Promoters, Promoter Group members and Promoter Group Companies, please refer to section titled “Annexure - R” of “Related Party Transactions” on page 165 of this Prospectus.

#### Payment or Benefit to Promoter of Our Company

For details of payments or benefits paid to our Promoter, please refer to the paragraph “Compensation of our Managing Director and Whole-time Directors” in the chapter titled “Our Management” beginning on page 112 of this Prospectus. Also refer “Annexure R on Related Party Transactions” on page 165 forming part of “Financial Information of the Company” and Paragraph on “Interest of Promoters” on page 127 of this Prospectus.

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

Our Promoters have not disassociated themselves from any of the Companies, Firms or other entities during the last three years preceding the date of this Prospectus.

#### Other ventures of our Promoters

Save and except as disclosed in this section titled “Our Promoters and Promoter Group” and “Our Group Company” beginning on page 126 & 131 respectively of this Prospectus, there are no ventures promoted by our Promoters in which they have any business interests/ other interests as on date of this Prospectus.

#### Litigation details pertaining to our Promoters

For details on litigations and disputes pending against the Promoters and defaults made by the Promoters please refer to the section titled “Outstanding Litigations and Material Developments” beginning on page 185 of this Prospectus.

#### OUR PROMOTER GROUP

In addition to the Promoter named above, the following natural persons and entities form part of our Promoter Group in terms of Regulation 2 (1) (zb) (ii) of SEBI ICDR Regulations, 2009.

Relationship	Mr. Sunil Haripant Pophale
Father	Late Mr. Haripant Vishnupant Pophale
Mother	Mrs. Sudha Haripant Pophale
Spouse	Mrs. Meena Sunil Pophale
Brother	Dr. Suhas Haripant Pophale
Sister	Mrs. Sunita Ajay Ramnathkar <sup>#</sup>
Son	-
Daughter	Mrs. Manasi Sunil Pophale Mrs. Aditi Sunil Pophale
Spouse's Father	Late Brig Dhananjaya Janardan Mudholkar
Spouse's Mother	Mrs. Nandini Dhananjaya Mudholkar
Spouse's Brother	Mr. Jaideep Dhananjaya Mudholkar
Spouse's Sister	-

<sup>#</sup>The persons listed in the above table are relatives of our Promoters and by virtue of the same fall within the purview of the term “Promoter Group”, as contemplated under Regulation 2(1)(zb) of SEBI (ICDR) Regulations. However, except Late Haripant Vishnupant Pophale, Mrs. Sudha Haripant Pophale, Mrs. Meena Sunil Pophale, Dr. Suhas Haripant Pophale, Mrs. Manasi Sunil Pophale, Mrs. Aditi Sunil Pophale, Late Brig Dhananjaya Janardan Mudholkar, Mrs. Nandini Dhananjaya Mudholkar and Mr. Jaideep Dhananjaya Mudholkar. Our Company currently do not maintain any financial relationship, arrangements, dealings with “other related persons” as mentioned above in the normal course as would have been perceived by virtue of their relationship. None of the aforesaid “other related persons” have any interest in the shareholding of our Company. Further our promoters vide a declaration cum affidavit dated April 07, 2017 have submitted that the information in relation to the business and financial interest held by the aforesaid relatives is not accessible for the purpose of disclosure in this Prospectus. Accordingly, the disclosure of entities for “other related persons” i.e. other than Late Haripant Vishnupant Pophale, Mrs. Sudha Haripant Pophale, Mrs. Meena Sunil Pophale, Dr. Suhas Haripant Pophale, Mrs. Manasi Sunil Pophale,

Mrs. Aditi Sunil Pophale, Late Brig Dhananjaya Janardan Mudholkar, Mrs. Nandini Dhananjaya Mudholkar and Mr. Jaideep Dhananjaya Mudholkar are not included under the disclosure relating to the Promoter Group.

**Our Promoter Group as defined under Regulation 2(1) (zb) of the SEBI (ICDR) Regulations, 2009 includes following entities:**

For Individual Promoters as defined under Regulation 2(1)(zb) (iv) of the SEBI (ICDR) Regulations, 2009:-

Sr. No	Nature of Relationship	Entity
1.	Any Body corporate in which 10% or more of the share capital is held by the Promoter or an immediate relative of the Promoter or a firm or HUF in which the Promoter or any one or more of his immediate relatives is a member	<ol style="list-style-type: none"> <li>1. Home Loan Advisors Private Limited</li> <li>2. Starkut Media And Entertainment Private Limited</li> <li>3. Andromeda Sales And Distribution Private Limited</li> <li>4. Reelabs Private Limited</li> <li>5. Zenvision Pharma LLP</li> </ol>
2.	Any company in which a company mentioned in (1) above, holds 10% or more, of the equity share capital	<ol style="list-style-type: none"> <li>1. Affiliates Management Resources Private Limited</li> <li>2. Prosales Financial Services Private Limited</li> <li>3. Talk Connexion (India) Private Limited</li> <li>4. Talk Sales And Marketing Private Limited</li> </ol>
3.	Any HUF or Trust or firm in which the aggregate share of the Promoter and his immediate relatives is equal to or more than 10% of the total	<p><b>Proprietorship:-</b> NIL  <b>Firm:-</b> NIL  <b>HUF:-</b> NIL  <b>Trust:-</b> NIL</p>

### OUR GROUP COMPANY

As per the SEBI ICDR Regulations, 2009 for the purpose of identification of Group Companies, our Company has considered companies covered under the Accounting Standard 18 (including Associate Companies) as per Restated Financial Statements. Further, pursuant to a resolution of our Board dated March 24, 2017 for the purpose of disclosure in relation to Group Companies in connection with the Issue, a company shall be considered material and disclosed as a Group Company if Such company forms part of the Promoter Group of our Company in terms of Regulation 2(1)(z)(b) of the SEBI Regulations and Companies who entered into one or more transactions with such company in preceding fiscal or audit period as the case may be exceeding 5% of total revenue of the company as per Restated Financial Statements. Following entity is identified as Group Company of our Company:-

#### **Reelabs Private Limited (formerly Known as Ree Labs Private Limited)**

As on the date of this Prospectus except as stated above, our Board has determined that there are no other companies connected to our Promoter or the Promoter Group which are material to our Company having regard to the value of the transactions that our Company has entered into in the last five years with such entities, and the limited dependence that our Company has on these related parties from a business continuity perspective.

The details of our Group Companies are provided below:

#### **Reelabs Private Limited**

<b>Brief Description of Business</b>	Collect and process Umbilical Cord Blood and store the derived stem cells in cryogenic conditions for future use for a wide range of Medical diseases and to extract Stem Cells from any permitted source and store/use it for future Medical research and application. To Conduct Research on cellular Medicine using appropriate approved models for the same.		
<b>Date of Incorporation</b>	February 23, 2009		
<b>CIN</b>	U85100MH2009PTC190531		
<b>PAN</b>	AAECR2744P		
<b>Registered Office Address</b>	1st Floor, K.K. Chambers, Sir. P.T. Road, Fort Mumbai Mumbai City Maharashtra- 400001, India		
<b>Board of Directors*</b>	<b>Name</b>	<b>DIN</b>	
	Sunil Haripant Pophale	00064412	
	Rohit Ramchandra Kulkarni	02454375	
	Abhijit Shyamsunder Bopardikar	02454406	
	<i>(Rs. in Lacs, rounded off except per share data)</i>		
<b>Audited Financial Information</b>	<b>For The Year Ended</b>		
	<b>March 31, 2016</b>	<b>March 31, 2015</b>	<b>March 31, 2014</b>
<b>Paid Up Equity Share Capital</b>	223.20	90.00	90.00
<b>Reserves and Surplus</b>	(1563.07)	(1537.64)	(1025.86)
<b>Net worth</b>	(1339.87)	(1447.65)	(935.86)
<b>Income including other income and exceptional items</b>	1191.23	1014.29	1201.28
<b>Profit/ (Loss) after tax</b>	(225.22)	(509.77)	(395.35)
<b>Earnings per share (face value of Rs. 10 each)</b>	(10.09)	(56.64)	(43.93)
<b>Net asset value per share (Rs)</b>	(60.03)	(160.85)	(103.98)

\*As on date of Prospectus

Shareholding Pattern as on the date of this Prospectus is as follows:

<b>Name of the Equity Shareholder</b>	<b>No. of Shares held</b>	<b>%age of Shareholding</b>
Sunil Haripant Pophale	1339200	60

Abhjit Shyamsundar Bopardikar	446400	20
Rohit Kulkarni	446400	20
<b>TOTAL</b>	<b>2232000</b>	<b>100</b>

#### Nature and extent of interest of our Promoter

Sr. No.	Name of our Promoter	No. of Shares held	% age of Shareholding
1	Sunil Haripant Pophale	1339200	60
	<b>Total</b>	1339200	60

Reelabs Private Limited is an unlisted Company and it has not made any public issue (including any rights issue to the public) in the preceding three years. It has not become a sick Company under the meaning of SICA nor is under winding up.

There are no defaults in meeting any statutory/bank/institutional dues. No proceedings have been initiated for economic offences against the Company. As per the Balance sheet of Reelabs Private Limited for the year ended on March 31, 2016 the company has incurred losses of ₹ 225.22 Lakhs and has a negative Networth as on March 31, 2016.

#### Loss making / Negative Networth Company

Except as disclosed above, there is no other Loss making or negative networth Group Company.

#### Litigations

For details on litigations and disputes pending against the Group Company/entities, if any, please refer to the section titled “*Outstanding Litigations and Material Developments*” on page 185 of this Prospectus.

#### Undertaking / confirmations

None of our Promoters or Promoter Group or Group Company or person in control of our Company has been

- Prohibited from accessing or operating in the capital market or restrained from buying, selling or dealing in securities under any order or direction passed by SEBI or any other authority; or
- Refused listing of any of the securities issued by such entity by any stock exchange, in India or abroad.

None of our Promoters, person in control of our Company or have ever been a Promoter, Director or person in control of any other Company which is debarred from accessing the capital markets under any order or direction passed by the SEBI or any other authority.

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

None of our Promoters, Promoter Group or the Group Companies has become sick Companies under the SICA and no application has been made in respect of any of them, to the Registrar of Companies for striking off their names. Further no winding up proceedings have been initiated against the Promoters or the Group Companies.

#### Nature and Extent of Interest of Group Company

##### a) In the promotion of our Company :

None of our Group Company has any interest in the promotion of our Company. For details relating to shareholding or any other business interest, please refer to chapter titled “*Capital Structure*” on page 49 and “*Financial Information of the Company*” - *Annexure R- Related party Transactions* on page 165 of this Prospectus.

b) **In the properties acquired or proposed to be acquired by our Company in the past two years before filing the Prospectus with stock exchange:**

Except as disclosed in this Prospectus, our Group Company do not have any interest in the properties acquired or proposed to be acquired by our Company in the past two years before filing the Prospectus with Stock Exchange.

c) **In transactions for acquisition of land, construction of building and supply of machinery**

None of our Group Company is interested in any transactions for the acquisition of land, construction of building or supply of machinery

**Common Pursuits/Conflict of Interest**

Except for as disclose in this Prospectus, none of our Promoters/ Group Company/ Entities have any common pursuits. For details please refer to chapter titled “*Our Promoters and Promoter Group*” on page 126 of this Prospectus.

As on the date of the Prospectus, we cannot assure that our Promoters, Promoter Group/Group Entities will not promote any new entity in the similar line of business and will not favor the interests of the said entities over our interest or that the said entities will not expand their businesses which may increase our chances of facing competition. This may adversely affect our business operations and financial condition of our Company.

We shall adopt the necessary procedures and practices as permitted by law to address any conflicting situations, as and when they may arise.

**Related business transaction within the Group and their significance on the financial performance of the company:**

For details relating to the business transactions within the Group Companies and their significance on the financial performance of the Company see the chapter titled “*Financial Information of the Company – Annexure R - Related Party Transactions*” on page 165 of this Prospectus.

**Sales / Purchase between our Company and Group Company:**

For details relating to sales or purchases between our Company and any of our Group Company exceeding 5% of the sales or purchases of our Company see the chapter titled “*Financial Information of the Company– Annexure R - Related Party Transactions*” on page 165 of this Prospectus.

**Business Interests amongst our Company and Group Companies /Associate Companies**

Except as mentioned under Related Party Transactions, *Annexure R - Related Party Transactions*” beginning on page 165 under Chapter titled “*Financial Information of the Company*” there is no business interest among Group Company.

**Defunct /Struck-off Company**

None of Promoter, Promoter Group and our Group Company has remained defunct and no application has been made to Registrar of Companies for Striking off their name from the Register of Companies, during the five years preceding the date of filing this Prospectus.

**Changes in Accounting Policies in the last three years**

Except as mentioned under the paragraph Changes in Significant Accounting Policies, “*Annexure IV*” under Chapter titled “*Financial Information of the Company*” beginning on page 135 of this Prospectus, there have been no changes in the accounting policies in the last three years.

### **DIVIDEND POLICY**

Under the Companies Act, our Company can pay dividends upon a recommendation by our Board of Directors and approval by the shareholders at the general meeting of our Company. The Articles of Association of our Company give our shareholders, the right to decrease, and not to increase, the amount of dividend recommended by the Board of Directors.

The Articles of Association of our Company also gives the discretion to our Board of Directors to declare and pay interim dividends. No dividend shall be payable for any financial except out of profits of our Company for that year or that of any previous financial year or years, which shall be arrived at after providing for depreciation in accordance with the provisions of Companies Act, 2013.

Our Company does not have any formal dividend policy for declaration of dividend in respect of the Equity Shares. The declaration and payment of dividend will be recommended by our Board of Directors and approved by the shareholders of our Company at their discretion and may depend on a number of factors, including the results of operations, earnings, Company's future expansion plans, capital requirements and surplus, general financial condition, contractual restrictions, applicable Indian legal restrictions and other factors considered relevant by our Board of Directors.

Our Company has not declared any dividend on the Equity Shares in the past five financial years. Our Company's corporate actions pertaining to payment of dividends in the past are not to be taken as being indicative of the payment of dividends by our Company in the future.



**SECTION V – FINANCIAL INFORMATION OF THE COMPANY**

**RESTATED FINANCIAL STATEMENTS**

**Independent Auditors' Report**

**(As required by Section 26 of Companies Act, 2013 read with Rule 4 of Companies (Prospectus and Allotment of Securities) Rules, 2014)**

To,

**The Board of Directors,  
Vadivarhe Speciality Chemicals Limited  
GAT No. 204, Vadivarhe Igatpuri Maharashtra-422403  
India.**

Dear Sirs,

**1. Report on Restated Financial Statements**

We have examined the Restated Financial of **VADIVARHE SPECIALITY CHEMICALS LIMITED** (hereinafter referred as “the Company”), which comprise of the Statement of Assets and Liabilities, Statement of Profit and Loss and the Statement of Cash Flows for the year ended on March 31, 2017, March 31, 2016, 2015, 2014, 2013 and the Summary of the Significant accounting policies approved by the Board of Directors annexed to this report have been prepared in accordance with the requirements of:

- a) Section 26 of Companies Act, 2013 (hereinafter referred to as the “Act”), read with the applicable provisions within Rule - 4 to 6 of Companies (Prospectus and Allotment of Securities) Rules, 2014, as amended;
  - b) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (“the Regulation”) (“SEBI ICDR Regulations”) issued by the Securities and Exchange Board of India (SEBI) and amendments made thereto from time to time;
  - c) The terms of reference to our engagements with the Company requesting us to examine financial statements referred to above and proposed to be included in the Draft Prospectus/ Prospectus being issued by the Company for its proposed Initial Public Offering of equity shares in SME Platform of NSE (“IPO” or “SME IPO”);
  - d) The (Revised) Guidance Note on Reports in Company Prospectuses issued by the Institute of Chartered Accountants of India (“ICAI”);and
  - e) In terms of Schedule VIII of the SEBI (ICDR) Regulations, 2009 and other provisions relating to accounts, We, B.G Kale & Co, Chartered Accountants, have been subjected to the peer review process of the Institute of Chartered Accountants of India (ICAI) and hold a valid **Certificate No. 007567 dated 23<sup>rd</sup> September, 2014** issued by the “Peer Review Board” of the ICAI.
2. The Restated Summary Statements and Financial information of the Company have been extracted/ prepared by the management from the Audited Financial Statements of the Company for the financial year ended on March 31, 2017, March 31, 2016, March 31, 2015, March 31, 2014, March 31, 2013, which have been approved by the Board of Directors.
  3. Information of the Company are for the financial year ended on March 31, 2017, March 31, 2016, 2015, 2014, 2013 which have been audited by **M/s S R Rahalkar & Associates, Chartered Accountants** and books of account underlying those financial statements and other records of the Company, to the extent considered necessary by us, have been examined for the presentation of the Restated Summary Statements under the requirements of Schedule III of the Act.

4. **Financial Information as per Audited Financial Statements:**

- 1) We have examined:
  - i. The attached Restated Statement of Assets and Liabilities of the Company as at March 31, 2017, March 31, 2016, March 31, 2015, March 31, 2014, March 31, 2013 (Annexure I);
  - ii. The attached Restated Statement of Profits and Losses of the Company for the financial year ended on March 31, 2017, March 31, 2016, March 31, 2015, March 31, 2014, March 31, 2013 (Annexure II);
  - iii. The attached Restated Statement of Cash Flows of the Company for the financial year ended on March 31, 2017, March 31, 2016, March 31, 2015, March 31, 2014, March 31, 2013 (Annexure III);
  - iv. The Significant Accounting Policies adopted by the Company and notes to the Restated Financial Statements along with adjustments on account of audit qualifications / adjustments / regroupings. (Annexure IV);

(Collectively hereinafter referred as “**Restated Financial Statements**” or “**Restated Summary Statements**”)

- 2) In accordance with the requirements of sub-clauses (i) and (iii) of clause (b) of sub-section (1) of section 26 of the Companies Act, 2013 read with Rule 4 of Companies (Prospectus and Allotment of Securities) Rules, 2014, the SEBI Regulations, the Revised Guidance Note on Reports in Company Prospectus and Guidance Note on Audit Reports/Certificates on Financial Information in Offer Documents issued by the Institute of Chartered Accountants of India (the ‘ICAI’) and the terms of our engagement agreed with you, we report that:
  - a) The “**Restated Statement of Assets and Liabilities**” as set out in **Annexure I** to this report, of the Company for the financial year ended on March 31, 2017, March 31, 2016, March 31, 2015, March 31, 2014, March 31, 2013 are prepared by the Company and approved by the Board of Directors. This Statement of Assets and Liabilities, as restated have been arrived at after making such adjustments and regroupings to the individual Financial Statements of the Company, as in our opinion were appropriate and more fully described in Significant Accounting Policies and Notes to the Restated Summary Statements as set out in **Annexure IV** to this Report.
  - b) The “**Restated Statement of Profit and Loss**” as set out in **Annexure II** to this report, of the Company for the financial year ended on March 31, 2017, March 31, 2016, March 31, 2015, March 31, 2014, March 31, 2013 are prepared by the Company and approved by the Board of Directors. This Statement of Profit and Loss, as restated have been arrived at after making such adjustments and regroupings to the individual financial statements of the Company, as in our opinion were appropriate and more fully described in Significant Accounting Policies and Notes to the Restated Summary Statements as set out in **Annexure IV** to this Report.
  - c) The “**Restated Statement of Cash Flow**” as set out in **Annexure III** to this report, of the Company for the financial year ended on March 31, 2017, March 31, 2016, March 31, 2015, March 31, 2014, March 31, 2013 are prepared by the Company and approved by the Board of Directors. This Statement of Cash Flow, as restated, have been arrived at after making such adjustments and regroupings to the individual financial statements of the Company, as in our opinion were appropriate and more fully described in Significant Accounting Policies and Notes to Restated Summary Statements as set out in **Annexure IV** to this Report.

Based on the above and also as per the reliance placed by us on the audited financial statements of the company and Auditors Report thereon which have been prepared by Statutory Auditor of the Company for the financial years ended on March 31, 2017, March 31, 2016, March 31, 2015, March 31, 2014, March 31, 2013, we are of the opinion that “**Restated Financial Statements**” or “**Restated Summary Statements**” have been made after incorporating:

- (i) Adjustments for any material amounts in the respective financial years have been made to which they relate; and
- (ii) There are no Extra-ordinary items except as shown in the Restated Profit & Loss Statement of that need to be disclosed separately in the Restated Summary Statements.
- (iii) Adjustments on account of the statutory audit qualifications, if any, have been adjusted and regrouped to the individual financial statements of the Company, as in our opinion were appropriate and more fully described in Significant Accounting Policies and Notes to the Restated Summary Statements as set out in **Annexure IV** to this Report.
- (iv) Adjustments in Financial Statements have been made in accordance with the correct accounting policies, which includes the impact of provision of gratuity made on actuarial valuation basis in the Restated Financial statements.
- (v) There are no revaluation reserves, which need to be disclosed separately in the **“Restated Financial Statements”**.
- (vi) The Company has not paid any dividend on its equity shares during any financial years till 31<sup>st</sup> March, 2017.

#### 5. Other Financial Information:

1. We have also examined the following financial information as set out in annexure prepared by the Management and as approved by the Board of Directors of the Company for the financial year ended on March 31, 2017, March 31, 2016, March 31, 2015, March 31, 2014, March 31, 2013.

Restated Statement of Share Capital, Reserves And Surplus	Annexure-A
Restated Statement of Long Term And Short Term Borrowings	Annexure-B&B(A)
Restated Statement of Deferred Tax (Assets) / Liabilities	Annexure-C
Restated Statement of Long Term Provisions	Annexure-D
Restated Statement of Trade Payables	Annexure-E
Restated Statement of Other Current Liabilities And Short Term Provisions	Annexure-F
Restated Statement of Fixed Assets	Annexure-G
Restated Statement of Long-Term Loans & Advances	Annexure-H
Restated Statement of Inventories	Annexure-I
Restated Statement of Trade Receivables	Annexure-J
Restated Statement of Cash & Cash Equivalents	Annexure-K
Restated Statement of Short-Term Loans And Advances	Annexure-L
Restated Statement of Other Current Assets	Annexure-M
Restated Statement of Other Income	Annexure-N
Restated Statement of Turnover	Annexure-O
Restated Statement of Mandatory Accounting Ratios	Annexure-P
Restated Statement of Capitalization	Annexure-Q
Restated Statement of Related party transaction	Annexure-R
Restated Statement of Contingent liabilities	Annexure-S
Restated Statement of Tax Shelter	Annexure-T

2. The Restated Financial Information contain all the disclosures required by the SEBI ICDR regulations and partial disclosures as required by Accounting Standards notified under the Companies Act, 1956 of India read with the

General Circular 15/ 2013 dated September 13, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Act.

3. We have carried out **Re-audit** of the financial statements for the Year ended on **March 31, 2017 and March 31, 2016, as** required by SEBI regulations. We have not audited any financial statements of the Company as of any date or for any period subsequent to March 31, 2017. Accordingly, we do not express any opinion on the financial position, results or cash flows of the Company as of any date or for any period subsequent to March 31, 2017.
4. The preparation and presentation of the Financial Statements referred to above are based on the Audited financial statements of the Company in accordance with the provisions of the Act and the Financial Information referred to above is the responsibility of the management of the Company.
5. In our opinion, the above financial information contained in Annexure I to Annexure III and Annexure A to T of this report read along with the Restated Statement of Significant Accounting Policies and related Notes as set out in Annexure IV are prepared after making adjustments and regrouping as considered appropriate and have been prepared in accordance with Section 26 of the Act, read with the applicable provisions within Rule - 4 to 6 of Companies (Prospectus and Allotment of Securities) Rules, 2014, as amended, the SEBI Regulations, The Revised Guidance Note on Reports in Company Prospectuses and Guidance Note on Audit Reports/Certificates on Financial Information in Offer Documents issued by the Institute of Chartered Accountants of India (“ICAI”) to the extent applicable, as amended from time to time, and in terms of our engagement as agreed with you. We did not perform audit tests for the purpose of expressing an opinion on individual balances of account or summaries of selected transactions, and accordingly, we express no such opinion thereon.
6. Consequently the financial information has been prepared after making such regroupings and retrospective adjustments as were, in our opinion, considered appropriate to comply with the same. As result of these regroupings and adjustments, the amount reported in the financial information may not necessarily be same as those appearing in the respective audited financial statements for the relevant years.
7. The report should not in any way be construed as a re-issuance or re-drafting of any of the previous audit report, nor should this constructed as a new opinion on any of the financial statements referred to herein.
8. We have no responsibility to update our report for events and circumstances occurring after the date of the report.
9. Our report is intended solely for use of the management and for inclusion in the Offer Document in connection with the IPO-SME for Proposed Issue of Equity Shares of the Company and our report should not be used, referred to or adjusted for any other purpose without our written consent.

## 6. Auditor’s Responsibility

Our responsibility is to express an opinion on these restated financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

In making those risk assessments, the auditor considers internal control relevant to the Company’s preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**7. Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the restated financial statements read together with the notes thereon, give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, to the extent applicable;

a) In the case of Restated Statement of Assets and Liabilities of the Company as at March 31, 2017, March 31, 2016, March 31, 2015, March 31, 2014, March 31, 2013;

b) In the case of the Restated Statement of Profit and Loss of the Company for the Financial Year ended on March 31, 2017, March 31, 2016, March 31, 2015, March 31, 2014, March 31, 2013;

c) In the case of the Restated Cash Flow Statement of the Company for the Financial Year ended on March 31, 2017, March 31, 2016, March 31, 2015, March 31, 2014, March 31, 2013.

**For B.G. Kale & Co.**  
**Chartered Accountants**  
**FRN: 120842W**  
**PRC No. 007567**

**Partner**  
**M. No. 039089**  
**Place: Nashik**  
**Date: 12/05/2017**

**ANNEXURE – I**  
**RESTATED STATEMENT OF ASSETS AND LIABILITIES**

(Amt in Rs. Lakhs)

Particulars	As at				
	31.03.2017	31.03.2016	31.03.2015	31.03.2014	31.03.2013
<b>I. EQUITY AND LIABILITIES</b>					
<b>Shareholder's Funds</b>					
Share Capital	1209.38	483.75	483.75	483.75	483.75
Reserves and Surplus (excluding Revaluation Reserves, if any)	1159.42	1306.23	968.39	572.94	565.64
Money received against share warrants	-	-	-	-	-
Share Application Money Pending Allotment	-	-	-	-	-
<b>Non Current Liabilities</b>					
Long-term Borrowings	377.05	543.17	839.14	1155.02	1672.66
Deferred tax liabilities	249.08	87.82	-	-	-
Other Long Term Liabilities	25.36	29.28	28.14	3.53	3.53
Long-term Provisions	35.85	26.82	8.74	15.97	15.41
<b>Current Liabilities</b>					
Short-term Borrowings	743.11	313.60	284.78	279.85	3.92
Trade Payables	372.04	223.82	27.75	93.47	150.44
Other Current Liabilities	163.23	217.42	197.57	609.65	167.85
Short-term Provisions	206.39	173.30	104.70	52.45	90.02
<b>Total</b>	<b>4540.90</b>	<b>3405.22</b>	<b>2942.97</b>	<b>3266.62</b>	<b>3153.22</b>
<b>II. ASSETS</b>					
<b>Non Current Assets</b>					
<b>Fixed assets</b>					
(i) Tangible Assets	1702.52	1454.96	1489.98	1585.77	1773.64
(ii) Intangible Assets	9.38	11.35	11.75	7.48	5.35
(iii) Capital Work-In-Progress	8.61	-	-	-	-
(iv) Intangible Assets Under Development	-	-	-	-	-
Non Current Investments	5.10	5.10	5.10	5.10	5.10
Deferred Tax Assets (Net)	-	-	99.46	265.07	270.63
Long-term Loans and Advances	694.08	638.46	531.64	484.28	472.69
Other Non Current Assets	19.73	20.79	19.75	19.67	2.27
<b>Current Assets</b>					
<b>Current Investments</b>					
Inventories	198.30	242.29	123.62	161.60	194.20
Trade Receivables	1532.19	846.43	370.30	512.94	258.03
Cash and Cash Equivalents	10.79	47.59	136.69	29.63	7.72
Short-term Loans and Advances	360.15	138.25	154.69	195.09	142.81
Other Current Assets	0.03	-	-	-	20.77
<b>Total</b>	<b>4540.90</b>	<b>3405.22</b>	<b>2942.97</b>	<b>3266.62</b>	<b>3153.22</b>

**ANNEXURE II**  
**RESTATED STATEMENT OF PROFIT AND LOSS**

(Amt. in Rs. Lakhs)

Particulars		For the Year ended				
		31.03.2017	31.03.2016	31.03.2015	31.03.2014	31.03.2013
Revenue from Operations		3502.88	2628.27	1902.74	1387.31	1316.09
Other Incomes		34.40	14.24	10.58	11.24	4.96
<b>Total Revenue</b>	<b>A</b>	<b>3537.28</b>	<b>2642.51</b>	<b>1913.31</b>	<b>1398.55</b>	<b>1321.06</b>
Expenses:						
Cost of materials consumed		1163.76	812.74	186.46	212.48	343.89
Purchase of Stock-in-Trade		-	-	-	3.57	51.78
Employee Benefits Expense		392.27	321.77	281.51	251.28	457.36
Administrative and other Expenses		886.95	811.04	664.55	603.40	710.02
Finance Costs		85.19	120.94	89.03	102.26	109.60
Depreciation And Amortization Expense		113.60	103.37	109.29	165.20	169.06
Changes in inventory of Stock in Trade		19.99	(56.47)	18.28	47.51	(21.24)
<b>Total Expenses</b>	<b>B</b>	<b>2661.76</b>	<b>2113.39</b>	<b>1349.13</b>	<b>1385.69</b>	<b>1820.48</b>
Profit before exceptional and extraordinary items and tax (A-B)	<b>C</b>	875.53	529.12	564.19	12.86	(499.42)
Exceptional/Prior Period item		-	-	-	-	-
Profit before extraordinary items and tax		875.53	529.12	564.19	12.86	(499.42)
Extraordinary item		-	-	-	-	-
<b>Profit Before Tax</b>		<b>875.53</b>	<b>529.12</b>	<b>564.18</b>	<b>12.86</b>	<b>(499.42)</b>
Provision for Tax						
- Current Tax		178.51	111.88	42.14	-	-
- Deferred Tax Liability / (Asset)		161.26	187.27	165.61	5.57	(160.36)
MAT Credit Entitlement		(47.40)	(107.88)	(41.21)	-	-
Short/(Excess) Tax adjustment of prior years		4.34	-	-	-	-
<b>Restated profit after tax for the period from continuing operations</b>		<b>578.81</b>	<b>337.85</b>	<b>397.65</b>	<b>7.30</b>	<b>(339.06)</b>
Profit/ (Loss) from Discontinuing operation		-	-	-	-	-
Tax expenses of discontinuing operations			-	-	-	-
<b>Restated profit for the period</b>		<b>578.81</b>	<b>337.85</b>	<b>397.65</b>	<b>7.30</b>	<b>(339.06)</b>

**ANNEXURE III**  
**RESTATED CASH FLOW STATEMENT**

(Amt. in Rs. Lakhs)

Particulars	For the Year ended				
	31.03.2017	31.03.2016	31.03.2015	31.03.2014	31.03.2013
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>					
Net Profit before tax	875.53	529.12	564.19	12.86	(499.42)
Adjustment for :					
Less: Interest on Fixed Deposit	(4.32)	(4.76)	(1.10)	(0.19)	-
Less: Profit on Sale of Fixed Assets	-	-	-	-	-
Less: Dividend Income	(0.60)	(0.60)	(0.60)	(0.75)	(0.12)
Add : Loss by Sale of Fixed Assets	-	0.50	-	21.46	3.38
Add: Depreciation	113.60	103.37	109.29	165.20	169.06
Add: Provision of Gratuity	30.25	19.02	15.56	12.90	17.88
Add: Interest on Borrowed Fund & Finance Charges	75.85	92.53	85.26	101.04	111.18
Operating profit before working capital changes	1090.31	739.18	772.59	312.52	(198.04)
Adjustment for :					
(Increase)/Decrease in Inventories	43.99	(118.66)	37.97	32.61	4.51
(Increase)/Decrease in Trade Receivables	(685.76)	(476.13)	142.64	(254.91)	(17.25)
(Increase)/Decrease in Short Term loans and advances	(221.90)	16.44	40.40	(52.28)	(8.37)
(Increase)/Decrease in Other Current Assets	(0.03)	0.00	0.00	20.77	(13.89)
(Increase)/Decrease in Long Term loans and advances	(55.63)	(106.82)	(47.36)	(11.59)	(131.30)
(Increase)/Decrease in Long Terms Liabilities	(3.92)	1.13	24.62	0.00	0.00
(Increase)/Decrease in Long Terms Provisions	(21.22)	(0.94)	(22.80)	(12.33)	(23.11)
Increase/(Decrease) in trade payables	148.23	196.07	(65.71)	(56.97)	17.03
Increase/(Decrease) in Short Term Borrowings	429.50	28.82	4.93	275.92	0.49
Increase/(Decrease) in Short Term Provisions	33.09	68.60	52.25	(37.57)	49.32
Increase/(Decrease) in other current liabilities	(54.19)	19.85	(412.07)	441.80	40.22
	<b>(387.83)</b>	<b>(371.64)</b>	<b>(245.13)</b>	<b>345.43</b>	<b>(82.36)</b>
<b>Cash generated from / (used in) operations</b>	<b>702.46</b>	<b>367.54</b>	<b>527.46</b>	<b>657.96</b>	<b>(280.40)</b>
Income Tax paid/(refund)	(135.45)	(4.00)	(0.93)	0.00	0.00
Net cash generated from/(used in) operating activities - (A)	<b>567.00</b>	<b>363.54</b>	<b>526.53</b>	<b>657.96</b>	<b>(280.40)</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>					
Purchase of tangible fixed	(359.08)	(68.69)	(19.96)	(32.91)	(253.95)



assets					
Adjusted against accumulated balances write off	(0.11)	-	-	-	-
(Increase)\Decrease in Capital Work-in-Progress	(8.61)	-	-	-	59.63
sale of fixed assets	-	0.23	-	32.00	90.86
(Increase)/Decrease in other Investments	-	-	-	-	-
(Increase)/Decrease in other Non-Current Assets	1.06	(1.04)	(0.08)	(17.40)	(1.66)
Interest Income on Fixed Deposit	4.32	4.76	1.10	0.19	-
Dividend Income	0.60	0.60	0.60	0.75	0.12
<b>Net cash (used in) Investing Activities - (B)</b>	<b>(361.83)</b>	<b>(64.14)</b>	<b>(18.34)</b>	<b>(17.37)</b>	<b>(104.99)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>					
Proceeds from Loan	(166.12)	(295.97)	(315.88)	(517.64)	498.48
Repayment of Share Application Money	-	-	-	-	-
Interest on Borrowed Fund	(75.85)	(92.53)	(85.26)	(101.04)	(111.18)
Dividend & DDT	-	-	-	-	-
<b>Net cash(used in) / from financing activities - (C)</b>	<b>(241.97)</b>	<b>(388.50)</b>	<b>(401.14)</b>	<b>(618.68)</b>	<b>387.30</b>
Net Increase/(decrease) in Cash & Cash Equivalents (A+B+C)	(36.80)	(89.10)	107.06	21.90	1.90
Cash and cash equivalents at the beginning of the year	47.59	136.69	29.63	7.72	5.82
Cash and cash equivalents at the end of the year	10.79	47.59	136.69	29.63	7.72
Cash and cash equivalents at the end of year comprises :					
1. Components of cash and cash equivalents:					
<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>
Cash on hand	0.86	7.09	8.28	3.69	2.92
Balances with scheduled banks:					
In current accounts	9.18	20.57	107.05	5.94	4.80
In Deposits with Scheduled Bank	0.75	19.93	21.35	20.00	0.00
Total Cash and cash equivalents	10.79	47.59	136.69	29.63	7.72

Notes:-

1. The Cash Flow Statement has been prepared under indirect method as set out in Accounting Standard -3 on Cash Flow Statement, specified under the Companies Act, 1956 (which are deemed to be applicable as Section 133 of the Companies Act, 2013 ("the Act") read with Rule 7 of Companies (Accounts) Rules, 2014).
2. Figures in Brackets represents outflow.
3. The above statement should be read with the significant accounting policies and notes to restated summary statements of assets and liabilities, profits and losses as appearing in Annexure IV, I and II.

## ANNEXURE-IV

### SIGNIFICANT ACCOUNTING POLICY AND NOTES TO THE RESTATED SUMMARY STATEMENTS

#### A. BACKGROUND

**VADIVARHE SPECIALITY CHEMICALS LIMITED** having registered office at Gat No 204, Vadivarhe, Talukalgatpuri, Dist. Nashik, 422403, **India** was incorporated on February 23, 2009 under the provisions of Companies Act, 1956 in Registrar of Companies, Maharashtra. The Company is engaged in the Manufacture of Organic Chemicals with a core focus on Intermediates, Personal Care Products, and Specialty Chemicals.

#### B. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

##### **1. BASIS OF PREPARATION OF FINANCIAL STATEMENTS**

The Restated Summary Statement of Assets and Liabilities of the Company as on March 31, 2017, March 31, 2016, March 31, 2015, March 31, 2014, March 31, 2013, and the Restated Summary Statement of Profit and Loss and Restated Summary Statements of Cash Flows for the financial year ended on March 31, 2017, March 31, 2016, March 31, 2015, March 31, 2014, March 31, 2013 and the annexure thereto (collectively, the “**Restated Financial Statements**” or “**Restated Summary Statements**”) have been extracted by the management from the Financial Statements of the Company for the financial year ended March 31, 2017, March 31, 2016, March 31, 2015, March 31, 2014, March 31, 2013.

The financial statements are prepared and presented under the historical cost convention and evaluated on a going-concern basis using the accrual system of accounting in accordance with the accounting principles generally accepted in India (Indian GAAP) and the requirements of the Companies Act, 1956 (up to March 31, 2014), and notified sections, schedules and rules of the Companies Act 2013 (with effect from April 01, 2014), including the Accounting Standards as prescribed by the Companies (Accounting Standards) Rules, 2006 as per section 211(3C) of the Companies Act, 1956 (which are deemed to be applicable as Section 133 of the Companies Act, 2013 (“the Act”) read with Rule 7 of Companies (Accounts) Rules, 2014).

##### **2. USE OF ESTIMATES**

The preparation of financial statements in conformity with Generally Accepted Accounting Principles (GAAP) requires the management of the Company to make estimates and assumptions that affect the reported balances of assets and liabilities and disclosures relating to the contingent liabilities, if any, as at the date of the financial statements and reported amounts of income and expenses during the year. Examples of such estimates include provisions for doubtful debts, employee retirement benefit plans, provision for income tax and the useful lives of fixed assets. The difference between the actual results and estimates are recognized in the period in which results are known or materialized.

##### **3. FIXED ASSETS**

Fixed assets are stated at historical cost less accumulated depreciation and impairment losses, if any. Cost includes purchase price and all other attributable cost to bring the assets to its working condition for the intended use.

Subsequent expenditures related to an item of tangible asset are added to its book value only if they increase the future benefits from the existing asset beyond its previously assessed standard of performance.

Projects under which assets are not ready for their intended use are shown as Capital Work-in-Progress. Cost includes cost of land, materials, construction, services, borrowing costs and other overheads relating to projects.

Intangible assets are stated at acquisition cost, Net of accumulated amortization and accumulated impairment losses, if any. Intangible assets are amortized on a straight line basis over their estimated useful lives.

Gains or losses arising from the retirement or disposal proceeds and the carrying amount of the asset and recognized as income or expense in the Statement of Profit & Loss.

#### 4. DEPRECIATION

##### Tangible Fixed Assets

Depreciation on tangible fixed assets is computed based on Straight Line Method considering useful life provided in the Schedule - II of the Act. During the preceding years, the Company was providing depreciation on Straight Line Method basis at the rate prescribed in Schedule XIV of the Companies Act, 1956.

Pursuant to Companies Act, 2013 ('the Act') being effective from April 1, 2014, the Company has revised depreciation rates on tangible fixed assets as per useful life specified in Part 'C' of Schedule II of the Act. And due to the same there has been a change in the estimated useful life of depreciable tangible assets which affects the depreciation in the current period and in each period during the remaining useful life of the assets. As the change is only in regard to accounting estimate requiring an adjustment of the carrying amount of tangible assets. The same do not require adjustment in the financial information for the years ended on March 31, 2014, 2013, and 2012. The Company has consistently calculated depreciation based on SLM method.

In respect of assets whose useful life had already exhausted as on 1 April 2014, **Rs.1,87,156/-** has been adjusted in Reserves and Surplus as on 31.03.2014 in accordance with requirements of Para 7 of Part C of Schedule II of the Act.

#### 5. BORROWING COSTS

Borrowing cost includes interest and amortization of ancillary costs incurred in connection with the arrangement of borrowings. Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the period they occur.

#### 6. IMPAIRMENT OF ASSETS

(i) The company assesses, at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the company estimates the asset's recoverable amount. An asset's (including goodwill) recoverable amount is the higher of an asset's net selling price and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing the value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining net selling price, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used.

(ii) After impairment, depreciation/ amortization is provided on the revised carrying amount of the asset over its remaining useful life.

#### 7. INVESTMENTS

Investments, which are readily realizable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long-term investments.

On initial recognition, all investments are measured at cost. The cost comprises purchase price and directly attributable acquisition charges such as brokerage, fees and duties.

Current investments are carried in the financial statements at lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost. However, provision for diminution in value is made to recognize a decline other than temporary in the value of the investments.

On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the statement of profit and loss.

## 8. INVENTORIES

Raw materials, packing materials, store & consumables and finished goods are valued at cost. Cost of inventories comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

Cost of semi-finished and finished goods comprise of material cost and conversion cost.

## 9. REVENUE RECOGNITION

- i. Revenue is recognized to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured.
- ii. Sale of goods is recognized on dispatches to customer, including Excise Duty but, Exclusive of Value Added Tax & Central sales tax (wherever applicable) and is net of discount.
- iii. The income from loan licensing facilities is recognised on the basis of actual production, subsequent dispatch and invoice is raised.
- iv. Interest income is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable. Dividend income is recognized when right to receive the payment is established.

## 10. FOREIGN CURRENCY TRANSACTIONS

- i) Transactions in foreign currencies are recorded at the exchange rates prevailing on the date of the transaction.
- ii) Monetary items in the form of Loans, Current Assets and Current Liabilities in Foreign Currency, outstanding at the close of the year, are converted in Indian currency at the appropriate rates of exchange prevailing on the date of the Balance Sheet, resultant gain or loss is accounted in the statement of Profit and loss during the year.
- iii) All other incomes or expenditure in foreign currency, are recorded at the rates of exchange prevailing on the dates when the relevant transactions take place.

## 11. EMPLOYEE BENEFITS

### Defined-contribution plans:

A defined contribution plan is a post-employment benefit plan under which the company pays specified contributions to a separate entity. The Company makes specified monthly contributions towards Provident Fund. The Company's contributions to Employees Provident Fund are charged to statement of profit and loss every year.

Provision for gratuity and leave liability is provided based on Actuarial Valuation made.

Short Term Employee Benefits like leave benefit, if any, are paid along with salary and wages on a month to month basis, bonus to employees are charged to profit and loss account on the basis of actual payment on year to year basis

## 12. ACCOUNTING FOR TAXES ON INCOME

Tax expense comprises of current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-tax Act, 1961 enacted in India. The tax rates and tax laws used to compute the amount that are enacted or substantively enacted, at the reporting date.

(i) Deferred income taxes reflect the impact of timing differences between taxable income and accounting income originating during the current year and reversal of timing differences for the earlier years. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted at the reporting date.

(ii) Deferred tax liabilities are recognized for all taxable timing differences. Deferred tax assets are recognized for deductible timing differences only to the extent that there is reasonable certainty that sufficient future taxable income will be available

against which such deferred tax assets can be realized. In situations where the Company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognized only if there is virtual certainty supported by convincing evidence that they can be realized against future taxable profits.

The carrying amount of deferred tax assets are reviewed at each reporting date. The company writes-down the carrying amount of a deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realized. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available.

### **13. CONTINGENT LIABILITIES AND PROVISIONS**

Provisions are recognized only when there is a present obligation as a result of past events and when a reliable estimate of the amount of obligation can be made.

Contingent Liability is disclosed for

- a) Possible obligation which will be confirmed only by future events not wholly within the control of the Company or
- b) Present obligations arising from the past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made.
- c) Contingent Assets are not recognized in the financial statements since this may result in the recognition of income that may never be realized.

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is a possible obligation or a present obligation that the likelihood of outflow of resources is remote, no provision or disclosure is made.

### **14. EARNINGS PER SHARE:**

In determining the Earnings Per share, the company considers the net profit after tax which does not include any post tax effect of any extraordinary / exceptional item. The number of shares used in computing basic earnings per share is the weighted average number of shares outstanding during the period.

The number of shares used in computing Diluted earnings per share comprises the weighted average number of shares considered for computing Basic Earnings per share and also the weighted number of equity shares that would have been issued on conversion of all potentially dilutive shares.

In the event of issue of bonus shares, or share split the number of equity shares outstanding is increased without an increase in the resources. The number of Equity shares outstanding before the event is adjusted for the proportionate change in the number of equity shares outstanding as if the event had occurred at the beginning of the earliest period reported.

### **15. Leases:**

Vehicles includes vehicle obtained on finance lease or Hire purchase. The lease is for four years after which the legal title would be passed to the lessee. There is no escalation clause in the lease agreement. There is no restrictions imposed by lease arrangements. There are no subleases.

### **16. CASH FLOW:**

Cash flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. Cash flows from operating, investing and financing activities of the Company are segregated, accordingly.

### C. CHANGES IN ACCOUNTING POLICIES IN THE PERIODS/YEARS COVERED IN THE RESTATED FINANCIALS

There is no change in significant accounting policies adopted by the Company.

### D. NOTES ON RESTATEMENTS MADE IN THE RESTATED FINANCIALS

1. The financial statements including financial information have been prepared after making such regroupings and adjustments, considered appropriate to comply with the same. As result of these regroupings and adjustments, the amount reported in the financial statements/information may not necessarily be same as those appearing in the respective audited financial statements for the relevant years.

2. The company has identified Three creditors which are covered under Micro, Small and Medium Enterprises as per MSMED Act,2006. Proper disclosure regarding the amounts outstanding have been incorporated in the financial statements.

#### 3. Employee benefits:

The Company has adopted the Accounting Standard 15 (revised 2005) on Employee Benefits as per an actuarial valuation carried out by an independent actuary in restated financials. The Company has a defined benefit gratuity plan. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service. The scheme is funded with an insurance company in the form of a qualifying insurance policy. The Company has provided for gratuity based on actuarial valuation done as per Projected Unit Credit Method. The disclosures as envisaged under the standard are as under:-

	(Rupees in Lacs)				
	March 31, 2017	March 31, 2016	March 31, 2015	March 31, 2014	March 31, 2013
<b><u>Profit and Loss Account</u></b>					
<b>Net employee benefit expense (recognized in Employee Cost)</b>					
Current service cost	5.43	4.48	4.09	4.32	6.96
Interest cost on benefit obligation	1.50	1.25	1.03	1.43	0.54
Expected Return on plan assets	(1.85)	(1.85)	2.46	10.74	(3.65)
Net Actuarial (gain)/ loss recognized in the year	4.75	(1.80)	1.12	5.77	(10.11)
<b>Net benefit expense</b>	<b>9.84</b>	<b>2.07</b>	<b>8.71</b>	<b>22.26</b>	<b>(6.26)</b>
Actual return on plan assets	1.85	1.85	(2.46)	(10.74)	3.65
<b><u>Balance Sheet</u></b>					
<b>Net liability recognised in the balance sheet</b>					
Defined benefit obligation	30.25	19.02	15.56	12.90	17.88
Fair value of plan assets	27.98	23.04	20.01	13.82	13.03
<b>Plan (Liability)</b>	<b>(2.26)</b>	<b>4.02</b>	<b>4.44</b>	<b>0.92</b>	<b>(4.85)</b>
<b>Changes in the present value of the defined benefit obligation are as follows:</b>					
Opening defined benefit obligations	19.02	15.56	12.90	17.88	6.73
Interest cost	1.50	1.25	1.03	1.43	0.54
Current service cost	5.43	4.48	4.09	4.32	6.96
Benefits paid	0.48	0.47	-	-	-
Actuarial (gain)/Loss on	4.77	(1.80)	(2.46)	(10.74)	3.65

obligations					
Closing defined benefit obligations	30.25	19.02	15.56	12.90	17.88
<b>Changes in the fair value of plan assets are as follows:</b>					
Opening fair value of plan assets	23.04	20.01	13.82	13.03	11.36
Planned assets transferred from Fem Care					
Expected return on plan assets	1.85	1.85	1.55	0.79	1.04
Contributions by employer	3.56	1.64	4.65	-	0.63
Benefits paid	0.48	0.47	-	-	-
Actuarial (gain)/Loss on Plan Assets	0.02	-	-	-	-
Closing fair value of plan assets	27.98	23.04	20.01	13.82	13.03

The major categories of plan assets as a percentage of the fair value of total plan assets are as follows.

Particulars	March 31, 2017	March 31, 2016	March 31, 2015	March 31, 2014	March 31, 2013
<b>Category of Assets</b>	%	%	%	%	%
Investment with Insurer	100	100	100	100	100
The overall expected rate of return on assets is determined based on the market prices prevailing on that date, applicable to the period over which the obligation is to be settled.					
<b>The principal assumptions used in determining benefit obligations are shown below:</b>					
Discount rate	7.50%	8.00%	8.00%	8.00%	0.08
Expected rate of return on assets	8.11%	9.27%	6.04%	6.04%	0.0916
Withdrawal rate	1.00%	1.00%	1.00%	1.00%	0.01
Expected rate of Salary increase	5.00%	5.00%	5.00%	5.00%	0.05
Mortality Pre-retirement	LIC(2006-08) Ultimate	LIC(1994-96) Ultimate	LIC(1994-96) Ultimate	LIC(1994-96) Ultimate	LIC(1994-96) Ultimate

The estimate of future salary increase, considered in the actuarial valuation, takes account of inflation, security, promotion and other relevant factors such as supply and demand in the employment market.

#### 4. Segment Reporting (AS 17)

##### I. Business Segments

The Company is engaged in the business of manufacturing of Speciality Chemicals, Intermediates & API and Trading and Marketing of Neutraceutical (Food & Health Supplementary) Products.

Rupees in Lacs

Particulars	Continuing Operations				Total	
	Speciality Chemicals		Neutraceuticals Products			
	March 31,	March 31,	March 31,	March 31,	March 31,	March 31,

	2013	2012	2013	2012	2013	2012
<b>Revenue</b>						
External sales	1,117.33	1,089.76	198.76	5.74	1,316.09	1,095.50
Inter-segment sales	-	-	-	-	-	-
Segment Revenue	1,117.33	1,089.76	198.76	5.74	1,316.09	1,095.50
<b>Result</b>						
Segment Result	(221.66)	(136.74)	(173.12)	(83.74)	(394.78)	(220.48)
Unallocated corporate expenses	-	-	-	-	-	-
Operating profit	-	-	-	-	(394.78)	(213.75)
Interest expenses	-	-	-	-	(109.60)	(22.30)
Unallocated corporate income	-	-	-	-	-	-
Other Income	4.88	3.46	0.08	-	4.96	3.46
<b>Profit before tax and Exceptional items</b>						
Exceptional items	-	-	-	-	(499.42)	(239.32)
Current Tax	-	-	-	-	(160.36)	(110.27)
Deferred Tax	-	-	-	-	-	-
Fringe Benefit Tax	-	-	-	-	-	-
Prior year tax adjustments	-	-	-	-	-	-
<b>Net Profit after tax</b>						
Other information	-	-	-	-	(339.06)	(129.05)
Segment assets	2,794.33	2,742.34	88.25	39.36	2,882.59	2,781.70
Unallocated corporate assets	-	-	-	-	270.63	110.27
Total assets	2,794.33	2,742.34	88.25	39.36	3,153.22	2,891.97
Segment liabilities	2,023.72	1,492.00	80.11	4.79	2,103.83	1,503.52
Unallocated corporate liabilities	-	-	-	-	-	-
Total liabilities	2,023.72	1,492.00	80.11	4.79	2,103.83	1,503.52
Capital expenditure	194.32	744.49	-	8.82	194.32	753.32
Unallocated capital expenditure	-	-	-	-	-	-
	-	-	-	-	194.32	753.32

The Company has discontinued the Trading and Marketing of Nutraceutical (Food & Health Supplementary) Products inform 13-14

## II. Geographical Segments

Disclosed based on revenues within India (sales to customers in India) and revenues outside India (sales to customer located outside India.)

The following table shows the distribution of the Company's consolidated sales by geographical market, regardless of where the goods were produced.

Particulars	March 31 2017	March 31 2016	March 31 2015	March 31 2014	March 31 2013
<b>Sales Revenue by Geographical Market (including Service Income)</b>					
India	1,788.57	1,752.63	1,752.74	1,236.71	586.78



Outside India	1,714.31	875.63	150.00	150.60	94.96
Total	3,502.88	2,628.27	1,902.74	1,387.31	681.75

Assets and additions to tangible and intangible fixed assets by geographical area: The following table shows the carrying amount of segment assets and addition to segment assets by geographical area in which assets are located:

Particulars	March 31 2017	March 31 2016	March 31 2015	March 31 2014	March 31 2013
<b>Carrying amount of Segment Assets and Intangible Assets</b>					
India	1,711.90	1,396.19	1,489.98	1,585.77	1,773.64
Outside India	-	-	-	-	-
Total	1,711.90	1,396.19	1,489.98	1,585.77	1,773.64
<b>Additions to Fixed Assets including Capital Work In Progress</b>					
India	367.69	68.69	19.96	32.91	194.32
Outside India	-	-	-	-	-
Total	367.69	68.69	19.96	32.91	194.32

#### 5. Change in Accounting Estimate

In Restated financials the Company has calculated the depreciation based on the rates given in Schedule XIV of the Companies Act, 1956 till 31.03.2014 and after 31.03.2014 based on the rates given in Schedule II of the Companies Act, 2013. In respect of assets whose useful life had already exhausted as on 1 April 2015, has been adjusted in Reserves and Surplus in accordance with requirements of Para 7 of Part C of Schedule II of the Act. Such assets which do not have useful life as on 01.04.2014 were having WDV **Rs.1,87,156/-**.

#### 6. Provisions, Contingent Liabilities and Contingent Assets (AS 29)

Contingent liabilities and commitments (to the extent not provided for). There are no contingent liabilities as on March 31, 2017 except as mentioned in Annexure -S, for any of the years covered by the statements.

#### 7. Related Party Disclosure (AS 18)

Related party transactions are reported as per AS-18 of Companies (Accounting Standards) Rules, 2006, as amended, in the Annexure – Ref the enclosed financial statements.

#### 8. Accounting For Taxes on Income (AS 22)

Deferred Tax liability/Asset in view of Accounting Standard – 22: “Accounting for Taxes on Income” as at the end of the year/period is reported as under

Particulars	Rupees in Lacs				
	As At				
Deferred Tax Liability	31-03-2017	31-03-2016	31-03-2015	31-03-2014	31-03-2013
Net WDV as Per Companies Act	1,720.51	1,466.31	1,501.72	1,593.25	1,778.99
Net WDV As per Income Tax Act	901.50	979.12	1,065.57	1,209.44	1,398.45
Timing Difference Due to Depreciation	819.01	487.19	436.15	383.81	380.55

Deferred Tax Liability (A)	270.79	161.08	148.25	118.60	117.59
Incremental Due to Depreciation	109.71	12.83	29.65	1.01	19.07
Expenses Disallowed u/s 43B of Income-tax Act (inclusive of gratuity, LE, Bonus, Etc)	65.66	42.58	36.70	30.57	35.04
Unabsorbed Depreciation/Business loss	-	179.01	692.05	1,211.05	1,221.34
DTA @ Applicable Rate	21.71	73.26	247.70	383.66	388.22
Incremental Due to Unabsorbed Depreciation/Gratuity/Exp	(51.55)	(174.44)	(135.96)	(4.56)	179.44
Deferred Tax Assets (B)	21.71	73.26	247.70	383.66	388.22
Cumulative Balance of Deferred Tax Liability/(Deferred Tax Assets) (A-B)	249.08	87.82	(99.46)	(265.07)	(270.63)
Opening Deferred Tax Liability /(Deferred Tax Assets)	87.82	(99.46)	(265.07)	(270.63)	(110.27)
Debited/(Credit) to Restated Statement of Profit and Loss Account	161.26	187.27	165.61	5.57	(160.36)

### 9. Earnings Per Share (AS 20):

Earnings per Share have been calculated is already reported in the Annexure –Tof the enclosed financial statements.

### 10. MATERIAL ADJUSTMENTS [AS PER SEBI (ICDR) REGULATIONS, 2009]

Appropriate adjustments have been made in the restated financial statements, whenever required, by reclassification of the corresponding items of assets, liabilities and cash flow statement, in order to ensure consistency and compliance with requirement of Company Act 1956, and as replaced by Company Act 2013 after 01<sup>st</sup> April 2014 and Accounting Standards.

The Summary of results of restatements made in the audited financial statements of the Company for the respective period / years and their impact on the profit / (loss) and assets and liabilities of the Company is as under.

#### Statement of adjustments in the Financial Statements

The reconciliation of Profit after tax as per audited results and the Profit after tax as per Restated Accounts is presented below in Table-1. This summarizes the results of restatements made in the audited accounts for the respective years/ period and its impact on the profit & loss of the company.

#### 1. Statement of Adjustments to Profit and Loss after Tax

**Table -1**

Particulars	Rupees in Lacs				
	2016-17	2015-16	2014-15	2013-14	2012-13
<b>Net Profit After Tax as per audited accounts but before adjustments for restated accounts:</b>	601.07	429.21	527.17	(0.16)	(493.12)
Decrease/(Increase) in Depreciation	(70.11)	33.10	37.01	-	-
Contingent Liabilities Provided for					
(Decrease)/Increase in MAT Credit Entitlement	8.89	6.75	7.41	-	-
Decrease/(Increase) in Provision for Tax	14.30	(7.09)	(8.33)	-	-
Decrease/(Increase) in Provision for gratuity	-	-	-	13.03	(6.30)
Decrease/(Increase) in DTL	24.67	(124.13)	(165.61)	(5.57)	160.36
<b>Net Increase/ (Decrease)</b>	<b>(22.26)</b>	<b>(91.37)</b>	<b>(129.53)</b>	<b>7.46</b>	<b>154.06</b>
<b>Profits after Tax as per Restated Accounts</b>	<b>578.81</b>	<b>337.85</b>	<b>397.65</b>	<b>7.30</b>	<b>(339.06)</b>

### a) Accounting of Depreciation

During financial years 2014-15 & 2015-16 the company wrongly charged triple shift depreciation on plant and machinery which was used for manufacturing under the impression of continuous process plant. However, the company being in pharmaceutical industry the plant and machinery is specified under the equipment which are not eligible for claiming Extra shift depreciation as per Schedule II of the Companies act 2013. The same was identified during the process of Interim Audit for the year ended December 31,2016 and the company had passed necessary rectification entries by reversing the excess depreciation charged in earlier financial year 2014-15 of Rs. 37,01,177/- and of Financial year 2015-16 of Rs. 33,10,287/- resulting into total rectification for Rs. 70,11,464/- in interim period's statement of profit and loss.

However in the Restated Accounts, the entries have been passed in the respective years and accordingly effect thereof has been stated in Table 1 (Statement of Profit and Loss after Tax

### b) Adjustment on account of Provision of Deferred Tax:

Due to changes in Depreciation and Provision for Gratuity, Disallowances,etc, the Company has recalculated the deferred tax liability and deferred tax assets at the rate of normal Tax rate applicable at the end of relevant year.

In the absence of certainty regarding availability of sufficient future taxable income, the recognition of Deferred Tax Assets was restricted to the extent of closing Deferred Tax Liability in the audited financial statements for the years 11-12,12-13,13-14 and 14-15. However the certainty for sufficient taxable income has been established as of March 31, 2017, hence the deferred tax Assets have been recognized in the respective years

### c) Adjustment on account of Tax Provision and MAT Credit Entitlement and Set-off thereof

Due to changes in accounting policies and other adjustments as stated above, the Company has recalculated the Income-tax provision and MAT Credit Entitlement and Set-off thereof at the rate of normal Tax rate applicable at the end of relevant year and accordingly, their amounts have been readjusted in restated financials.

### 11. Realizations:

In the opinion of the Board and to the best of its knowledge and belief, the value on realization of current assets, loans and advances will, in the ordinary course of business, not be less than the amounts at which they are stated in the Balance sheet.

### 12. Non Current Assets:

Non Current Assets include Insurance claim receivable of Rs 19,63,602 which is rejected by Oriental Insurance Company Ltd on 21<sup>st</sup> November 2016 and the Company has filed a suit against the same in the Court of Honorable State Consumer Dispute Redressal Commission Mumbai at Nashik on 24<sup>th</sup> March 2017.

### 13. Contractual liabilities

All other contractual liabilities connected with business operations of the Company have been appropriately provided for.

### 12. Details of Corporate Social Responsibility spent during the financial year:-

(a) Total amount to be spent as per Section 135 of the Companies Act 2013 for the financial year @ 2% of the average net profit for the last three financial years is Rs. 6,82,015/-

(b) Expenditure incurred towards Corporate Social Responsibility during the financial year is Rs 7,12,514

S. No.	CSR Project or activity identified	Sector in which the project is covered	Amount outlay (budget) project or programs wise
1	Medical Aid to Mr. Babbu Usman Shaikh	Providing Health Assistant	10,000

2	Repair of School	Promoting Rural Education	46,500
3	Help to MatoshreeVruddhashram	Providing necessary facilities	25,000
4	Providing and Installation of High Mast	Providing necessary facilities	6,31,014
	<b>Total</b>		<b>7,12,514</b>

Out of note (b) above, Rs Nil is towards construction /acquisition of asset that will be owned by Company

**14. Amounts in the financial statements**

Amounts in the financial statements are rounded off to nearest Lakh. Figures in brackets indicate negative values

**For B G Kale & Co**  
**Chartered Accountants**  
**FRN : 120842W**  
**PRC No.- 007567**

**CA B G Kale**  
**Partner**  
**M. No. 39089**  
**Place: Nashik**  
**Date: 12.5.2017**

**ANNEXURE – A**  
**STATEMENT OF SHARE CAPITAL, RESERVES AND SURPLUS**

(Amt. in Rs. Lakhs)

Particulars	As at				
	31.03.2017	31.03.2016	31.03.2015	31.03.2014	31.03.2013
<b>Share Capital</b>					
Authorized Share Capital	1500.00	500.00	500.00	500.00	500.00
Equity shares of Rs.10 each					
Share Capital					
Issued, Subscribed and Paid up Share Capital	1209.38	483.75	483.75	483.75	483.75
Equity Shares of Rs. 10 each fully paid up					
Share Capital (in Rs.)					
<b>Total</b>	<b>1209.38</b>	<b>483.75</b>	<b>483.75</b>	<b>483.75</b>	<b>483.75</b>
A) Security Premium	1171.25	1171.25	1171.25	1171.25	1461.50
Add: Addition during the year	-	-	-	-	-
Less: Utilized During the Year	725.63	0.00	0.00	0.00	290.25
<b>Total (A)</b>	<b>445.63</b>	<b>1171.25</b>	<b>1171.25</b>	<b>1171.25</b>	<b>1171.25</b>
B) Surplus in Profit and Loss account					
Opening Balance	134.98	(202.86)	(598.31)	(605.61)	(266.55)
Add: Profit for the year	578.81	337.85	397.65	7.30	(339.06)
Less: Software Discarded during the year-Not usable since past 2 years			(0.33)		
Less: Depreciation changes as per Schedule II of Companies Act 2013	-	-	(1.87)	-	-
<b>Total (B)</b>	<b>731.79</b>	<b>134.98</b>	<b>(202.86)</b>	<b>(598.31)</b>	<b>(605.61)</b>
<b>Total (A+B)</b>	<b>1159.42</b>	<b>1306.23</b>	<b>968.39</b>	<b>572.94</b>	<b>565.64</b>
1. Terms/rights attached to equity shares:					
i. The company has only one class of shares referred to as equity shares having a par value of Rs.10/-. Each holder of equity shares is entitled to one vote per share.					
ii. In the event of liquidation of the Company, the holders of equity shares shall be entitled to receive any of the remaining assets of the Company, after distribution of all preferential amounts. The amount distributed will be in proportion to the number of equity shares held by the shareholders.					
2. The figures disclosed above are based on the restated summary statement of assets and liabilities of the Company.					
3. Company does not have any Revaluation Reserve.					
4. The above statement should be read with the significant accounting policies and notes to restated summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexure IV, I, II and III.					
5. The company has done Sub- Division of each Equity Shares of the Company having face Value of ₹ 100/- each into 10 Equity Shares of face value of ₹ 10/- each with effect from August 17, 2016.					
6. The reconciliation of the number of shares outstanding as at: -					
Particulars	As at (In Nos.)				
	31.03.2017	31.03.2016	31.03.2015	31.03.2014	31.03.2013
Number of shares at the beginning	4837500	483750	483750	483750	193500
Add: Bonus Shares issued during the year	7256250	0	0	0	290250
Less: Shares bought back during the Year	0	0	0	0	0
Number of shares at the end	<b>12093750</b>	<b>483750</b>	<b>483750</b>	<b>483750</b>	<b>483750</b>

6. The detail of shareholders holding more than 5% of Shares as at: -					
Name of Share Holder	As at ( No of Shares)				
	31.03.2017	31.03.2016	31.03.2015	31.03.2014	31.03.2013
Mr. Sunil H Pophale	10565625	422625	422625	441150	441150
Ms. Aditi S Pophale	1500000	60000	60000		
Ms. Manasi Pophale				41475	41475

**ANNEXURE – B**  
**STATEMENT OF LONG TERM AND SHORT TERM BORROWINGS**

(Amt. in Rs. Lakhs)

Particulars	As at				
	31.03.2017	31.03.2016	31.03.2015	31.03.2014	31.03.2013
<b>Long Term Borrowings</b>					
<b>From Banks/Financial Institutions (Secured)</b>					
Term Loans	376.44	346.36	146.57	297.37	733.63
<b>Loans and Advances (Unsecured)</b>					
From Promoters/Directors	0.61	196.81	692.57	857.64	939.03
From Related Parties	-	-	-	-	-
From others	-	-	-	-	-
<b>Total</b>	377.05	543.17	839.14	1155.02	1672.66
<b>Current portion of long-term borrowings, included under Short term Borrowings</b>					
Term Loans	153.44	208.21	163.02	131.81	110.70
<b>Short Term Borrowings</b>					
Loans From Banks (Secured)	0.00	0.00	0.00	2.17	3.92
Bank Working Capital Loan/OD/CC	444.93	313.60	284.78	277.68	0.00
Others	298.17	0.00	0.00	0.00	-
Loan from Promoters/ Directors/Related Parties	-	-	-	-	-
<b>Total</b>	743.11	313.60	284.78	279.85	3.92
The above amount includes:					
Secured Borrowings	1272.98	868.18	594.37	709.03	848.25
Unsecured Borrowings	0.61	196.81	692.57	857.64	939.03

Notes:-

- The figures disclosed above are based on the restated summary statement of assets and liabilities of the Company.
- The above statement should be read with the significant accounting policies and notes to restated summary, statements of assets and liabilities, profits and losses and cash flows appearing in Annexure IV, I, II and III.
- List of persons/entities classified as 'Promoters' and 'Promoter Group Companies' has been determined by the Management and relied upon by the Auditors. The Auditors have not performed any procedure to determine whether the list is accurate and complete.
- The terms and conditions and other information in respect of Unsecured Loans are given in Annexure -B (A)

**ANNEXURE B (A)**  
**STATEMENT OF PRINCIPAL TERMS OF SECURED LOANS AND ASSETS CHARGED AS SECURITY**

(Amt. in Rs. Lakhs)

Name of Lender	Purpose	Loan A/c No.	Sanctioned Amount	Rate of interest	Primary Security	Collateral/Other Security	Re-Payment Schedule	Moratorium	Outstanding amount as on 31.03.2017 as per Books	Outstanding amount as on 31.03.2016 as per Books
<b>Secured Loan</b>										
Axis Bank Ltd	Cash Credit	9150300489 13317	500.00	3 months MCLR + 1.40% i.e. 10.50% p.a	Hypothecation of entire current assets (present and future) + 15% cash margin to be recovered upfront in case of LC and Bank Guarantee.	-	On Demand	NA	444.93	313.60
Axis Bank Ltd	EPC/PSC/PCF C/PSCFC	NA	300.00	Upto 180 days: 3 months MCLR + 1.90% i.e. 11.00% p.a	Hypothecation of entire current assets (present and future) + 15% cash margin to be recovered upfront in case of LC and Bank Guarantee.	-	12 Months, Tenor EPC 180 Days	NA	298.17	-
Axis Bank Ltd	EPC/PSC/PCF C/PSCFC ( Within Sublimit of CC)	NA	(300.00)							
Axis Bank Ltd	Term Loan (USD)	9160600060 70098	145.00	1 year MCLR + 1.75% i.e. 11.00 p.a	Exclusive first hypothecation charge on entire movable fixed assets of the Company (present and future)	Personal Guarantee of Directors Mr. Sunil H. Pophale.	19 Installments	NA	42.84	156.80
Axis Bank Ltd	Term Loan (USD)	9160600060 72010	319.00	1 year MCLR + 1.75% i.e. 11.00 p.a	Exclusive first hypothecation charge on entire movable fixed assets of the Company (present and future)	Personal Guarantee of Directors Mr. Sunil H. Pophale.	60 Installments	NA	294.36	355.41
SIDBI	Term Loan - Acquisition and Installation of 193 KWp and	D0000VSL	180.00	9.95 p.a for 3 years and thereafter PLR +	First Charge by way of hypothecation in favour of SIDBI of all movables including	Pari Passu Charge by way of Equitable Mortgage on	81 monthly installments	3 Months	173.40	-

	grid-interactive SPV Plant & 3000 Ltr per day Solar Powered Water Heater			O,50% i.e. 12.45%	plant & Machinery and equipment machinery spares, tools & accessories, furniture, fixture & fittings, office equipment and other movables	entire immovable fixed Assets of the Company including factory land and building located at Gat No. 204, Mumbai Agra Highway, Village Vadivarhe Taluka Igatpuri, District Nashik. (Personal guarantee of Director Mr. Sunil H. Pophale)				
SIDBI	Soft Loan-Acquisition and Installation of 193 KWp and grid-interactive SPV Plant & 3000 Ltr per day Solar Powered Water Heater	D0000VAD	200.00	9.35 p.a for 3 years and thereafter PLR + O,50% i.e. 12.45%	First Charge by way of hypothecation in favour of SIDBI of all movables including plant & Machinery and equipment machinery spares, tools & accessories, furniture, fixture & fittings, office equipment and other movables	Pari Passu Charge by way of Equitable Mortgage on entire immovable fixed Assets of the Company including factory land and building located at Gat No. 204, Mumbai Agra Highway, Village Vadivarhe Taluka Igatpuri, District Nashik. (Personal guarantee of Director Mr. Sunil H. Pophale)	81 monthly installments	3 Months	192.80	-



**ANNEXURE – C**  
**STATEMENT OF DEFERRED TAX (ASSETS) / LIABILITIES**

(Amt. in Rs. Lakhs)

Particulars	For the Period/year ended				
	31.03.2017	31.03.2016	31.03.2015	31.03.2014	31.03.2013
Opening Balance (A)					
Opening Balance of Deferred Tax (Asset) / Liability	87.82	(99.46)	(265.07)	(270.63)	(110.27)
Current Year Provision (B)	161.26	187.27	165.61	5.57	(160.36)
(DTA) / DTL on Depreciation	109.71	12.83	29.65	1.01	19.07
(DTA) / DTL on Provision for Gratuity/Carry Forward Losses	(51.55)	(174.44)	(135.96)	(4.56)	179.44
<b>Closing Balance of Deferred Tax (Asset) / Liability (A+B)</b>	<b>249.08</b>	<b>87.82</b>	<b>(99.46)</b>	<b>(265.07)</b>	<b>(270.63)</b>

Note:

- The above statement should be read with the significant accounting policies and notes to restated summary statement of profit and loss account and cash flows statement as appearing in Annexure IV, I, I and III .
- In the absence of virtual certainty regarding availability of sufficient future taxable income, the recognition of Deferred Tax Assets on carry forward business loss and depreciation is restricted to the closing Deferred Tax Liability less other items of Deferred Tax Assets.
- In the view of above note the net debit/credit on account of Deferred Tax to the Profit and Loss Account in Rs. NIL for 12-13, 13-14 and 14-15.

**ANNEXURE – D**  
**STATEMENT OF OTHER LONG TERM LIABILITIES AND LONG TERM PROVISIONS**

*OtherLiabilities*

(Amt. in Rs. Lakhs)

Particulars	As at				
	31.03.2017	31.03.2016	31.03.2015	31.03.2014	31.03.2013
Creditors for Supplies	19.46	19.85	18.72	0.00	0.00
Creditors for Capital Goods	5.90	5.90	5.90	0.00	0.00
Advance from Customer	0.00	3.53	3.53	3.53	3.53
<b>TOTAL</b>	<b>25.36</b>	<b>29.28</b>	<b>28.14</b>	<b>3.53</b>	<b>3.53</b>

*Long term Provisions*

Particulars	As at				
	31.03.2017	31.03.2016	31.03.2015	31.03.2014	31.03.2013
Provision for Gratuity	26.09	23.04	6.13	13.82	13.03
Provision for Leave Encashment	9.76	3.79	2.61	2.16	2.38
<b>TOTAL</b>	<b>35.85</b>	<b>26.82</b>	<b>8.74</b>	<b>15.97</b>	<b>15.41</b>

**ANNEXURE – E**  
**STATEMENT OF TRADE PAYABLES**

(Amt. in Rs. Lakhs)

PARTICULARS	As at				
	31.03.2017	31.03.2016	31.03.2015	31.03.2014	31.03.2013
Trade Payables					
Micro, Small and Medium Enterprises	4.05	6.20	-	-	1.48
Others	367.99	217.62	27.75	93.47	148.96
<b>Total</b>	<b>372.04</b>	<b>223.82</b>	<b>27.75</b>	<b>93.47</b>	<b>150.44</b>

Notes:-

1. The figures disclosed above are based on the restated summary statement of assets and liabilities of the Company.
2. The above statement should be read with the significant accounting policies and notes to restated summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexure IV, I, II and III.
3. Amount due to entities covered under Micro, Small and Medium Enterprises as defined in the Micro, Small, Medium Enterprises Development Act, 2006, have been identified on the basis of information available with the Company. It is informed by the management no provision has been made for interest as required by Interest on Delayed Payments to Small Scale and Ancillary Industrial Undertakings Act, 1993 on amounts due to Small Scale Industries, as the amount is not ascertainable. These will be charged to accounts as and when claimed by the parties and/or paid to them.

**ANNEXURE – F**  
**STATEMENT OF OTHER CURRENT LIABILITIES AND SHORT TERM PROVISIONS**

(Amt. in Rs. Lakhs)

PARTICULARS	As at				
	31.03.2017	31.03.2016	31.03.2015	31.03.2014	31.03.2013
<b>Other Current Liabilities</b>					
Current Maturities of Long term Debt	153.44	208.21	163.02	131.81	110.70
Other payables	0.85	1.84	33.13	38.48	52.19
Statutory remittances	8.95	7.37	1.43	6.10	4.96
Advances from customers	-	-	-	433.26	-
Others	-	-	-	-	-
<b>Total</b>	<b>163.23</b>	<b>217.42</b>	<b>197.57</b>	<b>609.65</b>	<b>167.85</b>
<b>Short-Term Provisions</b>					
Provision for Previous year's Tax	15.42	8.33	0.00	0.00	0.00
Provision for Current Year Tax	123.51	111.88	42.14	0.00	0.00
Provision for Exp	14.66	15.01	18.70	37.18	31.15
Provision for L.T.A.	6.73	8.62	8.61	5.16	6.10
Provision for Bonus	14.83	13.81	9.05	10.30	8.97
Provision for Gratuity	4.16	(4.02)	9.44	(0.92)	4.85
Provision for Leave Encashment	4.10	1.26	0.87	0.72	0.79
Salary and Other Payables	22.98	18.41	15.90	0.00	38.15
<b>Total</b>	<b>206.39</b>	<b>173.30</b>	<b>104.70</b>	<b>52.45</b>	<b>90.02</b>

Notes:-

1. The figures disclosed above are based on the restated summary statement of assets and liabilities of the Company.
2. The above statement should be read with the significant accounting policies and notes to restated summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexure IV, I, II and III.

**ANNEXURE – G**  
**STATEMENT OF FIXED ASSETS**

(Amt. in Rs. Lakhs)

PARTICULARS	As at				
	31.03.2017	31.03.2016	31.03.2015	31.03.2014	31.03.2013
<b>(i) Tangible Assets</b>					
Tangible Assets	-	-	-	-	-
Freehold land	44.72	44.72	44.72	44.72	44.72
Buildings	486.58	507.51	525.38	545.51	566.95
Air Conditioners	0.34	0.18	0.09	1.34	1.42
Office Equipments	4.89	11.90	20.43	35.44	35.99
Plant and machinery	553.66	536.83	544.94	574.57	631.71
Solar Power & Water Heater Plant	290.05	0.00	0.00	0.00	0.00
R & D Equipments	7.35	3.19	3.39	3.59	4.15

Q.C. Equipments	117.73	124.40	111.83	115.77	132.03
ETP	25.02	26.06	18.48	9.76	11.25
Utility	108.73	114.83	111.49	118.22	135.80
Electrical installation	40.87	55.70	71.57	88.37	94.62
Computers	4.59	5.25	6.49	10.54	12.83
Furniture and fixtures	10.78	12.86	15.33	17.79	18.22
Vehicles	7.20	11.52	15.84	20.15	83.96
Non Erected Machinery	-	-	-	-	-
<b>Total Tangible Assets</b>	<b>1702.52</b>	<b>1454.96</b>	<b>1489.98</b>	<b>1585.77</b>	<b>1773.64</b>
<b>(ii) Intangible Assets</b>					
Software	9.38	11.35	11.75	7.48	5.35
<b>(iii) Capital Work-in-Progress</b>					
Capital Work-in-Progress	<b>8.61</b>	-	-	-	-
Intangible assets under development		-	-	-	-
<b>Grand Total</b>	<b>1720.51</b>	<b>1466.31</b>	<b>1501.72</b>	<b>1593.25</b>	<b>1778.99</b>

Notes:-

- The figures disclosed above are based on the restated summary statement of assets and liabilities of the Company.
- The above statement should be read with the significant accounting policies and notes to restated summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexure IV, I, II and III.

**ANNEXURE – H****STATEMENT OF NON CURRENT INVESTMENTS AND LONG-TERM LOANS AND ADVANCES***NON CURRENT INVESTMENTS*

(Amt. in Rs. Lakhs)

PARTICULARS	As at				
	31.03.2017	31.03.2016	31.03.2015	31.03.2014	31.03.2013
Investments in Govt Securities	0.10	0.10	0.10	0.10	0.10
6 years National Saving Certificate VIII issue	-	-	-	-	-
Investment in equity instruments (unquoted)	-	-	-	-	-
Equity Shares of NKGSB Co-Op Bank Ltd	5.00	5.00	5.00	5.00	5.00
(of the above 50,000 Equity Shares of NKGSB Co-op Bank Ltd bearing	-	-	-	-	-
Face Value of Rs.10/- each)	-	-	-	-	-
<b>Total</b>	<b>5.10</b>	<b>5.10</b>	<b>5.10</b>	<b>5.10</b>	<b>5.10</b>

*LONG-TERM LOANS AND ADVANCES*

PARTICULARS	As at				
	31.03.2017	31.03.2016	31.03.2015	31.03.2014	31.03.2013
VAT Credit (Input) Receivable	0.00	0.00	36.50	25.19	66.68
MAT credit FY 2014-15	41.21	41.21	41.21	0.00	0.00
MAT credit FY 2015-16	107.88	107.88	0.00	0.00	0.00
MAT credit FY 2016-17	47.40	0.00	0.00	0.00	0.00
Deposits - Others	18.21	16.94	15.08	13.53	11.04
Advance to Suppliers	400.29	412.71	412.25	400.00	376.01
Vat Credit Input Receivable – Earlier Years	35.83	36.50	0.00	0.00	0.00
Vat Credit Input Receivable – Earlier Years	43.26	23.22	26.59	45.55	18.96
<b>Total</b>	<b>694.08</b>	<b>638.46</b>	<b>531.64</b>	<b>484.28</b>	<b>472.69</b>

*NON CURRENT ASSETS*

PARTICULARS	As at				
	31.03.2017	31.03.2016	31.03.2015	31.03.2014	31.03.2013
Interest accrued but not	0.09	0.61	0.11	0.03	0.02

received on NSC, FD and Others					
Insurance Claim Receivable	19.64	20.18	19.64	19.64	2.25
Preliminary Expenses	-	-	-	-	-
<b>Total</b>	<b>19.73</b>	<b>20.79</b>	<b>19.75</b>	<b>19.67</b>	<b>2.27</b>

Notes:-

- The figures disclosed above are based on the restated summary statement of assets and liabilities of the Company.
- The above statement should be read with the significant accounting policies and notes to restated summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexure IV, I, II and III.

**ANNEXURE – I**  
**STATEMENT OF INVENTORIES**

(Amt in Rs. lakhs)

PARTICULARS	As at				
	31.03.2017	31.03.2016	31.03.2015	31.03.2014	31.03.2013
Inventories					
(a) Raw materials	121.19	145.94	83.79	103.18	89.20
(b) Packing material	2.43	1.69	1.64	1.95	1.03
(c) Work-in-progress	50.78	73.44	17.20	30.77	45.73
(d) Finished goods	23.89	21.22	20.99	25.70	25.11
(e) Stock in trade	0.00	0.00	0.00	0.00	33.13
<b>Total</b>	<b>198.30</b>	<b>242.29</b>	<b>123.62</b>	<b>161.60</b>	<b>194.20</b>

Note:- As per Management Explanation, Inventory has been physically verified by the management of the Company at the end of respective year.

**ANNEXURE – J**  
**STATEMENT OF TRADE RECEIVABLES**

(Amt in Rs. Lakhs)

PARTICULARS	As At				
	31.03.2017	31.03.2016	31.03.2015	31.03.2014	31.03.2013
Outstanding for a period exceeding six months					
<b>(Unsecured and considered Good)</b>					
From Directors/Promoters/Promoter Group/Associates/Relatives of Directors/ Group Companies.	-	-	-	-	-
Others	1.45	6.56	11.56	13.56	-
<b>(Unsecured and considered Doubtful)</b>					
From Directors/Promoters/Promoter Group/Associates/Relatives of Directors/ Group Companies.					
Others	-	-	-	-	-
Outstanding for a period not exceeding 6 months <b>(Unsecured and considered Good)</b>					
From Directors/Promoters/Promoter Group/Associates/Relatives of Directors/ Group Companies.					
Others	1530.75	839.87	358.74	499.38	258.03
<b>Total</b>	<b>1532.19</b>	<b>846.43</b>	<b>370.30</b>	<b>512.94</b>	<b>258.03</b>

Notes:-

- The figures disclosed above are based on the restated summary statement of assets and liabilities of the Company.
- The above statement should be read with the significant accounting policies and notes to restated summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexure IV, I, II and III.

**ANNEXURE – K**  
**STATEMENT OF CASH & CASH EQUIVALENTS**

(Amt in Rs. lakhs)

PARTICULARS	As at				
	31.03.2017	31.03.2016	31.03.2015	31.03.2014	31.03.2013
Cash in Hand (As Certified by Management)	0.86	7.09	8.28	3.69	2.92
<b>Balances with Banks</b>					
- In Current Accounts	9.18	20.57	107.05	5.94	4.80
- Deposits	0.75	19.93	21.35	20.00	0.00
<b>Total</b>	10.79	47.59	136.69	29.63	7.72

Notes:-

1. Additional disclosure as per G.S.R. 308E

Particulars	SBMs	Other denomination notes	Total
Closing cash in hand as on 08.11.2016	7.645	0.53	8.18
Permitted Receipts	-	11.48	11.48
Permitted payments	-	7.42	7.42
Amount deposited in banks	7.645	-	7.65
Closing Cash as on 30.12.2016	-	4.59	4.59

2. The figures disclosed above are based on the restated summary statement of assets and liabilities of the Company.

3. The above statement should be read with the significant accounting policies and notes to restated summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexure IV, I, II and III.

**ANNEXURE – L**  
**STATEMENT OF SHORT-TERM LOANS AND ADVANCES**

(Amt in Rs. Lakhs)

PARTICULARS	As at				
	31.03.2017	31.03.2016	31.03.2015	31.03.2014	31.03.2013
Unsecured and Considered Good:					
Advance to Related Parties	250.00	0.00	0.00	0.00	0.00
Loans & Advances to Staff	4.61	1.70	2.67	1.46	6.53
Advance to material suppliers	21.83	24.61	8.14	30.08	5.58
Prepaid expenses	5.64	9.94	6.76	6.15	4.20
Security deposits	-	-	-	-	-
In the course of business	-	-	-	-	-
Balances with government authorities	-	-	-	-	-
Unsecured, considered good	-	-	-	-	-
CENVAT Credit	50.53	70.68	116.94	130.14	126.50
TDS	27.55	31.32	20.18	27.26	0.00
<b>Total</b>	360.15	138.25	154.69	195.09	142.81

Notes:-

1. The figures disclosed above are based on the restated summary statement of assets and liabilities of the Company.

2. The above statement should be read with the significant accounting policies and notes to restated summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexure IV, I, II and III.

**ANNEXURE – M**  
**STATEMENT OF OTHER CURRENT ASSETS**

(Amt. in Rs. Lakhs)

PARTICULARS	As at				
	31.03.2017	31.03.2016	31.03.2015	31.03.2014	31.03.2013
Others	0.03	-	-	-	0.60
Advance Income Tax	-	-	-	-	20.17

<b>Total</b>	<b>0.03</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>20.77</b>
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Notes:-

1. The figures disclosed above are based on the restated summary statement of assets and liabilities of the Company.
2. The above statement should be read with the significant accounting policies and notes to restated summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexure IV, I, II and III.

**ANNEXURE – N**  
**STATEMENT OF OTHER INCOME**

(Amt. in Rs. Lakhs)

Particulars	For the year ended				
	31.03.2017	31.03.2016	31.03.2015	31.03.2014	31.03.2013
<b>Recurring Income</b>					
Interest on					
- Bank deposits	4.32	4.76	1.10	0.19	0.00
- Others	-	-	1.72	0.41	-
Dividend Received	0.60	0.60	0.60	0.75	0.12
Discount Received	-	-	-	-	0.53
Exchange Difference (Gain)	5.73	8.30	-	3.46	2.46
<b>Non Recurring Income</b>					
Insurance Claim Received	-	0.06	0.36	0.77	-
Miscellaneous Income	23.76	0.26	6.44	4.60	1.69
Notice Pay Received	-	0.27	0.35	1.07	0.16
<b>Total</b>	<b>34.40</b>	<b>14.24</b>	<b>10.58</b>	<b>11.24</b>	<b>4.96</b>

Notes:-

1. The figures disclosed above are based on the restated summary statement of assets and liabilities of the Company.
2. The above statement should be read with the significant accounting policies and notes to restated summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexure IV, I, II and III.

**ANNEXURE – O**  
**STATEMENT OF TURNOVER**

(Amt. in Rs. Lakhs)

Particulars	For the year ended				
	31.03.2017	31.03.2016	31.03.2015	31.03.2014	31.03.2013
<b>Proceeds from Sale</b>					
<b>Manufactured Products</b>					
Sales of Goods (Gross)	2,223.66	1,461.14	522.78	648.78	681.75
Less - Excise Duty	168.25	163.83	57.22	58.86	43.69
Net Sales	2,055.41	1,297.31	465.55	589.92	638.05
<b>Traded Products</b>	-	-	-	-	-
Service Income	1,447.47	1,330.96	1,437.19	797.39	678.04
<b>Total</b>	<b>3,502.88</b>	<b>2,628.27</b>	<b>1,902.74</b>	<b>1,387.31</b>	<b>1,316.09</b>

**ANNEXURE – P**  
**STATEMENT OF MANDATORY ACCOUNTING RATIOS**

(Amt. in Rs. Lakhs)

Particulars	As at				
	31.03.2017	31.03.2016	31.03.2015	31.03.2014	31.03.2013
Net Worth (A)	2368.79	1789.98	1452.14	1056.69	1049.39
Restated Profit after tax	578.81	337.85	397.65	7.30	(339.06)
Adjusted Profit after Tax (B)	578.81	337.85	397.65	7.30	(339.06)
Number of Equity Share outstanding as on the End of Year/Period ( C )	12093750	483750	483750	483750	483750
Weighted average no of Equity shares	12093750	12093750	12093750	12093750	12093750

at the time of end of the year (D)					
Current Assets (E)	2101.47	1274.56	785.30	899.25	623.53
Current Liabilities (F)	1484.77	928.15	614.81	1035.41	412.24
Face Value per Share (in Rs.)	10.00	10.00	10.00	10.00	10.00
Restated Basic and Diluted Earnings Per Share (Rs.) (B/D) Refer Note 1 given below	4.79	2.79	3.29	0.06	(2.80)
Return on Net worth (%) (B/A)	24.43	18.87	27.38	0.69	(32.31)
Net asset value per share (A/C)	19.59	370.02	300.18	218.44	216.93
Adjusted Net asset value per share based on Weighted average number of share (A/D)	19.59	14.80	12.01	8.74	8.68
Current Ratio (E/F)	1.42	1.37	1.28	0.87	1.51

Notes:-

- 1) The ratios have been computed as below:
  - (a) Basic earnings per share (Rs. ) - : Net profit after tax as restated for calculating basic EPS / Weighted average number of equity shares outstanding at the end of the period or year
  - (b) Diluted earnings per share (Rs. ) - : Net profit after tax as restated for calculating diluted EPS / Weighted average number of equity shares outstanding at the end of the period or year for diluted EPS
  - (c) Return on net worth (%) - : Net profit after tax (as restated) / Net worth at the end of the period or year
  - (d) Net assets value per share - : Net Worth at the end of the period or year / Total number of equity shares outstanding at the end of the period or year
  - (e) Net assets value per share (effect of bonus issue of equity shares) - : Net Worth at the end of the period or year / Total number of equity shares outstanding at the end of the period or year (after split and bonus issue)  
The company has done Sub- Division of each Equity Shares of the Company having face Value of ₹ 100/- each into 10 Equity Shares of face value of ₹ 10/- each with effect from August 17, 2016
- 2) Weighted average number of equity shares is the number of equity shares outstanding at the beginning of the period/year adjusted by the number of equity shares issued during period/year multiplied by the time weighting factor. The time weighting factor is the number of days for which the specific shares are outstanding as a proportion of total number of days during the period/year.
- 3) Net worth for ratios mentioned in note 1(c) and 1(d) is = Equity share capital + Reserves and surplus ( including, Securities Premium, General Reserve and surplus in statement of profit and loss).
- 4) The Company has declared bonus shares in the ratio of 3:2 (3 share bonus for Every 2 shares held in Company) dated 27/02/2017 to all existing shares holders. Accordingly, the number of equity shares considered for computation of basic and diluted earnings per share for the year ended March 31, 2017, March 31 2016, March 31, 2015, March 31, 2014, March 31, 2013, have been adjusted for the impact of bonus issue.
- 5) The figures disclosed above are based on the standalone restated summary statements of the Group.
- 6) The above statement should be read with the significant accounting policies and notes to restated summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexure IV, I, II and III.

**ANNEXURE – Q**  
**STATEMENT OF CAPITALISATION**

(Amt. in Rs. Lakhs)

Particulars	Pre-Issue	Post-Issue*
	31.03.2017	
Debt		
Short Term Debt	743.11	--
Long Term Debt	377.05	--
Total Debt	1120.16	--
Shareholders' Fund (Equity)		
Share Capital	1209.38	--
Reserves & Surplus	1159.42	--
Less: Miscellaneous Expenses not w/off	0.00	--
Total Shareholders' Fund (Equity)	2368.79	--
Long Term Debt/Equity	0.16	--

Total Debt/Equity	0.47	--
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\* The Corresponding post issue figures are not determinable at this stage pending the completion of public issue and hence have not been furnished.

Notes:-

- Short term Debts represent which are expected to be paid/payable within 12 months.
- Long term Debts represent debts other than Short term Debts as defined above.
- The figures disclosed above are based on restated statement of Assets and Liabilities of the Company as at 31/12/2016.
- The Company has issued Bonus shares in the ratio 2:3 by Capitalizing Free Reserves on 27/02/2017.

**ANNEXURE – R**  
**STATEMENT OF RELATED PARTY TRANSACTION**

(Amt in Rs. Lakhs)

a)	Names of the related parties with whom transaction were carried out during the years and description of relationship:	
1)	Company/entity owned or significantly influenced by directors/ KMP	<b>Ree Labs Pvt Ltd Zenvision Pharma LLP Reecord Cure Enterprises</b>
2)	Key Management Personnel's:	<b>Mr. Anil L. Chaudhari (Resigned on 28/08/2011)</b> <b>Mrs. Meena S. Pophale</b> <b>Mr. Len F. Vaz (Resigned on 30/04/2014)</b> <b>Mr. Sunil H. Pophale</b> <b>Mr. Vasant Jagtap (Appointed on 01/05/2014)</b>

i. Transaction with Directors/ Key managerial persons :

Sr. No.	Nature of Transaction	As At				
		31.12.2016	31.03.2016	31.03.2015	31.03.2014	31.03.2013
1	<b>Mrs. Meena S. Pophale</b>					
	<b>Opening Balance {Cr./ (Dr)}</b>	-	-	-	-	-
	Salary to Director	12.00	6.00			
	Interest received	2.90				
	Loan Granted	(100.00)				
	Amount repaid/adjusted	100.00				
	<b>Closing Balance {Cr./ (Dr)}</b>	-	-	-	-	-
3	<b>Mr. Len F. Vaz</b>					
	<b>Opening Balance {Cr./ (Dr)}</b>	-	-	-	-	-
	Salary to director			2.58	10.10	22.33
	Amount Received/credited					
	Amount repaid/adjusted					
	<b>Closing Balance {Cr./ (Dr)}</b>	-	-	-	-	-
4	<b>Mr. Sunil H. Pophale</b>					
	<b>Opening Balance {Cr./ (Dr)}</b>	<b>196.81</b>	<b>692.57</b>	<b>857.64</b>	<b>939.03</b>	<b>631.30</b>
	Salary to Director	12.00				
	Loan from Director	208.00			857.64	307.73
	Amount repaid/adjusted	404.20	495.76	165.08	939.03	
	<b>Closing Balance {Cr./ (Dr)}</b>	<b>0.61</b>	<b>196.81</b>	<b>692.57</b>	<b>857.64</b>	<b>939.03</b>
5	<b>Mr. Vasant Jagtap</b>					
	<b>Opening Balance {Cr./ (Dr)}</b>	-	-	-	-	-
	Salary to Director	24.68	2,0.94	17.27		
	Amount Received/credited	7.00				
	Amount repaid/adjusted	7.00				



	<b>Closing Balance {Cr./{Dr}}</b>	-	-	-	-	-
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## ii. Transactions with Company/entity owned or significantly influenced by directors/ KMP

1	<b>Ree Labs Pvt Ltd</b>					
	<b>Opening Balance {Cr./{Dr}}</b>	-	-	-	-	-
	Service Provided	-	-	-	-	60.48
	Sale of Goods	-	-	-	33.81	-
-	Expense	-	-	-	-	-
	Amount Received/credited	-	-	-	-	-
	Amount repaid/adjusted	-	-	-	-	-
	<b>Closing Balance {Cr./{Dr}}</b>	-	-	-	-	-
2.	<b>Zenvision Pharma LLP</b>					
	Security Deposit given	250.00	-	-	-	-
	Amount repaid/adjusted	-	-	-	-	-
	<b>Closing Balance {Cr./{Dr}}</b>	250.00	-	-	-	-
3.	<b>ReecordCure Enterprises</b>					
	<b>Opening Balance {Cr./{Dr}}</b>	1.26	1.26	1.26	1.26	1.26
	Amount Received/credited	-	-	-	-	-
	<b>Closing Balance {Cr./{Dr}}</b>	1.26	1.26	1.26	1.26	1.26

## Notes:-

- The figures disclosed above are based on the restated summary statement of assets and liabilities of the Company.
- The above statement should be read with the significant accounting policies and notes to restated summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexure IV, I, II and III.
- List Company/entity owned or significantly influenced by directors/ KMP, Key Management Personnel's, and Relative of Key Management Personnel's have been determined by the Management and relied upon by the Auditors. The Auditors have not performed any procedure to determine whether the list is accurate and complete.

**ANNEXURE - S**  
**RESTATED SUMMARY STATEMENT OF CONTINGENT LIABILITIES**

(Amt. in Rs. Lakhs)

Particulars	As at				
	31.03.2017	31.03.2016	31.03.2015	31.03.2014	31.03.2013
Contingent liabilities in respect of: CSR Expenditure u/s 135	-	-	-	-	-
Income Tax demands / Notices before CIT Appeals	-	-	-	-	-
Guarantees given on Be of the Company ( Maharashtra Pollution Control Board )	5.00	-	-	-	-
Guarantees given on Be of the Subsidiary Company	-	-	-	-	-
Other moneys for which the company is contingently liable	-	-	-	-	-
Commitments (to the extent not provided for)	1.97	-	-	-	-
Estimated amount of contracts remaining to be executed on capital account and not provided for	-	-	-	-	-
Uncalled liability on shares and other investments partly paid	-	-	-	-	-
Other commitments	-	-	-	-	-
<b>Total</b>	<b>6.97</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

## Notes:-

- The figures disclosed above are based on the restated summary statement of assets and liabilities of the Company.
- The above statement should be read with the significant accounting policies and notes to restated summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexure IV, I, II and III.

**ANNEXURE – T**  
**STATEMENT OF TAX SHELTER**

(Amt. in Rs. Lakhs)

Particulars	As at				
	31.03.2017	31.03.2016	31.03.2015	31.03.2014	31.03.2013
Net Profit/(Loss) before taxes (A)	875.53	529.12	564.19	12.86	(499.42)
Tax Rate Applicable %	33.06%	33.06%	33.99%	30.90%	30.90%
Minimum Alternate Taxes (MAT)	20.39%	20.39%	20.01%	19.06%	19.06%
LTCG Tax Rates	22.04%	20.60%	20.60%	20.60%	20.60%
Adjustments					
Add: Depreciation as per Companies Act, 1956/2013	113.60	103.37	109.29	165.20	169.06
Add: Expenditure on Account of Interest on Delay payment of TDS and non Payment/Short payment of TDS	-	-	-	-	0.05
Add: Disallowed u/s 40a	-	-	0.00	1.15	-
Add: Disallowed u/s 43B (b)	23.08	5.88	8.30	8.57	10.83
Less: Allowed u/s 43(b)	-	-	-	-	-
Add: Gratuity disallowed under 40A(7)	-	-	-	-	-
Add: Disallowed U/s 36(1)/37	8.64	27.78	0.71	-	-
Less- Profit on Sale of Fixed Asset	-	-	-	-	-
Add- Loss on Sale of Fixed Asset	-	-	-	21.46	3.38
Other Deductions			(2.18)		
Deduction under Chapter VIA	-	(12.00)	-	-	-
Less: Depreciation as per Income Tax Act, 1961	(445.31)	(154.91)	(161.31)	(185.92)	(258.79)
Net Adjustments (B)	<b>(299.98)</b>	<b>(29.89)</b>	<b>(45.18)</b>	<b>10.45</b>	<b>(75.47)</b>
Business Income (A+B)	575.54	499.23	519.00	23.31	(574.89)
Less: Unabsorbed Depreciation/Loss to be utilized for Set-Off	179.01	5,124.44	519.00	10.29	0.00
<b>Gross Total Income</b>	<b>396.54</b>	-	-	-	-
Tax Payable as per Normal Rate	131.11	-	-	-	-
Tax Payable as per Special Rate	-	-	-	-	-
MAT Credit Set Off/Entitlement	-	-	-	-	-
Tax as per Income Tax (D)	131.11	-	-	-	-
Computation of Book Profits					
PBT as per P&L	875.53	529.12	564.19	12.86	(499.42)
Add: Interest on TDS	-	-	-	-	0.05
Add: Interest on Income tax debited to P&L before tax	-	-	-	-	-
Book Profits	875.53	529.12	564.19	12.86	(499.37)
Unabsorbed depreciation as per books			358.22	-	
Tax Payable as per Minimum Alternate Tax U/s 115 JB of the Income Tax Act, 1961 (D)	178.51	107.88	41.21	0.00	(95.16)
Net Tax (Higher of C & D)	178.51	107.88	41.21	0.00	0.00
Interest u/s	0.00	4.00	0.93	0.00	0.00
Total tax	178.51	111.88	42.14	0.00	0.00
Current tax as per restated Statement of Profit & Loss	178.51	111.88	42.14	0.00	0.00

Notes:-

1. The figures disclosed above are based on the restated summary statement of assets and liabilities of the Company.
2. The above statement should be read with the significant accounting policies and notes to restated summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexure IV, I, II and III.

**STATEMENT OF FINANCIAL INDEBTEDNESS**

To,  
 The Board of Directors,  
 Vadivarhe Speciality Chemicals Limited  
 GAT No. 204, Vadivarhe, Igatpuri,  
 Maharashtra-422403-India

Dear Sirs,

The principal terms of loans and assets charged as security as on 31<sup>st</sup> March 2017 is as given below:

**A. Secured Loan**

(Amount in ₹ Lakhs)

**STATEMENT OF PRINCIPAL TERMS OF SECURED LOANS AND ASSETS CHARGED AS SECURITY**

Name of lender	Purpose	Sanctioned Amount	Rate of interest	Securities Offered	Re-Payment Schedule	Moratorium	Outstanding amount as on 31.03.2017 as per Books
Axis Bank Ltd	Cash Credit	500.00	3 months MCLR + 1.40% i.e. 10.50% p.a	*	On Demand Tenor 12 months	NA	444.93
Axis Bank Ltd	EPC/PSC/PCFC/PSCFC	300.00	Upto 180 days: 3 months MCLR + 1.90% i.e. 11.00% p.a, Overdue EPC Bill :- 3 months MCLR+6.20% i.e. 15.30% p.a.	*	12 Months, Tenor EPC 180 Days	NA	298.17
Axis Bank Ltd	EPC/PSC/PCFC/PSCFC (Within Sublimit of CC)	(300.00)					
Axis Bank Ltd.	Letter of credit (Inland/Foreign)- (sublimit of EOC/PSC/PCFC/PS/CFC)	(300.00)	--	*	Inland LC-Max 90 Days, Import LC-Max 180 days	NA	Nil
Axis Bank Ltd.	Bank Guarantee (Sublimit of CC)	(300.00)	--	*	Max. upto 36 months	NA	5.00
Axis Bank Ltd	Term Loan I Repayment of term loan taken from NKGSB	145.00	1 year MCLR + 1.75% i.e. 11.00 p.a	*	19 Installments	NA	42.84
Axis Bank	Term Loan II	319.00	1 year MCLR +	*	60 Installments	NA	294.36

Ltd	Repayment of term loan taken from Director		1.75% i.e. 11.00 p.a				
<b>Total of Axis bank Limited</b>							<b>1085.30</b>
<b>*Security</b>							
<ul style="list-style-type: none"> <li>• Exclusive first hypothecation charge on entire Current assets of the Company both present and future</li> <li>• Exclusive first hypothecation charge on entire movable fixed assets of the Company both present and future except those financed by other banks/financial institutes</li> <li>• Pari Passu Charge by way of Equitable Mortgage on entire immovable fixed Assets of the Company including factory land and building located at Gat No. 204, Mumbai Agra Highway, Village Vadivarhe Taluka Igatpuri, District Nashik.</li> <li>• Second charge on the plant and machineries/equipments to be funded by SIDBI.</li> <li>• Personal guarantee of Mr. Sunil H. Pophale</li> </ul>							
SIDBI	Term Loan -Acquisition and Installation of 193 KWp and grid-interactive SPV Plant & 3000 Ltr per day Solar Powered Water Heater	180.00	9.95 p.a for 3 years and thereafter PLR + 0.50% i.e. 12.45%	*	81 monthly installments	3 Months	173.40
SIDBI	Soft Loan- Acquisition and Installation of 193 KWp and grid-interactive SPV Plant & 3000 Ltr per day Solar Powered Water Heater	20.00	9.35 p.a for 3 years and thereafter PLR + 0.50% i.e. 12.45%	*	81 monthly installments	3 Months	19.28
<b>Total of SIDBI</b>							<b>192.68</b>
<b>*Security</b>							
<ul style="list-style-type: none"> <li>• First Charge by way of hypothecation in favour of SIDBI of all movables including plant &amp; Machinery and equipment machinery spares, tools &amp; accessories, furniture, fixture &amp; fittings, office equipment and other movables</li> <li>• Pari Passu Charge by way of Equitable Mortgage on entire immovable fixed Assets of the Company including factory land and building located at Gat No. 204, Mumbai Agra Highway, Village Vadivarhe Taluka Igatpuri, District Nashik.</li> <li>• Personal guarantee of Mr. Sunil H. Pophale</li> </ul>							
<b>Grand Total</b>							<b>1277.98</b>

**B. Un Secured Loan**

Name of Lender	Purpose	Rate of Interest	Repayment	Outstanding Amount as per Books as on 31.03.2017
Sunil Haripant Pophale (Promoter & Director)	Temporary Loan	Nil	On Demand	0.61
<b>Total</b>				<b>0.61</b>

Terms and conditions as per sanction letter:-

- 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 borrower or any third party except in normal course of its business.
- Formulate any scheme of amalgamation with any other borrower/third party or reconstitution any borrower or third party.
- 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.
- Declare dividends for any year except out of profits relating to that year after making all due and necessary provisions and provided further that no default had occurred in any repayment obligations.
- 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;

## **MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITIONS AND RESULTS OF OPERATIONS**

*You should read the following discussion of our financial condition and results of operations together with our restated financial statements included in the Prospectus. You should also read the section entitled “Risk Factors” beginning on page 14 and “Forward Looking Statements” beginning on page 13 which discusses a number of factors, risks and contingencies that could affect our financial condition and results of operations.*

*The following discussion of our financial condition and results of operations should be read in conjunction with our restated financial statements for the period ended December 31, 2016 and for the fiscal years ended March 31, 2016, 2015, 2014, 2013 and 2012, including the schedules and notes thereto and the reports thereto, which appear in the section titled “Financial Information of the Company” on Page 135 of the Prospectus. The financial statements presented and discussed herein have been prepared to comply in all material respects with the notified accounting standards by Companies (Accounting Standards) Rules, 2006 (as amended), the relevant provisions of the Companies Act and SEBI (Issue of Capital and Disclosure Requirements) Regulations. Our fiscal year ends on March 31 of each year. Accordingly, all references to a particular fiscal year/financial year are to the twelve-month period ended on March 31 of that year. The forward-looking statements contained in this discussion and analysis is subject to a variety of factors that could cause actual results to differ materially from those contemplated by such statements.*

### **OVERVIEW**

Our company was incorporated in 2009, We are a globally active, Indian chemical producer, focused on organic chemicals and custom synthesis and primarily engaged in manufacturing of Speciality chemicals, Active Pharmaceutical ingredients, intermediate and personal care ingredients. Our Company is also ISO 9001:2015 certified company by Quality Systems Zurich. Our company has also received WHO- GMP Certificate for our Manufacturing, Marketing & Supply of Active Pharma Ingredients i.e. API's and intermediates. The manufacturing facility is located at Vadivarhe, Nashik which is about 20 Km from Nashik towards Mumbai and around 150 Km from Mumbai.

Over the years, we have established ourselves as a successful Manufacturer of Organic Chemicals with a core focus on Intermediates, Personal Care Products and Speciality Chemicals. We place a great emphasis on research & development, evolving proprietary process development methodologies and reliance on our manufacturing facility to deliver products of the desired quality standards. Good Manufacturing Practices i.e. GMP rules are strictly followed on every stage of manufacturing process and we are committed to quality and take special care for the quality of materials received from our suppliers as the same affect our product quality and specifications. We have been consistent in maintaining the quality and delivery of our products consistently over a period of time.

Our company has entered into an agreement with Enaltec Labs Pvt Ltd dated December 03, 2012 to manufacture API products for them for a period of 10 years based on the material and specification provided by them. Under the agreement we have provided working capital subject to a maximum, of Rs. 4.00 crore for facilitating the manufacture of products of Enaltec Labs Pvt. Ltd. As per the terms of the agreement our company will also not manufacture or market the products manufactured by Enaltec Labs Pvt. Ltd. during the continuance of the agreement. The company has also entered into an agreement with Zenvision Pharma LLP for offering its manufacturing facility on Loan and License basis. Pursuant to the agreement, the Company has given a security deposit to Zenvision Pharma LLP of Rs. 2,50,00,000 (Rupees Two crore fifty lacs only) during the financial year 2016-17.

Our Company was originally incorporated on February 23, 2009 as “Vadivarhe Speciality Chemicals Limited” vide Registration no. 11-190516/2008-2009 (CIN: U24100MH2009PLC190516) under the provisions of the Companies Act, 1956 with the Registrar of Companies, Maharashtra, Mumbai. Our company was incorporate in year 2009 and prior to the incorporation of our company, Fem Care Pharma Ltd was promoted by our promoter Mr. Sunil Haripant Pophale which was later taken over by Dabur India Ltd in the year 2009. Mr. Sunil Haripant Pophale sold his stake in Fem Care Pharma Ltd to Dabur India Ltd and as per the terms and condition of the Division Transfer Agreement dated May 07, 2009 the Speciality chemical division of Fem Care Pharma Limited was transferred to Vadivarhe

Speciality Chemicals Limited. After the above transfer we are running the Speciality chemical division under the leadership of our promoter Mr. Sunil Haripant Pophale.

Our promoter Mr. Sunil Haripant Pophale is a B. Tech from the Indian Institute of Technology (I.I.T.), Powai and has a vast experience of over 36 years in the field of Chemical division. He has a proven track record as a founder and chief promoter of Fem Care Pharma Ltd, listed with the Bombay Stock Exchange in 1994, and successfully sold his stake in 2009. Our promoter along with his qualified team members focus on quality, timely delivery and building the positive image for our company. Under the leadership of our promoter we have been able to successfully lay down our growth strategies and focus on continual improvement and value creation in all aspects of the transformation of raw materials into finished products.

Some of our major clients are Glaxo Smithkline Pharmaceuticals Ltd, Fine Organics Ltd UK, Chem-Impex International INC, D C Fine Chemicals, USV Ltd, Lupin Ltd, Mankind Pharma Limited, Himedia Laboratories Pvt. Ltd., Hetero Labs Ltd & many others in the Domestic and International sector.

For the fiscal year ended on March 31, 2017, 2016, fiscal 2015 and fiscal 2014 our total revenue stood at 3537.28 Lakhs, 2642.51 Lakhs, 1913.31 Lakhs & 1398.55 Lakhs respectively. Further, our EAT for the fiscal year ended on March 31, 2017, 2016, fiscal 2015 and fiscal 2014 were 578.81 Lakhs, 337.84 Lakhs, 397.65 Lakhs & 7.30 Lakhs respectively. We have been able to increase our revenue at an annual growth rate of 36.24 % from fiscal 2014 until fiscal 2017.

## **CERTIFICATIONS & RECOGNITIONS RECEIVED BY OUR COMPANY**

High quality and consistency of our products are very important for the growth and survival of the organization and increasing confidence of our customer.

Some of the prominent certifications and recognitions received by our Company are the following:-

- Our company has been accredited with WHO GMP Certificate for the manufacturing, marketing & supply of active pharmaceutical ingredients and intermediates valid till 07, December, 2019.
- Our company has been accredited with Good Laboratory Practices (GLP) Certificate for the manufacturing, marketing & supply of active pharmaceutical ingredients and intermediates valid till 07 December, 2019
- Accreditation of ISO 9001:2015 certificate for the manufacturing, marketing & supply of active pharmaceutical ingredients and intermediates valid till 07, December, 2019.
- Certificate of Good Manufacturing Practices for the dosage forms, categories and activities for Active Pharmaceutical Ingredients (Bulk Drugs) valid till 14, June, 2017.
- Company has rated 1 Star Export House by DGFT, India

## **OUR BUSINESS STRENGTHS**

### **1. Experienced Promoters**

Our Promoter Mr. Sunil Haripant Pophale is having an overall experience 36 years in the manufacturing of Cosmetics, Pharmaceuticals and specialty chemicals products and has a proven background and rich experience in the industry. Our Promoter, Mr. Sunil Haripant Pophale was the founder and Promoter of Fem Care Pharma Ltd. which was engaged in the business of personal care, Pharmaceuticals, specialty chemical and intermediates. Later, our Promoter sold his stake with Dabur India Ltd and retained the chemical division which was transferred under the Division Transfer Agreement to Vadivarhe Speciality Chemicals Limited. Since then, our Promoter has over the years expanded our scale of operations. For further details of our Promoter's experience and background, please refer the chapter titled "***Our Promoters and Promoter Group***" on page 126 of this Prospectus. Also, our Company and our Promoter are aided by a team of experienced personnel. The team comprises of personnel having technical, operational and business development experience.

### **2. Wide range of product**

Vadivarhe Speciality Chemicals Limited is mainly engaged in manufacturing of Personal Care products, APIs, Intermediates and Speciality chemicals. Apart from the above we have also entered into a loan licensing activity wherein we undertake contract manufacturing of APIs for Enaltec Labs Private Limited. With our wide product portfolio our company is able to cater to the demand of both domestic as well as international market.

### **3. Long term relationship with the clients**

Our company focuses on providing the customers with the desired and standard quality product. By providing the desired quality and standards we aim to achieve highest level of customer satisfaction and procure repeated orders from customers. Because of our good reputation with the clients we have been able to attain orders from a diverse range of client base. Presently our key customers include Enaltec Labs Private Limited, GlaxoSmith Kline Pharmaceuticals Ltd, Fine Organics Ltd. and USV Ltd.

### **4. Certifications and compliance with Quality Standards**

Our products conform to the national and international standards governing the said products. Our Company has received an ISO 9001:2015 in the year 2016 from QS Zurich AG. Our company has also received the WHO- GMP certification for its products and manufacturing facility. We have been consistent in delivering quality products to our customer. Our company has also maintained a quality policy that supports the company's GMP and customer satisfaction goals. Our focus on quality has enabled us to sustain and grow our business model to benefit our customers.

## **OUR BUSINESS STRATEGIES**

### **1. Entering into new geographies**

We intend to cater to the increasing demand of our existing customers and also to increase our existing customer base by enhancing the distribution reach of our products in different parts of the country and also world. We propose to increase our marketing and sales team which can focus in different regions and also maintain and establish relationship with customers. Enhancing our presence in additional regions will enable us to reach out to a larger population. Further, our Company believes in maintaining long term relationships with our customers in terms of increased sales. We aim to achieve this by adding value to our customers through innovation, quality assurance, timely delivery, and reliability of our products.

### **2. Improving operational efficiencies**

Our Company intends to improve efficiencies to achieve cost reductions so that our products can be competitive. We believe that this can be done through economies of scale. Further, the Company is also taking steps to reduce the consumption of power and other utilities. As a result of these measures, our Company will be able to increase its market share and profitability.

### **3. Attract and retain talented employee**

Employees are essential for the success of every organization. We rely on them to operate our manufacturing facilities and deliver quality performance to our clients. We constantly intend to continue our focus on improving health, safety and environment for our employees and provide various programs and benefits for the personal well-being and career development of our employees. We intend to strive to further reduce the employee attrition rate and retain more of our skilled workers for our future expansion by providing them with better, safer and healthier working environment.

### **4. Focus on consistently meeting quality standards**

Our Company intends to focus on adhering to the quality standards of the products. This is necessary so as to make sure that we get repeat orders from our customers. Quality of the product is very important for the company from



both customer point of view and regulatory point of view. Providing the desired and good quality product help us in enhancing our brand value and maintaining long term relationships with customers.

## 5. Develop and maintain relationships with our Suppliers and Customers

We believe in maintaining good relationship with our Suppliers and Customers which is the most important factor to keep our Company growing. Our dedicated and focused approach and efficient and timely delivery of products has helped us build strong relationships over a number of years. We bag and place repetitive order with our customers as well as with our suppliers. For us, establishing strong, mutually beneficial long-term relationships with strategic supplier relationship management is a critical step in improving performance across the supply chain, generating greater cost efficiency and enabling the business to grow and develop.

## 6. Invest significantly in Research and development

We intend to increase our initiatives in R&D in order to constantly study industry verticals to identify product inefficiencies in areas in which we could add value. Going forward, we intend to expand our research and development capabilities, by increasing our investment in employing qualified individuals from the industry. We believe that continued investments in R&D will enable us to increase our productivity, improve our operating efficiency, and enable us to penetrate existing and new market segments.

## OUR LOCATION

<b>Registered Office &amp; Factory Unit</b>	Gat No. 204, Vadivarhe, Igatpuri, – 422 403, Maharashtra, India
<b>Corporate Office</b>	1 <sup>st</sup> Floor, K.K. Chambers Sir P.T. Road Fort, Mumbai – 400001, Maharashtra, India
<b>Guest House</b>	Flat/Room No. 7, Serena Park Apartment, S. No. 42 Canal Road, Anandwadi, Nasik -422003

## SWOT ANALYSIS

<b>Strengths</b> <ul style="list-style-type: none"> <li>Well Established Manufacturing facility</li> <li>Quality assurance and Standard</li> <li>Experienced Promoter &amp; Management Team.</li> <li>Wide range of Products</li> <li>Strong relationship with customer and suppliers</li> </ul>	<b>Weakness</b> <ul style="list-style-type: none"> <li>Higher taxes</li> <li>Dependence on suppliers for products availability</li> </ul>
<b>Opportunities</b> <ul style="list-style-type: none"> <li>Large growth potential.</li> <li>Increasing interest of products in international market</li> <li>Increasing demand</li> </ul>	<b>Threats</b> <ul style="list-style-type: none"> <li>Competition from other developing countries.</li> <li>Government &amp; regulatory norms</li> <li>Fluctuations in the material prices</li> </ul>

## OUR PRODUCT PORTFOLIO

- Specialty Chemicals
- Active Pharmaceutical ingredients (APIs)
- Intermediaries
- Personal care ingredients

Apart from the above products we have also entered into a loan licensing activity wherein we undertake contract manufacturing of APIs for Enaltec Labs Private Limited.

For further details of our product portfolio refer section titled “*Our Business*” on page 85 of this Prospectus.

## EQUIPMENTS

The manufacturing facilities have been built with keeping in mind Efficiency, Safety and Environment factors. Our compact factory complex has all the key ingredients for a successful manufacturing unit. We have made all endeavors in procuring top of the line equipment and building that can effectively cater to specific customer needs.

Brief details of major Plant and Machinery installed for each Product are as follows:-

**Production machinery:** -GLR (Glass lined Reactor), SSR (Stainless Steel Reactor), Autoclave (Hydrogenate), Centrifuge SS-316 /MSRL (48" & 36"), Air Tray dryer (48 & 24 T), Vac. Tray Dryers (24 T), Vac. Dryers – Rotary, Blender- Octa, Clean Rooms, Boiler :-850Kg/H, DM plant, Chiller-Water, Chiller-Brine (-15 & -20°C), Cooling Towers, Main water storage Tanks, Air Handling units, FDV, Scrubber, High Vac Pumps(Oil)200 to 350, Electrical sanctioned Load, Electrical connected Load and Transformer

**Quality Control equipments:** - HPLC, GC, Electronic Weighting Balances &FTIR/UV Spectrophoto meter

### SUPPORT FACILITIES

Plant would be equipped with support facilities to ensure smooth operation with minimum down time. The support facilities may be summarized as under:-

- HVAC & Clean Room Environment
- Purified water system
- Compressed Air
- Chilled Brine plant
- Boilers
- Diesel Generator
- Scrubbers
- ETP plant

### COLLABORATIONS/TIE UPS/ JOINT VENTURES

Except as disclosed in this Prospectus and those entered in the normal Course of business, we do not have any Collaborations/ Tie-Ups/ Joint Ventures as on the date of Prospectus.

### EXPORT OBLIGATION

Below are the details of the export obligation as on date of this Prospectus:-

File No.	Period of Shipment	Export Product	Amount (in ₹)	Export Period
03/95/040/00926/AM16	29/02/2016	Chemical & Allied Product	114653750	18 months
03/95/040/00740/AM17	22/12/2016	Chemical & Allied Product	38088000	18 months

### HEALTH, SAFETY AND ENVIRONMENT

Safety and environmental protection, together with quality and operating efficiency, are among our key success factors of any organization. The prevention of accidents is one of our foremost priorities. Whether in the workplace or outside it, every accident is preventable and every risk can be lowered. Management at all levels of the organization is responsible for creating the framework and implementing measures to promote awareness of safety and environmental issues. The implementation of our safety and environmental policy and the compliance with regulations is taken care at all levels of the organization. The safety goals and programs are developed as part of the medium-term planning process and regularly reviewed. Management evaluates the safety and environmental protection system and identifies any corrective measures to be taken. To help ensure effective implementation of our safety policies and practices, we identify potential hazards, evaluate all material risks and institute, implement and monitor appropriate risk mitigation measures. We endeavor to minimize any accidents at our manufacturing facilities.

## **SALES AND MARKETING**

Marketing is an important function of our organization. Our success lies in the strength of our relationship with our customers and suppliers who have been associated with our Group for a long period. We sell our products in the domestic market as well as international market viz United States of America, Portugal, Malasiya, United Kingdom, Italy and Ukraine. As we deal directly deal with our customers and respond quickly to their requirements, we are able to build long term relationship with them. Further timely and quality delivery of the product plays in important role in creating and expanding our market size.

### **MARKETING STRATEGY:**

We intend to focus on following marketing strategies:

1. Focus on existing markets.
2. To expand our existing distribution base
3. Continuously holding markets trends.
4. Supply of Quality Products.
5. Fulfillment of Order in a timely manner.

## **COMPETITION**

The market for API is highly competitive and fragmented, and we face competition from various domestic and international manufacturers. Moreover, as we seek to diversify into new geographical areas globally, we may face competition from existing players that have presence in respective markets. In order to counter the competition, our focus would be to provide products that would be in consonance with technical and quality requirements of our customer as well as by trying to offer a competitive pricing model without compromise on the quality.

### **SIGNIFICANT DEVELOPMENT SUBSEQUENT TO THE LAST FINANCIAL YEAR:-**

In the opinion of the Board of Directors of our Company, there have not arisen any circumstances since the date of the last financial statements disclosed in this Prospectus that materially or adversely affect the operations or profitability of the Company or the Value of its assets or its ability to pay its liability within next twelve months except below changes occurred after Balance Sheet date:-

1. We have appointed Mr. Ravindra Keshav Paranjpe, Mr. Prasanna Prabhakar Rege and Mrs. Uttara Adwait Kher as the Non Executive Independent Director on the Board of the Company in the EGM of the shareholders held on May 02, 2017..

### **FACTORS AFFECTING OUR FUTURE RESULTS OF OPERATIONS:-**

Our results of operations could potentially be affected by the following factors amongst others:

1. Disruption in our Active Pharmaceutical ingredients, specialty chemical or related intermediaries business.
2. Failure to comply with regulations prescribed by authorities of the jurisdictions in which we operate;
3. Inability to successfully obtain registrations in a timely manner or at all;
4. General economic and business conditions in the markets in which we operate and in the local, regional and national economies;
5. Our ability to effectively manage a variety of business, legal, regulatory, economic, social and political risks associated with our operations;
6. Disruption in supply of Raw Materials at our manufacturing facilities;
7. Recession in the market;

8. Changes in laws and regulations relating to the industries in which we operate;
9. Effect of lack of infrastructure facilities on our business;
10. Occurrence of Environmental Problems & Uninsured Losses;
11. Our ability to successfully implement our growth strategy and expansion plans;
12. Our ability to meet our capital expenditure requirements;
13. Our ability to attract, retain and manage qualified personnel;
14. Failure to adapt to the changing technology in our industry of operation may adversely affect our business and financial condition;
15. Failure to obtain any approvals, licenses, registrations and permits in a timely manner;
16. The timely completion of the Company's projects;
17. Changes in political and social conditions in India or in countries that we may enter, the monetary and interest rate policies of India and other countries, inflation, deflation, unanticipated turbulence in interest rates, equity prices or other rates or prices;
18. Occurrence of natural disasters or calamities affecting the areas in which we have operations;
19. Conflicts of interest with affiliated companies, the promoter group and other related parties;
20. The performance of the financial markets in India and globally;
21. Any adverse outcome in the legal proceedings in which we are involved;
22. Our ability to expand our geographical area of operation;
23. Concentration of ownership among our Promoters.

#### **Our Significant Accounting Policies:**

Our significant accounting policies are described in the section entitled "*Financial Information of the Company*" on page 135 of this Prospectus.

#### **Change in accounting policies in previous 3 (three) years**

Except as mentioned in chapter "*Financial Information of the Company*" on page 135, there has been no change in accounting policies in last 3 (three) years.

#### **Summary of the Results of Operations**

(Amount in Rs. Lakhs)

Particulars	31.03.2017	% of Total Income	31.03.2016	% of Total Income	31.03.2015	% of Total Income	31.03.2014	% of Total Income	31.03.2013	% of Total Income
Revenue from Operations	3502.88	99.03	2628.27	99.46	1902.74	99.45	1387.31	99.20	1316.09	99.62
Other Incomes	34.40	0.97	14.24	0.54	10.58	0.55	11.24	0.80	4.96	0.38
<b>Total Revenue</b>	<b>3537.28</b>	<b>100.00</b>	<b>2642.51</b>	<b>100.00</b>	<b>1913.31</b>	<b>100.00</b>	<b>1398.55</b>	<b>100.00</b>	<b>1321.06</b>	<b>100.00</b>
Expenses:	0.00	0.00	0.00		0.00		0.00		0.00	
Cost of materials consumed	1163.76	32.90	812.74	30.76	186.46	9.75	212.48	15.19	343.89	26.03
Purchase of Stock-in-Trade	0.00	0.00	0.00	0.00	0.00	0.00	3.57	0.25	51.78	3.92
Employee Benefits Expense	392.27	11.09	321.77	12.18	281.51	14.71	251.28	17.97	457.36	34.62
Administrative and other Expenses	886.95	25.07	811.04	30.69	664.55	34.73	603.40	43.14	710.02	53.75
Finance Costs	85.19	2.41	120.94	4.58	89.03	4.65	102.26	7.31	109.60	8.30
Depreciation And Amortization Expense	113.60	3.21	103.37	3.91	109.29	5.71	165.20	11.81	169.06	12.80
Changes in inventory of Stock in Trade	19.99	0.57	(56.47)	(2.14)	18.28	0.96	47.51	3.40	(21.24)	(1.61)
<b>Total Expenses</b>	<b>2661.76</b>	<b>75.25</b>	<b>2113.39</b>	<b>79.98</b>	<b>1349.13</b>	<b>70.51</b>	<b>1385.69</b>	<b>99.08</b>	<b>1820.48</b>	<b>137.80</b>
Profit before exceptional and extraordinary items and tax (A-B)	875.53	24.75	529.12	20.02	564.19	29.49	12.86	0.92	(499.42)	(37.80)
Exceptional/Prior Period item	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>Profit Before Tax</b>	<b>875.53</b>	<b>24.75</b>	<b>529.12</b>	<b>20.02</b>	<b>564.19</b>	<b>29.49</b>	<b>12.86</b>	<b>0.92</b>	<b>(499.42)</b>	<b>(37.80)</b>
Provision for Tax	0.00	0.00	0.00		0.00		0.00		0.00	
- Current Tax	178.51	5.05	111.88	4.23	42.14	2.20	0.00	0.00	0.00	0.00
- Deferred Tax Liability / (Asset)	161.26	4.56	187.27	7.09	165.61	8.66	5.57	0.40	(160.36)	(12.14)
MAT Credit Entitlement	(47.40)	(1.34)	(107.88)	(4.08)	(41.21)	(2.15)	0.00	0.00	0.00	0.00
Short/(Excess) Tax adjustment of prior years	4.34	0.12	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>Restated profit after tax for the period from continuing operations</b>	<b>578.81</b>	<b>16.36</b>	<b>337.85</b>	<b>12.79</b>	<b>397.65</b>	<b>20.78</b>	<b>7.30</b>	<b>0.52</b>	<b>(339.06)</b>	<b>(25.67)</b>

## Key Components of Company's Profit And Loss Statement

**Revenue from Sale of Product:** Revenue from operations mainly consists of sale of API's, Chemical and related intermediaries. The revenue of the company also includes the revenue earned by providing its manufacturing facilities to Enaltec for manufacturing for their products.

**Other Income:** Other income primarily comprises of Dividend & Interest Income.

**Expenses:** Company's expenses consist of cost of material consumed, employee benefits expense, administration & Other Expenses, finance costs, depreciation and amortization expenses.

**Employee Benefits Expense:** Employee benefit expense includes Salaries and Wages and Staff Welfare Expenses, Contribution to ESIC & PF, Bonus to Employees and Provision for Gratuity.

**Finance Costs:** Finance cost comprises interest on Indebtedness, Bank charges.

**Depreciation and Amortization Expense:** We recognize Depreciation and Amortization expense on a Straight Line Method (SLM method) as per the rates set forth in the Companies Act, 2013/ Companies Act, 1956, as applicable.

**Administration & Other Expenses:** Other expenses include rent, electricity, freight, repairs, office maintenance exp, travelling and conveyance exp, telephone and internet exp and miscellaneous expenditure etc.

## Financial Performance Highlights for year ended 31<sup>st</sup> March , 2017

**Total Income:** The Company's total income during the period ended March 31<sup>st</sup>, 2017 was ₹ 3537.28 Lacs. The revenue from Sale of Products was ₹ 2055.40 Lacs and from services was ₹ 1447.47 which comprised 99.03% of company's total income for the year ended March 31<sup>st</sup>, 2016.

**Total Expenses:** The total expenditure during the period ended March 31<sup>st</sup>, 2017 was ₹ 2661.76 Lacs. The total expenditure represents 75.25% of the total revenue. The total expenses are represented by Cost of material consumed, Employee Benefits Expense, Administrative and other Expenses, Finance Costs, Depreciation and Amortization Expense. The main constituent of total expenditure is Cost of material consumed, which is ₹ 1163.76 Lacs.

**Profit/ (Loss) after tax:** The restated net profit for the year ended March 31<sup>st</sup>, 2017 was ₹ 578.81 Lacs representing 16.36% of the total revenue of the Company.

## COMPARISON OF THE FINANCIAL PERFORMANCE OF FISCAL 2017 WITH FISCAL 2016

**Total Income:** During the year 2016-17 the total revenue of the company increased to ₹ 3502.88 Lacs as against ₹ 2628.27 Lacs in the year 2015-16, representing an increase of 33.28% of the total revenue. This increase was mainly due to increase in sale of products and service revenue

**Other Income:** Other income of the Company for the year 2016-17 was ₹ 34.40 Lacs in comparison with ₹ 14.24 Lacs for F.Y. 2015-16.

**Total Expenses:** The total expenditure for the year 2016-17 increased to ₹ 2661.76 Lacs from ₹ 2113.39 Lacs in year 2015-16, representing an increase of 25.95 % to the previous year.

**Cost of Goods consumed:** The Cost of Material Consumed for the year 2016-17 increased to ₹ 1163.76 Lacs from ₹ 812.74 Lacs, representing an increase of 43.19 % to the 2015-16.

**Employee Benefits Expense:** The Employee Benefit Expense comprises of salaries and wages and staff welfare expenses. The said expenses increased to ₹ 392.27 Lacs during the F.Y. 2016-17 from ₹ 321.77 Lacs in the previous year 2015-16.

**Finance Costs:** Finance cost for the year 2016-17 decreased to ₹ 85.19 Lacs as against ₹ 120.94 Lacs of the year 2015-16.

**Depreciation and Amortization Expense:** Depreciation for the year 2016-17 stood at ₹ 113.60 Lacs calculated at SLM method as per companies Act. For the year 2015-16 the same was ₹ 103.37 Lacs.

**Administrative and other Expenses:** Administrative and other Expenses include rent, electricity, freight, repairs, office maintenance exp, travelling and conveyance exp, telephone and internet exp and miscellaneous expenditure etc. These expenses increased to ₹ 886.95 Lacs for the year 2016-17 as against ₹ 811.04 Lacs of the year 2015-16.

**Profit/ (Loss) Before Tax:** The company's profit before tax for F.Y. 2016-17 was Rs 875.53 Lacs as against ₹ 529.12 Lacs in the year 2015-16 representing a increase of 20.02 % to the previous year.

**Profit/ (Loss) After Tax :** For the year 2016-17 the profit stood at ₹ 578.81 Lacs as against the profit of ₹ 337.85 Lacs for the year 2015-16, representing a increase of 71.32% to the previous year.

#### COMPARISON OF THE FINANCIAL PERFORMANCE OF FISCAL 2016 WITH FISCAL 2015

**Total Income:** During the year 2015-16 the total revenue of the company increased to ₹ 2628.27 Lacs as against ₹ 1902.74 Lacs in the year 2014- 15, representing an increase of 38.13% of the total revenue. This increase was mainly due to increase in sale of products and service revenue

**Other Income:** Other income of the Company for the year 2015-16 was ₹ 14.24 Lacs in comparison with ₹ 10.57 Lacs for F.Y. 2014-15.

**Total Expenses:** The total expenditure for the year 2015-16 increased to ₹ 2113.39 Lacs from ₹ 1349.13 Lacs in year 2014-15, representing an increase of 56.65 % to the previous year.

**Cost of Goods consumed:** The Cost of Material Consumed for the year 2015-16 increased to ₹ 812.74 Lacs from ₹ 186.46 Lacs, representing an increase of 335.88 % to the 2014-15.

**Employee Benefits Expense:** The Employee Benefit Expense comprises of salaries and wages and staff welfare expenses. The said expenses increased to ₹ 321.77 Lacs during the F.Y. 2015-16 from ₹ 281.51 Lacs in the previous year 2014-15.

**Finance Costs:** Finance cost for the year 2015-16 increased to ₹ 120.94 Lacs as against ₹ 89.03 Lacs of the year 2014-15.

**Depreciation and Amortization Expense:** Depreciation for the year 2015-16 stood at ₹ 103.37 Lacs calculated at SLM method as per companies Act. For the year 2014-15 the same was ₹ 109.29 Lacs.

**Administrative and other Expenses:** Administrative and other Expenses include rent, electricity, freight, repairs, office maintenance exp, travelling and conveyance exp, telephone and internet exp and miscellaneous expenditure etc. These expenses increased to ₹ 811.04 Lacs for the year 2015- 16 as against ₹ 664.55 Lacs of the year 2014-15.

**Profit/ (Loss) Before Tax:** The company's profit before tax for F.Y. 2015-16 was Rs 529.12 Lacs as against ₹ 564.18 Lacs in the year 2014-15 representing a decrease of 6.22 % to the previous year.

**Profit/ (Loss) After Tax :** For the year 2015-16 the profit stood at ₹ 337.85 Lacs as against the profit of ₹ 397.65 Lacs for the year 2014-15, representing a decrease of 15.04% to the previous year.

#### COMPARISON OF THE FINANCIAL PERFORMANCE OF FISCAL 2015 WITH FISCAL 2014

**Total Income:** During the year 2014-15 the total revenue of the company increased to ₹ 1902.74 Lacs as against ₹ 1387.31 Lacs in the year 2013-14, representing an increase of 37.15% of the total revenue. This increase was mainly due to increase in sale of Products and service revenue.

**Other Income:** Other income of the Company for the year 2014-15 was ₹ 10.57 Lacs in comparison with ₹ 11.24 Lacs for F.Y. 2013-14.

**Total Expenses:** The total expenditure for the year 2014-15 decreased to ₹ 1349.13 Lacs from ₹ 1385.68 Lacs in year 2013-14, representing a decrease of 2.64% to the previous year. This was due to decrease in volume of business, which resulted in decrease in expenses viz. Cost of material consumed.

**Cost of Material Consumed:** The Cost of Material Consumed for the year 2014-15 decreased to ₹ 186.46 Lacs from ₹ 212.48 Lacs, representing a decrease of 12.25% to the previous year.

**Employee Benefits Expense:** The Employee Benefit Expense comprises of salaries and wages and staff welfare expenses. The said expenses increase to ₹ 281.51 Lacs during the F.Y. 2014-15 from ₹ 251.28 Lacs in the previous year 2013-14.

**Finance Costs:** Finance cost for the year 2014-15 decreased to ₹ 89.03 Lacs as against ₹ 102.26 Lacs of the year 2013-14. This decrease in amount was due to decrease in borrowings of the Company.

**Depreciation and Amortization Expense:** Depreciation for the year 2014-15 stood at ₹ 109.29 Lacs calculated at SLM method as per companies Act. For the year 2013-14 the same was ₹ 165.20 Lacs.

**Administrative and other Expenses:** Administrative and other Expenses include rent, electricity, freight, repairs, office maintenance exp, travelling and conveyance exp, telephone and internet exp and miscellaneous expenditure etc. These expenses were for the year 2014-15 increased to ₹ 664.55 Lacs as against ₹ 603.40 Lacs of the year 2013-14.

**Profit/ (Loss) Before Tax** The company's profit before tax for F.Y. 2014-15 increase to Rs 564.18 Lacs from ₹ 12.86 Lacs in the year 2013-14 representing an increase of 4285.92% compared to the previous year.

**Profit/ (Loss) After Tax** For the year 2014-15 the profit stood at ₹ 397.65 Lacs as against the profit of ₹ 7.30 Lacs for the year 2013-14.

## COMPARISON OF THE FINANCIAL PERFORMANCE OF FISCAL 2014 WITH FISCAL 2013

**Total Income:** During the F.Y. 2013-14 the total income of the Company increased to ₹ 1387.31 Lacs as against previous financial year 2012-13 of ₹ 1316.09 Lacs representing an increase of 5.41%. This increase was mainly due to increase in revenue from sale of products.

**Total Expenses:** Total expenditure for the F.Y. 2013-14 decreased to ₹ 1385.68 Lacs from ₹ 1820.48 Lacs in FY 2012-13 representing a decrease of 23.88%. This was due to decrease in expenses viz. Cost of material consumed, employees benefit expenses, Administrative and other Expenses and changes in inventory of Finished Goods.

**Employee benefits expense:** Employee benefits expense decreased to ₹ 251.28 Lacs in the year F.Y 2013-14 from ₹ 457.36 Lacs in FY 2012-13, representing a decrease of 45.06%.

**Finance Costs:** Finance costs decreased to ₹ 102.26 Lacs in F.Y 2013-14 as compared to F.Y 2012-13 in which it was ₹ 109.60 Lacs

**Depreciation and amortization expense:** Depreciation and amortization expense decreased in FY 2013-14 to ₹ 165.20 Lacs from ₹ 169.06 Lacs compared to previous year FY 2012-13.



**Administrative and other Expenses:** Other expenses for the F.Y 2013-14 decreased to ₹ 603.40 Lacs whereas it was ₹ 710.02 Lacs in previous F.Y. 2012-13.

**Net Profit before tax:** Net Profit before tax for the F.Y 2013-14 was ₹ 12.86 Lacs as against loss of ₹ 499.42 Lacs for the previous year 2012-13.

**Profit after tax:** The Restated profit after tax for the F.Y 2013-14 was at ₹ 7.30 Lacs as against a loss of ₹ 339.06 Lacs in the previous year 2012-13.

**Information required as per Item (2) (IX) (E) (5) of Part A of Schedule VIII to the SEBI Regulations:**

**An analysis of reasons for the changes in significant items of income and expenditure is given hereunder:**

**1. Unusual or infrequent events or transactions**

There has not been any unusual trend on account of our business activity. Except as disclosed in this Prospectus, there are no unusual or infrequent events or transactions in our Company.

**2. Significant economic changes that materially affected or are likely to affect income from continuing operations.**

There are no significant economic changes that may materially affect or likely to affect income from continuing operations.

**3. Known trends or uncertainties that have had or are expected to have a material adverse impact on sales, revenue or income from continuing operations.**

Apart from the risks as disclosed under Section “**Risk Factors**” beginning on page 14 in the Prospectus, in our opinion there are no other known trends or uncertainties that have had or are expected to have a material adverse impact on revenue or income from continuing operations.

**4. Future changes in relationship between costs and revenues**

Our Company’s future costs and revenues will be determined by demand/supply situation in chemical, API’s manufacturing sector, government policies and prices quoted by our suppliers for raw material.

**5. Total turnover of each major industry segment in which our Company operates**

The Company is in the business of the manufacturing of chemicals, API’s and related intermediaries. Relevant industry data, as available, has been included in the chapter titled “**Industry Overview**” beginning on page 79 of this Prospectus.

**6. Increases in net sales or revenue and Introduction of new products or services or increased sales prices**

There is no addition to our product portfolio during the last 1 year.

**7. Status of any publicly announced New Products or Business Segment**

Our Company has not announced any new product.

**8. Seasonality of business**

Our Company’s business is not seasonal in nature.

### 9. Dependence on few customers/ clients

The percentage of contribution of our Company's Top Customers/Clients for the year ended March 31, 2017 is as follows:

#### Our Major Customers/ Clients for the year ended March 31, 2017

Name of the Clients	Amount (₹ in Lacs)	As % of total turnover*
Fine Organics	1,524.85	41.54
Enaltec Labs Pvt Ltd	1,447.47	39.43
Glaxo Smith Kline Pharmaceuticals Ltd., (UK)	112.39	3.06
USV Limited (Chiplun)	88.85	2.42
Glaxo Smith Kline Pharmaceuticals Ltd.,	88.47	2.41
Encube Ethicals Pvt Ltd (Goa)	38.00	1.04
Envee Drugs Pvt Ltd	28.86	0.79
Whyte Chemicals Limited	25.29	0.69
Chem-Impex International INC	11.29	0.31
VWR Chemicals LLC	10.86	0.30
<b>Total</b>	<b>3376.32</b>	<b>91.97</b>

\*The above value is inclusive of all applicable taxes and incidental expenses.

#### Our Major Suppliers of Raw material for the year ended March 31, 2017

Name of the Supplier	Amount (₹ in Lacs)	As % of total purchase*
Suzhou Ounce Chemical Co. Ltd	166.72	14.08
Farmasino Pharamaceuticals (Jiangsu) Co. Ltd	153.34	12.95
Nyne Organics Pvt. Ltd.	106.67	9.01
Base Metal Chemicals	70.92	5.99
Shivam Petrochem	65.71	5.55
Chemex Chemicals	60.93	5.15
Gujarat Fluorochemicals Limited	58.41	4.93
Jiangsu Sainty Handsome Co Ltd	52.78	4.46
Chempharma	51.43	4.35
Taiyo Nippon Sanso K-Air India Pvt. Ltd.	47.78	4.04
<b>Total</b>	<b>834.69</b>	<b>70.51</b>

\*The above value is inclusive of all applicable taxes and incidental expenses.

### 10. Competitive conditions

Competitive conditions are as described under the Chapters "Industry Overview" and "Our Business" beginning on pages 79 and 85 respectively of the Prospectus.

### 11. Details of material developments after the date of last balance sheet i.e. March 31, 2017

Except as mentioned below, no circumstances have arisen since the date of last financial statement until the date of filing the Prospectus, which materially and adversely affect or are likely to affect the operations or profitability of our Company, or value of its assets, or its ability to pay its liability within next twelve months. There is no subsequent development after the date of the Auditor's Report, which will have a material impact on the reserves, profits, earnings per share and book value of the Equity Shares of the Company.

## OUTSTANDING LITIGATIONS AND MATERIAL DEVELOPMENTS

Except as described below, there are no outstanding litigations, suits, civil or criminal prosecutions, proceedings before any judicial, quasi-judicial, arbitral or administrative tribunals, including pending proceedings for violation of statutory regulations or alleging criminal or economic offences or tax liabilities or any other offences (including past cases where penalties may or may not have been awarded and irrespective of whether they are specified under paragraph (i) of Part I of Schedule XIII of the Companies Act ) against our Company, Promoter, Group Companies and Directors as of the date of this Prospectus that would have a material adverse effect on our business. There are no defaults, non-payments or overdue of statutory liabilities, institutional/bank dues and dues payable to holders of debentures or fixed deposits and arrears of cumulative preference shares that would have a material adverse effect on our business.

Further, Our Company has a policy for identification of Material Litigation in terms of the SEBI (ICDR) Regulations, 2009 as amended for disclosure of all pending litigation involving our Company, holding, Directors, Promoters and Group Companies, other than criminal proceedings and statutory or regulatory actions, would be considered 'material' if the monetary amount of claim by or against the entity or person in any such pending proceeding is in excess of Rs. 1,00,000/- and where the amount is not quantifiable, such pending cases are material from the perspective of the company's business, operations, prospects or reputation.

The Company has policy for identification of material outstanding dues to creditors in terms of the SEBI (ICDR) Regulations, 2009 as amended for creditors where outstanding dues to any one of them exceeds Rs. 1,00,000/- .

### **PART 1: CONTINGENT LIABILITIES OF THE COMPANY**

<i>Particular</i>	<i>Amount ( Rs. Lacs)</i>
Guarantees given ( Maharashtra Pollution Control Board )	5.00
Commitments ( Not provided for)	1.97
<b>TOTAL</b>	<b>6.97</b>

### **PART 2: LITIGATION RELATING TO OUR COMPANY**

#### **A. CASES FILED AGAINST OURCOMPANY**

##### **1. Litigation involving Criminal Laws**

NIL

##### **2. Litigation Involving Actions by Statutory/Regulatory Authorities**

NIL

##### **3. Litigation involving Tax Liability**

NIL

##### **4. Other Pending Litigation**

Labour Court, Nashik

Mr. Rajendra Mahipat Punde ('the Complainant') had filed a complaint with the Labour Court, Nashik on 06/09/2014 against Vadivarhe Speciality Chemicals Limited & Chairman & Managing Director of VSCL. (collectively referred as 'Respondents') wherein the Complainant had pleaded that the Respondents had illegally terminated his services and not given notice pay or retrenchment compensation. The Respondents have objected to the status of the Complainant as a workman and thereby jurisdiction of the Labour Court, Nashik. Post hearing, the

Labour Court, Nashik have vide interim order dated 20<sup>th</sup> August, 2015 rejected the application for interim relief. The matter is currently pending with concerned authority.

**B. CASES FILED BY OUR COMPANY**

**1. Litigation involving Criminal Laws**

NIL

**2. Litigation Involving Actions by Statutory/Regulatory Authorities**

NIL

**3. Litigation involving Tax Liability**

NIL

**4. Other Pending Litigation**

Our company has filed a complaint to the court of Hon'ble State Consumer dispute Redressal Commission Mumbai at Nashik under section 17 of the Consumer Protection Act, 1986 against Branch Manager & Regional Manager, Claim Service center of The Oriental Insurance Company Ltd. Company has filed the complaint for Non settlement of the Export Marine Insurance Claim no. WR/OMC/DO9/2014/2915. An export was made to Glaxo Smitkline Pharmaceutical Limited UK under Marine Cargo open insurance policy no 121808/21/2014/250 which was received by Glaxo Smitkline on 22.08.2013 under rusting and damage condition. Our company was required to make the replacement of the said material which caused a loss of Rs. 19,63,602. Company made the necessary claim with The Oriental Insurance Company Limited but the same have been rejected. The matter is still pending with the competent authority.

**PART 3: LITIGATION RELATING TO OUR PROMOTER**

**A. CASES FILED AGAINST THE PROMOTER**

**1. Litigation involving Criminal Laws**

NIL

**2. Litigation Involving Actions by Statutory/Regulatory Authorities**

NIL

**3. Litigation involving Tax Liability**

Mr. Sunil Haripant Pophale filed his return of income for Assessment year 2010-11 with ACIT Circle-2, Nashik which was assigned the Jt. CIT Range -2, Nashik. A notice of demand under Section 156 of the Income Tax Act dated 12.03.2013 was issued by the Jt. CIT Range -2, Nashik for an amount of Rs 6,14,37,110 on account of Claim of i) Long Term Capital Loss on sale of Equity Shares of Pentagon Manufacturing & Marketing Ltd ii) Claimed Short Term Capital Loss on sale of Equity Shares of Vadivarhe Speciality Chemicals Ltd & iii) Short Term Capital Loss on Reliance Industries Ltd. An appeal was filed against the said order to the Commissioner (Appeal) of Income Tax Nashik. The Commissioner (Appeal) of Income Tax issue an order dated 06.12.2013 demanding income tax/penalty of Rs. 3,13,59,550 by allowing the loss of Reliance Industries Ltd for be setting off but disallowed the loss of Pentagon Manufacturing & Marketing Ltd and Vadivarhe Speciality Chemicals Limited for the purpose of setting off.

Mr. Sunil Haripant Pophale then filed an appeal with Income Tax Appellate Tribunal, Pune against the order of the Commissioner of Income Tax (Appellate Authority Order). The hearings are under process.

**Other Pending Demands:-**

In respect of assessment year 2010-11 our promoter has also received intimation under section 220(2) of the Income Tax Act dated 18/10/2015 vide a Demand Identification Number 2015201037046036992T of Rs. 230990/-. Further status in the matter is pending for information

In respect of assessment year 2012-13 our promoter has also received intimation under section 143 1a of the Income Tax Act dated 31/01/2014 vide a Demand Identification Number 2013201237047188384T of Rs. 1547230/-. Further status in the matter is pending for information.

In respect of assessment year 2014-15 our promoter has also received intimation under section 143 (3) of the Income Tax Act dated 19/10/2016 vide a Demand Identification Number 2016201410003843985T of Rs. 754860/-. Further status in the matter is pending for information.

In respect of assessment year 2015-16 our promoter has also received intimation under section 245 of the Income Tax Act dated 19/01/2017 vide a Demand Identification Number 2016201537065217616T of Rs. 990460/-. Further status in the matter is pending for information.

**4.Other Pending Litigation**

NIL

**B. CASES FILED BY THE PROMOTER**

**1.Litigation involving Criminal Laws**

NIL

**2.Litigation Involving Actions by Statutory/Regulatory Authorities**

NIL

**3.Litigation involving Tax Liability**

NIL

**4.Other Pending Litigation**

NIL

**PART 4: LITIGATION RELATING TO OUR DIRECTORS OF THE COMPANY OTHER THAN PROMOTER**

**A. CASES FILED AGAINST THE DIRECTORS**

**1.Litigation involving Criminal Laws**

NIL

**2.Litigation Involving Actions by Statutory/Regulatory Authorities**

NIL

**3.Litigation involving Tax Liability**

NIL

**4.Other Pending Litigation**

NIL

**B. CASES FILED BY THE DIRECTORS**

**1.Litigation involving Criminal Laws**

NIL

**2.Litigation Involving Actions by Statutory/Regulatory Authorities**

NIL

**3.Litigation involving Tax Liability**

NIL

**4.Other Pending Litigation**

NIL

**PART 5: LITIGATION RELATING TO OUR GROUP COMPANY**

**A. CASES FILED AGAINST THE GROUP COMPANY**

**1.Litigation involving Criminal Laws**

NIL

**2.Litigation Involving Actions by Statutory/Regulatory Authorities**

NIL

**3.Litigation involving Tax Liability**

NIL

**4.Other Pending Litigation**

- A complaint vide complaint no. 860/16 has been filed against our group company Reelabs Private limited to the District forum Consumer protection SGNR, State of Rajasthan under section 12/17(a)(i) of the Consumer Protection Act 1986 by Shri Madhubala w/o Mahohar lal. Further status in the matter is pending for information.
- A complaint vide complaint no. 301/2016 has been filed against our group company Reelabs Private limited to the State Consumer Dispute Redressal Commission, Haryana. Reelabs Private limited has received the notice for the said complaint No. 6334 SCDRC/AII/2015. Further status in the matter is pending for information.

**B. CASES FILED BY THE GROUP COMPANY**

**1.Litigation involving Criminal Laws**

NIL

**2.Litigation Involving Actions by Statutory/Regulatory Authorities**

NIL

**3.Litigation involving Tax Liability**

NIL

**4.Other Pending Litigation**

NIL

**PART 6: AMOUNTS OWED TO SMALL SCALE UNDERTAKINGS AND OTHER CREDITORS**

There are no disputes with such entities in relation to payments to be made to our Creditors. The details pertaining to amounts due towards such creditors are available on the website of our Company.

Below are the details of the Creditors where outstanding amount as on 31.03.2017:-

Particular	Balance as on 31.03.2017 (In ₹ lacs)
Total Outstanding dues to Micro and Small & Medium Enterprises	4.05
Total Outstanding dues to Creditors other than Micro, Small & Medium Enterprises	367.99
<b>Grand Total</b>	<b>372.04</b>

**PART 7: MATERIAL DEVELOPMENTS OCCURING AFTER LAST BALANCE SHEET DATE**

Except as disclosed in Chapter titled “*Management’s Discussion & Analysis of Financial Conditions & Results of Operations*” beginning on page 172, there have been no material developments that have occurred after the Last Balance Sheet Date.

## GOVERNMENT & OTHER APPROVALS

*Our Company has received the necessary licenses, permissions and approvals from the Central and State Governments and other government agencies/regulatory authorities/certification bodies required to undertake the Issue or continue our business activities.*

*In view of the approvals listed below, we can undertake the Issue and our current business activities and no further major approvals from any governmental/regulatory authority or any other entity are required to be undertaken, in respect of the Issue or to continue our business activities. It must, however, be distinctly understood that in granting the above approvals, the Government of India and other authorities do not take any responsibility for the financial soundness of our Company or for the correctness of any of the statements or any commitments made or opinions expressed in this behalf. Unless otherwise stated, these approvals are all valid as of the date of this Prospectus.*

*The main objects clause of the Memorandum of Association of our Company and the objects incidental, enable our Company to carry out its activities.*

*The Company has got following licenses/registrations/approvals/consents/permissions from the Government and various other Government agencies required for its present business.*

### **I. APPROVALS FOR THE ISSUE**

1. The Board of Directors have, pursuant to Section 28 & 62(1)(c) of the Companies Act, 2013, by a resolution passed at its meeting held on February 1, 2017 authorized the Issue, subject to the approval of the shareholders and such other authorities as may be necessary.
2. The shareholders of our Company have, pursuant Section 28 & 62(1)(c) of the Companies Act, 2013, by a special resolution passed in the extra ordinary general meeting held on February 27, 2017 authorized the Issue.
3. In-principle approval dated May 03, 2017 from the SME Platform of NSE for using the name of the Exchange in its offer documents for listing of the Equity Shares issued by our Company pursuant to the Issue.
4. The ISIN of our Company is INE551Q01028 .

### **II. APPROVALS PERTAINING TO INCORPORATION, NAME AND CONSTITUTION OF OUR COMPANY**

1. Certificate of Incorporation dated February 23, 2009 issued by the Registrar of Companies, Maharashtra, Mumbai is in the name of Vadivarhe Speciality Chemicals Limited.
2. Certificate for Commencement of Business dated March 06, 2009 issued by the Deputy Registrar of Companies, Maharashtra, Mumbai in the name of Vadivarhe Speciality Chemicals Limited.
3. The Corporate Identification Number (CIN) of our Company is U24100MH2009PLC190516.

### **III. GENERAL APPROVALS**

Sr. No.	Description	Applicable laws	Authority	Registration Number	Date of Certificate	Date of Expiry
1.	Employee State Insurance Corporation	Employee State Insurance Act, 1948	Employee State Insurance Corporation	Employer's Code No. 36000012080000305	-	Valid until Cancelled



2.	Employees Provident Fund	Employees Provident Funds & Miscellaneous Provisions Act, 1952	Assistant Provident Fund Commissioner Maharashtra & Goa	Code No. MH/NSK/55196	July 24, 2009	Valid until Cancelled
3.	Importer-Exporter Code (IEC)	Foreign Trade Regulation, 1993	Foreign Trade Development Officer Ministry of commerce & Industry	IEC No.:3109003121	June 1, 2009	Valid until Cancelled

#### IV. TAX RELATED APPROVALS

Sr. No.	Description	Applicable laws	Authority	Registration Number	Date of Certificate	Date of Expiry
1.	Permanent Account Number (PAN)	Income Tax Act, 1961	Income Tax Department, Government of India	AACCV9569J	March 25, 2009	Valid until Cancelled
2.	TIN (Sales Tax)	Central Sales Tax	Profession Tax Officer	99071683660P	June 6, 2009	Valid until Cancelled
3.	Tax Payers Identification Number (Centre)	The Central Sales Tax (Registration & Turnover) Rules, 1957	Sales Tax Officer	27120709631C	May 14, 2009	Valid until Cancelled
4.	TAN (Tax Deduction Account Number)	Income Tax Act, 1961	Income Tax Department, Government of India	NSKV02493B	May13, 2009	Valid until Cancelled
5.	Certificate of Registration under Central Excise	Rule 9 of the Central Excise Rule 2002	Assistant Commissioner or Deputy Commissioner of Central Excise and Custom	AACCV9569JX M001	June 09, 2009	Valid until Cancelled
6.	Tax Payers Identification Number	The Maharashtra (Value Added Tax), 2002	Sales Tax Officer	27120709631V	May 14, 2009	Valid until Cancelled
7.	Certificate under Maharashtra State Tax on Professions Trades, Callings and Employments Act, 1975	The Maharashtra State Tax on Professions Trades, Callings and Employments Act, 1975	Profession Tax Officer	27120709631P	June 6, 2009	Valid until Cancelled
8.	Service Tax registration	Finance Act 1994	Superintendent, Service Tax Cell	AACCV9569JST 001	June 02, 2009	Valid until Cancelled

#### V. APPROVALS RELATING TO THE FACTORY

Sr.	Description	Authority	Registration Number	Date of	Date of
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No.				Certificate	Expiry
1.	Factories Act, 1948	Industrial Security and Protection Service (Labour Department)	1611600215878	January 10, 2017	December 31, 2017
2.	Certificate of Registration under Contract Labour (Regulation and Abolition) Act, 1970	Commissioner of Labour	1620600710006768	January 1, 2016	December 31, 2017
3.	Consent to Operate issued by State Pollution Control Board Under section 26 of the Water (Prevention & Control of Pollution) Act, 1974 & Under section 21 of the Air (Prevention & Control of Pollution) Act, 1981 and Authorization / Renewal of Authorization under Rule 5 of the Hazardous Wastes (Management, handling & Trans boundary movement) Rules 2008	Assistant Secretary (Tech), Maharashtra Pollution Control Board, Mumbai	Consent Order Number: Format 1.0/BO/AS(T)/TN-5504-15/R/GEN-01682	February 12, 2015	November 30, 2017
4.	Industrial Entrepreneurs Memorandum Acknowledgement	General Manager, District Industries Centre, Nasik	270201202580 (Part II)	December 16, 2009	N.A.
5.	Exemption Certificate for use of Boiler	Directorate of Steam Boilers	SB-1/SMS/2011/3012	August 03, 2011	Valid until cancelled or revoked
6.	License to import and store otherwise than in bulk petroleum Class A in quantities exceeding 300 litres subject to the provisions of the Petroleum Act, 1934 and the rules made thereunder.	Controller of Explosives, Office of Joint Chief Controller of Explosives, Mumbai	P/WC/MH/16/595(P199 638)	December 10, 2009	December 31, 2019
7.	Membership Certificate of Maharashtra Enviro Power Limited for Common Hazardous Waste Treatment, Storage & Disposal Facility (CHWTSDF)	Director, Maharashtra Enviro Power Limited	Membership Number: MEPL/CAV035	December 18, 2014	December 17, 2019

	at Plot No. P-56, Ranjangaon MIDC, Taluka Shirur, Pune – 412 220				
8.	Drug Manufacturing License for manufacturing of Drugs and Cosmetics issued under the provisions of Drugs & Cosmetics Act, 1940 and rules made thereunder	Drugs & Cosmetics Act, 1940 and rules made thereunder	Form 25- /NK/25/NKD/106 Form 28- /NK/28/NKD/53	December 27, 2010	December 26, 2020
9.	Approval for DG Set	Bombay Electricity Duty Rules 1962	E/NS/277(i)	March 18, 2016	Valid until revoked or cancelled
10.	License for use of weight and /or measure under the Legal Metrology Act, 2009 & Maharashtra Legal Metrology (enf.) Rules 2011	Legal Metrology Act, 2009 & Maharashtra Legal Metrology (enf.) Rules 2011	0229605	August 18, 2016	August 18, 2018
11.	License for use of weight and /or measure under the Legal Metrology Act, 2009 & Maharashtra Legal Metrology (enf.) Rules 2011	Legal Metrology Act, 2009 & Maharashtra Legal Metrology (enf.) Rules 2011	0229606 0229607 0229608	August 18, 2016	August 18, 2017
12.	Certificate of Registration under the Maharashtra Shops and Establishment Act, 1948 for corporate office situated at 1 <sup>st</sup> Floor K.K. Chambers Sir P.T. Road, Fort, Mumbai	The Maharashtra Shops and Establishment Act, 1948	760229535/Commercial II ward A	December 07, 2011	December 31, 2017

#### VI. APPROVALS RELATING TO QUALITY ASSURANCE

Sr. No.	Description	Authority	Registration Number	Date of Certificate	Date of Expiry
1.	Certificate of Good Manufacturing Practices for the dosage forms, categories and activities as stated under Table 1 of the said Certificate	Joint Commission (HQ) and Controlling Authority, Food & Drug Administration, M.S.	NEW WHO-GMP/CERT/ NKD/ 26215/2015/11/10949	June 15, 2015	June 14, 2017
2.	Certificate as Good	QS Zurich AG	Cert. No. 13026	December 19,	December 7,

	Laboratory Practices (GLP)			2016	2019
3.	Certificate as WHO GMP	QS Zurich AG	Cert. No. 13025	December 19, 2016	December 7, 2019
4.	Certificate as ISO 9001: 2015	QS Zurich AG	Cert. No. 13015	December 19, 2016	December 7, 2019
5.	Certificate of Recognition One Star Export House	Joint Director, Directorate General of Foreign Trade	310116000057	September 06, 2016	July 31, 2021

## VII. INTELLECTUAL PROPERTY

The details of the Domain name in the name of our company:-

Sr. No	Domain name	Sponsoring Registrar and IANA ID	Creation Date	Expiry Date
1.	<a href="http://www.vscl.net.in">www.vscl.net.in</a>	Endurance Domains Technology Pvt. Ltd. (R173-AFIN)	April 08, 2009	April 08, 2020

## VIII. APPROVALS OR LICENSES APPLIED FOR AND/OR PENDING RENEWAL

Sr No	Description	Applicable law	Issuing Authority	Registration No.	Date of Issue	Status
1.	Approval for Expansion of Bulk Drug & Intermediates	--	Ministry of Environment, Forest and Climate Change	--	--	Pending Approval for

## **OTHER REGULATORY AND STATUTORY DISCLOSURES**

### **Authority for the Issue**

#### **Fresh Issue**

The Board of Directors, pursuant to a resolution passed at their meeting held on February 01, 2017 authorized the Issue, subject to the approval of the shareholders of our Company under Section 62(1) (c) of the Companies Act, 2013, and such other authorities as may be necessary. The shareholders of our Company have, pursuant to a special resolution passed under Section 62 (1) (c) of the Companies Act, 2013 at an Extra Ordinary General Meeting held on February 27, 2017 authorized the Issue.

#### **Offer for Sale**

The Offer for Sale has been authorised by a resolution of the Board of Directors of the Company passed at their meeting held on February 01, 2017 and approval of shareholders has been taken by passing special resolution passed under section 28 of the Companies Act, 2013 at an Extra Ordinary general Meeting held on February 27, 2017 authorized the offer. The Selling Shareholder i.e. Mr. Sunil Haripant Pophale has also authorised the sale of their Equity Shares pursuant to the Offer through their Authorization letter dated Januray31, 2017.

The Equity shares being offered by the Selling Shareholders have been held for a period of at least one year prior to the date of filing of this Prospectus and, hence, eligible for being offered for sale in the Offer. The Selling Shareholders have confirmed that they have not been prohibited from dealings in securities market and the Equity Shares offered and to be sold are free from any lien, encumbrance or third party rights.

Our Company has obtained in-principle approval from the SME Platform of NSE for using its name in this Draft Prospectus/Prospectus pursuant to an approval letter dated May 03, 2017 NSE is the Designated Stock Exchange.

#### **Prohibition by SEBI or other Governmental Authorities**

We confirm that there is no prohibition on our Company, Selling shareholder, our Promoter, our Promoters Group, our Directors, our Group Companies or the natural person(s) in control of our Company from accessing or operating in the Capital Markets or restrained from buying, selling or dealing in securities under any order or direction passed by the Board (SEBI) or any other authorities.

The listing of any securities of our Company has never been refused by any of the Stock Exchanges in India.

Neither of our Promoter, Selling shareholder, Promoter Group, Directors or the person(s) in control of our Company, has ever been part of Promoter, Promoter Group, Directors or the person(s) in control of any other Company which is debarred from accessing the capital market under any order or directions made by the Board (SEBI) or any other regulatory or governmental authority.

#### **Association with Securities Market**

None of our Directors are associated with the securities market and there has been no action taken by the SEBI against the Directors or any other entity with which our Directors are associated as promoters or directors.

#### **Prohibition by RBI**

Neither our Company, Selling shareholder, our Promoter, our Directors, Group Companies, relatives (as per Companies Act, 2013) of Promoter or the person(s) in control of our Company have been identified as a will full defaulter by the RBI or other governmental authority and there has been no violation of any securities law committed by any of them in the past and no such proceedings are pending against any of them except as details provided in the chapter "***Outstanding Litigations and Material Development***" on page 185 of this Prospectus.

## Eligibility for the Issue

Our Company is eligible in terms of Regulations 4(2) of SEBI ICDR Regulations for this Issue.

Our Company is an “Unlisted Company” in terms of the SEBI (ICDR) Regulations; and this Issue is an “Initial Public Offer” in terms of the SEBI (ICDR) Regulations.

Our Company is eligible for the Issue in accordance with Regulation 106(M) (2) and other provisions of Chapter XB of the SEBI (ICDR) Regulations, as we are a company whose post issue paid up capital is more than ₹ 10 crore and upto ₹ 25.00 Crore and we may hence issue Equity Shares to the public and propose to list the same on the Small and Medium Enterprise Exchange, in this case being the “SME Platform of NSE”.

We confirm that:

1. In accordance with Regulation 106(P) of the SEBI (ICDR) Regulations, this issue is 100% underwritten and that the LM to the Issue shall underwrite minimum 15% of the Total Issue Size. For further details pertaining to said underwriting please refer to section titled “**General Information – Underwriting**” on page 45 of this Prospectus.
2. In accordance with Regulation 106(R) of the SEBI (ICDR) Regulations, we shall ensure that the total number of proposed allottees in the Issue shall be greater than or equal to fifty (50), otherwise, the entire application money will be unblocked forthwith. If such money is not repaid within eight (8) Working Days from the date our Company becomes liable to repay it, then our Company and every officer in default shall, on and from expiry of eight (8) Working Days, be liable to repay such application money, with an interest at the rate as prescribed under the Companies Act 2013.
3. In accordance with Regulation 106(O) of the SEBI (ICDR) Regulations, we have not filed any of this Offer Document with SEBI nor has SEBI issued any observations on our Offer Document. Also, we shall ensure that our Lead Manager submits a copy of the Prospectus along with a Due Diligence Certificate including additional confirmations as required to SEBI at the time of filing the Prospectus with Stock Exchange and the Registrar of Companies.
4. In accordance with Regulation 106(V) of the SEBI (ICDR) Regulations, we hereby confirm that we have entered into an agreement with the Lead Manager and will enter into agreement with Market Maker to ensure compulsory Market Making for a minimum period of three (3) years from the date of listing of Equity Shares on the SME Platform of NSE. For further details of the arrangement of market making please refer to section titled “**General Information – Details of the Market Making Arrangements for this Issue**” on page 46 of this Prospectus.

We further confirm that we shall be complying with all the other requirements as laid down for such an issue under Chapter XB of SEBI (ICDR) Regulations, as amended from time to time and subsequent circulars and guidelines issued by SEBI and the Stock Exchange.

As per Regulation 106(M)(3) of SEBI (ICDR) Regulations, the provisions of Regulations 6(1), 6(2), 6(3), Regulation 8, Regulation 9, Regulation 10, Regulation 25, Regulation 26, Regulation 27 and sub-regulation (1) of Regulation 49 of SEBI (ICDR) Regulations, 2009 shall not apply to us in this Issue.

5. Our Company has facilitated trading in demat securities and has entered into an agreement with NSDL and will enter into an agreement with CDSL. The Company has entered into an agreement for registration with the Central Depository Services Limited (CDSL) dated May 05, 2017 and National Securities Depository Limited dated April 16, 2014 for establishing connectivity
6. Our Company has a website i.e. [www.vscl.net.in](http://www.vscl.net.in)
5. There has been no change in the promoter/s of the Company in the preceding one year from date of filing application to NSE for listing on SME segment.

We confirm that we comply with all the below requirements / conditions so as to be eligible to be listed on the SME Platform of the NSE (NSE EMERGE):-

1. Our Company was originally incorporated as Vadivarhe Speciality Chemicals Limited on February 23, 2009 as public limited company under the Companies Act, 1956 with Registrar of Companies, Maharashtra, Mumbai India.
2. The post issue paid up capital of the company will be 1,27,82,750 shares of face value of ₹ 10/- aggregating to ₹ 12.79 Crore which is less than ₹ 25 Crore.
3. The company confirms that it has track record of more than 3 years.
4. The company confirms that it has positive cash accruals (earnings before depreciation and tax) from operations for atleast 2 financial years preceding the application and its net-worth as on March 31, 2017 is positive.
5. Our Company has not been referred to the Board for Industrial and Financial Reconstruction (BIFR).
6. There is no winding up petition against our Company that has been admitted by the Court or a liquidator has not been appointed of competent Jurisdiction against the Company.
7. No material regulatory or disciplinary action by a stock exchange or regulatory authority in the past three years against the company.
8. Our Company confirms that there is no material regulatory or disciplinary action by a stock exchange or regulatory authority in the past one year in respect of promoters, Group Companies, companies promoted by the promoters of the company.

#### **Compliance with Part A of Schedule VIII of the SEBI (ICDR) Regulations**

Our Company is in compliance with the provisions specified in Part A of the SEBI (ICDR) Regulations. No exemption from eligibility norms has been sought under Regulation 109 of the SEBI (ICDR) Regulations, with respect to the Issue. Further, our Company has not been formed by the conversion of a partnership firm into a company.

#### **DISCLAIMER CLAUSE OF SEBI**

**IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF OFFER DOCUMENT TO THE SECURITIES AND EXCHANGE BOARD OF INDIA (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 OFFER DOCUMENT. THE LEAD MERCHANT BANKER, HEM SECURITIES LIMITED HAS CERTIFIED THAT THE DISCLOSURES MADE IN THE OFFER DOCUMENT ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE SEBI (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 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 THE OFFER DOCUMENT, THE LEAD MERCHANT BANKER, HEM SECURITIES LIMITED IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE ISSUER DISCHARGES ITS RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS**

**PURPOSE, THE LEAD MERCHANT BANKER HAS FURNISHED TO SEBI A DUE DILIGENCE CERTIFICATE DATED MAY 15, 2017 WHICH READS AS FOLLOWS:**

**WE, THE UNDER NOTED LEAD MANAGER TO THE ABOVE MENTIONED FORTHCOMING ISSUE STATE AND CONFIRM AS FOLLOWS:**

- 1. WE HAVE EXAMINED VARIOUS DOCUMENTS INCLUDING THOSE RELATING TO LITIGATION LIKE COMMERCIAL DISPUTES, PATENT DISPUTES, DISPUTES WITH COLLABORATORS, ETC. AND OTHER MATERIAL IN CONNECTION WITH THE FINALISATION OF THE PROSPECTUS PERTAINING TO THE SAID ISSUE**
- 2. ON THE BASIS OF SUCH EXAMINATION AND THE DISCUSSIONS WITH THE ISSUER, SELLING SHAREHOLDERS, ITS DIRECTORS AND OTHER OFFICERS, OTHER AGENCIES, AND INDEPENDENT VERIFICATION OF THE STATEMENTS CONCERNING THE OBJECTS OF THE ISSUE, PRICE JUSTIFICATION AND THE CONTENTS OF THE DOCUMENTS AND OTHER PAPERS FURNISHED BY THE ISSUER, WE CONFIRM THAT:**
  - A. THE PROSPECTUS FILED WITH THE BOARD IS IN CONFORMITY WITH THE DOCUMENTS, MATERIALS AND PAPERS RELEVANT TO THE ISSUE;**
  - B. ALL THE LEGAL REQUIREMENTS RELATING TO THE ISSUE AS ALSO THE REGULATIONS GUIDELINES, INSTRUCTIONS, ETC. FRAMED/ISSUED BY THE BOARD, THE CENTRAL GOVERNMENT AND ANY OTHER COMPETENT AUTHORITY IN THIS BEHALF HAVE BEEN DULY COMPLIED WITH; AND**
  - C. THE DISCLOSURES MADE IN THE 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, APPLICABLE PROVISIONS OF THE COMPANIES ACT, 1956, 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 PROSPECTUS ARE REGISTERED WITH THE BOARD AND THAT TILL DATE SUCH REGISTRATION IS VALID.**
- 4. WE HAVE SATISFIED OURSELVES ABOUT THE CAPABILITY OF THE UNDERWRITERS TO FULFILL THEIR UNDERWRITING COMMITMENTS.**
- 5. WE CERTIFY THAT WRITTEN CONSENT FROM PROMOTER HAS BEEN OBTAINED FOR INCLUSION OF THEIR SPECIFIED SECURITIES AS PART OF PROMOTERS' CONTRIBUTION SUBJECT TO LOCK-IN AND THE SPECIFIED SECURITIES PROPOSED TO FORM PART OF PROMOTERS' CONTRIBUTION SUBJECT TO LOCK-IN SHALL NOT BE DISPOSED / SOLD / TRANSFERRED BY THE PROMOTER DURING THE PERIOD STARTING FROM THE DATE OF FILING THE PROSPECTUS WITH THE BOARD TILL THE DATE OF COMMENCEMENT OF LOCK-IN PERIOD AS STATED IN THE 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 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 AUDITORS' CERTIFICATE TO THIS EFFECT SHALL BE DULY SUBMITTED TO THE BOARD. WE FURTHER CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT PROMOTERS' CONTRIBUTION SHALL BE KEPT IN AN ESCROW ACCOUNT WITH A SCHEDULED COMMERCIAL BANK AND SHALL BE RELEASED TO THE ISSUER ALONG WITH THE PROCEEDS OF THE PUBLIC ISSUE. – NOT APPLICABLE
8. WE CERTIFY THAT THE PROPOSED ACTIVITIES OF THE ISSUER FOR WHICH THE FUNDS ARE BEING RAISED IN THE PRESENT ISSUE FALL WITHIN THE 'MAIN OBJECTS' LISTED IN THE OBJECT CLAUSE OF THE MEMORANDUM OF ASSOCIATION OR OTHER CHARTER OF THE ISSUER AND THAT THE ACTIVITIES WHICH HAVE BEEN CARRIED OUT UNTIL NOW ARE VALID IN TERMS OF THE OBJECT CLAUSE OF ITS MEMORANDUM OF ASSOCIATION.
9. WE CONFIRM THAT NECESSARY ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT THE MONEYS RECEIVED PURSUANT TO THE ISSUE ARE KEPT IN A SEPARATE BANK ACCOUNT AS PER THE PROVISIONS OF SUB-SECTION (3) OF SECTION 40 OF THE COMPANIES ACT, 2013 AND THAT SUCH MONEYS SHALL BE RELEASED BY THE SAID BANK ONLY AFTER PERMISSION IS OBTAINED FROM ALL THE STOCK EXCHANGES MENTIONED IN THE 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 PROSPECTUS THAT THE INVESTORS SHALL BE GIVEN AN OPTION TO GET THE SHARES IN DEMAT OR PHYSICAL MODE. - NOT APPLICABLE. UNDER SECTION 29 OF THE COMPANIES ACT, 2013, THE EQUITY SHARES ARE TO BE ISSUED IN DEMATERIALIZED FORM ONLY.
11. WE CERTIFY THAT ALL THE APPLICABLE DISCLOSURES MANDATED IN THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 HAVE BEEN MADE IN ADDITION TO DISCLOSURES WHICH, IN OUR VIEW, ARE FAIR AND ADEQUATE TO ENABLE THE INVESTOR TO MAKE A WELL INFORMED DECISION.
12. WE CERTIFY THAT THE FOLLOWING DISCLOSURES HAVE BEEN MADE IN THE PROSPECTUS:
  - A. AN UNDERTAKING FROM THE ISSUER 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 OR

THE COMPANY, SITUATION AT WHICH THE PROPOSED BUSINESS STANDS, THE RISK FACTORS, PROMOTERS EXPERIENCE, ETC.

15. WE ENCLOSE A CHECKLIST CONFIRMING REGULATION-WISE COMPLIANCE WITH THE APPLICABLE PROVISIONS OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, CONTAINING DETAILS SUCH AS THE REGULATION NUMBER, ITS TEXT, THE STATUS OF COMPLIANCE, PAGE NUMBER OF THE PROSPECTUS WHERE THE REGULATION HAS BEEN COMPLIED WITH AND OUR COMMENTS, IF ANY.
16. WE ENCLOSE STATEMENT ON 'PRICE INFORMATION OF PAST ISSUES HANDLED BYHEM SECURITIES LIMITED, AS PER FORMAT SPECIFIED BY SEBI THROUGH CIRCULAR NO. CIR/CFD/DIL/7/2015 DATED OCTOBER 30, 2015.
17. WE CERTIFY THAT PROFITS FROM RELATED PARTY TRANSACTIONS HAVE ARISEN FROM LEGITIMATE BUSINESS TRANSACTIONS-TO THE EXTENT OF THE RELATED PARTY TRANSACTIONS REPORTED IN ACCORDANCE WITH ACCOUNTING STANDARD-18 IN THE FINANCIAL INFORMATION OF THE COMPANY INCLUDED IN THE PROSPECTUS.

**ADDITIONAL CONFIRMATIONS/ CERTIFICATION TO BE GIVEN BY MERCHANT BANKER IN DUE DILIGENCE CERTIFICATE TO BE GIVEN ALONG WITH OFFER DOCUMENT REGARDING SME EXCHANGE**

1. WE CONFIRM THAT NONE OF THE INTERMEDIARIES NAMED IN THE PROSPECTUS HAVE BEEN DEBARRED FROM FUNCTIONING BY ANY REGULATORY AUTHORITY.
2. WE CONFIRM THAT ALL THE MATERIAL DISCLOSURES IN RESPECT OF THE COMPANY HAVE BEEN MADE IN PROSPECTUS AND CERTIFY THAT ANY MATERIAL DEVELOPMENT IN THE COMPANY 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. – NOTED FOR COMPLIANCE
3. WE CONFIRM THAT THE ABRIDGED PROSPECTUS CONTAINS ALL THE DISCLOSURES AS SPECIFIED IN THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 - NOTED FOR COMPLIANCE.
4. WE CONFIRM THAT AGREEMENTS HAVE BEEN ENTERED INTO WITH THE DEPOSITORIES FOR DEMATERIALISATION OF THE SPECIFIED SECURITIES OF THE ISSUER.
5. WE CERTIFY THAT AS PER THE REQUIREMENTS OF FIRST PROVISIO TO SUB-REGULATION (4) OF REGULATION 32 OF SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009; CASH FLOW STATEMENT HAS BEEN PREPARED AND DISCLOSED IN THE PROSPECTUS. - NOT APPLICABLE
6. 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.

*Note:*

The filing of this Prospectus does not, however, absolve our company from any liabilities under section 34, section 35, Section 36 and Section 38 (1) of the Companies Act, 2013 or from the requirement of obtaining such statutory and / or other clearances as may be required for the purpose of the proposed Issue. SEBI further reserves the right to take up at any point of time, with the LM any irregularities or lapses in the Prospectus.

All legal requirements pertaining to the Issue will be complied with at the time of registration of the Prospectus with the Registrar of Companies, Maharashtra, Mumbai in terms of sections 26, 32 and 33 of the Companies Act, 2013.

**Statement on Price Information of Past Issues handled by Hem Securities Limited:**

Sr. No.	Issue name	Issue size (Rs in Cr.)	Issue Price (Rs.)	Listing date	Opening Price on listing date	+/- % change in closing price, [+/- % change in closing benchmark]- 30 <sup>th</sup> calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark] - 90 <sup>th</sup> calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 180 <sup>th</sup> calendar days from listing
1.	Aurangabad Distillery Limited	7.70	35.00	October 17, 2016	42.00	81.85% [-4.80%]	117.14% [-1.26%]	87.29% [7.26%]
2.	Pansari Developers Limited	10.1904	22.00	October 18, 2016	22.90	3.41% [-6.89%]	-4.55% [-3.05%]	-8.86% [5.32%]
3.	Dhanuka Realty Limited	4.224	40.00	October 18, 2016	41.25	-8.13% [-6.89%]	-6.25% [-3.05%]	-2.50% [5.32%]
4.	Globe international Carriers Limited	5.1696	24.00	October 19, 2016	24.95	0.00% [-6.75%]	-1.46% [-3.02%]	7.50% [5.55%]
5.	Art Nirman Limited	5.01	25.00	October 19, 2016	30.00	12.00% [-6.75%]	12.20% [-3.02%]	6.00% [5.55%]
6.	Krishana Phoschem Limited	19.728	30.00	February 27, 2017	36.00	17.50% [2.78%]	NA	NA
7.	Global Education Limited	10.245	150.00	March 02, 2017	180.00	58.33% [3.80%]	NA	NA
8.	RMC Switchgears Limited	4.1472	27.00	March 14, 2017	32.4	41.85% [0.06%]	NA	NA
9.	Laxmi Cotspin Limited	9.60	20.00	March 31, 2017	21.00	-11.75% [1.50%]	NA	NA
10.	Dev Information Technology Limited	6.25	42.00	April 17, 2017	50.40	NA	NA	NA

Source: Price Information [www.bseindia.com](http://www.bseindia.com) & [www.nseindia.com](http://www.nseindia.com), Issue Information from respective Prospectus.

**Summary statement of Disclosure:**

Financial Year	Total no. of IPO	Total amount of funds raised	No. of IPOs trading at discount- 30 <sup>th</sup> calendar days from listing	No. of IPOs trading at Premium- 30 <sup>th</sup> calendar days from listing	No. of IPOs trading at discount- 180 <sup>th</sup> calendar days from listing	No. of IPOs trading at Premium- 180 <sup>th</sup> calendar days from listing

	s	(Rs. Cr.)	Over 50 %	Between 25-50 %	Less than 25 %	Over 50 %	Between 25-50 %	Less than 25 %	Over 50 %	Between 25-50 %	Less than 25 %	Over 50 %	Between 25-50 %	Less than 25 %
2013-14	3 <sup>(1)</sup>	10.66	-	-	1	1	1	-	-	-	-	2	-	1
2014-15	7 <sup>(2)</sup>	38.25	-	-	-	2	-	5	-	-	-	3	-	4
2015-16	8 <sup>(3)</sup>	34.20	-	-	1	2	2	3	-	-	-	3	1	4
2016-17	12 <sup>(4)</sup>	99.90	-	-	2	3	3	4	-	-	2	3	1	2
2017-18	1 <sup>(5)</sup>	6.25	-	-	-	-	-	-	-	-	-	-	-	-

<sup>(1)</sup> The scrips of Samruddhi Realty Limited, Captain Polyplast Limited and Tentiwal Wire Products Limited were listed on April 12, 2013, December 11, 2013 and December 31, 2013 respectively.

<sup>(2)</sup> The scrips of R&B Denims Limited, Bansal Roofing Products Limited, Atishay Infotech Limited, Dhabriya Polywood Limited, Vibrant Global Capital Limited, ADCC Infocad Limited and Captain Pipes Limited were listed on April 22, 2014, July 14, 2014, October 16, 2014, October 17, 2014, October 21, 2014, October 22, 2014, and December 11, 2014 respectively.

<sup>(3)</sup> The scrips of O.P. Chains Limited, Junction Fabrics and Apparels Limited, Loyal Equipments Limited, Emkay Taps & Cutting Tools Limited, Universal Autofoundry Limited, Bella Casa Fashion and Retail Limited, Vishal Bearings Limited and Cawasji Behramji Catering Services Limited were listed on April 22, 2015, July 10, 2015, July 16, 2015, August 13, 2015, September 4, 2015, October 15, 2015, October 15, 2015 and October 19, 2015 respectively.

<sup>(4)</sup> The scrips of Raghav Ramming Mass Limited, Advance Syntex Limited and Madhya Bharat Agro Products Limited was listed on April 13, 2016, July 12, 2016 and September 12, 2016 respectively, Further, Aurangabad Distillery Limited, Pansari Developers Limited, Dhanuka Realty Limited, Globe International Carriers Limited and Art Nirman Limited were listed on October 17, 2016, October 18th, 2016, October 18th, 2016, October 19th, 2016 and October 19th, 2016 respectively and has not completed 180th day from date of listing. Moreover, Krishana Phoschem Limited and Global Education Limited was listed on February 27, 2017 and March 02, 2017 respectively and has completed its 30 days from the listing date. Moreover RMC Switchgears limited and Laxmi Cotspin Limited was listed on March 14, 2017 and March 31, 2017 respectively and have not completed its 180 days from the listing date,

<sup>(5)</sup> The scrip of Dev Information Technology Limited was listed on April 17, 2017 and has not completed 30<sup>th</sup>, 90<sup>th</sup> and 180<sup>th</sup> days from listing.

Note:

- Based on date of listing.
- BSE SENSEX and CNX NIFTY have been considered as the benchmark index.
- Prices on BSE/NSE are considered for all of the above calculations.
- In case 30<sup>th</sup> /90<sup>th</sup> /180<sup>th</sup> day is not a trading day, closing price on BSE/NSE of the next trading day has been considered.
- In case 30<sup>th</sup> /90<sup>th</sup> /180<sup>th</sup> day, scrips are not traded then last trading price has been considered.
- N.A. – Period not completed.
- As per SEBI Circular No. CIR/CFD/DIL/7/2015 dated October 30, 2015, the above table should reflect max. 10 issues (initial public offerings managed by the lead manager. Hence, disclosures pertaining to recent 10 issues handled by lead manager are provided.

### Track Record of past issues handled by Hem Securities Limited

For details regarding track record of LM to the Issue as specified in the Circular reference no. CIR/MIRSD/1/2012 dated January 10, 2012 issued by the SEBI, please refer the website of the LM at: [www.hemsecurities.com](http://www.hemsecurities.com)

### **Disclaimer from our Company, Selling Shareholder, Director and the Lead Manager**

Our Company, its Directors, Selling Shareholder and the Lead Manager accept no responsibility for statements made otherwise than those contained in this Prospectus or, in case of the Company, in any advertisements or any other material issued by or at our Company's instance and anyone placing reliance on any other source of information would be doing so at his or her own risk.

The LM accept no responsibility, save to the limited extent as provided in the agreement entered between the LM (Hem securities Limited), Selling Shareholder and our Company on March 30, 2017 and the Underwriting Agreement dated May 08, 2017 entered into between the Underwriters, Selling Shareholder and our Company and the Market Making Agreement dated May 08, 2017 entered into among the Market Maker, LM and our Company.

All information shall be made available by our Company, Selling Shareholder and the Lead Manager 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, at collection centres or elsewhere.

The Lead Manager and their respective associates and affiliates may engage in transactions with, and perform services for, our Company, our Promoter Group, Group Companies, or our affiliates or associates in the ordinary course of business and have engaged, or may in future engage, in commercial banking and investment banking transactions with our Company, our Promoter Group, Group Companies, and our affiliates or associates or selling shareholder, for which they have received and may in future receive compensation.

### **Note**

Investors who apply in the Issue will be required to confirm and will be deemed to have represented to our Company, Selling Shareholder and the Underwriters 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 of our Company and 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 and approvals to acquire Equity Shares of our Company. Our Company, the Underwriters 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 the Equity Shares in the Issue.

### **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 majors, HUFs, companies, corporate bodies and societies registered under applicable laws in India and authorized to invest in shares, Indian mutual funds registered with SEBI, Indian financial institutions, commercial banks, regional rural banks, cooperative banks (subject to RBI permission), or trusts under applicable trust law and who are authorized under their constitution to hold and invest in shares, public financial institutions as specified in Section 2(72) of the Companies Act, 2013, VCFs, state industrial development corporations, insurance companies registered with the Insurance Regulatory and Development Authority, provident funds (subject to applicable law) with a minimum corpus of ₹ 2,500.00 Lakhs and pension funds with a minimum corpus of ₹ 2,500.00 Lakhs, and permitted non-residents including FIIs, Eligible NRIs, multilateral and bilateral development financial institutions, FVCIs and eligible foreign investors, insurance funds set up and managed by army, navy or air force of the Union of India and insurance funds set up and managed by the Department of Posts, India provided that they are eligible under all applicable laws and regulations to hold Equity Shares of our Company. This Prospectus does not, however, constitute an offer to sell or an invitation to subscribe for Equity 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 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 jurisdiction of the competent court(s) in Jaipur, Rajasthan, India 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. Accordingly, the Equity Shares represented hereby may not be offered or sold, directly or indirectly, and this Prospectus may not be distributed in any jurisdiction, except in accordance with the legal requirements applicable in such jurisdiction. Neither the delivery of this Prospectus nor any sale hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of our Company from the date hereof or that the information contained herein is correct as of any time subsequent to this date.

#### **Disclaimer Clause of the SME Platform of NSE**

As required, a copy of this Offer Document has been submitted to National Stock Exchange of India Limited (hereinafter referred to as NSE). NSE has given vide its letter May 03, 2017 permission to the Company to use the Exchange's name in this Offer Document as one of the stock exchanges on which this Company's securities are proposed to be listed. The Exchange has scrutinized draft offer document for its limited internal purpose of deciding on the matter of granting the aforesaid permission to this Issuer. It is to be distinctly understood that the aforesaid permission given by NSE should not in any way be deemed or construed that the offer document has been cleared or approved by NSE; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this offer document; nor does it warrant that this Issuer's securities will be listed or will continue to be listed on the Exchange; nor does it take any responsibility for the financial or other soundness of this Issuer, its Promoter, its management or any scheme or project of this Company.

Every person who desires to apply for or otherwise acquire any securities of this Issuer may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the Exchange whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription /acquisition whether by reason of anything stated or omitted to be stated herein or any other reason whatsoever.

#### **Disclaimer Clause under Rule 144A of the U.S. Securities Act**

The Equity Shares have not been, and will not be, registered under the U.S. Securities Act 1933, as amended (the "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 under the Securities Act), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. Accordingly, the Equity Shares will be offered and sold outside the United States in compliance with Regulation S of the 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 Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

Further, each Applicant where required agrees that such Applicant will not sell or transfer any Equity Shares or create any economic interest therein, including any off-shore derivative instruments, such as participatory notes, issued against the Equity Shares or any similar security, other than pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and in compliance with applicable laws and legislations in each jurisdiction, including India.

#### **Filing**

The Draft Prospectus is being filed with National Stock Exchange of India Limited, Exchange Plaza, Plot No. C/1, G Block, Bandra- Kurla Complex, Bandra (East), Mumbai-400051, Maharashtra

A copy of this Draft Prospectus shall not be filed with the SEBI, nor will SEBI issue any observation on the Prospectus in term of Regulation 106(M) (3) of the SEBI (ICDR) Regulations. However, a copy of the Prospectus shall be filed with SEBI at Plot No. C4-A, 'G' Block, Bandra Kurla Complex, Bandra (East), Mumbai, Maharashtra-400051 for their record purpose only.

A copy of the Prospectus, along with the documents required to be filed under Section 32 of the Companies Act, 2013 would be delivered for registration to the Registrar of Companies, 100, Everest, Marine Drive, Mumbai-400002.

## Listing

The Equity Shares of our Company are proposed to be listed on SME Platform of NSE. Our Company has obtained in-principle approval from NSE by way of its letter dated May 03, 2017 for listing of equity shares on SME Platform of NSE.

NSE will be the Designated Stock Exchange, with which the Basis of Allotment will be finalized for the Issue. If the permission to deal in and for an official quotation of the Equity Shares on the SME Platform is not granted by NSE, our Company shall forthwith repay, without interest, all moneys received from the applicants in pursuance of this Prospectus. If such money is not repaid within the prescribed time then our Company and selling shareholder becomes liable to repay it, then our Company and every officer in default shall, shall be liable to repay such application money, with interest, as prescribed under the 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 NSE mentioned above are taken within Six (6) Working Days of the Issue Closing Date. If Equity Shares are not Allotted pursuant to the Offer within Six (6) Working Days from the Issue Closing Date or within such timeline as prescribed by the SEBI, our Company and Selling Shareholder shall repay with interest all monies received from applicants, failing which interest shall be due to be paid to the applicants at the rate of 15% per annum for the delayed period. Subject to the applicable laws.

## Impersonation

Attention of the Applicants is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act, 2013 which is reproduced below:

Any person who-

- a) Makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or
- b) Makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or
- c) Otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name,

Shall be liable to action under section 447 of the Companies, Act 2013

## Consents

Consents in writing of (a) Our Directors, Our Promoters, Our Company Secretary & Compliance Officer, Chief Financial Officer, Our Statutory Auditor, Our Peer Review Auditor, Our Banker to the Company\*; (b) Lead Manager to the Issue, Registrar to the Issue, Registrar And Share Transfer Agent To The Company, Banker to the Issue\*, Legal Advisor to the Issue, Underwriter to the Issue\* and Market Maker to the Issue\* to act in their respective capacities have been obtained as required as required under section 26 of the Companies Act, 2013 and shall be filed along with a copy of the Prospectus with the RoC, as required under Sections 32 of the Companies Act, 2013 and such consents will not be withdrawn up to the time of delivery of the Prospectus for registration with the RoC.

*\*The aforesaid will be appointed prior to filing of the Prospectus with RoC and their consents as above would be obtained prior to the filing of the Prospectus with RoC.*

In accordance with the Companies Act and the SEBI (ICDR) Regulations, M/s S R Rahalkar & Associates, Chartered Accountants, Statutory Auditor and M/s B G Kale & Company, Chartered Accountants Peer Review Auditors of the Company has agreed to provide their written consent to the inclusion of their respective reports on Statement of Possible Tax Benefits relating to the possible tax benefits and restated Standalone financial statements as included in this Draft Prospectus/Prospectus in the form and context in which they appear therein and such consent and reports will not be withdrawn up to the time of delivery of this Prospectus.

## Experts Opinion

Except for the reports in the section “*Financial information of the Company*” and “*Statement of Tax Benefits*” on page 135 and page 77 of this Prospectus from the Peer Review Auditors and Statutory Auditor respectively, our Company has not obtained any expert opinions. However, the term “expert” shall not be construed to mean an “expert” as defined under the U.S. Securities Act 1933.

## Expenses of the Issue

The total expenses of the Issue are estimated to be approximately Rs. 108.07 Lacs, which is 7.47 of the Issue size. The estimated Issue related expenses include Issue Management Fee, underwriting and management fees SCSB’s commission/ Selling commission, fees, printing and distribution expenses, legal fees, statutory advertisement expenses, registrar and depository fees and listing fees. All expenses with respect to the Issue would be paid by our company and selling shareholder as decided mutually. However, the issue related expenses will be shared between our Company and the Selling Shareholder.

The Estimated Issue expenses are as under:-

Particulars	Amount (₹ in Lacs)	Percentage of Total Estimated Issue Expenditure (%)	Percentage of Issue Size (%)
Payment to Merchant Banker including, underwriting and selling commissions, brokerages, payment to other intermediaries such as Legal Advisors, Bankers etc and other out of pocket expenses*	100.32	92.83	6.93
Printing and Stationery and postage expenses,	2.25	2.08	0.16
Advertising and Marketing expense	2.50	2.31	0.17
Regulatory fees and expenses	3.00	2.77	0.21
<b>Total estimated Issue Expenses</b>	<b>108.07</b>	<b>100.00</b>	<b>7.47</b>

\*Included Commission/ processing fees for SCSB, Brokerage and selling commission for Registered Brokers, RTA’s and CDPs

## Fees, Brokerage and Selling Commission payable to the LM

The total fees payable to the Lead Manager will be as per the (i) Agreement dated March 30, 2017 with the Selling Shareholder and the Lead Manager Hem Securities Limited, (ii) the Underwriting Agreement dated May 08, 2017 with the Selling Shareholder and Underwriter and (iii) the Market Making Agreement dated May 08, 2017 with Selling Shareholder and Market Maker, a copy of which is available for inspection at our Registered Office from 10.00 am to 5.00 pm on Working Days from the date of the Prospectus until the Issue Closing Date.

## Fees Payable to the Registrar to the Issue

The fees payable to the Registrar to the Issue for processing of applications, data entry, printing of CAN and printing of bulk mailing register will be as per the agreement between our Company and the Registrar to the Issue dated March 30, 2017 a copy of which is available for inspection at our Company’s Registered Office.

The Registrar to the Issue will be reimbursed for all out-of-pocket expenses including cost of stationery, postage, stamp duty, and communication expenses. Adequate funds will be provided to the Registrar to the Issue to enable it to send allotment advice by registered post/speed post.



### **Particulars regarding Public or Rights Issues during the last five (5) years**

Our Company has not made any previous public or rights issue in India or Abroad the five (5) years preceding the date of this Prospectus.

### **Previous issues of Equity Shares otherwise than for cash**

For detailed description please refer to section titled “*Capital Structure*” beginning on page 49 of this Prospectus.

### **Underwriting Commission, brokerage and selling commission on Previous Issues**

Since this is the initial public offering of our Company’s Equity Shares, no sum has been paid or has been payable as commission or brokerage for subscribing for or procuring or agreeing to procure subscription for any of the Equity Shares since our incorporation.

### **Particulars in regard to our Company and other listed group-companies / subsidiaries/ associates under the same management within the meaning of Section 370 (1B) of the Companies Act, 1956 / Section 186 of the Companies Act, 2013 which made any capital issue during the last three years:**

Neither our Company nor any other companies under the same management within the meaning of Section 370(1B) of the Companies Act, 1956 has made/Section 186 of the Companies Act, 2013, had made any public issue or rights issue during the last three years.

### **Performance vis-a-vis objects – Public/right issue of our Company and /or listed Group Companies/ subsidiaries and associates of our Company**

Except as stated in the chapter titled “*Capital Structure*” beginning on page 49 of this Prospectus our Company has not undertaken any previous public or rights issue. None of the Group Companies or subsidiaries or associates of our Company has made Public Issue or Right Issue of equity Shares immediately preceding the date of filing of this Prospectus are listed on any stock exchange.

### **Performance vis-a-vis objects - Last Issue of Group/Associate Companies**

All of our Group / Associate body corporate are unlisted and have not made a public issue of shares.

### **Outstanding Debentures or Bond Issues or Redeemable Preference Shares**

Our Company does not have any outstanding debentures or bonds or Preference Redeemable Shares as on the date of filing this Prospectus.

### **Outstanding Convertible Instruments**

Our Company does not have any outstanding convertible instruments as on the date of filing this Prospectus.

### **Option to Subscribe**

Equity Shares being offered through the Prospectus can be applied for in dematerialized form only.

### **Stock Market Data of the Equity Shares**

This being an initial public offering of the Equity Shares of our Company, the Equity Shares are not listed on any Stock Exchanges.

### **Mechanism for Redressal of Investor Grievances**

The agreement between the Registrar to the Issue and our Company provides for retention of records with the Registrar to the Issue for a period of at least three (3) years from the last date of dispatch of the letters of allotment and demat credit to enable the investors to approach the Registrar to the Issue for redressal of their grievances.

We hereby confirm that there is no investor complaints received during the three years preceding the filing of Prospectus. Since there is no investor complaints received, none are pending as on the date of filing of this Prospectus.

All grievances relating to the Issue may be addressed to the Registrar to the Issue, with a copy to the Compliance Officer and with a copy to the relevant Designated Intermediary with whom the Application Form was submitted.

The Applicant should give full details such as name of the sole/ first Applicant, Application Form number, DP ID, Client ID, PAN, date of the Application Form, address of the Applicant, number of the Equity Shares applied for and the name and address of the Designated Intermediary where the Application Form was submitted by the Applicant. Further, the investor shall also enclose the Acknowledgement Slip from the Designated Intermediaries in addition to the documents or information mentioned herein above.

### **Disposal of Investor Grievances by our Company**

Our Company estimates that the average time required by our Company or the Registrar to the Issue for the redressal of routine investor grievances shall be fifteen (15) Working Days from the date of receipt of the complaint. In case of complaints that are not routine or where external agencies are involved, our Company will seek to redress these complaints as expeditiously as possible.

Our Company has constituted Stakeholders Relationship Committee in the meeting of our Board of Directors held on May 02, 2017 For further details on the Stakeholders Relationship Committee, please refer to section titled “*Our Management*” beginning on page 112 of this Prospectus.

**Our Company has appointed Mr. Jayesh Bhagwati Prasad Vaishnav, Company Secretary, as the Compliance Officer to redress complaints, if any, of the investors participating in the Issue. Contact details for our Company Secretary and Compliance Officer are as follows:**

**Mr. Jayesh Bhagwati Prasad Vaishnav**  
**Vadivarhe Speciality Chemicals Limited,**  
Gat No. 204, Vadivarhe, Igatpuri  
Maharashtra-422403, India  
E-mail: [cs@vscl.co.in](mailto:cs@vscl.co.in)  
Website: [www.vscl.net.in](http://www.vscl.net.in)

**Investors can contact the Compliance Officer or the Registrar in case of any pre-Issue or post-Issue related problems such as non-receipt of letters of allocation, credit of allotted Equity Shares in the respective beneficiary account etc.**

Pursuant to the press release no. PR. No. 85/2011 dated June 8, 2011, SEBI has launched a centralized web based complaints redress system “SCORES”. This would enable investors to lodge and follow up their complaints and track the status of redressal of such complaints from anywhere. For more details, investors are requested to visit the website [www.scores.gov.in](http://www.scores.gov.in)

### **Status of Investor Complaints**

We confirm that we have not received any investor complaint during the three years preceding the date of this Prospectus and hence there are no pending investor complaints as on the date of this Prospectus.

### **Disposal of investor grievances by listed companies under the same management as our Company**

We do not have any listed company under the same management.

### **Change in Auditors during the last three (3) years**

Except for appointment of M/s. B G Kale & Company, Chartered Accountants, as peer review auditor in addition to the existing auditors, there have been no changes in our Company's auditors in the last three (3) years.

### **Capitalization of Reserves or Profits**

Except as disclosed under section titled "**Capital Structure**" beginning on page 49 of this Prospectus, our Company has not capitalized its reserves or profits at any time during the last five (5) years.

### **Revaluation of Assets**

Our Company has not revalued its assets in five (5) years preceding the date of this Prospectus.

### **Tax Implications**

Investors who are allotted Equity Shares in the Issue will be subject to capital gains tax on any resale of the Equity Shares at applicable rates, depending on the duration for which the investors have held the Equity Shares prior to such resale and whether the Equity Shares are sold on the Stock Exchanges. For details, please refer the section titled "**Statement of Tax Benefits**" beginning on page 77 of this Prospectus.

### **Purchase of Property**

Other than as disclosed in Section "**Our Business**" on page 85 of this Prospectus, there is no property which has been purchased or acquired or is proposed to be purchased or acquired which is to be paid for wholly or partly from the proceeds of the present Issue or the purchase or acquisition of which has not been completed on the date of the Prospectus, other than property, in respect of which:-

The contract for the purchase or acquisition was entered into in the ordinary course of business, or the contract was entered into in contemplation of the Issue, or that the Issue was contemplated in consequence of the contract; or the amount of the purchase money is not material.

Except as stated elsewhere in the Prospectus, our Company has not purchased any property in which the Promoter and/or Directors have any direct or indirect interest in any payment made there under.

### **Servicing Behavior**

Except as stated in this Prospectus, there has been no default in payment of statutory dues or of interest or principal in respect of our borrowings or deposits.

### **Payment or benefit to officers of Our Company**

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

**Except as disclosed in chapter titled "Our Management" beginning on page 112 and "Annexure R – Statement Related Party Transactions" beginning on page 165 of the Prospectus, none of the beneficiaries of loans and advances and sundry debtors are related to the Directors of our Company.**

## **SECTION VII – ISSUE RELATED INFORMATION**

### **TERMS OF THE ISSUE**

*The Equity Shares being offered are subject to the provisions of the Companies Act, 2013, SCRR, 1957, SEBI (ICDR) Regulations, 2009, SCRR, the SEBI Listing Regulation our Memorandum and Articles of Association, the terms of this Draft Prospectus, the Prospectus, the Abridged Prospectus, the Application Form, the Revision Form, the Confirmation of Allocation Note, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 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 Exchanges, the RBI, the FIPB, the RoC and/or other authorities, as in force on the date of the Issue and to the extent applicable.*

*Please note that, in terms of SEBI Circular No. CIR/CFD/POLICYCELL/11/2015 dated November, 10th 2015, all the investors applying in this Offer shall use only Application Supported by Blocked Amount (ASBA) facility for making payment i.e. just writing their bank account numbers and authorizing the banks to make payment in case of allotment by signing the application forms.*

#### **Authority for the Issue**

The present Public Issue of 34,44,000 Equity Shares includes a Fresh Issue of 6,89,000 Equity shares and an offer for sale by the Selling Shareholder of 27,55,000 equity shares which have been authorized by a resolution of the Board of Directors of our Company at their meeting held on February 01, 2017 and was approved by the Shareholders of the Company by passing Special Resolution at the Extra Ordinary General Meeting held on February 27, 2017 in accordance with the provisions of Section 28 and 62 (1) (c) of the Companies Act, 2013.

#### **Ranking of Equity Shares**

The Equity Shares being issued shall be subject to the provisions of the Companies Act, 2013 and our Memorandum and Articles of Association and shall rank pari-passu in all respects with the existing Equity Shares of our Company including in respect of the rights to receive dividends and other corporate benefits, if any, declared by us after the date of Allotment. For further details, please refer to “**Main Provisions of Articles of Association of the Company**” on page 263 of this Prospectus.

#### **Mode of Payment of Dividend**

The declaration and payment of dividend will be as per the provisions of Companies Act, the Articles of Association, the provision of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and recommended by the Board of Directors and the Shareholders at their discretion and will depend on a number of factors, including but not limited to earnings, capital requirements and overall financial condition of our Company. We shall pay dividends in cash and as per provisions of the Companies Act. For further details, please refer to “**Dividend Policy**” on page 134 of this Prospectus.

#### **Face Value and Issue Price**

The Equity Shares having a Face Value of ₹ 10.00 each are being offered in terms of this Prospectus at the price of ₹ 42.00 per equity Share (including premium of ₹ 32.00 per share). The Issue Price is determined by our Company and Selling Shareholder in consultation with the Lead Manager and is justified under the section titled “**Basis for Issue Price**” on page 74 of the Prospectus. At any given point of time there shall be only one denomination of the Equity Shares of our Company, subject to applicable laws.

### **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 or preferential claims being satisfied;
- Right of free transferability of the Equity Shares; and
- Such other rights, as may be available to a shareholder of a listed Public Limited Company under the Companies Act, terms of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Memorandum and Articles of Association of our Company.

For a detailed description of the main provision of the Articles of Association of our Company relating to voting rights, dividend, forfeiture and lien, transfer, transmission and/ or consolidation/ splitting, etc., please refer to Section titled “*Main Provisions of Articles of Association*” beginning on page 263 of this Prospectus.

### **Minimum Application Value, Market Lot and Trading Lot**

As per regulations made under and Section 29(1) of the Companies Act, 2013 the Equity Shares to be allotted must be in Dematerialized form i.e. not in the form of physical certificates but be fungible and be represented by the statement issued through electronic mode. Hence, the Equity Shares being offered can be applied for in the dematerialized form only.

The trading of the Equity Shares will happen in the minimum contract size of 3000 Equity Shares and the same may be modified by the stock exchange from time to time by giving prior notice to investors at large.

Allocation and allotment of Equity Shares through this Offer document will be done in multiples of 3000 Equity Shares and is subject to a minimum allotment of 3000 Equity Shares to the successful applicants in terms of the SEBI circular No. CIR/MRD/DSA/06/2012 dated February 21, 2012.

*Further, in accordance with Regulation 106(Q) of the SEBI (ICDR) Regulations the minimum application size in terms of number of specified securities shall not be less than Rupees One Lacs per application.*

### **Minimum Number of Allottees**

The minimum number of allottees in the Issue shall be 50 shareholders. In case the number of prospective allottees is less than 50, no allotment will be made pursuant to this Issue and the amounts in the ASBA Account shall be unblocked forthwith.

### **Joint Holders**

Where 2 (two) or more persons are registered as the holders of any Equity Shares, they will be deemed to hold such Equity Shares as joint-holders with benefits of survivorship.

### Nomination Facility to Investor

In accordance with Section 72 of the Companies Act, 2013, read with Companies (Share Capital and Debentures) Rules, 2014 the sole or 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 applicants, as the case may be, the Equity Shares allotted, if any, shall vest. A person, being a nominee, entitled to the Equity Shares by reason of the death of the original holder(s), shall in accordance with Section 72 of the Companies Act, 2013 be entitled to the same advantages to which he or she would be entitled if he or she were the registered holder of the Equity Share(s). Where the nominee is a minor, the holder(s) may make a nomination to appoint, in the prescribed manner, any person to become entitled to Equity Share(s) in the event of his or her death during the minority. A nomination shall stand rescinded upon a sale of equity share(s) by the person nominating. A buyer will be entitled to make a fresh nomination in the manner prescribed. Fresh nomination can be made only on the prescribed form available on request at the Registered Office of our Company or to the Registrar and Transfer Agents of our Company.

In accordance with Section 72 of the Companies Act, 2013 any Person who becomes a nominee by virtue of Section 72 of the Companies Act, 2013 shall upon the production of such evidence as may be required by the Board, elect either:

- To register himself or herself as the holder of the Equity Shares; or
- 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 90 (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 is in dematerialized form, there is no need to make a separate nomination with us. Nominations registered with the respective depository participant of the applicant would prevail. If the investors require changing the nomination, they are requested to inform their respective depository participant.

### Issue Programme

Event	Indicative Date
ISSUE OPENS ON	May 22, 2017
ISSUE CLOSES ON	May 25, 2017

### Minimum Subscription

In accordance with Regulation 106P (1) of the SEBI (ICDR) Regulations, our Issue shall be hundred percent underwritten. Thus, the underwriting obligations shall be for the entire hundred percent of the offer through the Prospectus and shall not be restricted to the minimum subscription level. This Issue is 100% underwritten and the details of the same have been disclosed under section titled “**General Information**” on page 41 of this Prospectus.

As per section 39 of the Companies Act 2013, if the “stated minimum amount” has not been subscribed and the sum payable on Application is not received within a period of 30 days from the date of issue of Prospectus, the application money has to be returned within such period as may be prescribed.

If our Company does not receive the subscription of 100% of the Issue through this offer document including devolvement of Underwriters within 60 (sixty) days from the date of closure of the issue, the Company shall forthwith unblocked the entire subscription amount received. If there is a delay beyond 8 (eight) days after our Company becomes liable to pay the amount, our Company shall pay interest prescribed under Section 73 of the Companies Act, 2013 and other applicable laws, if any.

Further, in accordance with 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 amounts in the ASBA Account shall be unblocked forthwith.

Further, in accordance with Regulation [106Q] of the SEBI (ICDR) Regulations the minimum application size in terms of number of specified securities shall not be less than Rupees One Lakh per application.

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

#### **Arrangements for disposal of odd lots**

The trading of the Equity Shares will happen in the minimum contract size of 3000 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 Exchange.

#### **Application by Eligible NRIs, FPIs or VCFs registered with SEBI**

It is to be understood that there is no reservation for Eligible NRIs, FPIs/FIIS or VCF registered with SEBI. Such Eligible NRIs, FPIs/FIIS or VCF registered with SEBI will be treated on the same basis with other categories for the purpose of Allocation.

#### **As per the extent Guidelines of the Government of India, OCBs cannot participate in this Issue.**

NRIs, FPIs/FIIs and foreign venture capital investors registered with SEBI are permitted to purchase shares of an Indian company in a public offer without the prior approval of the RBI, so long as the price of the equity shares to be issued is not less than the price at which the equity shares are issued to residents. The transfer of shares between an Indian resident and a non-resident does not require the prior approval of the FIPB or the RBI, provided that (i) the activities of the investee company are under the automatic route under the foreign direct investment ("FDI") Policy and the non-resident shareholding is within the sectoral limits under the FDI policy; and (ii) the pricing is in accordance with the guidelines prescribed by the SEBI/RBI.

The current provisions of the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000, provides a general permission for the NRIs, FPIs and foreign venture capital investors registered with SEBI to invest in shares of Indian companies by way of subscription in an IPO. However, such investments would be subject to other investment restrictions under the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000, RBI and/or SEBI regulations as may be applicable to such investors.

The Allotment of the Equity Shares to Non-Residents shall be subject to the conditions, if any, as may be prescribed by the Government of India/RBI while granting such approvals.

#### **Restrictions on transfer and transmission of shares or debentures and on their consolidation or splitting**

Except for lock-in of the Pre- Issue Equity Shares and Promoter minimum contribution in the Issue as detailed in the section titled "**Capital Structure**" beginning on page 49 of this Prospectus, and except as provided in the Articles of Association of our Company, there are no restrictions on transfers of Equity Shares. There are no restrictions on transfer and transmission of shares/ debentures and on their consolidation/ splitting except as provided in the Articles of Association. For further details please refer sub-heading "**Main Provisions of the Articles of Association**" on page 263 of this 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 Managers do not accept any*

responsibility for the completeness and accuracy of the information stated hereinabove. Our Company, Selling Shareholders 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 this 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.

### **Option to receive Equity Shares in Dematerialized Form**

As per section 29(1) of the new Companies Act 2013, and in accordance with SEBI (ICDR) Regulations, every company making public offer shall issue securities only in dematerialized form only. Hence, the Equity Shares being offered can be applied for in the dematerialized form only. The investors have an option either to receive the security certificate or to hold the securities with depository. However, as per SEBI's circular RMB (compendium) series circular no. 2 (1999-2000) dated February 16, 2000, it has been decided by the SEBI that trading in securities of companies making an initial public offer shall be in dematerialized form only. The Equity Shares on Allotment will be traded only on the dematerialized segment of the SME Exchange. Applicants will not have an option of Allotment of the Equity Shares in physical form. Allottees shall have the option to re-materialize the Equity Shares, if they so desire, as per the provisions of the Companies Act, 2013 and the Depositories Act.

### **Migration to Main Board**

In accordance with the NSE Circular dated March 10, 2014, our Company will have to be mandatorily listed and traded on the SME Platform of the NSE for a minimum period of 2 (Two) years from the date of listing and only after that it can migrate to the Main Board of the NSE 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) Regulation, 2009, our Company may migrate to the main board of NSE 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 ₹ 25 Crore by virtue of any further issue of capital by way of rights, preferential issue, bonus issue etc. (which has been approved by a special resolution through postal ballot wherein the votes cast by the shareholders other than the Promoter in 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 NSE for listing our shares on its main board subject to the fulfillment of the eligibility criteria for listing of specified securities laid down by the main board

OR

- If the Paid-Up Capital of our Company is more than ₹ 10.00 Crore and up to ₹ 25.00 Crore, our company may still apply for migration to the Main Board. If our Company fulfils the eligibility criteria for listing laid down by the Main Board of NSE and if the same has been approved by a special resolution through postal ballot wherein the votes cast by the shareholders other than the Promoter in favour of the proposal amount to at least two times the number of votes cast by shareholders other than promoter shareholders against the proposal.

### **Market Making**

The shares offered through this Issue are proposed to be listed on the SME platform of NSE, wherein the Lead Manager to this Issue shall ensure compulsory Market Making through the registered Market Makers of the SME Exchange for a minimum period of 3 (three) years from the date of listing on the SME platform of NSE. For further details of the agreement entered into between the Company, the Lead Manager and the Market Maker please refer to “*General Information - Details of the Market Making Arrangements for this Issue*” on page 46 of the Prospectus.

In accordance with the SEBI Circular No. CIR/MRD/DSA/31/2012 dated November 27, 2012; it has been decided to make applicable limits on the upper side for the Market Makers during market making process taking into consideration the Issue size in the following manner:



Issue size	Buy quote exemption threshold (including mandatory initial inventory of 5% of issue size)	Re-entry threshold for buy quotes (including mandatory initial inventory of 5% of issue size)
Upto ₹ 20 Crore	25%	24%
₹ 20 Crore to ₹ 50 Crore	20%	19%
₹ 50 Crore to ₹ 80 Crore	15%	14%
Above ₹ 80 Crore	12%	11%

Further, the Market Maker shall give (2) Two way quotes till it reaches the upper limit threshold; thereafter it has the option to give only sell quotes. Two (2) way quotes shall be resumed the moment inventory reaches the prescribed re-entry threshold.

In view of the Market Maker obligation, there shall be no exemption/threshold on downside. However, in the event the Market Maker exhausts its inventory through market making process on the platform of the exchange, the concerned stock exchange may intimate the same to SEBI after due verification.

### **New Financial Instruments**

There are no new financial instruments such as deep discounted bonds, debenture, warrants, secured premium notes, etc. issued by our Company.

### **Pre-Issue Advertisement**

Subject to Section 30 of the Companies Act, 2013 our Company shall, after registering the Prospectus with the RoC publish a pre-Issue advertisement, in the form prescribed by the SEBI (ICDR) Regulations, in one widely circulated English language national daily newspaper; one widely circulated Hindi language national daily newspaper and one regional newspaper with wide circulation where the Registered Office of our Company is situated.

### **Jurisdiction**

Exclusive jurisdiction for the purpose of this Issue is with the competent courts / authorities in Jaipur, Rajasthan, 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, except pursuant to an exemption from or in a transaction not subject to, registration requirements of the U.S. Securities Act. Accordingly, the Equity Shares are only being offered or sold outside the United States in compliance with Regulation S under the Securities Act and the applicable laws of the jurisdictions 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 106(M) (2) of Chapter XB of SEBI (ICDR) Regulations, 2009, as amended from time to time, whereby, an issuer whose post issue paid up face value capital is more than ₹ 10 Crore and upto ₹ 25 Crore, shall issue shares to the public and propose to list the same on the Small and Medium Enterprise Exchange (“**SME Exchange**”, in this case being the SME Platform of NSE). For further details regarding the salient features and terms of such an issue please refer chapter titled “*Terms of the Issue*” and “*Issue Procedure*” on page 210 and 219 of this Prospectus.

The Issue comprise of a Public Issue of 34,44,000 Equity Shares of Face Value of ₹ 10/- each fully paid (The “Equity Shares”) for cash at a price of ₹ 42.00/- per Equity Shares (including a share premium of ₹ 32.00/- per equity share) aggregating upto ₹ 1446.48 Lakhs ( “the issue”) by our Company of which 1,80,000 Equity Shares of ₹ 10 each will be reserved for subscription by Market Maker Reservations Portion and a Net Issue to public of 32,64,000 Equity Shares of ₹ 10 each is hereinafter referred to as the net issue, comprising the Fresh Issue of 6,89,000 Equity Shares and the Offer for Sale 27,55,000 Equity Shares by Selling Shareholder. The Issue and the Net Issue will constitute 26.94% and 25.53% respectively of the post issue paid up Equity Share Capital of the Company.

The Issue is being made by way of Fixed Price Issue Process

Particulars of the Issue	Net Issue to Public*	Market Maker Reservation Portion
Number of Equity Shares available for allocation	32,64,000 Equity Shares	1,80,000 Equity Shares
Percentage of Issue Size available for allocation	94.77 % of the Issue	5.23 % of the Issue
Basis of Allotment	Proportionate subject to minimum allotment of 3000 Equity Shares and further allotment in multiples of 3000 Equity Shares each. For further details please refer to " <i>Issue Procedure - Basis of Allotment</i> " on page 253 of this Prospectus.	Firm Allotment
Mode of Application	Through ASBA Process Only	
Mode of Allotment	Compulsorily in dematerialized form.	
Minimum Application Size	<p><b><u>For Other than Retail Individual Investors:</u></b></p> <p>Such number of Equity Shares in multiples of 3000 Equity Shares at an Issue price of ₹ 42.00 each, such that the Application Value exceeds ₹ 2.00 Lakh.</p> <p><b><u>For Retail Individuals Investors:</u></b></p> <p>3000 Equity Shares at an Issue price of ₹ 42.00 each</p>	1,80,000 Equity Shares
Maximum Application Size	<p><b><u>For Other than Retail Individual Investors:</u></b></p> <p>The maximum application size is the Net Issue to public subject to limits the investor has to adhere under the relevant laws and regulations applicable.</p> <p><b><u>For Retail Individuals Investors:</u></b></p> <p>Such number of Equity Shares in multiples</p>	1,80,000 Equity Shares

	of 3000 Equity Shares such that the Application Value does not exceed ₹ 2,00,000/-.	
Trading Lot	3000 Equity Shares	3000 Equity Shares, However the Market Makers may accept odd lots if any in the market as required under the SEBI (ICDR) Regulations, 2009.
Application lot Size	3000 Equity Shares thereafter Equity Shares and in multiples of 3000 equity shares	
Terms of Payment	Full Application Amount shall be blocked by the SCSBs in the bank account of the ASBA Applicant that is specified in the Application Form at the time of submission of the Application Form.	

This Issue is being made in terms of Chapter XB of the SEBI (ICDR) Regulations, 2009, as amended from time to time. For further details please refer to “*Issue Structure*” on page 216 of this Prospectus.

\*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. Investors 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 percent on proportionate basis, accordingly the retail individual investors shall be allocated that higher percentage.

### Withdrawal of the Issue

The Company and Selling Shareholder, in consultation with the Lead Manager, reserves the right not to proceed with the Issue at any time before the Issue Opening Date, without assigning any reason thereof.

In case, the Company and Selling Shareholder wish to withdraw the Issue after Issue Opening but before allotment, the Company will give public notice giving reasons for withdrawal of Issue. The public notice will appear in two widely circulated national newspapers (one each in English and Hindi) and one in regional newspaper.

The Lead Manager, through the Registrar to the Issue, will instruct the SCSBs, to unblock the ASBA Accounts within one Working Day from the day of receipt of such instruction. The notice of withdrawal will be issued in the same newspapers where the pre-Issue advertisements have appeared and the Stock Exchange will also be informed promptly.

If the Company and the Selling Shareholders withdraws the Issue after the Issue Closing Date and subsequently decides to undertake a public offering of Equity Shares, the Company will file a fresh Draft Prospectus with the stock exchange where the Equity Shares may be proposed to be listed.

Notwithstanding the foregoing, the Issue is subject to obtaining (i) the final listing and trading approvals of the Stock Exchange, which our Company will apply for only after Allotment; and (ii) the final RoC approval to the Prospectus after it is filed with the RoC.

### Issue Programme

<b>ISSUE OPENING DATE</b>	May 22, 2017
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**ISSUE CLOSING DATE**

May 25, 2017

Applications and any revisions to the same will be accepted only between 10.00 a.m. to 5.00 p.m. (Indian Standard Time) during the Issue Period at the Application Centers mentioned in the Application Form.

Standardization of cut-off time for uploading of applications on the issue closing date:

- a) A standard cut-off time of 3.00 p.m. for acceptance of applications.
- b) A standard cut-off time of 4.00 p.m. for uploading of applications received from other than retail individual applicants.
- c) A standard cut-off time of 5.00 p.m. for uploading of applications received from only retail individual applicants, which may be extended up to such time as deemed fit by NSE after taking into account the total number of applications received up to the closure of timings and reported by LM to NSE within half an hour of such closure.

It is clarified that Bids not uploaded in the book, would be rejected. In case of discrepancy in the data entered in the electronic book vis-à-vis the data contained in the physical Bid form, for a particular bidder, the details as per physical application form of that Bidder may be taken as the final data for the purpose of allotment.

Applications will be accepted only on Working Days, i.e., Monday to Friday (excluding any public holiday).

## **ISSUE PROCEDURE**

All Applicants should review the General Information Document for Investing in Public Issues prepared and issued in accordance with the circular (CIR/CFD/DIL/12/2013) dated October 23, 2013 notified by SEBI (“General Information Document”) 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 2013 (to the extent notified), the Companies Act, 1956 (to the extent not repealed by the Companies Act, 2013), the Securities Contracts (Regulation) Act, 1956, the Securities Contracts (Regulation) Rules, 1957 and the SEBI ICDR Regulations as amended. The General Information Document has been updated to include reference to the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014, SEBI Listing Regulations 2015 and certain notified provisions of the Companies Act, 2013, to the extent applicable to a public issue. The General Information Document is also available on the websites of the Stock Exchanges and the Lead Manager. Please refer to the relevant portions of the General Information Document which are applicable to this Issue.

Pursuant to the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) (Fifth Amendment) Regulations, 2015, there have been certain changes in the issue procedure for initial public offerings including making ASBA Process mandatory for all investors, allowing registrar, share transfer agents, collecting depository participants and stock brokers to accept application forms. Further, SEBI, by its circular No. (CIR/CFD/POLICYCELL/11/2015) dated November 10, 2015, reduced the time taken for listing after the closure of an issue to six working days.

**Please note that the information stated/ covered in this section may not be complete and/or accurate and as such would be subject to modification/change.** Our Company and the Lead Manager do not accept any responsibility for the completeness and accuracy of the information stated in this section and the General Information Document. Applicants are advised to make their independent investigations and ensure that their Applications do not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or as specified in this Draft Prospectus and the Prospectus.

This section applies to all the Applicants, please note that all the Applicants are required to make payment of the full Application Amount along with the Application Form.

**Our Company, Selling Shareholder and the LM are not liable for any amendments, modifications or change in applicable laws or regulations, which may occur after the date of this Prospectus.**

### **PART A**

#### **Fixed Price Issue Procedure**

The Issue is being made under Regulation 106(M) (2) of Chapter XB of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 as amended via Fixed Price Process.

Applicants are required to submit their Applications to the Designated Intermediaries. In case of QIB Applicants, our Company in consultation with the Lead Manager may reject Applications at the time of acceptance of Application Form provided that the reasons for such rejection shall be provided to such Applicant in writing.

In case of Non-Institutional Applicants and Retail Individual Applicants, our Company would have a right to reject the Applications only on technical grounds.

Investors should note that according to section 29(1) of the Companies Act, 2013, allotment of Equity Shares to all successful Applicants will only be in the dematerialized form. Applicants will not have the option of being Allotted Equity Shares in physical form. Further the Equity shares on allotment shall be trade only in the dematerialized segment of the Stock Exchange, as mandated by SEBI.

### **Application Form**

Pursuant to SEBI Circular dated November 10, 2015 and bearing Reference No. CIR/CFD/POLICYCELL/11/2015 which shall be applicable for all public issues opening on or after January 01, 2016, all the investors can apply through ASBA Mode. The prescribed colour of the Application Form for various categories applying in this issue is as follows:

Category	Colour
Indian Public / eligible NRI's applying on a non-repatriation basis (ASBA)	White
Non-Residents including eligible NRI's, FPI's, FIIs, FVCIs, etc. 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 Prospectus. The Application Form shall contain information about the Applicant and the price and the number of Equity Shares that the Applicants wish to apply for. Application Forms downloaded and printed from the websites of the Stock Exchange shall bear a system generated unique application number. An Investor, intending to subscribe to this Issue, shall submit a completed application form to any of the following Intermediaries (Collectively called “Designated Intermediaries”)

Sr. No.	Designated Intermediaries
1.	An SCSB, with whom the bank account to be blocked, is maintained
2.	A syndicate member (or 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, 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 upload of the details in the electronic bidding system of stock exchange will be done by:

<b>For Applications submitted by Investors to SCSB:</b>	After accepting the form, SCSB shall capture and upload the relevant details in the electronic bidding system as specified by the stock exchange and may begin blocking funds available in the bank account specified in the form, to the extent of the application money specified.
<b>For applications submitted by investors to intermediaries other than SCSBs:</b>	After accepting the application form, respective Intermediary shall capture and upload the relevant details in the electronic bidding system of the stock exchange. Post uploading, they shall forward a schedule as per prescribed format along with the application forms to designated branches of the respective SCSBs for blocking of funds within one day of closure of Issue.

Applicants shall submit an Application Form either in physical or electronic form to the SCSB's authorizing blocking funds that are available in the bank account specified in the Application Form used by ASBA Applicants.

### **Availability of Prospectus and Application Forms**

The Application Forms and copies of the Prospectus may be obtained from the Registered Office of our Company, Lead Manager to the Issue and Registrar to the Issue as mentioned in the Application Form. The application forms may also be downloaded from the website of NSE Limited i.e. [www.nseindia.com](http://www.nseindia.com)

### **Who can apply?**

In addition to the category of Applicants as set forth under “Part B- General Information Document for Investing in Public Issues-Category of Investors Eligible to participate in an Issue”, the following persons are also eligible to invest in the Equity Shares under all applicable laws, regulations and guidelines, including:

- FPIs and sub-accounts registered with SEBI other than Category III foreign portfolio investor;
- Category III foreign portfolio investors, which are foreign corporate or foreign individuals only under the Non Institutional Investors category;
- Scientific and / or industrial research organizations authorized in India to invest in the Equity Shares.
- Any other persons eligible to apply in this Issue under the laws, rules, regulations, guidelines and policies applicable to them.

### **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

The information below is given for the benefit of the applicants. Our Company, Selling Shareholders and the Lead Manager do not accept responsibility for the completeness and accuracy of the information stated. Our Company, Selling Shareholders and the Lead Manager is not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of the Prospectus. Applicants are advised to make their independent investigations and ensure that the number of Equity Shares applied for does not exceed the limits prescribed under laws or regulations.

### **MAXIMUM AND MINIMUM APPLICATION SIZE**

#### **1. For Retail Individual Applicants**

The Application must be for a minimum of 3000 Equity Shares and in multiples of 3000 Equity Shares thereafter, so as to ensure that the Application Price payable by the Applicant does not exceed ₹ 2,00,000. In case of revision of Applications, the Retail Individual Applicants have to ensure that the Application Price does not exceed ₹ 2,00,000.

#### **2. For Other than Retail Individual Applicants (Non-Institutional Applicants and QIBs):**

The Application must be for a minimum of such number of Equity Shares that the Application Amount exceeds ₹ 2,00,000 and in multiples of 3000 Equity Shares thereafter. An Application cannot be submitted for more than the Net Issue Size. However, the maximum Application by a QIB investor should not exceed the investment limits prescribed for them by applicable laws. Under existing SEBI Regulations, a QIB Applicant cannot withdraw its Application after the Issue Closing Date and is required to pay 100% QIB Margin upon submission of Application.

In case of revision in Applications, the Non-Institutional Applicants, who are individuals, have to ensure that the Application Amount is greater than ₹ 2, 00,000 for being considered for allocation in the Non-Institutional Portion.

**Applicants are advised to ensure that any single Application from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or regulation or as specified in this Prospectus.**

**The above information is given for the benefit of the Applicants. The Company and the LMs are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Prospectus. Applicants are advised to make their independent investigations and ensure that the number of Equity Shares applied for do not exceed the applicable limits under laws or regulations.**

**Participation by Associates /Affiliates of LM and the Syndicate Members**

The LM and Syndicate Members, if any shall not be entitled to subscribe to this Issue in any manner except towards fulfilling their underwriting and market making obligations. However, associates/affiliates of the LM and Syndicate Members, if any may subscribe for Equity Shares in the Issue, either in the QIB Category or in the Non- Institutional Category as may be applicable to the Applicants, where the allocation is on a proportionate basis and such subscription may be on their own account or on behalf of their clients.

**Option to Subscribe in the Issue**

- a. As per Section 29(1) of the Companies Act 2013, allotment of Equity Shares shall be made in dematerialized form only. Investors will not have the option of getting allotment of specified securities in physical form.
- 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 Equity Shares that can be held by him/her/it under the relevant regulations/statutory guidelines and applicable law.

**Information for the Applicants:**

1. Our Company, Selling Shareholder and the Lead Managers shall declare the Issue Opening Date and Issue Closing Date in the Prospectus to be registered with the RoC and also publish the same in two national newspapers (one each in English and Hindi) and in a regional newspaper with wide circulation. This advertisement shall be in prescribed format.
2. Our Company will file the Prospectus with the RoC at least 3 (three) days before the Issue Opening Date.
3. Copies of the Application Form along with Abridge Prospectus and copies of the Prospectus will be available with the, the Lead Managers, the Registrar to the Issue, and at the Registered Office of our Company. Electronic Application Forms will also be available on the websites of the Stock Exchange.
4. Any applicant who would like to obtain the Prospectus and/ or the Application Form can obtain the same from our Registered Office/ Corporate Office.
5. Applicants who are interested in subscribing for the Equity Shares should approach Designated Intermediaries to register their applications.
6. Application Forms submitted directly to the SCSBs should bear the stamp of the SCSBs and/or the Designated Branch, or the respective Designated Intermediaries. Application Form submitted by Applicants whose beneficiary account is inactive shall be rejected.
7. The Application Form can be submitted either in physical or electronic mode, to the SCSBs with whom the ASBA Account is maintained, or other Designated Intermediaries (Other than SCSBs). SCSBs 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.
8. Applicants applying directly through the SCSBs should ensure that the Application Form is submitted to a Designated Branch of SCSB, where the ASBA Account is maintained. Applications submitted directly to the SCSB's or other Designated Intermediaries (Other than SCSBs) , the relevant SCSB , shall block an amount in the ASBA Account equal to the Application Amount specified in the Application Form, before entering the ASBA application into the electronic system.
9. Except for applications by or on behalf of the Central or State Government and the Officials appointed by the courts and by investors residing in the State of Sikkim, the Applicants, or in the case of application in joint names, the first Applicant (the first name under which the beneficiary account is held), should mention his/her PAN allotted under the Income Tax Act. In accordance with the SEBI Regulations, the PAN would be the sole



identification number for participating transacting in the securities market, irrespective of the amount of transaction. Any Application Form without PAN is liable to be rejected. The demat accounts of Applicants for whom PAN details have not been verified, excluding persons resident in the State of Sikkim or persons who may be exempted from specifying their PAN for transacting in the securities market, shall be “suspended for credit” and no credit of Equity Shares pursuant to the Issue will be made into the accounts of such Applicants.

10. 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 Designated Intermediaries do not match with PAN, the DP ID and Client ID available in the Depository database, the Application Form is liable to be rejected.

#### **Application by Indian Public including eligible NRIs applying on Non-Repatriation Basis**

Application must be made only in the names of individuals, Limited Companies or Statutory Corporations/institutions and not in the names of Minors, Foreign Nationals, Non Residents Indian (except for those applying on non-repatriation), trusts, (unless the Trust is registered under the Societies Registration Act, 1860 or any other applicable Trust laws and is authorized under its constitution to hold shares and debentures in a Company), Hindu Undivided Families, Partnership firms or their nominees. In case of HUFs, application shall be made by the Karta of the HUF. An applicant in the Net Public Category cannot make an application for that number of Equity Shares exceeding the number of Equity Shares offered to the public. Eligible NRIs applying on a non-repatriation basis should authorize their SCSB to block their NRE/FCNR accounts as well as NRO accounts.

#### **Applications by eligible NRIs/ FPI's on Repatriation Basis**

Application Forms have been made available for eligible NRIs at our registered office.

Eligible NRIs applicants may please note that only such applications as are accompanied by payment in free foreign exchange shall be considered for Allotment under reserved category. The Eligible NRIs who intend to get the amount blocked in the Non Resident Ordinary (NRO) accounts shall use the form meant for Resident Indians and shall not use the forms meant for reserved category.

Under FEMA, general permission is granted to companies vide notification no. FEMA/20/2000 RB dated 03/05/2000 to issue securities to NRIs subject to the terms and conditions stipulated therein. Companies are required to file the declaration in the prescribed form to the concerned Regional Office of RBI within 30 (thirty) days from the date of issue of shares of allotment to NRIs on repatriation basis.

Allotment of Equity shares to Non-Resident Indians shall be subject to the prevailing Reserve Bank of India Guidelines. Sale proceeds of such investments in Equity shares will be allowed to be repatriated along with the income thereon subject to the permission of the RBI and subject to the Indian Tax Laws and regulations and any other applicable laws.

#### **As Per The Current Regulations, The Following Restrictions Are Applicable For Investments By FPIs.**

1. A foreign portfolio investor shall invest only in the following securities, namely- (a) Securities in the primary and secondary markets including shares, debentures and warrants of companies, listed or to be listed on a recognized stock exchange in India; (b) Units of schemes floated by a domestic mutual funds, whether listed on a recognized stock exchange or not; (c) Units of Schemes floated by a collective investment scheme; (d) Derivatives traded on a recognized Stock Exchange; (e) Treasury bills and dated government securities; (f) Commercial papers issued by an Indian Company; (g) Rupee denominated credit enhanced bonds; (h) Security receipts issued by asset reconstruction companies; (i) Perpetual debt instruments and debt capital instruments, as specified by the Reserve Bank of India from time to time; (j) Listed and unlisted non-convertible debentures/bonds issued by an Indian company in the infrastructure sector, where 'infrastructure' is defined in terms of the extant External Commercial Borrowings (ECB) guidelines; (k) Non-Convertible debentures or bonds issued by Non – Banking Financial Companies categorized as 'Infrastructure Finance Companies' (IFC)

- by the Reserve Bank of India; (i) Rupee denominated bonds or units issued by infrastructure debt funds; (m) Indian depository receipts; and (n) Such other instruments specified by the Board from time to time.
2. Where a foreign institutional investor or a sub account, prior to commencement of SEBI (Foreign Portfolio Investors) Regulations, 2014, hold equity shares in a company whose shares are not listed on any recognized stock exchange, and continues to hold such shares after Initial Public Offering and listing thereof, such shares shall be subject to lock-in for the same period, if any, as is applicable to shares held by a foreign direct investor placed in similar position, under the policy of the Government of India relating to foreign direct investment from the time being in force.
  3. In respect of investments in the secondary market, the following additional conditions shall apply:
    - a) A foreign portfolio investor shall transact in the securities in India only on the basis of taking and giving delivery of securities purchased or sold;
    - b) Nothing contained in clause (a) shall apply to:
      - ❖ Any transactions in derivatives on a recognized stock exchange;
      - ❖ Short selling transactions in accordance with the framework specified by the Board;
      - ❖ Any transaction in securities pursuant to an agreement entered into with the merchant banker in the process of market making or subscribing to unsubscribed portion of the issue in accordance with Chapter XB of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009
      - ❖ Any other transaction specified by the Board.
    - c) No transaction on the stock exchange shall be carried forward;
    - d) The transaction of business in securities by a foreign portfolio investor shall be only through stock brokers registered by the Board; provided nothing contained in this clause shall apply to;
      - ❖ transactions in Government securities and such other securities falling under the purview of the Reserve Bank of India which shall be carried out in the manner specified by the Reserve Bank of India;
      - ❖ Sale of securities in response to a letter of offer sent by an acquirer in accordance with the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
      - ❖ Sale of securities in response to an offer made by any promoter or acquirer in accordance with the Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
      - ❖ Sale of securities, in accordance with the Securities and Exchange Board of India (Buy Back of Securities) Regulations, 1998;
      - ❖ divestment of securities in response to an offer by Indian Companies in accordance with Operative Guidelines of Disinvestment of shares of Indian Companies in the overseas market through issue of American Depository Receipts or Global Depository Receipts as notified by the Government of India and directions issued by Reserve Bank of India from time to time;
      - ❖ Any bid for, or acquisition of, securities in response to an offer for disinvestment of shares made by the Central Government or any State Government;
      - ❖ Any transaction in securities pursuant to an agreement entered into with merchant banker in the process of market making portion of the issue in accordance with Chapter XB of the Securities and Exchange Board of India ( Issue of Capital and Disclosure Requirements) Regulations, 2009;
      - ❖ Any other transaction specified by Board.
    - e) A foreign portfolio investor shall hold, deliver or cause to be delivered securities only in dematerialized form: Provided that any shares held in non-dematerialized form, before the commencement of these regulation, can be held in non-dematerialized form, if such shares cannot be dematerialized.
  4. Unless otherwise approved by the Board, securities shall be registered in the name of the foreign portfolio investor as a beneficial owner for the purposes of the Depositories Act, 1996.

5. The purchase of Equity Shares of each company by a single foreign portfolio investor or an investor group shall be below ten percent of the total issued capital of the company.
6. The investment by the foreign portfolio investor shall also be subject to such other conditions and restrictions as may be specified by the Government of India from time to time.
7. In cases where the Government of India enters into agreements or treaties with other sovereign Governments and where such agreements or treaties specifically recognize certain entities to be distinct and separate, the Board may, during the validity of such agreements or treaties, recognize them as such, subject to conditions as may be specified by it.
8. A foreign portfolio investor may lend or borrow securities in accordance with the framework specified by the Board in this regard.

No foreign portfolio investor may issue, subscribe to or otherwise deal in offshore derivative instruments, directly or indirectly, unless the following conditions are satisfied:

- a) Such offshore derivative instruments are issued only to persons who are regulated by an appropriate foreign regulatory authority
- b) Such offshore derivatives instruments are issued after compliance with 'know your client' norms:

Provided that those unregulated broad based funds, which are classified as Category II foreign portfolio investor by virtue of their investment manager being appropriately regulated shall not issue, subscribe or otherwise deal, in offshore derivatives instruments directly or indirectly.

Provided further that no Category III foreign portfolio investor shall issue, subscribe to or otherwise deal in offshore derivatives instruments directly or indirectly.

A foreign portfolio investor shall ensure that further issue or transfer of any offshore derivative instruments issued by or on behalf of it is made only to persons who are regulated by an appropriate foreign regulatory authority.

Foreign portfolio investors shall fully disclose to the Board any information concerning the terms of and parties to off-shore derivative instruments such as participatory notes, equity linked notes or any other such instruments, by whatever names they are called, entered into by it relating to any securities listed or proposed to be listed in any stock exchange in India, as and when and in such form as the Board may specify.

Any offshore derivative instruments issued under the Securities and Exchange Board of India of India (Foreign Institutional Investors) Regulations, 1995 before commencement of SEBI (Foreign Portfolio Investors) Regulation, 2014 shall be deemed to have been issued under the corresponding provision of SEBI (Foreign Portfolio Investors) Regulation, 2014.

The purchase of equity shares of each company by a single foreign portfolio investor or an investor group shall be below 10 per cent of the total issued capital of the company.

An FII or its subaccount which holds a valid certificate of registration shall, subject to the payment of conversion fees, be eligible to continue to buy, sell or otherwise deal in securities till the expiry of its registration as a foreign institutional investor or sub-account, or until he obtains a certificate of registration as foreign portfolio investor, whichever is earlier.

Qualified foreign investor may continue to buy, sell or otherwise deal in securities subject to the provision of SEBI (Foreign Portfolio Investors) Regulation, 2014, for a period of one year from the date of commencement of aforesaid regulations, or until it obtains a certificate of registration as foreign portfolio investor, whichever is earlier.

### **Application by Mutual Funds**

As per the current regulations, the following restrictions are applicable for investments by Mutual fund:

No mutual fund scheme shall invest more than 10% of its net asset value in the Equity Shares or equity related instruments of any Company provided that the limit of 10% shall not be applicable for investments in index funds or sector or industry specific funds. No mutual fund under all its schemes should own more than 10% of any Company's paid up share capital carrying voting rights.

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 Application made by 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 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 LLP Act, 2008 must be attached to the Application Form. Failing this, our Company and Selling Shareholder reserves the right to reject any Application without assigning any reason thereof.

### **Applications by Insurance Companies**

In case of applications made by insurance companies registered with IRDA, certified copy of certificate of registration issued by IRDA must be attached to the Application Form. Failing this, our Company, Selling Shareholder in consultation with the LM, 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) (5th Amendment) Regulations, 2010, as amended (the "IRDA Investment Regulations"), are broadly set forth below:

- a. Equity shares of a company: The lesser 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;
- b. The entire group of the investee company: at least 10% of the respective fund in case of a life insurer or 10% of investment assets in case of general insurer or reinsurer (25% in case of Unit Linked Insurance Plans); and
- c. The industry sector in which the investee company operates: 10% of the insurer's total investment exposure to the industry sector (25% in case of Unit Linked Insurance Plans).

### **Applications under Power of Attorney**

In case of applications made pursuant to a power of attorney by limited companies, corporate bodies, registered societies, FIIs, FPI's, Mutual Funds, insurance companies and provident funds with minimum corpus of Rs. 2,500 Lakhs (subject to applicable law) and pension funds with a minimum corpus of Rs. 2,500 Lakhs, a certified copy of the power of attorney or the relevant Resolution or authority, as the case may be, along with a certified copy of the memorandum of association and articles of association and/or bye laws must be lodged 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 therefore.

With respect to the applications by VCFs, FVCIs and FPIs, a certified copy of the power of attorney or the relevant resolution or authority, as the case may belong with a certified copy of their SEBI registration certificate must be lodged along 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 therefore.

In the case of Applications made pursuant to a power of attorney by Mutual Funds, a certified copy of the power of attorney or the relevant resolutions or authority, as the case may be, along with the certified copy of their SEBI registration certificate must be submitted 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 therefore.

In the case of Applications made by insurance companies registered with the IRDA, a certified copy of certificate of registration issued by the IRDA 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 therefore.

In the case of Applications made by the power of attorney by FIIs, a certified copy of the power of attorney the relevant resolution or authority, as the case may be along with the certified copy of SEBI registration certificate must be lodged 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 the case of Applications made by provident funds, subject to applicable law, with minimum corpus of Rs. 2500 Lacs and pension funds with minimum corpus of Rs. 2500 Lacs, 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, the Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason thereof.

#### **Application by Provident Funds/Pension Funds**

In case of Applications made by provident funds with minimum corpus of Rs. 2,500 lakhs (subject to applicable law) and pension funds with minimum corpus of Rs. 2,500 lakhs, a certified copy of certificate from a chartered accountant certifying the corpus of the provident fund/ pension fund must be lodged along 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.

The above information is given for the benefit of the Applicants. Our Company and the LM are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of filing of this Prospectus. Applicants are advised to make their independent investigations and ensure that the maximum number of Equity Shares applied for or maximum investment limits do not exceed the applicable limits under laws or regulations or as specified in this Prospectus.

#### **Applications by banking companies**

In case of Application 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 and Selling Shareholder, severally and not jointly, reserve the right to reject any application without assigning any reason therefore.

The investment limit for banking companies in non-financial services companies as per the Banking Regulation Act, 1949 (the "Banking Regulation Act"), and Master Circular – Para-banking Activities dated July 1, 2015 is 10% of the paid-up share capital of the investee company or 10% of the banks' own paid-up share capital and reserves, whichever is less. Further, the investment in a non-financial services company by a banking company together with its subsidiaries, associates, joint ventures, entities directly or indirectly controlled by the bank and mutual funds

managed by asset management companies controlled by the banking company cannot exceed 20% of the investee company's paid-up share capital. A banking company may hold up to 30% of the paid-up share capital of the investee company with the prior approval of the RBI provided that the investee company is engaged in non-financial activities in which banking companies are permitted to engage under the Banking Regulation Act.

### **Method and Process of Applications**

1. The Designated Intermediaries shall accept applications from the Applicants during the Issue Period.
2. The Issue Period shall be for a minimum of three Working Days and shall not exceed 10 Working Days. The Issue Period may be extended, if required, by an additional three Working Days, subject to the total Issue Period not exceeding 10 Working Days.
3. During the Issue Period, Applicants who are interested in subscribing to the Equity Shares should approach the Designated Intermediaries to register their applications.
4. The Applicant cannot apply on another Application Form after applications on one Application Form have been submitted to the Designated Intermediaries. Submission of a second Application form to either the same or to another Designated Intermediaries will be treated as multiple applications and is liable to be rejected either before entering the application into the electronic collecting system or at any point prior to the allocation or Allotment of Equity Shares in this Issue.
5. Designated Intermediaries accepting the application forms shall be responsible for uploading the application along with other relevant details in application forms on the electronic bidding system of stock exchange and submitting the form to SCSBs for blocking of funds (except in case of SCSBs, where blocking of funds will be done by respective SCSBs only). All applications shall be stamped and thereby acknowledged by the Designated Intermediaries at the time of receipt.
6. The Designated Intermediaries will enter each application option into the electronic collecting system as a separate application and generate a TRS and give the same to the applicant.
7. Upon receipt of the Application Form, submitted whether in physical or electronic mode, the Designated Intermediaries shall verify if sufficient funds equal to the Application Amount are available in the ASBA Account, as mentioned in the Application Form, prior to uploading such applications with the Stock Exchange.
8. If sufficient funds are not available in the ASBA Account, the Designated Intermediaries shall reject such applications and shall not upload such applications with the Stock Exchange.
9. If sufficient funds are available in the ASBA Account, the SCSB shall block an amount equivalent to the Application Amount mentioned in the Application Form and will enter each application option into the electronic collecting system as a separate application and generate a TRS for each price and demand option. The TRS shall be furnished to the Applicant on request.
10. The Application Amount shall remain blocked in the aforesaid ASBA Account until finalization 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/ failure of the Issue or until withdrawal/ rejection of the Application Form, as the case may be. Once the Basis of Allotment is finalized, the Registrar to the Issue shall send an appropriate request to the Controlling Branch of the SCSB for unblocking the relevant ASBA Accounts and for transferring the amount allocable to the successful Applicants to the Public Issue Account. In case of withdrawal/ failure of the Issue, the blocked amount shall be unblocked on receipt of such information from the Registrar to the Issue.

### Terms of payment

The entire Issue price of ₹ 42.00 per share is payable on application. In case of allotment of lesser number of Equity Shares than the number applied, 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 of the Registrar to the Public Issue Account, the balance amount after transfer will be unblocked by the SCSBs.

The applicants should note that the arrangement with Bankers to the Issue or the Registrar is not prescribed by SEBI and has been established as an arrangement between our Company, Banker to the Issue and the Registrar to the Issue to facilitate collections from the Applicants.

### Payment mechanism

The applicants shall specify the bank account number in their 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 Non Retail 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 instructions to the SCSBs to unblock the application money in the relevant bank account within one day of receipt of such instruction. The Application Amount shall remain blocked in the ASBA Account until finalization 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 by the ASBA Applicant, as the case may be.

*Please note that pursuant to SEBI circular CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 investors in the public issue can only invest through ASBA Mode.*

### Electronic Registration of Applications

1. The Designated Intermediaries will register the applications using the on-line facilities of the Stock Exchange.
2. The Designated Intermediaries will undertake modification of selected fields in the application details already uploaded before 1.00 p.m. of next Working Day from the Issue Closing Date.
3. The Designated Intermediaries shall be responsible for any acts, mistakes or errors or omissions 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) with respect to applications by Applicants, applications accepted and uploaded by any Designated 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 responsible for blocking the necessary amounts in the ASBA Accounts.
4. Neither the Lead Managers nor our Company nor the Registrar to the Issue, shall be responsible for any acts, mistakes or errors or omission and commissions in relation to,
  - (i) The applications accepted by any Designated Intermediaries
  - (ii) The applications uploaded by any Designated Intermediaries or
  - (iii) The applications accepted but not uploaded by any Designated Intermediaries
5. The Stock Exchange will offer an electronic facility for registering applications for the Issue. This facility will

available at the terminals of Designated Intermediaries and their authorized agents during the Issue Period. The Designated Branches or agents of Designated Intermediaries can also set up facilities for off-line electronic registration of applications subject to the condition that they will subsequently upload the off-line data file into the online facilities on a regular basis. On the Issue Closing Date, the Designated Intermediaries shall upload the applications till such time as may be permitted by the Stock Exchange. This information will be available with the Lead Manager on a regular basis.

6. With respect to applications by Applicants, at the time of registering such applications, the Syndicate Bankers, DPs and RTAs shall forward a Schedule as per format given below along with the Application Forms to Designated Branches of the SCSBs for blocking of funds:

S. No.	Details*
1.	Symbol
2.	Intermediary Code
3.	Location Code
4.	Application No.
5.	Category
6.	PAN
7.	DP ID
8.	Client ID
9.	Quantity
10.	Amount

*\*Stock Exchanges shall uniformly prescribe character length for each of the above-mentioned fields*

7. With respect to applications by Applicants, at the time of registering such applications, the Designated 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;
  - Number of Equity Shares Applied for;
  - Bank Account details;
  - Locations of the Banker to the Issue or Designated Branch, as applicable, and bank code of the SCSB branch where the ASBA Account is maintained; and
  - Bank account number.
8. 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 ASBA Application Form number which shall be system generated.
9. The aforesaid Designated Intermediaries shall, at the time of receipt of application, give an acknowledgment to the 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 as well as electronic mode. The registration of the Application by the Designated Intermediaries does not guarantee that the Equity Shares shall be allocated / allotted either by our Company.
10. Such acknowledgment will be non-negotiable and by itself will not create any obligation of any kind.
11. In case of Non Retail Applicants and Retail Individual Applicants, applications would not be rejected except on the technical grounds as mentioned in the Prospectus. The Designated Intermediaries shall have no right to reject applications, except on technical grounds.



12. The permission given by the Stock Exchanges 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 Exchanges; 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 Exchanges.
13. The Designated Intermediaries will be given time till 1.00 p.m. on the next working day after the Issue Closing Date to verify the 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.
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.
15. The details uploaded in the online IPO system shall be considered as final and Allotment will be based on such details for applications.

#### **Allocation of Equity shares**

- 1) The Issue is being made through the Fixed Price Process wherein 1,80,000 Equity Shares shall be reserved for Market Maker and 32,64,000 Equity shares will be allocated on a proportionate basis to Retail Individual Applicants, subject to valid applications being received from Retail Individual Applicants at the Issue Price. The balance of the Net Issue will be available for allocation on 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 Managers and the Stock Exchange.
- 3) Allocation to Non-Residents, including Eligible NRIs, Eligible QFIs, 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 Regulations, Non Retail Applicants shall not be allowed to either withdraw or lower the size of their applications at any stage.
- 5) Allotment status details shall be available on the website of the Registrar to the Issue.

#### **Signing of Underwriting Agreement and Filing of Prospectus with ROC**

- a) Our company, Selling Shareholder, LM has entered into an Underwriting Agreement dated May 08, 2017 with underwriter.
- b) A copy of Prospectus will be filled with the RoC in terms of Section 26 of Companies Act, 2013.

#### **Pre-Issue Advertisement**

Subject to Section 30 of the Companies Act 2013, our Company shall, after registering the Prospectus with the RoC, publish a pre-Issue advertisement, in the form prescribed by the SEBI Regulations, in (i) English National Newspaper; (ii) Hindi National Newspaper and (iii) Regional Newspaper each with wide circulation. In the pre-Offer advertisement, we stated the Offer Opening Date and the Offer Closing Date. This advertisement, subject to the provisions of Section 30 of the Companies Act, 2013, was in the format prescribed in Part A of Schedule XIII of the SEBI Regulations.

### **Issuance of Allotment Advice**

- 1) Upon approval of the Basis of Allotment by the Designated Stock Exchange.
- 2) The Lead Managers or the Registrar to the Issue will dispatch an Allotment Advice to their Applicants who have been allocated Equity Shares in the Issue.

The dispatch of Allotment Advice shall be deemed a valid, binding and irrevocable contract for the Allotment to such Applicant.

### **General Instructions**

#### **Do's:**

- Check if you are eligible to apply;
- Read all the instructions carefully and complete the applicable Application Form;
- Ensure that the details about the Depository Participant and the beneficiary account are correct as Allotment of Equity Shares will be in the dematerialized form only;
- Each of the Applicants should mention their Permanent Account Number (PAN) allotted under the Income Tax Act, 1961;
- Ensure that the Demographic Details are updated, true and correct in all respects;
- Ensure that the name(s) given in the Application Form is exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant.
- 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 Syndicate (in the Specified Locations), the SCSBs, the Registered Broker (at the Broker Centres), the RTA (at the Designated RTA Locations) or CDP (at the Designated CDP Locations); Instruct your respective Banks to not release the funds blocked in the ASBA Account under the ASBA process;
- Ensure that the Application Form is signed by the account holder in case the applicant is not the account holder. Ensure that you have mentioned the correct bank account number in the Application Form;
- Ensure that the Application Forms are delivered by the applicants within the time prescribed as per the Application Form and the Prospectus;
- Ensure that you have requested for and receive a TRS;
- Ensure that you request for and receive a stamped acknowledgement of the Application Form for all your application options;
- All Investors submit their applications through the ASBA process only;
- Ensure that you receive an acknowledgement from the concerned Designated Intermediary, for the submission of your Bid cum Application Form; and
- The Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.

#### **Don'ts:**

- Do not apply for lower than the minimum Application size;
- Do not apply for a price different from the price mentioned herein or in the Application Form;
- Do not apply on another Application Form after you have submitted an application to the SCSBs, Registered Brokers of Stock Exchange, RTA and DPs registered with SEBI;
- Do not pay the Application Price in cash, by money order or by postal order or by stock invest;
- Do not send Application Forms by post, instead submit the Designated Intermediary only;
- Do not submit the Application Forms to any non-SCSB bank or our Company;
- Do not apply on an Application Form that does not have the stamp of the relevant Designated Intermediary;
- Do not submit the application without ensuring that funds equivalent to the entire application Amount are blocked in the relevant ASBA Account;
- Do not apply for an Application Amount exceeding Rs. 2,00,000 (for applications by Retail Individual Applicants);

- Do not fill up the Application Form such that the Equity Shares applied for exceeds the Issue Size and/or investment limit or maximum number of Equity Shares that can be held under the applicable laws or regulations or maximum amount permissible under the applicable regulations;
- Do not submit the GIR number instead of the PAN as the application is liable to be rejected on this ground;
- Do not submit incorrect details of the DP ID, beneficiary account number and PAN or provide details for a beneficiary account which is suspended or for which details cannot be verified by the Registrar to the Issue;
- Do not submit applications on plain paper or incomplete or illegible Application Forms in a color prescribed for another category of Applicant; and
- Do not make Applications if you are not competent to contract under the Indian Contract Act, 1872, as amended.
- Do not make more than five applications from one bank account.

### **Instructions for Completing the Application Form**

The Applications should be submitted on the prescribed Application Form and in BLOCK LETTERS in ENGLISH only in accordance with the instructions contained herein and in the Application Form. Applications not so made are liable to be rejected. Application Forms should bear the stamp of the Designated Intermediaries. ASBA Application Forms, which do not bear the stamp of the Designated Intermediaries, will be rejected.

SEBI, vide Circular No.CIR/CFD/14/2012 dated October 04, 2012 has introduced an additional mechanism for investors to submit Application forms in public issues using the stock broker (broker) network of Stock Exchanges, who may not be syndicate members in an issue with effect from January 01, 2013. The list of Broker Centre is available on the websites of BSE i.e. [www.bseindia.com](http://www.bseindia.com) and NSE i.e. [www.nseindia.com](http://www.nseindia.com). With a view to broad base the reach of Investors by substantial, enhancing the points for submission of applications, SEBI vide Circular No.CIR/CFD/POLICY CELL/11/2015 dated November 10, 2015 has permitted Registrar to the Issue and Share Transfer Agent and Depository Participants registered with SEBI to accept the Application forms in Public Issue with effect front January 01, 2016. The List of ETA and DPs centres for collecting the application shall be disclosed is available on the websites of BSE i.e. [www.bseindia.com](http://www.bseindia.com) and NSE i.e. [www.nseindia.com](http://www.nseindia.com)

### **Applicant's Depository Account and Bank Details**

Please note that, providing bank account details, PAN No's, Client ID and DP ID in the space provided in the application form is mandatory and applications that do not contain such details are liable to be rejected.

Applicants should note that on the basis of name of the Applicants, Depository Participant's name, Depository Participant Identification number and Beneficiary Account Number provided by them in the Application Form as entered into the Stock Exchange online system, the Registrar to the Issue will obtain front the Depository the demographic details including address, Applicants bank account details, MICR code and occupation (hereinafter referred to as 'Demographic Details'). These Demographic Details would be used for all correspondence with the Applicants including mailing of the Allotment Advice. The Demographic Details given by Applicants in the Application Form would not be used for any other purpose by the Registrar to the Issue.

By signing the Application Form, the Applicant would be deemed to have authorized the depositories to provide, upon request, to the Registrar to the Issue, the required Demographic Details as available on its records.

### **Submission of Application Form**

All Application Forms duly completed shall be submitted to the Designated Intermediaries. 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.

### **Communications**

All future communications in connection with Applications made in this Issue should be addressed to the Registrar to the Issue quoting the full name of the sole or First Applicant, Application Form number, Applicants Depository

Account Details, number of Equity Shares applied for, date of Application form, name and address of the Designated 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.

### **Disposal of Application and Application Moneys and Interest in Case of Delay**

The Company shall ensure the dispatch of Allotment advice, and give benefit to the beneficiary account with Depository Participants and submit the documents pertaining to the Allotment to the Stock Exchange within 2 (two) working days of date of Allotment of Equity Shares.

The Company shall use best efforts to ensure that all steps for completion of the necessary formalities for listing and commencement of trading at SME Platform of NSE where the Equity Shares are proposed to be listed are taken within 6 (Six) working days from Issue Closing Date.

In accordance with the Companies Act, the requirements of the Stock Exchange and the SEBI Regulations, the Company further undertakes that:

1. Allotment and Listing of Equity Shares shall be made within 6 (Six) days of the Issue Closing Date;
2. The Company will provide adequate funds required for dispatch of Allotment Advice to the Registrar to the Issue.

### **Right to Reject Applications**

In case of QIB Applicants, the Company in consultation with the LM may reject Applications provided that the reasons for rejecting the same shall be provided to such Applicant in writing. In case of Non Institutional Applicants, Retail Individual Applicants who applied, the Company has a right to reject Applications based on technical grounds.

### **Impersonation**

Attention of the Applicants is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act, 2013 which is reproduced below:

"Any person who—

- a) Makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or
  - b) Makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or
  - c) Otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name,
- shall be liable for action under Section 447 of the Companies Act, 2013"

### **Undertakings by Our Company**

We undertake as follows:

- 1) That the complaints received in respect of the Issue shall be attended to by us expeditiously and satisfactorily;
- 2) That all steps will be taken for the completion of the necessary formalities for listing and commencement of trading at the Stock Exchange where the Equity Shares are proposed to be listed within 6 (six) Working days of Issue Closing Date.

- 3) That if the Company do not proceed with the Issue, 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;
- 4) That the our Promoters' contribution in full has already been brought in;
- 5) That no further issue of Equity Shares shall be made till the Equity Shares offered through the Prospectus are listed or until the Application monies are unblocked on account of non-listing, under subscription etc. and
- 6) That if the 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 Company;

#### **Undertakings by the Selling Shareholder**

- 1) The Equity Shares offered pursuant to the Offer for Sale have been held by the Selling Shareholder for a period of at least one year prior to the date of this Prospectus, are free and clear of any liens or encumbrances and, to the extent that the Equity Shares being offered have resulted from a bonus issue, the bonus issue has been on equity shares held for a period of at least one year prior to the filing of this Prospectus and has been issued out of free reserves and share premium existing in the Financial Statement of the company;
- 2) The Selling Shareholder is the legal and beneficial owner of and has full title to the Investor Offered Shares;
- 3) The Selling Shareholder will not have recourse to the proceeds of the Offer for Sale, until approval for trading of the Equity Shares from all Stock Exchanges where listing is sought has been received;
- 4) The Selling Shareholder will not sell, transfer, dispose of in any manner or create any lien, charge or encumbrance on the Equity Shares offered in the Offer for Sale; and
- 5) The Selling Shareholder will take all such steps as may be required to ensure that the Equity Shares being sold by them in the Offer for Sale are available for transfer in the Offer for Sale.
- 6) They shall take all such steps as may be required to ensure that the Equity Shares being sold by them pursuant to the Offer are available for transfer in the Offer within the time specified under applicable law; and
- 7) They shall comply with all applicable laws, in India, including the Companies Act, the SEBI Regulations, the FEMA and the applicable circulars, guidelines and regulations issued by SEBI and RBI, each in relation to the Equity Shares offered by them in the Offer.

#### **Utilization of Issue Proceeds**

The Board of Directors of our Company certifies that:

- 1) All monies received out of the Issue shall be credited/ transferred to a separate bank account other than the bank account referred to in sub section (3) of Section 40 of the Companies Act 2013;
- 2) Details of all monies 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 unutilized, under an appropriate head in our 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 the 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 SEBI Listing Regulations, 2015 in relation to the disclosure and monitoring of the utilization of the proceeds of the Issue.
- 5) Our Company shall not have recourse to the Issue Proceeds until the approval for listing and trading of the Equity Shares from the Stock Exchange where listing is sought has been received.
- 6) The Lead Manager undertakes that the complaints or comments received in respect of the Issue shall be attended by our Company expeditiously and satisfactorily.

**Equity Shares in Dematerialized Form with NSDL or CDSL**

To enable all shareholders of our Company to have their shareholding in electronic form, the Company will sign the following tripartite agreements with the Depositories and the Registrar and Share Transfer Agent:

- a) Agreement dated April 16, 2014 between NSDL, the Company and the Registrar to the Issue;
- b) Agreement dated May 05, 2017 between CDSL, the Company and the Registrar to the Company;

The Company's equity shares bear an ISIN No. INE551Q01028

## PART B

### GENERAL INFORMATION DOCUMENT FOR INVESTING IN PUBLIC ISSUES

This General Information Document highlights the key rules, processes and procedures applicable to public issues in accordance with the provisions of the Companies Act, 2013 (to the extent notified and in effect), the Companies Act, 1956 (without reference to the provisions thereof that have ceased to have effect upon the notification of the Companies Act, 2013), the Securities Contracts (Regulation) Act, 1956, the Securities Contracts (Regulation) Rules, 1957 and the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009. 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 Applicants should rely on their own examination of the Issuer and the Issue, and should carefully read the Draft Prospectus/Prospectus before investing in the Issue

#### **Section 1: Purpose of the General Information Document (GID)**

This document is applicable to the public issues undertaken inter-alia through the Fixed Price Issues. The purpose of the “General Information Document for Investing in Public Issues” is to provide general guidance to potential Applicants in IPOs, on the processes and procedures governing IPOs, undertaken in accordance with the provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (“SEBI ICDR Regulations, 2009”) as amended.

Applicants should note that investment in equity and equity related securities involves risk and Applicant should not invest any funds in the Issue unless they can afford to take the risk of losing their investment. The specific terms relating to securities and/or for subscribing to securities in an Issue and the relevant information about the Issuer undertaking the Issue; 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 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 Securities and Exchange Board of India (“SEBI”) at [www.sebi.gov.in](http://www.sebi.gov.in).

For the definitions of capitalized terms and abbreviations used herein Applicants may refer to the section “Glossary and Abbreviations”.

#### **Section 2: Brief Introduction to IPOs on SME Exchange**

##### **2.1 Initial public offer (IPO)**

An IPO means an offer of specified securities by an unlisted Issuer to the public for subscription and may include an Offer for Sale of specified securities to the public by any existing holder of such securities in an unlisted Issuer.

For undertaking an IPO, an Issuer is inter-alia required to comply with the eligibility requirements of in terms of either Regulation 26(1) or Regulation 26(2) of the SEBI ICDR Regulations, 2009 if applicable. For details of compliance with the eligibility requirements by the Issuer Applicants may refer to the Prospectus.

The Issuer may also undertake IPO under Chapter XB of SEBI (ICDR) regulations, wherein as per,

- Regulation 106M (1): An issuer whose post-issue face value capital does not exceed ten crore rupees shall issue its specified securities in accordance with provisions of this Chapter.
- Regulation 106M (2): An issuer whose post-issue face value capital is more than ten crore rupees and upto twenty five crore rupees, may also issue its specified securities in accordance with provisions of this Chapter.

The present Issue is being made under Regulation 106M (2) of Chapter XB of SEBI (ICDR) Regulation.

## 2.2 Other Eligibility Requirements

In addition to the eligibility requirements specified in paragraphs 2.1 an Issuer proposing to undertake an IPO is required to comply with various other requirements as specified in the SEBI ICDR Regulations, 2009, the Companies Act, 1956 and the Companies Act, 2013 as may be applicable (“the Companies Act), the Securities Contracts (Regulation) Rules, 1957 (the “SCRR”), industry-specific regulations, if any, and other applicable laws for the time being in force.

Following are the eligibility requirements for making an SME IPO under Regulation 106M (2) of Chapter XB of SEBI (ICDR) Regulation:

- a) In accordance with Regulation 106(P) of SEBI (ICDR) Regulation, Issue has to be 100% underwritten and the LM has to underwrite at least 15% of the total issue size.
- b) In accordance with regulation 106(R) of SEBI (ICDR) Regulation, total number of proposed allottees in the Issue shall be greater than or equal to fifty, otherwise the entire application money will be blocked forthwith. If such money is not repaid within eight days from the date the company becomes liable to repay it, than the Company and every officer in default shall, on and from expiry of eight days, be liable to repay such application money, with interest as prescribed under Section 40 of the Companies Act, 2013.
- c) In accordance with Regulation 106(O) the SEBI (ICDR) Regulation, Company is not required to file any Offer Document with SEBI nor has SEBI issued any observations on the Offer Document. The Lead Manager shall submit the copy of Prospectus along with a Due Diligence Certificate including additional confirmations as required to SEBI at the time of filing the Prospectus with Stock Exchange and the Registrar of Companies.
- d) In accordance with Regulation 106(V) of the SEBI (ICDR) Regulation, the LM has to ensure compulsory market making for a minimum period of three years from the date of listing of Equity Shares offered in the Issue.
- e) The Issuer shall have Net Tangible Assets of atleast Rs. 1 crore as per the latest audited financial result.
- f) The Net worth (excluding revaluation reserves) of the Issuer shall be at least Rs. 1 crore as per the latest audited financial result.
- g) The Company should have a track record of distributable profits in terms of Section 123 of Companies Act, 2013 for two out of immediately preceding three financial years.
- h) The post issue paid up capital of the Company shall be at least Rs. 1 crore.
- i) The Company shall mandatorily facilitate trading in demat securities
- j) The Company should not been referred to Board for Industrial and Financial Reconstruction.
- k) No petition for winding up is admitted by a court of competent jurisdiction against the Company.
- l) No material regulatory or disciplinary action should have been taken by any stock exchange or regulatory authority in the past three years against the Company.
- m) The company should have a website
- n) There has been no change in the promoter(s) of the company in the 1 year preceding the date of filing application to stock exchange for listing.

Company shall also comply with all the other requirements as laid down for such an Issue under Chapter X-B of SEBI (ICDR) Regulations and subsequent circulars and guidelines issued by SEBI and the Stock Exchange.



As per Regulation 106 (M) (3) of SEBI (ICDR) Regulation, 2009 the provisions of regulations 6(1), 6(2), 6(3), Regulation 7, Regulation 8, Regulation 9, Regulation 10, Regulation 25, Regulation 26, Regulation 27 and Sub regulation (1) of Regulation 49 of SEBI (ICDR) Regulations, 2009 shall not apply to this Issue.

Thus the Company is eligible for the Issue in accordance with Regulation 106M(2) and other provision of Chapter XB of SEBI (ICDR) Regulations as the post –issue face value capital is more than ten crore rupees and upto twenty five crore rupees. Company also complies with the eligibility conditions laid by the SME Platform of NSE for listing of our Equity Shares.

### **2.3 Types of Public Issues – Fixed Price Issues and Book Built Issues**

In accordance with the provisions of the SEBI ICDR Regulations, 2009, an Issuer can either determine the Issue Price through the Book Building Process (“**Book Built 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 this Daft 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 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.

### **2.4 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 Application Form and Abridged Prospectus or Prospectus for details of the Issue Period. Details of Issue Period are also available on the website of Stock Exchange.

### **2.5 Migration To Main Board**

SME Issuer may migrate to the Main Board of Stock Exchange from the SME Exchange at a later date subject to the following:

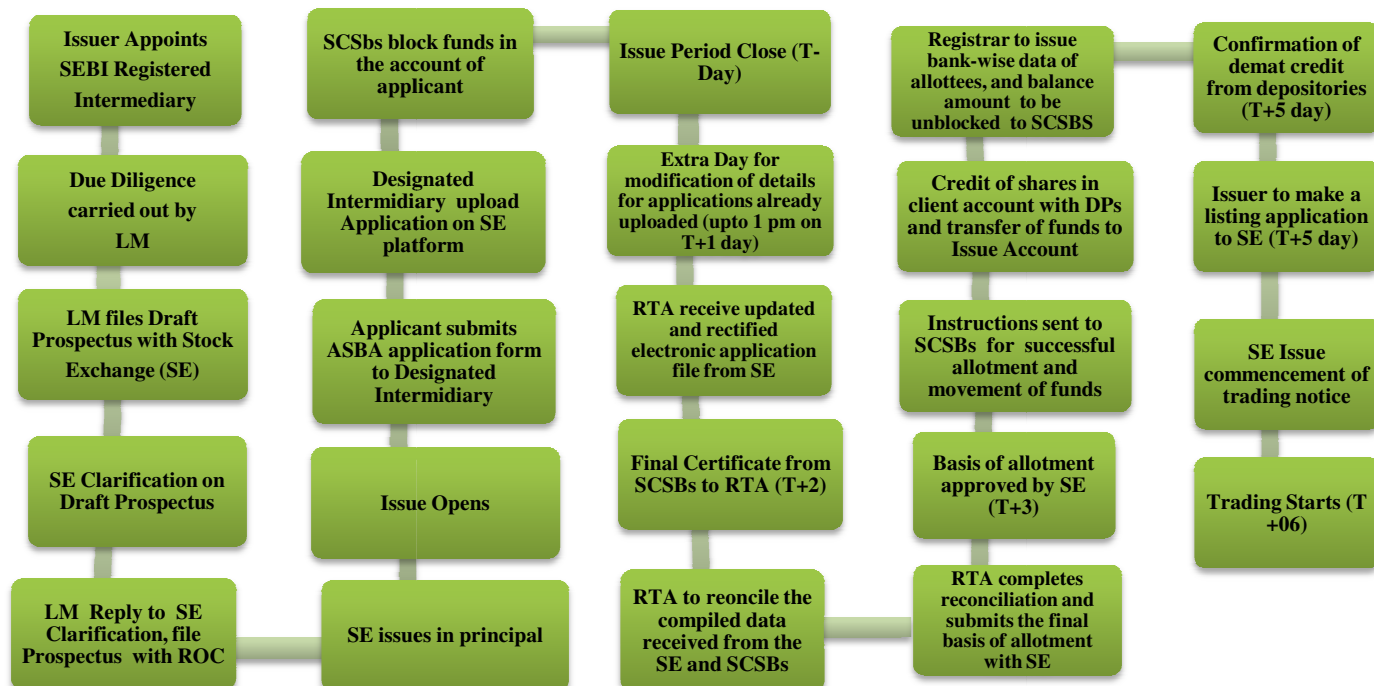
- a) If the Paid up Capital of the Company is likely to increase above Rs. 25 crores by virtue of any further issue of capital by way of rights, preferential issue, bonus issue etc. (which has been approved by a special resolution through postal ballot wherein the votes cast by the shareholders other than the 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), The Company shall apply to SE for listing of its shares on its Main Board subject to the fulfillment of the eligibility criteria for listing of specified securities laid down by the Main Board.

OR

- b) If the Paid up Capital of the company is more than 10 crores but below Rs. 25 crores, the Company may still apply for migration to the main board if the same has been approved by a special resolution through postal ballot wherein the votes cast by the shareholders other than the 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.

## 2.6 Flowchart Of Timelines

A flow chart of process flow in Fixed Price Issues is as follows:



### 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 Bidders/Applicants, such as NRIs, FII's, FPIs and FVCIs may not be allowed to apply in the Issue or to hold Equity Shares, in excess of certain limits specified under applicable law. Applicants are requested to refer to the Prospectus for more details.

Subject to the above, an illustrative list of Applicants is as follows:

- Indian nationals resident in India who are competent to contract under the Indian Contract Act, 1872, in single or joint names (not more than three) or in the names of minors as natural / legal guardian;
- Hindu Undivided Families or HUFs, in the individual name of the Karta. The Bidder/Applicant should specify that the Application is being made in the name of the HUF in the Application Form as follows: "Name of sole or first Applicant: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the Karta". Applications by HUFs may be considered at par with those from individuals;
- Companies, corporate bodies and societies registered under applicable law in India and authorized to invest in equity shares under their respective constitutional and charter documents;
- Mutual Funds registered with SEBI;
- Eligible NRIs on a repatriation basis or on a non-repatriation basis subject to applicable law; NRIs other than Eligible NRIs are not eligible to participate in this Issue.
- Indian Financial Institutions, scheduled commercial banks regional rural banks, co-operative banks (subject to RBI regulations and the SEBI ICDR Regulations, 2009 and other laws, as applicable);
- FPIs other than Category III foreign portfolio investors, VCFs and FVCIs registered with SEBI.
- Limited liability partnerships registered in India and authorized to invest in equity shares.
- State Industrial Development Corporations.

- Trusts/societies registered under the Societies Registration Act, 1860, as amended or under any other law relating to trusts/societies and who are authorized under their respective constitutions to hold and invest in equity shares;
- Scientific and/ or Industrial Research Organizations authorized to invest in equity shares.
- Insurance Companies registered with IRDA;
- Provident Funds and Pension Funds with minimum corpus of Rs. 2500 Lakhs and who are authorized under their constitution to hold and invest in equity shares;
- Multilateral and Bilateral Development Financial Institutions;
- 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;
- Insurance funds set up and managed by army, navy, air force of the Union of India or by Department of Posts, India;
- Any other person eligible to apply to this Issue, under the laws, rules, regulations, guidelines, and policies applicable to them and under Indian Laws.

#### Applications not to be made by:

- Minors (except under guardianship)
- Partnership firms or their nominees
- Foreign Nationals (except NRIs)
- Overseas Corporate Bodies

#### Section 4: Applying in the Issue

**Fixed Price Issue:** Applicants should only use the specified cum Application Form either bearing the stamp of Designated Intermediaries as available or downloaded from the websites of the Stock Exchanges. Application Forms are available with the registered office of the Issuer, and office of the RTA and at the office of the LM. 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 Application Form for various categories of Applicants is as follows:

Category	Color of the Application
Resident Indian, Eligible NRIs applying on a non -repatriation basis	White
NRIs, FVCIs, FIIs, their Sub-Accounts (other than Sub-Accounts which are foreign corporate(s) or foreign individuals bidding under the QIB), FPIs on a repatriation basis	Blue

Securities Issued in an IPO can only be in dematerialized form in compliance with Section 29 of the Companies Act, 2013. Applicants will not have the option of getting the allotment of specified securities in physical form. However, they may get the specified securities rematerialized subsequent to allotment.

#### 4.1 Instructions For Filing Application Form/ Application Form (Fixed Price Issue)

Applicants may note that forms not filled completely or correctly as per instructions provided in this GID, the Prospectus and Application Form are liable to be rejected.

Instructions to fill each field of the Application Form can be found on the reverse side of the Application Form. Specific instructions for filling various fields of the Resident Application Form and Non-Resident Application Form and samples are provided below.

The samples of the Application Form for resident Applicants and the Application Form for non-resident Applicants are reproduced below:

**COMMON BID CUM APPLICATION FORM**

**XYZ LIMITED - INITIAL PUBLIC ISSUE - R**

FOR RESIDENT INDIANS, INCLUDING RESIDENT QIBs AND ELIGIBLE NRIs APPLYING ON A NON-REPATRIATION BASIS

TO,  
THE BOARD OF DIRECTORS  
XYZ LIMITED

**FIXED PRICE SME ISSUE**

**INE00000000000**

Bid cum Application Form No. \_\_\_\_\_

---

SYNDICATE MEMBER'S STAMP & CODE

BROKER/SCSB/DP/RTA STAMP & CODE

1. NAME & CONTACT DETAILS OF SOLE / FIRST BIDDER

Mr. / Ms. \_\_\_\_\_

Address: \_\_\_\_\_

Email: \_\_\_\_\_

Tel. No (with STD code) / Mtsk: \_\_\_\_\_

---

2. PAN OF SOLE / FIRST BIDDER

3. BIDDER'S DEPOSITORY ACCOUNT DETAILS  NSDL  CDSL

Enter NSDL/CDSL ID followed by 8 digit Client ID / or CDSL enter 16 digit Client ID

---

4. BID OPTIONS (ONLY RETAIL INDIVIDUAL BIDDERS CAN BID AT "CUT-OFF")

Bid Option	No. of Equity Shares Bid (in figures) (This must be in multiples of Bid Lot as advertised)	Price per Equity Share (₹) "Cut-off" (Price in multiples of ₹ 1/- only) (in figures)			Cut-off Pleas (tick)
		Bid Price	Retail Discount	Net Price	
Option 1					<input type="checkbox"/>
OR) Option 2					<input type="checkbox"/>
OR) Option 3					<input type="checkbox"/>

5. CATEGORY

Retail Investor Bidder

Non-Institutional Bidder

QIB

\* QIB should apply only through Karvy (Application by RUP would be treated as per with Individual)

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6. PAYMENT DETAILS

Amount paid (₹ in figures) \_\_\_\_\_ (₹ in words) \_\_\_\_\_

ASBA Bank A/c No. \_\_\_\_\_

Bank Name & Branch \_\_\_\_\_

PAYMENT OPTION - FULL PAYMENT  PART PAYMENT

---

7A. SIGNATURE OF SOLE / FIRST BIDDER

7B. SIGNATURE OF ASBA BANK ACCOUNT HOLDER(S)  
(AS PER BANK RECORDS)

I/We authorize the SCSB to do all acts as necessary to make the Application in the line

1) \_\_\_\_\_

2) \_\_\_\_\_

3) \_\_\_\_\_

7C. BROKER/SCSB/DP/RTA STAMP (Acknowledging upload of Bid in Stock Exchange system)

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LOGO

**XYZ LIMITED**

**INITIAL PUBLIC ISSUE - R**

**Acknowledgement Slip for Broker/SCSB/DP/RTA**

Bid cum Application Form No. \_\_\_\_\_

---

DPID / CLID \_\_\_\_\_

Amount paid (₹ in figures) \_\_\_\_\_ Bank & Branch \_\_\_\_\_

ASBA Bank A/c No. \_\_\_\_\_

Received from Mr./Ms. \_\_\_\_\_

Telephone / Mobile \_\_\_\_\_ Email \_\_\_\_\_

Stamp & Signature of SCSB Branch

---

XYZ LIMITED - INITIAL PUBLIC ISSUE - R

	Option 1	Option 2	Option 3
No. of Equity Shares			
Bid Price			
Amount Paid (₹)			
ASBA Bank A/c No.			
Bank & Branch			

Stamp & Signature of Broker / SCSB / DP / RTA

Name of Sole / First Bidder \_\_\_\_\_

**Acknowledgement Slip for Bidder**

Bid cum Application Form No. \_\_\_\_\_

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<b>COMMON BID CUM APPLICATION FORM</b>	<b>XYZ LIMITED - INITIAL PUBLIC ISSUE - NR</b>	For Eligible NRI, FI, FVCI, applying on Restriction Basis				
LOGO	TO, THE BOARD OF DIRECTORS XYZ LIMITED	Address : _____ Contact Details: _____ CIN No _____				
		<b>FIXED PRICE OME ISSUE</b> <b>INE000000000</b>				
		Bid cum Application Form No. _____				
SYNDICATE MEMBER'S STAMP & CODE		1. NAME & CONTACT DETAILS OF SOLE / FIRST BIDDER				
BROKER/SCSB/DP/RTA STAMP & CODE						
BID-BROKER'S / SUB-AGENT'S STAMP & CODE		Mr. / Ms. _____				
BANK BRANCH SERIAL NO.		Address _____				
SCSB SERIAL NO.		Email _____				
		Tel. No (with STD code) / Mobile _____				
3. BIDDER'S DEPOSITORY ACCOUNT DETAILS		2. PAN OF SOLE / FIRST BIDDER _____				
<input type="checkbox"/> NSDL <input type="checkbox"/> CDSL <small>For NSDL enter 8 digit DP ID followed by 4 digit Client ID / For CDSL enter 14 digit Client ID</small>		<b>6. Investor Status</b> <input type="checkbox"/> Non-Resident Indian (Repatriation Basis) NRI <input type="checkbox"/> Foreign Institutional Investor FI <input type="checkbox"/> Foreign Venture Capital Investor FVCI <input type="checkbox"/> FI Sub Account Corporate/Individual FISAI <input type="checkbox"/> Others (Please Specify) OTH				
<b>4. BID OPTIONS (ONLY RETAIL INDIVIDUAL BIDDERS CAN BID AT "CUT-OFF")</b>						
Bid Options	No. of Equity Shares Bid (In Figures) <small>(Bid must be in multiples of Bid Lot as advertised)</small>	Price per Equity Share (₹) "Cut-off" <small>(Price in multiples of ₹ 1/- only) (In Figures)</small>			<b>5. CATEGORY</b> <input type="checkbox"/> Retail Investor Bidder <input type="checkbox"/> Non-Institutional Bidder <input type="checkbox"/> QIB	
		Bid Price	Retail Discount	Net Price		
Option 1						
(OR) Option 2						
(OR) Option 3						
<b>7. PAYMENT DETAILS</b>						
Amount paid (₹ in figures) _____ (₹ in words) _____						
ASBA Bank A/c No. _____						
Bank Name & Branch _____						
<small>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 ANNEXES PROSPECTUS AND THE GENERAL INFORMATION DOCUMENT FOR INVITING IN PUBLIC ISSUE (GII) AND HEREBY AGREE AND CONFIRM THE ISSUES 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.</small>						
BA: SIGNATURE OF SOLE / FIRST BIDDER _____ Date: _____		BD: SIGNATURE OF ASBA BANK ACCOUNT HOLDER(S) (AS PER BANK RECORDS) I/We authorize the SCSB to do all acts as are necessary to make the Application in the line 1) _____ 2) _____ 3) _____		BROKER / SCSB / DP / RTA STAMP (Acknowledging receipt of Bid in Stock Exchange system)		
TEAR HERE						
LOGO	<b>XYZ LIMITED</b> <b>INITIAL PUBLIC ISSUE - NR</b>	<b>Acknowledgement Slip for Broker/SCSB/DP/RTA</b>	Bid cum Application Form No. _____			
(DPID) (CIN)			PAN of Sole / First Bidder _____			
Amount paid (₹ in figures)	Bank & Branch	Stamp & Signature of SCSB Branch				
ASBA Bank A/c No.						
Received from Mr./Ms.						
Telephone / Mobile	Email					
TEAR HERE						
XYZ LIMITED - INITIAL PUBLIC ISSUE - NR	Option 1	Option 2	Option 3	Stamp & Signature of Broker / SCSB / DP / RTA	Name of Sole / First Bidder _____	
	No. of Equity Shares					
	Bid Price					
	Amount Paid (₹)					
ASBA Bank A/c No.					<b>Acknowledgement Slip for Bidder</b>	
Bank & Branch					Bid cum Application Form No. _____	

#### 4.1.1 FIELD NUMBER 1: NAME AND CONTACT DETAILS OF THE SOLE/FIRST APPLICANT

Applicants should ensure that the name provided in this field is exactly the same as the name in which the Depository Account is held.

- a) **Mandatory Fields:** Applicants should note that the name and address fields are compulsory and e-mail and/or telephone number/mobile number fields are optional. Applicants should note that the contact details mentioned in the Application Form may be used to dispatch communications (including 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 Application Form may be used by the Issuer,
- b) The Designated Intermediaries and the Registrar to the Issue only for correspondence(s) related to an Issue and for no other purposes.
- c) **Joint Applications:** In the case of Joint Applications, the Applications should be made in the name of the Applicant whose name appears first in the Depository account. The name so entered should be the same as it appears in the Depository records. The signature of only such first Applicant would be required in the 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.
- d) **Impersonation:** Attention of the Applicants is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act, 2013 which is reproduced below:

**“Any person who:**

- makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or
  - makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or
  - otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name, shall be liable for action under Section 447.”
- e) **Nomination Facility to Applicant:** Nomination facility is available in accordance with the provisions of Section 72 of the Companies Act, 2013. In case of allotment of the Equity Shares in dematerialized form, there is no need to make a separate nomination as the nomination registered with the Depository may prevail. For changing nominations, the Applicants should inform their respective DP.

#### 4.1.2 FIELD NUMBER 2: PAN 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 (a) the Demographic Details received from the respective Depositories confirming the exemption granted to the beneficiary owner by a suitable description in

the PAN field and the beneficiary account remaining in “active status”; and (b) in the case of residents of Sikkim, the address as per the Demographic Details evidencing the same.

- d) Application Forms which provide the 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 unblocking of ASBA Account or for other correspondence(s) related to an Issue.
- d) Applicants are, advised to update any changes to their Demographic Details as available in the records of the Depository Participant to ensure accuracy of records. Any delay resulting from failure to update the Demographic Details would be at the Applicants’ sole risk.

#### 4.1.4 FIELD NUMBER 4: APPLICATION DETAILS

- a) The Issuer may mention Price as per Draft Prospectus. However a Prospectus registered with RoC contains one price.
- b) Minimum and Maximum Application Size

- i. For Retails Individual Applicants

The Application must be for a minimum of 3000 equity shares. As the application price payable by the retail individual applicants cannot exceed ₹ 200000 they can make Application for only minimum Application size i.e. for 3000 equity shares.

- ii. For Other Applicants (Non Institutional Applicants and QIBs):

The Application must be for a minimum of such number of equity shares such that the Application Amount exceeds ₹ 200000 and in multiples of 3000 equity shares thereafter. An application cannot be submitted for more than the Issue Size. However, the maximum application by a QIB investor should not exceed the investment limits prescribed for them by applicable laws. Under existing SEBI Regulations, a QIB Applicant cannot withdraw its Application after the Issue Closing Date and is required to pay 100% QIB Margin upon submission of Application. In case of revision of Applications, the Non Institutional Applicants, who are individuals, have to ensure that the Application Amount is greater than Rs. 200000 for being considered for allocation in the Non Institutional Portion. Applicants are advised to ensure that any single Application from them does not exceed the investment limits or maximum number of equity shares that can be held by them under prescribed law or regulation or as specified in this Prospectus.

- c) **Multiple Applications:** An applicant should submit only one Application Form. Submission of a second Application Form to either the same or to the Designated Intermediaries and duplicate copies of

Application Forms bearing the same application number shall be treated as multiple applications and are liable to be rejected.

- d) Applicants are requested to note the following procedures may be followed by the Registrar to the issue to detect multiple applications:
  - i. All applications may be checked for common PAN as per the records of the Depository. For Applicants other than Mutual Funds and PFI sub-accounts, applications bearing the same PAN may be treated as multiple applications by an Applicant and may be rejected.
  - ii. For applications from Mutual Funds and FPI sub-accounts, submitted under the same PAN, as well as Applications on behalf of the PAN Exempted Applicants, the Application Forms may be checked for common DP ID and Client ID. In any such applications which have the same DP ID and Client ID, these may be treated as multiple applications and may be rejected.
- e) The following applications may not be treated as multiple applications:
  - (i) Application by Reserved Categories in their respective reservation portion as well as that made by them in the Net Issue portion in public category.
  - (ii) Separate applications by Mutual Funds in respect of more than one scheme of the Mutual Fund provided that the Application clearly indicates the scheme for which the application has been made.
  - (iii) Application by Mutual Funds, and sub-accounts of FPIs (or FPIs and its sub-accounts) submitted with the same PAN but with different beneficiary account numbers, Client IDs, and DP IDs.

#### **4.1.5 FIELD NUMBER 5: CATEGORY OF APPLICANTS**

- a) The categories of Applicants identified as per the SEBI ICDR Regulations, 2009 as amended for the purpose of Application, allocation and allotment in the Issue are RIIs, Individual applicants other than RIIs, and other investors (including corporate bodies or institutions, irrespective of the number of specified securities applied for).
- b) An Issuer can make reservation for certain categories of Applicants as permitted under the SEBI ICDR Regulations, 2009 as amended. For details of any reservations made in the Issue, Applicants may refer to the Prospectus.
- c) The SEBI ICDR Regulations, 2009, specify the allocation or allotment that may be made to various categories of Applicants in an Issue depending upon compliance with the eligibility conditions. For details pertaining to allocation and Issue specific details in relation to allocation Applicant may refer to the Prospectus.

#### **4.1.6 FIELD NUMBER 6: INVESTOR STATUS**

- a) Each Applicant should check whether it is eligible to apply under applicable law and ensure that any prospective allotment to it in the Issue is in compliance with the investment restrictions under applicable law.
- b) Certain categories of Applicants, such as NRIs, FIIs, FPIs and FVCIs may not be allowed to Apply in the Issue or hold Equity Shares exceeding certain limits specified under applicable law. Applicants are requested to refer to the Prospectus for more details.
- c) Applicants should check whether they are eligible to apply on non-repatriation basis or repatriation basis and should accordingly provide the investor status. Details regarding investor status are different in the Resident Application Form and Non-Resident Application Form.
- d) Applicants should ensure that their investor status is updated in the Depository records.



#### 4.1.7 FIELD NUMBER 7: PAYMENT DETAILS

- a) All Applicants are required to use ASBA facility to block the full Amount (net of any Discount, as applicable) along-with the Application Form. If the Discount is applicable in the Issue, the RIIs should indicate the full Amount in the Application Form and the funds shall be blocked for Amount net of Discount. Only in cases where the Prospectus indicates that part payment may be made, such an option can be exercised by the Applicant.
- b) All categories of investors can participate in the Issue only through ASBA mechanism.
- c) Application Amount cannot be paid in cash, through money order or through postal order or through stock invest.

##### 4.1.7.1 Payment instructions for Applicants

- (a) Applicants may submit the Application Form either in physical mode or online mode to any Designated Intermediaries.
- (b) Applicants should 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, may not be accepted.
- (c) Applicant should ensure that the Application Form is also signed by the ASBA Account holder(s) if the Applicant is not the ASBA Account holder;
- (d) Applicant shall note that for the purpose of blocking funds under ASBA facility clearly demarcated funds shall be available in the account.
- (e) From one ASBA Account, a maximum of five Application Forms can be submitted.
- (f) Applicants applying through a member of the Syndicate should ensure that the Application Form is submitted to a member of the Syndicate only at the Specified Locations. Applicants should also note that Application Forms submitted to the Syndicate at the Specified Locations may not be accepted by the member of the Syndicate if the SCSB where the ASBA Account, as specified in the Application Form, is maintained has not named at least one branch at that location for the members of the Syndicate to deposit Application Forms (a list of such branches is available on the website of SEBI at <http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries>).
- (g) Applicants applying through a Registered Broker, RTA or CDP should note that Application Forms submitted to them may not be accepted, if the SCSB where the ASBA Account, as specified in 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 Application Forms.
- (h) ASBA Applicant applying 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.
- (i) Upon receipt of 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.
- (j) 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 may upload the details on the Stock Exchange Platform.
- (k) 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.

- (l) 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.
- (m) The Application Amount may remain blocked in the aforesaid ASBA Account until finalization of the Basis of allotment and consequent transfer of the Application Amount against the Allotted Equity Shares to the Public Issue Account, or until withdrawal or failure of the Issue, or until withdrawal or rejection of the Application, as the case may be.
- (n) SCSBs applying in the Issue must apply through an Account maintained with any other SCSB; else their Application is liable to be rejected.

#### **4.1.8 Unblocking of ASBA Account**

- a) Once the Basis of Allotment is approved by the Designated Stock Exchange, the Registrar to the Issue may provide the following details to the controlling branches of each SCSB, along with instructions to unblock the relevant bank accounts and for successful 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, if any, 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/ non allotment / partial allotment ASBA Application, if any, along with reasons for rejection and details of withdrawn or unsuccessful Application, if any, to enable the SCSBs to unblock the respective bank accounts.
- b) On the basis of instructions from the Registrar to the Issue, the SCSBs may transfer the requisite amount against each successful Application 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 Application Form and for unsuccessful Application, the Registrar to the Issue may give instructions to the SCSB to unblock the Application Amount in the relevant ASBA Account within 6 Working Days of the Issue Closing Date.

##### **4.1.8.1 Discount (if applicable)**

- a) The Discount is stated in absolute rupee terms.
- b) RII, Employees and Retail Individual Shareholders are only eligible for discount. For Discounts offered in the Issue, Applicants may refer to the Prospectus.
- c) For the Applicants entitled to the applicable Discount in the Issue the Application Amount less Discount (if applicable) shall be blocked.

##### **4.1.8.2 Additional Instructions for NRIs**

The Non-Resident Indians who intend to block funds in their Non-Resident Ordinary (NRO) accounts shall use the form meant for Resident Indians (non-repatriation basis). In the case of Application by NRIs applying on a repatriation basis, blocking of funds in their NRO account shall not be accepted.

#### **4.1.9 FIELD NUMBER 8: SIGNATURES AND OTHER AUTHORISATIONS**

- a) Only the First Applicant is required to sign the Application Form. Applicants should ensure that signatures are in one of the languages specified in the Eighth Schedule to the Constitution of India.
- b) If the ASBA Account is held by a person or persons other than the Applicant, then the Signature of the ASBA Account holder(s) is also required.
- c) In relation to the Applications, signature has to be correctly affixed in the authorization/undertaking box in the Application Form, or an authorization has to be provided to the SCSB via the electronic mode, for blocking funds in the ASBA Account equivalent to the Application Amount mentioned in the Application Form.

- d) Applicants must note that Application Form without signature of Applicant and /or ASBA Account holder is liable to be rejected.

#### **4.1.10 ACKNOWLEDGEMENT AND FUTURE COMMUNICATION**

Applicants should ensure that they receive the acknowledgment duly signed and stamped by the Designated Intermediary, as applicable, for submission of the Application Form.

- a) All communications in connection with Applications made in the Issue should be addressed as under:
- i. In case of queries related to Allotment, non-receipt of Allotment Advice, credit of allotted equity shares, the Applicants should contact the Registrar to the Issue.
  - ii. In case of Applications submitted to the Designated Branches of the SCSBs or Registered Brokers or Registered RTA/DP, the Applicants should contact the relevant Designated Branch of the SCSBs or Registered Brokers or Registered RTA/DP, as the case maybe.
  - iii. Applicant may contact the Company Secretary and Compliance Officer or LM(s) in case of any other complaints in relation to the Issue.
- b) The following details (as applicable) should be quoted while making any queries –
- i. Full name of the sole or Applicant, Application Form number, Applicants' DP ID, Client ID, PAN, number of Equity Shares applied for, amount paid on application.
  - ii. name and address of the Designated Intermediary, where the Application was submitted; or
  - iii. In case of ASBA Applications, ASBA Account number in which the amount equivalent to the Application Amount was blocked.

For further details, Applicant may refer to the Prospectus and the Application Form.

#### **4.2 INSTRUCTIONS FOR FILING THE REVISION FORM**

- a) During the Issue Period, any Applicant (other than QIBs and NIIs, who can only revise their application upwards) who has registered his or her interest in the Equity Shares at a particular number of shares is free to revise number of shares applied using revision forms available separately.
- b) RII may revise their applications till closure of the issue period or withdraw their applications until finalization of allotment.
- c) Revisions can be made in both the desired number of Equity Shares and the Bid Amount by using the Revision Form.
- d) The Applicant can make this revision any number of times during the Issue Period. However, for any revision(s) in the Application, the Applicants will have to use the services of the same Designated Intermediary through which such Applicant had placed the original Application.

A sample Revision form is reproduced below:

<b>COMMON BID REVISION FORM</b>	<b>XYZ LIMITED - INITIAL PUBLIC ISSUE - R</b>	FOR RESIDENT INDIANS, INCLUDING RESIDENT QIBs, AND ELIGIBLE NRI, APPLYING ON A NON-REPATRIATION BASIS
	Address : ..... Contact Details: ..... CIN No. ....	
<b>LOGO</b>	<b>TO, THE BOARD OF DIRECTORS XYZ LIMITED</b>	Bid cum Application Form No. <input style="width:100px;" type="text"/>
	<b>BOOK BUILT ISSUE</b> ISIN : .....	
SYNDICATE MEMBER'S STAMP & CODE	BROKER/SCSB/DP/RTA STAMP & CODE	<b>1. NAME &amp; CONTACT DETAILS OF SOLE / FIRST BIDDER</b>
		Mr. / Ms. <input style="width:100px;" type="text"/>
		Address <input style="width:100px;" type="text"/>
SUB-BROKER'S / SUB-AGENT'S STAMP & CODE	ESCROW BANK/SCB BRANCH STAMP & CODE	Tel. No (with STD code) / Mobile <input style="width:100px;" type="text"/>
		<b>2. PAN OF SOLE / FIRST BIDDER</b>
BANK BRANCH SERIAL NO.	SCSB SERIAL NO.	<b>3. BIDDER'S DEPOSITORY ACCOUNT DETAILS</b> <input type="checkbox"/> NSDL <input type="checkbox"/> CDSL
		For NSDL, enter 8 digit DP ID followed by 5 digit Client ID / For CDSL, enter 16 digit Client ID
<b>PLEASE CHANGE MY BID</b>		
<b>4. FROM (AS PER LAST BID OR REVISION)</b>		
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" (Price in multiples of ₹ 1/- only) (In Figures)
	8 7 6 5 4 3 2 1	Bid Price Retail Discount Net Price "Cut-off" (Please tick)
Option 1		
(OR) Option 2	11 12 13 14 15	
(OR) Option 3		
<b>5. TO (Revised Bid) (Only Retail Individual Bidders can Bid as "Cut-off")</b>		
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" (Price in multiples of ₹ 1/- only) (In Figures)
	8 7 6 5 4 3 2 1	Bid Price Retail Discount Net Price "Cut-off" (Please tick)
Option 1		
(OR) Option 2	16 17 18 19 20	
(OR) Option 3		
<b>6. PAYMENT DETAILS</b>		
Additional Amount Paid (₹ in figures) <input style="width:100px;" type="text"/>		PAYMENT OPTION - FULL PAYMENT <input type="checkbox"/> PART PAYMENT <input type="checkbox"/>
ASBA Bank A/c No. <input style="width:100px;" type="text"/>		
Bank Name & Branch <input style="width:100px;" type="text"/>		
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 REVISION FORM AND THE RELATED BROCHURE/PROSPECTUS AND THE GENERAL INFORMATION DOCUMENT FOR INVITING IN PUBLIC ISSUES (GID) AND HEREBY AGREE AND CONFIRM THE BIDDERS UNDERTAKING AS GIVEN IN/RELAT. PW: (ON BEHALF OF JOINT APPLICANTS, IF ANY) HEREBY CONFIRM THAT I/WE HAVE READ THE INSTRUCTIONS FOR FILING OF THE BID REVISION FORM CAREFULLY.		
A. SIGNATURE OF SOLE / FIRST BIDDER	B. SIGNATURE OF ASBA BANK ACCOUNT HOLDER(S) (AS PER BANK RECORDS)	BROKER / SCSB / DP / RTA STAMP (Acknowledging upload of Bid in Stock Exchange system)
Date: <input style="width:50px;" type="text"/>	I/We authorize the SCSB/DP/RTA as per necessary to make the Application in the law	
	11 <input style="width:50px;" type="text"/>	
	21 <input style="width:50px;" type="text"/>	
	31 <input style="width:50px;" type="text"/>	
TEAR HERE		
<b>LOGO</b>	<b>XYZ LIMITED</b> BID REVISION FORM - INITIAL PUBLIC ISSUE - R	Bid cum Application Form No. <input style="width:100px;" type="text"/>
	<b>Acknowledgement Slip for Broker/SCSB/DP/RTA</b>	
DPID / CLID	PAN of Sole / First Bidder	
Additional Amount Paid (₹)	Bank & Branch	Stamp & Signature of SCSB Branch
ASBA Bank A/c No.	Received from Mr./Ms.	
Telephone / Mobile	Email	
TEAR HERE		
<b>XYZ LIMITED - BID REVISION FORM - INITIAL PUBLIC ISSUE - R</b>	Option 1 Option 2 Option 3	Stamp & Signature of Broker / SCSB / DP / RTA
No. of Equity Shares	Bid Price	Name of Sole / First Bidder
Additional Amount Paid (₹)	ASBA Bank A/c No.	<b>Acknowledgement Slip for Bidder</b>
Bank & Branch	Bank & Branch	Bid cum Application Form No. <input style="width:100px;" type="text"/>

**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'**

- a) Apart from mentioning the revised options in the Revision Form, the Applicant must also mention the details of the share applied for given in his or her Application Form or earlier Revision Form.
- b) In case of revision of Applications by RIIs, Employees and Retail Individual Shareholders, such Applicants should ensure that the Application Amount, should not exceed Rs.200,000/- due to revision and the

application may be considered, subject to the eligibility, for allocation under the Non-Institutional Category.

#### 4.2.3 FIELD 6: PAYMENT DETAILS

- a. Apart from mentioning the revised options in the Revision Form, the Applicant must also mention the details of the share applied for given in his or her Application Form or earlier Revision Form.
- b. Applicant may Issue instructions to block the revised amount in the ASBA Account, to the Designated Branch through whom such Applicant had placed the original Application to enable the relevant SCSB to block the additional Application Amount, if any.

#### 4.2.4 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 SUBMISSION OF REVISION FORM/APPLICATION FORM

Applicants may submit completed application form / Revision Form in the following manner:-

Mode of Application	Submission of Application Form
All Investor Applications	To the Designated Intermediaries

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

### **SECTION 5: ISSUE PROCEDURE IN FIXED PRICE ISSUE**

#### **5.1 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 Designated Intermediary.

Applicants may submit an Application Form either in physical/ electronic form to Designated Intermediaries or the Designated Branches of the SCSBs authorizing blocking of funds that are available in the bank account specified in the Application Form only (“ASBA Account”). The Application Form is also made available on the websites of the Stock Exchanges at least one day prior to the Issue Opening Date.

In a fixed price Issue, allocation in the net offer to the public category is made as follows: minimum fifty per cent to Retail Individual 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.

#### **5.2 GROUNDS FOR TECHNICAL REJECTIONS**

Applicants are advised to note that the Applications are liable to be rejected, inter-alia, on the following technical grounds:-

- Amount paid does not tally with the amount payable for the Equity shares applied for;
- In case of partnership firms, Application for Equity Shares made in the name of the individual partners and no firm as such shall be entitled to apply.

- Application by persons not competent to contract under the Indian Contract Act, 1872, including minors, insane person.
- PAN not mentioned in the Application Form.
- GIR number furnished instead of PAN.
- Applications for lower number of Equity Shares than the minimum specified for that category of investors;
- Applications at a price other than the Fixed Price of the Issue;
- Applications for number of Equity Shares which are not in multiples of 3000 equity shares;
- Category not ticked;
- Multiple Applications as defined in this Prospectus as such, based on common PAN;
- In case of Applications under power of attorney or by limited companies, corporate, trust etc., relevant documents are not being submitted;
- Signature of sole Applicant is missing;
- Application Forms are not delivered by the Applicants within the time prescribed as per the Application Form, Issue Opening Date advertisement and Prospectus as per the instructions in the Prospectus and Application Forms;
- In case no corresponding record is available with the Depositories that matches the DP ID, the Client ID and the PAN;
- Applications for amounts greater than the maximum permissible amounts prescribed by the regulations;
- Applications by OCBs;
- Applications by US person other than in reliance on Regulation S or “qualified institutional buyers” as defined in Rule 144A under the Securities Act;
- Application not duly signed by the sole applicant;
- Application by any person outside India if not in compliance with applicable foreign and Indian Laws;
- Application that do not comply with the securities laws of their respective jurisdictions are liable to be rejected.
- Applications by persons prohibited from buying, selling or dealing in the shares directly or indirectly by SEBI or any other regulatory authority;
- Application by person not eligible to acquire equity shares of the company in terms of all applicable laws, rules, regulations, guidelines, and approvals.
- Application or revision thereof by QIB Applicants, Non Institutional Applicants where the Application Amount is in excess of Rs. 200000 received after 3.00 pm on the issue Closing date unless the extended time is permitted by NSE.
- Inadequate funds in the bank account to block the Application Amount specified in the Application Form/Application Form at the time of blocking such Application Amount in the bank account;
- Where no confirmation is received from SCSB for blocking of funds;
- Applications by Applicants not submitted through ASBA process;
- Applications not uploaded on the terminals of the Stock Exchanges; and
- Applications by SCSBs wherein a separate account in its own name held with any other SCSB is not mentioned as the ASBA Account in the Application Form.
- Details of ASBA Account not provided in the Application form
- From one ASBA Account, more than five applications are made by applicant.

For details of instructions in relation to the Application Form, Applicants may refer to the relevant section of GID.

**APPLICANT SHOULD NOTE THAT IN CASE THE PAN, THE DP ID AND CLIENT ID MENTIONED IN THE APPLICATION FORM AND ENTERED INTO THE ELECTRONIC APPLICATION SYSTEM OF THE STOCK EXCHANGE BY THE BROKERS DO NOT MATCH WITH PAN, THE DP ID AND CLIENT ID AVAILABLE IN THE DEPOSITORY DATABASE, THE APPLICATION FORM IS LIABLE TO BE REJECTED.**

#### **SECTION 6: ISSUE PROCEDURE IN BOOK BUILT ISSUE**

This being the Fixed Price Issue this section is not applicable for this Issue.

## **SECTION 7: ALLOTMENT PROCEDURE AND BASIS OF ALLOTMENT**

### **7.1 Basis of Allotment**

Allotment will be made in consultation with SME Platform of NSE (The Designated Stock Exchange). In the event of oversubscription, the allotment will be made on a proportionate basis in marketable lots as set forth here:

- a) The total number of Shares to be allocated to each category as a whole shall be arrived at on a proportionate basis i.e. the total number of Shares applied for in that category multiplied by the inverse of the over subscription ratio (number of applicants in the category x number of Shares applied for).
- b) The number of Shares to be allocated to the successful applicants will be arrived at on a proportionate basis in marketable lots (i.e. Total number of Shares applied for into the inverse of the over subscription ratio).
- c) For applications where the proportionate allotment works out to less than 3000 Equity Shares the allotment will be made as follows:
  - i. Each successful applicant shall be allotted 3000 Equity Shares;
  - ii. The successful applicants out of the total applicants for that category shall be determined by the drawal of lots in such a manner that the total number of Shares allotted in that category is equal to the number of Shares worked out as per (2) above.
- d) If the proportionate allotment to an applicant works out to a number that is not a multiple of 3000 Equity Shares, the applicant would be allotted Shares by rounding off to the lower nearest multiple of 3000 Equity Shares subject to a minimum allotment of 3000 Equity Shares.
- e) If the Shares allotted on a proportionate basis to any category is more than the Shares allotted to the applicants in that category, the balance available Shares for allocation shall be first adjusted against any category, where the allotted Shares are not sufficient for proportionate allotment to the successful applicants in that category, the balance Shares, if any, remaining after such adjustment will be added to the category comprising of applicants applying for the minimum number of Shares. If as a result of the process of rounding off to the lower nearest multiple of 3000 Equity Shares, results in the actual allotment being higher than the shares offered, the final allotment may be higher at the sole discretion of the Board of Directors, upto 110% of the size of the offer specified under the Capital Structure mentioned in the Prospectus.
- f) The above proportionate allotment of shares in an Issue that is oversubscribed shall be subject to the reservation for Retail Individual applicants as described below:
  - i. As per Regulation 43(4) of the SEBI (ICDR) Regulations, as the Retail Individual Investor category is entitled to more than fifty percent on proportionate basis, the retail individual investors shall be allocated that higher percentage.
  - ii. Remaining to Individual applicants other than retail individual investors and Other investors including corporate bodies or institutions, irrespective of the number of specified securities applied for;
  - iii. The unsubscribed portion in either of the categories specified in (a) or (b) above may be available for allocation to the applicants in the other category, if so required.

'Retail Individual Investor' means an investor who applies for shares of value of not more than Rs. 2,00,000. Investors may note that in case of over subscription allotment shall be on proportionate basis and will be finalized in consultation with SME Platform of NSE.

The Executive Director/ Managing Director of the SME Platform of NSE (NSE EMERGE), Designated Stock Exchange in addition to Lead Merchant Banker and Registrar to the Public Offer shall be responsible to ensure that the basis of allotment is finalized in a fair and proper manner in accordance with the SEBI (ICDR) Regulations, 2009.

As per the RBI regulations, OCBs are not permitted to participate in the Issue. There is no reservation for Non Residents, NRIs, FPIs and foreign venture capital funds and all Non Residents, NRI, FPI and Foreign Venture Capital Funds applicants will be treated on the same basis with other categories for the purpose of allocation.

## 7.2 DESIGNATED DATE AND ALLOTMENT OF EQUITY SHARES

- a) **Designated Date:** On the Designated Date, the SCSBs shall transfer the funds represented by allocation of Equity Shares into the Public Issue Account with the Bankers to the Issue.
- 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) initiate corporate action for credit of shares to the successful Applicants Depository Account will be completed within 5 Working Days of the Issue Closing Date. The Issuer also ensures the credit of shares to the successful Applicant's depository account is completed within 5 Working Days of the Issue Closing Date.

## SECTION 8: INTEREST AND REFUNDS

### 8.1 COMPLETION OF FORMALITIES FOR LISTING & COMMENCEMENT OF TRADING

The Issuer may ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges are taken within 6 Working Days of the Issue Closing Date. The Registrar to the Issue may give instructions for credit to Equity Shares the beneficiary account with DPs, and dispatch the Allotment Advice within 6 Working Days of the Issue Closing Date.

### 8.2 GROUNDS FOR UNBLOCKING OF FUNDS

#### 8.2.1 Non Receipt of Listing Permission

An Issuer makes an application to the Stock Exchange(s) for permission to deal in/list and for an official quotation of the Equity Shares. All the Stock Exchanges from where such permission is sought are disclosed in Prospectus. The Designated Stock Exchange may be as disclosed in the Prospectus with which the Basis of Allotment may be finalized.

If the permissions to deal in and for an official quotation of the Equity Shares are not granted by any of the Stock Exchange(s), the Issuer may forthwith initiate action to unblock the application amount from the Investors accounts. If such money is not repaid within the eight days after the Issuer becomes liable to repay it, then the Issuer and every director of the Issuer who is an officer in default may, on and from such expiry of eight days, be liable to repay the money, with interest at such rate, as prescribed under Section 73 of Companies Act, and disclosed in the Prospectus.

#### 8.2.2 Minimum Subscription

This Issue is not restricted to any minimum subscription level. This Issue is 100% underwritten.

As per Section 39 of Companies Act, 2013 if the "stated minimum amount" has not been subscribed and the sum payable on application is not received within a period of 30 days from the date of the Prospectus, the application



money has to be returned within such period as may be prescribed. If our company does not receive the 100% subscription of the offer through the Offer Document including devolvement of underwriters, if any, within sixty (60) days from the date of closure of the issue, our company shall forthwith unblocked the entire application amount received. If there is a delay beyond eighty days after our company becomes liable to pay the amount, our company and every officer in default will, on and from the expiry of this period be jointly and severally liable to repay the money, with interest or other penalty as prescribed under SEBI Regulations and the Companies Act, 2013.

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 amounts in the ASBA Account shall be unblocked within 6 working days of closure of the issue.

Further in accordance with Regulation 106(Q) of the SEBI (ICDR) Regulations, our Company shall ensure that the minimum application size in terms of number of specified securities shall not be less than Rs.100000/- (Rupees One Lakh) per application.

The equity shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and applications may not be made by persons in any such jurisdiction, except in compliance without the applicable laws of such jurisdiction.

### 8.2.3 MINIMUM NUMBER OF ALLOTTEES

The Issuer may ensure that the number of prospective allottees to whom Equity Shares may be allotted may not be less than 50 failing which the entire application monies may be unblocked forthwith.

### 8.3 Mode of Unblocking of Funds

Within 6 Working Days of the Issue Closing Date, the Registrar to the Issue may give instructions to SCSBs for unblocking the amount in ASBA Account on unsuccessful Application and also for any excess amount blocked on Application.

#### 8.3.1 Mode of making refunds for Applicants

The Registrar to the Issue may instruct the controlling branch of the SCSB to unblock the funds in the relevant ASBA Account for any withdrawn, rejected or unsuccessful ASBA applications or in the event of withdrawal or failure of the Issue.

### 8.4 Interest In Case Of Delay in Allotment

The Issuer may pay interest at the rate of 15% per annum if 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 Issue Closing Date.

The Issuer may pay interest at 15% per annum for any delay beyond 6 working days from the 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>
Allotment/ Allot/ Allotted	The allotment of Equity Shares pursuant to the Issue to successful Applicants
Allottee	An Applicant to whom the Equity Shares are Allotted

Term	Description
Allotment Advice	Note or advice or intimation of Allotment sent to the Applicants who have been allotted Equity Shares after the Basis of Allotment has been approved by the designated Stock Exchanges
Application Form	The form in terms of which the Applicant should make an application for Allotment in case of issues other than Book Built Issues, includes Fixed Price Issue
Application Supported by Blocked Amount/ (ASBA)/ASBA	An application, whether physical or electronic, used by Applicants to make a Application authorizing an SCSB to block the Bid Amount in the specified bank account maintained with such SCSB
ASBA Account	Account maintained with an SCSB which may be blocked by such SCSB to the extent of the Application Amount of the ASBA Applicant
ASBA Application	An Application made by an ASBA Applicant
Applicant	Prospective Applicants in the Issue who apply through ASBA
Basis of Allotment	The basis on which the Equity Shares may be Allotted to successful Applicants under the Issue
Bid	The date after which the SCSBs may not accept any application for the Issue, which may be notified in an English national daily, a Hindi national daily and a regional language newspaper at the place where the registered office of the Issuer is situated, each with wide circulation. Applicants may refer to the Prospectus for the Issue Closing Date
Application Amount	The value indicated in the Application Form and payable by the Applicant upon submission of the Application (except for Anchor Investors), less discounts (if applicable).
Application Form	The form in terms of which the Applicant should make an offer to subscribe for or purchase the Equity Shares and which may be considered as the application for Allotment for the purposes of the Prospectus, whether applying through the ASBA or otherwise.
Applicant	Any prospective investor (including an ASBA Applicant) who makes an Application pursuant to the terms of the Prospectus and the Application Form. In case of issues undertaken through the fixed price process, all references to a Applicant should be construed to mean an Applicant
Book Built Process/ Book Building Process/ Book Building Method	The book building process as provided under SEBI ICDR Regulations, 2009,
Broker Centres	Broker Centres notified by the Stock Exchanges, where Applicants can submit the Application Form 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 websites of the Stock Exchanges.
Lead Manager/ LM	The Lead Manager to the Issue as disclosed in the Prospectus and the Application Form of the Issuer.
Business Day	Monday to Friday (except public holidays)
CAN/Confirmation of Allotment Note	The note or advice or intimation sent to each successful Applicant indicating the Equity Shares which may be Allotted, after approval of Basis of Allotment by the Designated Stock Exchange
Client ID	Client Identification Number maintained with one of the Depositories in relation to demat account
Collecting Depository Participant or CDP	A depository participant as defined under the Depositories Act, 1996, registered with SEBI and who is eligible to procure Applications at the Designated CDP Locations in terms of circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI
DP	Depository Participant
DP ID	Depository Participant's Identification Number
Depositories	National Securities Depository Limited and Central Depository Services (India) Limited

Term	Description
Demographic Details	Details of the Applicants including the Applicant's address, name of the Applicant's father/husband, investor status, occupation and bank account details
Designated Branches	Such branches of the SCSBs which may collect the Application Forms used by the ASBA Applicants applying through the ASBA and a list of which is available on <a href="http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries">http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries</a> .
Designated CDP Locations	Such locations of the CDPs where Applicant can submit the Application Forms to Collecting Depository Participants.  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 websites of the Stock Exchange i.e. <a href="http://www.nseindia.com">www.nseindia.com</a>
Designated RTA Locations	Such locations of the RTAs where Applicant can submit the Application Forms to RTAs.  The details of such Designated RTA Locations, along with names and contact details of the RTAs eligible to accept Application Forms are available on the websites of the Stock Exchange i.e. <a href="http://www.nseindia.com">www.nseindia.com</a>
Designated Date	The date on or after which funds are transferred by the SCSBs to the Public Issue Account of the Issuer.
Designated Stock Exchange	The designated stock exchange as disclosed in the Prospectus of the Issuer
Designated Intermediaries /Collecting Agent	Syndicate Members, Sub-Syndicate/Agents, SCSBs, Registered Brokers, Brokers, the CDPs and RTAs, who are authorized to collect Application Forms from the Applicants, in relation to the Issue
Discount	Discount to the Issue Price that may be provided to Applicants in accordance with the SEBI ICDR Regulations, 2009.
Draft Prospectus	This Draft Prospectus filed with Stock Exchange in case of Fixed Price Issues and which may mention a price
Employees	Employees of an Issuer as defined under SEBI ICDR Regulations, 2009 and including, in case of a new company, persons in the permanent and full time employment of the promoting companies excluding the promoters and immediate relatives of the promoter. For further details Applicant may refer to the Prospectus
Equity Shares	Equity shares of the Issuer
FCNR Account	Foreign Currency Non-Resident Account
First Applicant	The Applicant whose name appears first in the Application Form or Revision Form
FII(s)	Foreign Institutional Investors as defined under the SEBI (Foreign Institutional Investors) Regulations, 1995 and registered with SEBI under applicable laws in India
Fixed Price Issue/Fixed Price Process/Fixed Price Method	The Fixed Price process as provided under SEBI ICDR Regulations, 2009, in terms of which the Issue is being made
FPIs	Foreign Portfolio Investors as defined under the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014
FPO	Further public offering
Foreign Venture Capital Investors or FVCIs	Foreign Venture Capital Investors as defined and registered with SEBI under the SEBI (Foreign Venture Capital Investors) Regulations, 2000
IPO	Initial public offering
Issue	Public Issue of Equity Shares of the Issuer including the Offer for Sale if applicable
Issuer/ Company	The Issuer proposing the initial public offering/further public offering as applicable

Term	Description
Issue Closing Date	The date on which the SCSBs may start accepting application for the Issue, which may be the date notified in an English national daily, a Hindi national daily and a regional language newspaper at the place where the registered office of the Issuer is situated, each with wide circulation. Applicants may refer to the Prospectus for the Issue Opening Date
Issue Opening Date	The date on which the SCSBs may start accepting application for the Issue, which may be the date notified in an English national daily, a Hindi national daily and a regional language newspaper at the place where the registered office of the Issuer is situated, each with wide circulation. Applicants may refer to the Prospectus for the Issue Opening Date
Issue Period	Except in the case of Anchor Investors (if applicable), the period between the Issue Opening Date and the Issue Closing Date inclusive of both days and during which prospective Applicants (other than Anchor Investors) can submit their Application, inclusive of any revisions thereof. The Issuer may consider closing the Issue Period for QIBs one working day prior to the Issue Closing Date in accordance with the SEBI ICDR Regulations, 2009. Applicants may refer to the Prospectus for the Issue Period
Issue Price	The final price, less discount (if applicable) at which the Equity Shares may be Allotted in terms of the Prospectus. The Issue Price may be decided by the Issuer in consultation with the Lead Manager(s)
Maximum RII Allottees	The maximum number of RIIs who can be allotted the minimum Application Lot. This is computed by dividing the total number of Equity Shares available for Allotment to RIIs by the minimum Application Lot.
MICR	Magnetic Ink Character Recognition - nine-digit code as appearing on a cheque leaf
Mutual Fund	A mutual fund registered with SEBI under the SEBI (Mutual Funds) Regulations, 1996
NECS	National Electronic Clearing Service
NEFT	National Electronic Fund Transfer
NRE Account	Non-Resident External Account
NRI	NRIs from such jurisdictions outside India where it is not unlawful to make an offer or invitation under the Issue and in relation to whom the Prospectus constitutes an invitation to subscribe to or purchase the Equity Shares
NRO Account	Non-Resident Ordinary Account
Net Issue	The Issue less reservation portion
Non-Institutional Investors or NIIs	All Applicants, including sub accounts of FIIs registered with SEBI which are foreign corporate or foreign individuals and FPIs which are Category III foreign portfolio investors, that are not QIBs or RIBs and who have Applied for Equity Shares for an amount of more than ₹ 200,000 (but not including NRIs other than Eligible NRIs)
Non-Institutional Category	The portion of the Issue being such number of Equity Shares available for allocation to NIIs on a proportionate basis and as disclosed in the Prospectus and the Application Form
Non-Resident	A person resident outside India, as defined under FEMA and includes Eligible NRIs, FIIs, FPIs and FVCIs
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
Offer for Sale	Public offer of such number of Equity Shares as disclosed in the Prospectus through an offer for sale by the Selling Shareholder

Term	Description
Other Investors	Investors other than Retail Individual Investors in a Fixed Price Issue. 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.
PAN	Permanent Account Number allotted under the Income Tax Act, 1961
Pricing Date	The date on which the Issuer in consultation with the Book Running Lead Manager(s), finalize the Issue Price
Prospectus	The prospectus to be filed with the RoC in accordance with Section 32 of the Companies Act, 2013 read with section 26 of Companies Act 2013 after the Pricing Date, containing the Issue Price, the size of the Issue and certain other information
Public Issue Account	An account opened with the Banker to the Issue to receive monies from the ASBA Accounts on the Designated Date
QIB Category	The portion of the Issue being such number of Equity Shares to be Allotted to QIBs on a proportionate basis
Qualified Institutional Buyers or QIBs	As defined under SEBI ICDR Regulations, 2009
RTA	Registrar to the Issue and Share Transfer Agent
Registered Broker	Stock Brokers registered with the Stock Exchanges having nationwide terminals, other than the members of the Syndicate
Registrar to the Issue/RTI	The Registrar to the Issue as disclosed in the Prospectus and Application Form
Reserved Category/ Categories	Categories of persons eligible for making application/bidding under reservation portion
Reservation Portion	The portion of the Issue reserved for category of eligible Applicants as provided under the SEBI ICDR Regulations, 2009
Retail Individual Investors / RIIs	Investors who applies or bids for a value of not more than ₹ 200,000.
Retail Individual Shareholders	Shareholders of a listed Issuer who applies or bids for a value of not more than ₹ 200,000.
Retail Category	The portion of the Issue being such number of Equity Shares available for allocation to RIIs which shall not be less than the minimum bid lot, subject to availability in RII category and the remaining shares to be allotted on proportionate basis.
Revision Form	The form used by the Applicant in an issue to modify the quantity of Equity Shares indicates therein in any of their Application Forms or any previous Revision Form(s)
RoC	The Registrar of Companies
SEBI	The Securities and Exchange Board of India constituted under the Securities and Exchange Board of India Act, 1992
SEBI ICDR Regulations, 2009	The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009
Self Certified Syndicate Bank(s) or SCSB(s)	A bank registered with SEBI, which offers the facility of ASBA and a list of which is available on <a href="http://www.sebi.gov.in/cms/sebi_data/attachdocs/1316087201341.html">http://www.sebi.gov.in/cms/sebi_data/attachdocs/1316087201341.html</a>
Specified Locations	Refer to definition of Broker Centers
Stock Exchanges/ SE	The stock exchanges as disclosed in the Prospectus of the Issuer where the Equity Shares Allotted pursuant to the Issue are proposed to be listed
Syndicate	The Book Running Lead Manager(s) and the Syndicate Member
Syndicate Agreement	The agreement to be entered into among the Issuer, and the Syndicate in relation to collection of the Bids in this Issue (excluding Application from ASBA Applicants)
Syndicate Member(s)/SM	The Syndicate Member(s) as disclosed in the Prospectus
Underwriters	The Lead Manager(s)
Underwriting Agreement	The agreement dated entered into between the Underwriters and our company.

Term	Description
Working Day	Any day, other than 2nd and 4th Saturday of the month, Sundays or public holidays, on which commercial banks in India are open for business, provided however, with reference to announcement Issue Period, “Working Days” shall mean all days, excluding Saturdays, Sundays and public holidays, which are working days for commercial banks in India.

## **RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES**

Foreign investment in Indian securities is regulated through the Industrial Policy, 1991 of the Government, the FDI Policy (as defined below) 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 approvals are FIPB and the RBI.

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 7, 2016. The Government proposes to update the consolidated circular on FDI Policy once every year and therefore, the Consolidation FDI Policy will be valid until the DIPP issues an updated circular.

### **Subscription by foreign investors (NRIs/FPIs)**

FPIs are permitted to subscribe to Equity Shares of an Indian Company in a public offer without the prior approval of the RBI, so long as the price of the Equity Shares to be issued is not less than the price at which the Equity Shares are issued to residents. SEBI registered FPIs have been permitted to purchase shares of an Indian company through offer, subject to total FPI investment being within the individual FPI/sub account investment limit of 10 per cent subject to the total sectoral cap of all FPIs/sub-accounts put together being 24 per cent of the paid-up capital of the Indian company.

The transfer of shares between an Indian resident and a Non-resident does not require prior approval of FIPB or RBI, subject to fulfillment of certain conditions as specified by DIPP / RBI, from time to time. Such conditions include (i) the activities of the investee company are under the automatic route under the foreign direct investment (“FDI”) Policy and the non-resident shareholding is within the sectoral limits under the FDI policy; and (ii) the pricing is in accordance with the guidelines prescribed by the SEBI/RBI. Investors are advised to refer to the exact text of the relevant statutory provisions of law before investing and / or subsequent purchase or sale transaction in the Equity Shares of Our Company.

### **Representation from the Applicants**

No person shall make an application in the Offer, unless such person is eligible to acquire Equity Shares of our Company in accordance with applicable laws, rules, regulations, guidelines and approvals.

Investors that make application under the Offer will be required to confirm and will be deemed to have represented to our Company, the Underwriters, and their respective directors, officers, agents, affiliates and representatives, as applicable, that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares of our Company and 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 and approvals to acquire Equity Shares of our Company. 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.

There is no reservation for Non Residents, NRIs, FPIs, foreign venture capital funds, multi-lateral and bilateral development financial institutions and any other foreign investor. All Non Residents, NRIs, FPIs and foreign venture capital funds, multi-lateral and bilateral development financial institutions and any other foreign investor applicants will be treated on the same basis with other categories for the purpose of allocation.

As per the existing policy of the Government of India, OCBs also cannot participate in any Public Issue.

The Equity Shares have not been and will not be registered under the 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 promulgated under the Securities Act), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. Accordingly, the Equity Shares are only being offered and sold outside the United States to certain persons in offshore transactions in compliance with Regulation S under the Securities Act.

Our Company, Selling Shareholders, LM and the Offer Management Team are not making any selling efforts in any jurisdiction outside India.

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

The above information is given for the benefit of the Applicants. The Company and the LM are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of the Prospectus. Applicants are advised to make their independent investigations and ensure that the number of Equity Shares applied for do not exceed the applicable limits under laws or regulations.



### SECTION VIII - MAIN PROVISIONS OF ARTICLES OF ASSOCIATION OF OUR COMPANY

Pursuant to Schedule I of the Companies Act, and the SEBI ICDR Regulations, the Main provisions of the Articles of Association relating to voting rights, dividend, lien, forfeiture, restrictions on transfer and Transmission of equity shares or debentures, their consolidation or splitting are as provided below. Each provision below is numbered as per the corresponding article number in the articles of association and defined terms herein have the meaning given to them in the Articles of Association.

ARTICLE NO.	INTERPRETATION	HEADING
1.	No regulation contained in Table F contained in the First Schedule to the Companies Act, 2013, shall apply to this Company, but the regulations for the management of the Company and for the observance of the Members thereof and their representatives shall, subject to any exercise of the statutory powers of the Company with reference to the repeal or alteration of, or addition thereto, by special resolution, as prescribed by the said Act, be such as are contained in these Articles.	<b>PRELIMINARY</b>
2.	<p>In the interpretation of Part A of these Articles, unless repugnant to the subject or context:-</p> <p>“The Company” or “this Company” means <b>VADIVARHE SPECIALITY CHEMICALS LIMITED.</b></p> <p>“The Act” means the Companies Act, 1956 and the Companies Act, 2013, or any statutory modification or re-enactment thereof, for the time being, in force.</p> <p>“Annual General Meeting” means a general meeting of the members held as such, in accordance with the provisions of the Act.</p> <p>“Beneficial Owner” means a person as defined by section 2(1) (a) of the Depositories Act, 1996.</p> <p>“Board” shall mean the collective body of the directors of the Company.</p> <p>“Capital” means the Share capital, for the time being, raised or authorized to be raised, for purposes of the Company.</p> <p>“Debenture” includes debenture stock, bonds or any other instrument of the Company evidencing the debts whether constituting the charge on the assets of the Company or not.</p> <p>“Depositories Act 1996” means The Depositories Act, 1996 and includes any statutory modification or re-enactment thereof for the time being in force.</p> <p>“Depository” means and includes a Company as defined in section 2(1) (e) of “The Depositories Act, 1996.</p> <p>“Directors” means a director appointed to the Board of the Company.</p> <p>“Dividend” includes interim dividend.</p> <p>“Extra-ordinary General Meeting” means an extraordinary general meeting of the members, duly called and constituted, and any adjourned holding thereof.</p> <p>“In writing” or “written” include printing, lithography and other modes of representing or reproducing words in a visible form.</p> <p>“Member” means member as defined under section 2(55) of the Companies Act, 2013</p> <p>“Meeting” or “General meeting” means a meeting of members</p> <p>“Month” means a period of 30 (Thirty) days and a “Calendar Month” means an English calendar month.</p> <p>“Office” means the registered office, for the time being, of the Company.</p> <p>“Paid-up” means paid up capital as defined under section 2(64) of the Companies Act, 2013.</p> <p>“Participant” means individual / institutions as defined under Section 2(1) (g) of the Depositories Act, 1996.</p> <p>“Persons” include corporations and firms as well as individuals.</p> <p>“Register of Members” means the Register of Members to be kept pursuant to the Act, and includes index of beneficial owners mentioned by a Depository.</p>	<b>INTERPRETATION</b>

	<p>“The Registrar” means, Registrar as defined under section 2(75) of the Companies Act, 2013.</p> <p>“Secretary” means a Company Secretary, within the meaning of clause (c) of sub section (1) of section 2 of Company Secretaries Act, 1980, who is appointed by the Company to perform the functions of the Company Secretary under this Act</p> <p>“Seal” means the common seal, for the time being, of the Company.</p> <p>“Share” means a Share in the capital of the Company, and includes stock, except where a distinction between Stock and Shares is express or implied.</p> <p>Words importing the singular number include, where the context admits or requires, the plural number and vice versa.</p> <p>“Ordinary resolution” and “special resolution” shall have the same meaning assigned thereto by the Act.</p> <p>“Year” means a calendar year and “financial year” shall have the same meaning as assigned thereto by or under the Companies Act, 2013.</p> <p>Words importing the masculine gender also include the feminine gender.</p> <p>The margin notes, if used or incorporated, or, after being used, removed, at any time thereafter, in these Articles shall not affect the construction hereof.</p> <p>Save as aforesaid, any words or expressions defined in the Act shall, if not inconsistent with the subject or context, bear the same meaning so far as these Articles are concerned.</p> <p>The Section number, with relation to the Act, referred to anywhere in these presents, may be deemed to have been replaced by such other number or numbers, as may, after the amendments or modifications effected in the Act or repeal of the Act and introduction of the new Act as such in its place, contain the relevant provisions, in the context or circumstances of that respective Article, as may be proper and justifiable and shall be interpreted in its true intention.</p>	
3.	The Authorized Share Capital of the Company is such amount, as stated, for the time being, or may be varied, from time to time, under the provisions of the Act, in the Clause V of the Memorandum of Association of the Company, divided into such number, classes and descriptions of Shares and into such denominations, as stated therein, and further with such powers to increase the same or otherwise as stated therein. The paid-up Share Capital of the Company shall be, at any time, an amount of not less than Rs.5,00,000/- (Rupees Five Lakhs Only) or such other amount, as may, from time to time, be prescribed under the Act.	<b>CAPITAL AND INCREASE AND REDUCTION THEREOF</b>
4.	The Company, in general meeting, may, from time to time, increase the capital by the creation of new shares. Such increase in the capital shall be of such aggregate amount and to be divided into such number of Shares of such respective amounts, as the resolution, so passed in that respect, shall prescribe. Subject to the provisions of the Act, any Shares of the original or increased capital shall be issued upon such terms and conditions and with such rights and privileges annexed thereto as the general meeting, resolving upon the creation thereof, shall direct, and, if no direction be given, as the Directors shall determine, and, in particular, such Shares may be issued with a preferential, restricted or qualified right to dividends, and in the distribution of assets of the Company, on winding up, and with or without a right of voting at general meetings of the Company, in conformity with and only in the manner prescribed by the provisions of the Act. Whenever capital of the Company has been increased under the provisions of this Article, the Directors shall comply with the applicable provisions of the Act.	
5.	Except so far as otherwise provided by the conditions of issue or by these presents, any capital raised by the creation of new shares shall be considered as part of the existing capital and shall be subject to the provisions contained herein with reference to the payment of calls and installments, forfeiture, lien, surrender, transfer and transmission, voting or otherwise.	
6.	Subject to the provisions of Section 55 of the Act and the rules made thereunder, the Company shall have the power to issue preference shares, which are liable to be	

	redeemed and the resolution authorizing such issue shall prescribe the manner, terms and conditions of redemption.	
7.	<p>On the issue of Redeemable Preference Shares under the provisions of the preceding Article, the following provisions shall take effect :-</p> <p>a) No such Shares shall be redeemed except out of the profits of the Company which would otherwise be available for dividend or out of the proceeds of a fresh issue of Shares made for the purpose of the redemption.</p> <p>b) No such shares shall be redeemed unless they are fully paid;</p> <p>c) The premium, if any, payable on redemption, must have been provided for, out of the profits of the Company or the Share Premium Account of the Company before, the Shares are redeemed; and</p> <p>d) Where any such Shares are redeemed otherwise than out of the proceeds of a fresh issue, there shall, out of profits which would otherwise have been available for dividend, be transferred to a reserve fund to be called “Capital Redemption Reserve Account”, a sum equal to the nominal amount of the Shares redeemed and the provisions of the Act, relating to the reduction of the Share Capital of the Company, shall, except as provided in Section 80 of the Act, apply as if “Capital Redemption Reserve Account” were paid up Share capital of the Company.</p>	
8.	Subject to Section 100 of the Companies Act, 1956 and Section 66 of the Companies Act, 2013 as and when notified the Company may by special resolution, reduce its capital and any Capital Redemption Reserve Account or Other Premium Account, for the time being, in any manner, authorized by law, and, in particular, without prejudice to the generality of the foregoing powers, the capital may be paid off on the footing that it may be called up again or otherwise. This Article is not to derogate from any power; the Company would have, if it were omitted.	
9.	Subject to the applicable provisions of the Act, the Company, in general meeting, may, from time to time, sub-divide, reclassify or consolidate its Shares or any of them, and the resolution whereby any Share is sub-divided, may determine that, as between the holders of the Shares resulting from such sub-division, one or more of such Shares shall have some preference or special advantage as regards dividend, capital or otherwise over or as compared with the other or others. Subject as aforesaid, the Company, in general meeting, may also cancel shares, which have not been taken or agreed to be taken by any person, and diminish the amount of its Share capital by the amount of the Shares so cancelled.	
10.	Whenever the capital, by reason of the issue of Preference Shares or otherwise, is divided into different classes of shares, all or any of the rights and privileges attached to each class may, subject to the applicable provisions of the Act, be modified, commuted, affected or abrogated, or dealt with by an agreement between the Company and any person purporting to contract on behalf of that class, provided such agreement is ratified, in writing, by holders of at least three-fourths in nominal value of the issued Shares of the class or is confirmed by a special resolution passed at a separate general meeting of the holders of Shares of that class and all the provisions hereinafter contained as to general meetings, shall, mutatis mutandis, apply to every such meeting.	
11.	The Company shall keep or cause to be kept a Register and Index of Members, in accordance with the applicable Sections of the Act. The Company shall be entitled to keep, in any State or Country outside India, a Branch Register of Members, in respect of those residents in that State or Country.	<b>SHARES AND CERTIFICATES</b>
12.	The Shares, in the capital, shall be numbered progressively according to their several classes and denominations, and, except in the manner hereinabove mentioned, no Share shall be sub-divided. Every forfeited or surrendered Share may continue to bear the number by which the same was originally distinguished with, or as may be otherwise, as may be decided by the Board of Directors or required by any other authority, as may be, for the time being, in force.	
13.	(1) Where at the time, it is proposed to increase the subscribed capital of the	

	<p>Company by allotment of further Shares either out of the unissued or out of the increased Share capital then :</p> <p>a) Such further Shares shall be offered to the persons who at the date of the offer, are holders of the Equity Shares of the Company, in proportion, as near as circumstances admit, to the capital paid up on those Shares at that date.</p> <p>b) Such offer shall be made by a notice specifying the number of Shares offered and limiting a time not less than fifteen days and not exceeding thirty days from the date of the offer within which the offer if not accepted, will be deemed to have been declined.</p> <p>c) The offer aforesaid shall be deemed to include a right exercisable by the person concerned to renounce the Shares offered to him in favour of any other person and the notice referred to in sub-clause (b) hereof shall contain a statement of this right provided that the Directors may decline, without assigning any reason to allot any Shares to any person in whose favour any member may, renounce the Shares offered to him.</p> <p>d) After expiry of the time specified in the aforesaid notice or on receipt of earlier intimation from the person to whom such notice is given that he declines to accept the Shares offered, the Board of Directors may dispose of them in such manner as they think most beneficial to the Company.</p> <p>(2). Notwithstanding anything contained in sub-clause (1) thereof, the further Shares aforesaid may be offered to any persons (whether or not those persons include the persons referred to in clause (a) of sub-clause (1) hereof) in any manner either for cash or for a consideration other than cash, if the price of such shares is determined by the valuation report of a Registered Valuer subject to such conditions prescribed in the rules made thereunder.</p> <p>(3). Nothing in sub-clause (c) of (1) hereof shall be deemed:</p> <p>a) To extend the time within the offer should be accepted; or</p> <p>b) To authorize any person to exercise the right of renunciation for a second time, on the ground that the person in whose favor the remuneration was first made has declined to take the Shares comprised in the renunciation.</p> <p>(4). Nothing in this Article shall apply to the increase of the subscribed capital of the Company caused by the exercise of an option attached to the Debenture issued or loans raised by the Company to convert such Debenture or loans into Shares in the Company.</p> <p><b>PROVIDED THAT</b> the terms of issue of such Debentures or the terms of such loans loan containing such an option have been approved before the issue of such debentures or the raising of loan by a special resolution passed by the Company in general meeting.</p>	
14.	<p>Subject to the provisions of Section 62 of the Companies Act, 2013 and the rules made thereunder and these Articles of the Company for the time being shares shall be under the control of the Directors who may issue, allot or otherwise dispose of the same or any of them to such persons, in such proportion and on such terms and conditions and either at a premium or at par and at such time as they may from time to time think fit and with the sanction of the Company in the General Meeting to give any person or persons the option or right to call for any Shares either at par or premium during such time and for such consideration as the Directors think fit, and may issue and allot Shares in the capital of the Company on payment in full or part of any property sold and transferred or for any services rendered to the Company in the conduct of its business and any Shares which may so be allotted may be issued as</p>	

	fully paid up Shares and if so issued, shall be deemed to be fully paid Shares. Provided that opinion or right to call of Shares shall not be given to any person or persons without the sanction of the Company in the General Meeting. The Board shall cause to be filed the returns as to allotment as may be prescribed from time to time.	
15.	In addition to and without derogating from the powers for that purpose conferred on the Board under the preceding two Articles, the Company, in general meeting, may determine that any Shares, whether forming part of the original capital or of any increased capital of the Company, shall be offered to such persons, whether or not the members of the Company, in such proportion and on such terms and conditions and, subject to compliance with the provisions of applicable provisions of the Act, either at a premium or at par, as such general meeting shall determine and with full power to give any person, whether a member or not, the option to call for or be allotted Shares of any class of the Company either, subject to compliance with the applicable provision of the Act, at a premium or at par, such option being exercisable at such times and for such consideration as may be directed by such general meeting, or the Company in general meeting may make any other provision whatsoever for the issue, allotment or disposal of any Shares.	
16.	Any application signed by or on behalf of an applicant for subscription for Shares in the Company, followed by an allotment of any Shares therein, shall be an acceptance of Shares within the meaning of these Articles, and every person, who, thus or otherwise, accepts any Shares and whose name is entered on the Register shall, for the purpose of these Articles, be a member.	
17.	The money, if any, which the Board shall, on the allotment of any shares being made by them, require or direct to be paid by way of deposit, call or otherwise, in respect of any Shares allotted by them, shall immediately on the insertion of the name of the allottee in the Register of Members as the name of the holder of such Shares, become a debt due to and recoverable by the Company from the allottee thereof, and shall be paid by him accordingly, in the manner prescribed by the Board.	
18.	Every member or his heirs, executors or administrators, shall pay to the Company the portion of the capital represented by his Share or Shares which may, for the time being, remain unpaid thereon, in such amounts, at such time or times, and in such manner as the Board shall, from time to time, in accordance with the Regulations of the Company, require or fix for the payment thereof.	
19.	a) Every Member shall be entitled, without payment, to one or more certificates in marketable lots, for all the Shares of each class or denomination registered in his name, or if the Directors so approve (upon paying such fee as the Directors may from time to time determine) to several certificates, each for one or more of such Shares and the Company shall complete and have ready for delivery such certificates within two (2) months from the date of allotment, unless the conditions of issue thereof otherwise provide, or within one (1) month of the receipt of application of registration of transfer, transmission, sub-division, consolidation or renewal of any of its Shares as the case may be. Every certificate of Shares shall be under the seal of the Company and shall specify the number and distinctive numbers of Shares in respect of which it is issued and amount paid-up thereon and shall be in such form as the directors may prescribe or approve, provided that in respect of a Share or Shares held jointly by several persons the Company shall not be bound to issue more than one certificate and delivery of a certificate of Shares to one of several joint holders shall be sufficient delivery to all Share holders. Every such certificate shall be issued under the seal of the Company, which shall be affixed in the presence of two Directors or persons acting on behalf of the Directors under a power of attorney and the Secretary or some other person appointed by the Board for the purpose, and such two Directors or their attorneys, and the Secretary or other person shall sign the Share Certificates, provided that, if the composition of the Board	

	<p>permits, provided that, of it, at least one of the aforesaid two Directors shall be a person other than Managing Director or a Whole time Director. Particulars of every Share certificates issued shall be entered in the Register of Members against the name of the person, to whom it has been issued, indicating the date of issue.</p> <p>b) Any two or more joint allottees, in respect of a Share, shall, for the purpose of this Article, be treated as a single member, and the certificate of any Share, which may be subject of joint ownership, may be delivered to the person named first in the order or otherwise even to any one of such joint owners, on behalf of all of them. For any further certificate, the Board shall be entitled but shall not be bound to prescribe a charge not exceeding Rupee 50(fifty) per such certificate. In this respect, the Company shall comply with the applicable provisions, for the time being, in force, of the Act.</p> <p>c) A director may sign a Share certificate by affixing his signature thereon by means of any machine, equipment or other mechanical means, such as engraving in metal or lithography, but not by means of a rubber stamp provided that the Directors shall be responsible for the safe custody of such machine, equipment or other material used for the purpose.</p>	
20.	<p>a) The Directors may, if they think fit, subject to the provisions of Section 50 of the Act, agree to receive from any member willing to advance the same, all or any part of the amount of his Shares beyond the sums actually called up and upon the monies so paid in advance or upon so much thereof as from time to time exceeds the amount of the calls then made upon the Shares in respect of which such advances has been made, the Company may pay interest at such rate, as the member paying such sum in advance and the Directors agree upon provided that money paid in advance of calls shall not confer a right to participate in profits or dividend. The Directors may at any time repay the amount so advanced.</p> <p>The member shall not be entitled to any voting rights in respect of the moneys so paid by him until the same would but for such payment, become presently payable.</p> <p>The Provisions of these Articles shall mutatis mutandis apply to the calls on Debentures of the Company.</p> <p>b) When a new Share certificate has been issued in pursuance of the preceding clause of this Article, it shall state on the face of it and against the stub or counterfoil to the effect that it is “Issued in lieu of Share Certificate No..... sub-divided/replaced/on consolidation of Shares”</p> <p>c) If any certificate be worn out, defaced, mutilated, or torn or if there be no further space on the back thereof for endorsement of transfer, then upon production and surrender thereof to the Company, a new certificate may be issued in lieu thereof and if any certificate lost or destroyed then upon proof thereof to the satisfaction of the Company and on execution of such indemnity as the Company deem adequate, being given, and a new certificate in lieu thereof shall be given to the party entitled to such lost or destroyed certificate. Every certificates under the Article shall be issued without payment of fees if the Directors so decide, or on payment of such fees (not exceeding Rs. 50/- (Fifty) for each certificate) as the Directors shall prescribe. Provided that no fee shall be charged for issue of new certificates in replacement of those which are old, defaced or worn out or where there is no further space on the back thereof for endorsement of transfer.</p> <p>Provided that notwithstanding what is stated above the Directors shall comply with such Rules or Regulation or requirements of any Stock Exchange or the Rules made under the Act or the rules made under Securities Contracts (Regulation) Act, 1956 or any other Act, or rules applicable in this behalf.</p> <p>d) When a new Share certificate has been issued in pursuance of the preceding clause of this Article, it shall state on the face of it and against the stub or</p>	

	<p>counterfoil to the effect that it is “DUPLICATE. Issued in lieu of Share Certificate No. ....” The word “DUPLICATE” shall be stamped or punched in bold letters across the face of the Share certificate.</p> <p>e) Where a new Share certificate has been issued in pursuance of clause (a) or clause (c) of this Article, particulars of every such Share certificate shall be entered in a Register of Renewed and Duplicate Share Certificates, indicating against the names of the person or persons to whom the certificate is issued, the number and date of issue of the Share certificate, in lieu of which the new certificate is issued, and the necessary changes indicated in the Register of Members by suitable cross reference in the “Remarks” column.</p> <p>f) All blank forms to be issued for issue of Share certificates shall be printed and the printing shall be done only on the authority of a resolution of the Board. The blank forms shall be consecutively numbered, whether by machine, hand or otherwise, and the forms and the blocks, engravings, facsimiles and hues relating to the printing of such forms shall be kept in the custody of the Secretary, where there is no Secretary, the Managing Director or Whole time Director, and where there is no such director, the Chairman of the Board, for the time being, or otherwise of such other person, as the Board may appoint for the purpose, and the Secretary, such director, Chairman or such other person shall be responsible for rendering an account of these forms to the Board.</p> <p>g) The Managing Director of the Company, for the time being, or, if the Company has no Managing Director, every director of the Company shall be severally responsible for the maintenance, preservation and safe custody of all books and documents relating to the issue of Share certificates except the blank forms of Share certificates referred to in Clause (f) of this Article.</p> <p>h) All books referred to in clause (g) of this Article shall be preserved in good order permanently, or for such period as may be prescribed by the Act or the Rules made thereunder.</p>	
21.	<p>If any Share stands in the names of two or more persons, the person first named, in the Register, shall, as regards receipt of dividends or bonus or service of notices and all or any matter connected with the Company, except voting at meetings and the transfer of the Shares, be deemed the sole holder thereof but the joint holders of a Share shall be severally as well as jointly liable for the payment of all installments of calls due in respect of such Share and for all incidents otherwise.</p>	
22.	<p>Except as ordered by a Court of competent jurisdiction or as by law required, the Company shall not be bound to recognize any equitable, contingent, future or partial interest in any Share, or, except only as is, by these presents, otherwise expressly provided, any right in respect of a Share other than an absolute right thereto, in accordance with these Articles, in the person, from time to time, registered as the holder thereof, but the Board shall be, at liberty, at their sole discretion, to register any Share in the joint names of any two or more persons or the survivor or survivors of them.</p>	
23.	<p>Subject to the provisions of Sections 68 to 70 of the Act 2013 and the rules thereunder, the Company may purchase its own Shares or other specified securities out of free reserves, the securities premium account or the proceeds of issue of any Share or specified securities.</p>	
24.	<p>Subject to the provisions contained in sections 68 to 70 and all applicable provisions of the Act and subject to such approvals, permissions, consents and sanctions from the concerned authorities and departments, including the Securities and Exchange Board of India and the Reserve Bank of India, if any, the Company may, by passing a special resolution at a general meeting, purchase its own Shares or other specified securities (hereinafter referred to as ‘buy-back’) from its existing Shareholders on a proportionate basis and/or from the open market and/or from the lots smaller than market lots of the securities (odd lots), and/or the securities issued to the employees of the Company pursuant to a scheme of stock options or sweat Equity, from out of</p>	

	its free reserves or out of the securities premium account of the Company or out of the proceeds of any issue made by the Company specifically for the purpose, on such terms, conditions and in such manner as may be prescribed by law from time to time; provided that the aggregate of the securities so bought back shall not exceed such number as may be prescribed under the Act or Rules made from time to time.	
25.	Subject to the provisions of Section 40 of the Act 2013 and the rules thereof, the Company may, at any time, pay a commission to any person in consideration of his subscribing or agreeing to subscribe, whether absolutely or conditionally, for any Shares in or Debentures of the Company or procuring or agreeing to procure the subscribers, whether absolutely or conditional, for any Shares in or Debentures of the Company, but so that the commission shall not exceed, in the case of Shares, five per cent of the price at which the Shares are issued and, in the case of Debentures two and half per cent of the price at which the Debentures are issued, and such commission may be satisfied in any such manner, including the allotment of the Shares or Debentures, as the case may be, as the Board thinks fit and proper.	<b>COMMISSION AND BROKERAGE</b>
26.	Subject to the provisions of the Act, the Company may pay a reasonable sum for brokerage.	
27.	The Board may, from time to time, subject to the terms on which any Shares may have been issued and subject to the conditions of allotment, by a resolution passed only at a duly constituted meeting of the Board, make such call, as it thinks fit, upon the members in respect of all moneys unpaid on the Shares held by them respectively and each member shall pay the amount of every call so made on him to the person or persons and at the times and places appointed by the Board. A call may be made payable by installments.	<b>CALLS</b>
28.	At least fifteen days' notice, in writing, of any call, shall be given by the Company specifying the time and place of payment, and the person or persons to whom such call be paid.	
29.	A call shall be deemed to have been made at the time when the resolution authorizing such call was passed at a meeting of the Board.	
30.	The Board may, from time to time, at its discretion, extend the time fixed for the payment of any call, and may extend such time as to all or any of the members whom owing to their residence at a distance or other cause, the Board may deem fairly entitled to such extension, but no member shall be entitled to such extension, save as a matter of grace and favor.	
31.	A call may be revoked or postponed at the discretion of Board.	
32.	The joint holders of a Share shall be jointly and severally liable to pay all calls in respect thereof.	
33.	If any members fails to pay any call due from him on the day appointed for payment thereof, or any such extension thereof as aforesaid, he shall be liable to pay interest on the same from the day appointed for the payment thereof to the time of actual payment at such rate as shall, from time to time, be fixed by the Board, but nothing in this Article shall render it obligatory for the Board to demand or recover any interest from any such member.	
34.	Any sum, which, by the terms of issue of a Share, becomes payable on allotment or at any fixed date, whether on account of the nominal value of the Share or by way of premium, shall, for the purposes of these Articles, be deemed to be a call duly made and payable on the date on which, by the terms of issue, the same becomes payable, and, in the case of non-payment, all the relevant provisions of these Articles as to payment of interest and expenses, forfeiture or otherwise, shall apply, as if such sum had become payable by virtue of a call duly made and notified.	
35.	On the trial or hearing of any action or suit brought by the Company against any member or his representative for the recovery of any money claimed to be due to the Company in respect of his Shares, it shall be sufficient to prove that the name of the member, in respect of whose Shares the money is sought to be recovered, appears or is entered on the Register of Members as the holder, at or subsequent to the date at	



	<p>which the money is sought to be recovered, is alleged to have become due on the Shares in respect of which money is sought to be recovered, and that the resolution making the call is duly recorded in the minute book, and that notice, of which call, was duly given to the member or his representatives and used in pursuance of these Articles, and it shall not be necessary to prove the appointment of the Directors who made such call, and not that a quorum of Directors was present at the meeting of the Board at which any call was made, and nor that the meeting, at which any call was made, has duly been convened or constituted nor any other matter whatsoever, but the proof of the matters aforesaid shall be conclusive of the debt.</p>	
36.	<p>Neither the receipt by the Company of a portion of any money which shall, from time to time, be due from any member to the Company in respect of his Shares, either by way of principal or interest, nor any indulgence granted by the Company in respect of the payment of any such money, shall preclude the Company from thereafter proceeding to enforce a forfeiture of such Shares as hereinafter provided.</p>	
37.	<p>a) The Board may, if it thinks fit, agree to and receive from any member willing to advance the same all or any part of the amounts of his respective Shares beyond the sums actually called up and upon the moneys so paid in advance, or upon so much thereof, from time to time, and, at any time thereafter, as exceeds the amount of the calls then made upon and due in respect of the Shares on account of which such advances are made, the Board may pay or allow interest at such rate, as the member paying the sum in advance and the Board agrees upon, subject to the provisions of the Act. The Board may agree to repay, at any time, any amount so advanced or may, at any time, repay the same upon giving to the member 3 (Three) months' notice, in writing, provided that moneys paid, in advance of calls, on any Shares may carry interest but shall not confer a right to dividend or to participate in profits.</p> <p>b) No member paying any such sum in advance shall be entitled to voting rights in respect of the moneys so paid by him, until the same would, but for such payment, become presently payable.</p>	
38.	<p>a) The Company shall have a first and paramount lien upon all the Shares/Debentures (other than fully paid-up Shares/Debentures) registered in the name of each member (whether solely or jointly with others) and upon the proceeds of sale thereof for all moneys (whether presently payable or not) called or payable at a fixed time in respect of such Shares/Debentures and no equitable interest in any Shares shall be created except upon the footing and condition that this Article will have full effect. And such lien shall extend to all dividends and bonuses from time to time declared in all respect of such Shares/Debentures. Unless otherwise agreed, the registration of a transfer of Shares/Debentures shall operate as a waiver of the Company's lien, if any, on such Shares/Debentures. The Directors may at any time declare any Shares/Debentures wholly or in part to be exempt from the provisions of this clause.</p> <p>b) Every fully paid shares shall be free from all lien and that in the case of partly paid shares the Issuer's lien shall be restricted to moneys called or payable at a fixed time in respect of such shares.</p>	<b>LIEN</b>
39.	<p>For the purpose of enforcing such lien, the Board may sell the Shares, subject thereto, in such manner, as it shall think fit, and, for that purpose, may cause to be issued a duplicate certificate in respect of such Shares, and may authorize one of their members to execute a transfer thereof, on behalf of and in the name of such manner. No sale shall be made until such period, as aforesaid, shall have arrived and until notice, in writing, of the intention to sell, shall have been served on such member or his representatives and the default, whether express or implied, shall have been made by him or them in payment, fulfillment or discharge of such debts, liabilities or engagements, for such further days allowed, after the service of such notice, and stated therein.</p>	

40.	The net proceeds of any such sale shall be received by the Company and applied in or towards payment of such part of the amount, in respect of which the lien exists, as is presently payable, and the residue, if any, shall, subject to a like lien for sums not presently payable as existed upon the Shares before the sale, be paid to the persons entitled to the Shares at the date of the sale.	
41.	If any member fails to pay any call or installment of a call on or before the day appointed for the payment of the same or any such extension thereof as aforesaid, the Board may, at any time thereafter, during such time as the call or installment remains unpaid, give notice to him requiring him to pay the same together with any interest that may have accrued and all expenses that may have been incurred by the Company by reason of such non-payment.	
42.	The notice shall name a day, not being less than 14 (Fourteen) days from the date of the notice, and a place or places on and at which such call or installment and such interest and expenses as aforesaid are to be paid. The notice shall also state, that, in the event of the non-payment at or before the time and at the place appointed, the Shares, in respect of which the call was made or installment is payable, will be liable to be forfeited.	
43.	If the requirements of any such notice, as aforesaid, shall not be complied with, every or any Share, in respect of which such notice has been given, may, at any time thereafter, before payment of all calls or installments, interest and expenses, as may be due in respect thereof, be forfeited by a resolution of the Board to that effect. Subject to the provisions of the Act, such forfeiture shall include all dividends declared or any other moneys payable in respect of the forfeited Shares and not actually paid before the forfeiture.	
44.	When any Share shall have been so forfeited, notice of the forfeiture shall be given to the member, in whose name it stood immediately prior to the forfeiture and an entry of the forfeiture with the date thereof, shall, forthwith, be made in the Register of Members. But no forfeiture shall be, in any manner, invalidated by any omission or neglect to give such notice or to make any such entry as aforesaid.	
45.	Any Share, so forfeited, shall be deemed to be the property of the Company, and may be sold, reallocated or otherwise disposed off, either to the original holder thereof or to any other person, upon such terms and in such manner as the Board shall think fit.	<b>FORFEITURE OF SHARES</b>
46.	Any member, whose Shares have been forfeited, shall, notwithstanding the forfeiture, be liable to pay and shall forthwith pay to the Company, on demand, all calls, instalments, interest and expenses owing upon or in respect of such Shares at the time of the forfeiture together with interest thereof, until payment, at such rate, as the Board may determine, and the Board may enforce the payment thereof, if it thinks fit.	
47.	The forfeiture of a Share shall involve extinction, at the time of the forfeiture, of all interests in and all claims and demands against the Company, in respect of such Share and all other rights, incidental to the Share, except only such of those rights as by these presents are expressly saved.	
48.	A declaration, in writing, that the declarant is a director or Secretary of the Company and that a Share in the Company has duly been forfeited in accordance with these Articles, on a date stated in the declaration, shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the Shares.	
49.	Upon any sale after forfeiture or for enforcing a lien in purported exercise of the powers hereinbefore given, the Board may appoint some person to execute an instrument of transfer of the Shares sold, and cause the purchaser's name to be entered in the Register, in respect of the Shares sold, and the purchaser shall not be bound to see to the regularity of the proceedings or to the application of the purchase money, and, after his name has been entered in the Register, in respect of such Shares, the validity of the sale shall not be impeached by any person, and the remedy of any person aggrieved by the sale shall be in damages only and exclusively against the Company and no one else.	

50.	Upon any sale, allotment or other disposal under the provisions of the preceding Article, the certificate or certificates originally issued, in respect of the relative Shares, shall, unless the same shall, on demand by the Company, have been previously surrendered to it by the defaulting member, stand cancelled and become null and void and of no effect, and the Directors shall be entitled to issue a duplicate certificate or certificates, in respect of the said Shares, to the person or persons entitled thereto	
51.	The Company shall keep the “Register of Transfers” and therein shall fairly and distinctly enter particulars of every transfer or transmission of any Share.	
52.	No transfer shall be registered, unless a proper instrument of transfer has been delivered to the Company. Every instrument of transfer shall be duly stamped, under the relevant provisions of the Law, for the time being, in force, and shall be signed by or on behalf of the transferor and the transferee, and in the case of a Share held by two or more holders or to be transferred to the joint names of two or more transferees by all such joint holders or by all such joint transferees, as the case may be, and the transferor or the transferors, as the case may be, shall be deemed to remain the holder or holders of such Share, until the name or names of the transferee or the transferees, as the case may be, is or are entered in the Register of Members in respect thereof. Several executors or administrators of a deceased member, proposing to transfer the Share registered in the name of such deceased member, or the nominee or nominees earlier appointed by the said deceased holder of Shares, in pursuance of the Article 73, shall also sign the instrument of transfer in respect of the Share, as if they were the joint holders of the Share.	
53.	Shares in the Company may be transferred by an instrument, in writing, in the form, as shall, from time to time, be approved by the Directors provided that, if so required by the provisions of the Act, such instrument of Transfer shall be in the form prescribed thereunder, and shall be duly stamped and delivered to the Company within the prescribed period. All the provisions of Section 56 of the Act 2013 shall be duly complied with in respect of all transfers of Shares and registration thereof.	
54.	The Board shall have power, on giving 7 (Seven) days’ previous notice, by advertisement in some newspaper circulating in the district in which the Registered Office of the Company is, for the time being, situated, to close the transfer books, the Register of Members of Register of Debenture holders, at such time or times and for such periods, not exceeding thirty days at a time and not exceeding in the aggregate forty-five days in each year, as it may seem expedient.	<b>TRANSFER AND TRANSMISSION OF SHARES</b>
55.	Subject to the provisions of Section 58 and 59 of the Companies Act 2013, these Articles Section 22A of the Securities Contract (Regulation) Act, 1956 and any other applicable provisions of the Act or any other law for the time being in force, the Board may, refuse, whether in pursuance of any power of the Company under these Articles or otherwise, to register the transfer of, or the transmission by operation of law of the right to, any Shares or interest of a member in, or Debentures of the Company, the Board shall within one month from the date on which the instrument of transfer, or the intimation of such transmission as the case may be, was delivered to the Company, send to the transferee and transferor or to the person giving intimation of such transmission, as the case may be, notice of the refusal to register such transfer, giving reasons for such refusal provided that registration of transfer shall not be refused on the ground of the transferor being either alone or jointly with any other person or persons indebted to the Company on any account whatsoever except when the Company has a lien on the Shares. Transfer of Shares/Debentures in whatever lot shall not be refused.	
56.	An application for the registration of a transfer of Shares in the Company may be made either by the transferor or the transferee. Where such application is made by a transferor and relates to partly paid Shares, the Company shall give notice of the application to the transferee. The transferee may, within two weeks from the date of the receipt of the notice and not later, object to the proposed transfer. The notice to	

	the transferee shall be deemed to have been duly given, if despatched by prepaid registered post to the transferee at the address given in the instrument of transfer and shall be deemed to have been delivered at the time when it would have been delivered in the ordinary course of post.	
57.	In the case of the death of any one or more of the persons named in the Register of Members as the joint holders of any Share, the survivor or survivors shall be the only persons recognised by the Company as having any title to or interest in such Share, but nothing herein contained shall be taken to release the estate of a deceased joint holder from any liability on Shares held by him jointly with any other person.	
58.	Subject to the provisions of Article 72 hereunder, the executors or administrators or holders of a such Succession Certificate or the legal representative of a deceased member, not being one of two or more joint holders, shall be the only persons recognized by the Company as having any title to the Shares registered in the name of such member, and the Company shall not be bound to recognize such executors or administrators or holders of a Succession Certificate or the legal representatives, unless such executors or administrators or legal representatives shall have first obtained Probate or Letters of Administration or Succession Certificate, as the case may be, from a duly constituted Court in the Union of India, provided that, in cases, the Board may dispense with production of probate or letters of Administration or Succession Certificate upon such terms as to indemnify or otherwise, as the Board, in its absolute discretion, may think necessary, in the circumstances thereof, and, in pursuance of the Article 61 hereunder, register the name of any person, who claims to be absolutely entitled to the Shares standing in the name of a deceased member, as a member.	
59.	No Share shall, in any circumstances, be transferred to any infant, insolvent or person of unsound mind, and that no Share, partly paid up, be issued, allotted or transferred to any minor, whether alone or along with other transferees or allottees, as the case may be.	
60.	So long as the director having unlimited liability has not discharged all liabilities, whether present or future, in respect of the period for which he is and continues to be, so long, liable, he shall not be entitled to transfer the Shares held by him or cease to be a member of the Stock Exchange(s) to the end and intent that he shall continue to hold such minimum number of Shares as were held by him prior to his becoming a director with unlimited liability.	
61.	Subject to the provisions of Articles 57, 58 and 72 hereof, any person becoming entitled to Shares in consequences of the death, lunacy, bankruptcy or insolvency or any member, or the marriage of any female member or by any lawful means other than by a transfer in accordance with these presents, may, with the consent of the Board, which it shall not be under any obligation to give, upon producing such evidence that he sustains the character in respect of which he proposes to act under the Article or of his title, as the Board thinks sufficient, either be registered himself as the holder of the Share or elect to have some person, nominated by him and approved by the Board, registered as such person, provided, nevertheless, that if such person shall elect to have his nominee registered, he shall testify the election by executing in favor of his nominee an instrument of transfer in accordance with the provisions herein to in these Articles as “The Transmission Article”.	
62.	Subject to the provisions of the Act, a person entitled to a Share by transmission shall, subject to the right of the Directors to retain such dividend or money as hereinafter provided, be entitled to receive and may be given a discharge for, any dividends or other moneys payable in respect of the Share.	
63.	No fees shall be charged for registration of transfer, transmission, probate, succession certificate and letters of administration, certificate of death or marriage, power of attorney or similar document.	
64.	The Company shall incur no liability or responsibility whatever in consequence of its registering or giving effect to any transfer of Shares made or purporting to be made	

	<p>by any apparent legal owner thereof, as shown or appearing in the Register of Members, to the prejudice of persons having or claiming any equitable right, title or interest to or in the said Shares, notwithstanding that the Company may have had notice of such equitable right, title or interest or notice prohibiting of such transfer, and may have entered such notice, referred thereto, in any book of the Company, and the Company shall not be bound or required to regard or attend or give effect any notice which may be given to it of any equitable right, title or interest, or be under any liability whatsoever refusing or neglecting so to do, though it may have been entered or referred to in some book of the Company, but the Company shall nevertheless be at liberty to regard and attend to any such notice, and give effect thereto if the Board shall so think fit.</p>	
64A.	<p>Notwithstanding anything contained in these Articles, the Company shall be entitled to dematerialize its Securities and to offer Securities in a dematerialized form pursuant to the Depositories Act, 1996.</p>	
64B.	<p>Every holder of or subscriber to Securities of the Company shall have the option to receive Security certificates or to hold the securities with a depository. Such a person who is the beneficial owner of the Securities can at any time opt out of a Depository, if permitted by law, in respect of any Security in the manner provided by the Depositories Act, 1996 and the Company shall in the manner and within the time prescribed, issued to the beneficial owner the required Certificates for the Securities. If a person opts to hold its Security with a Depository, the Company shall intimate such Depository the details of allotment of the Security.</p>	
64C.	<p>All Securities of the Company held by the Depository shall be dematerialized and be in fungible form. Nothing contained in Sections 89 and 186 of the Act 2013 shall apply to a Depository in respect of the Securities of the Company held by it on behalf of the beneficial owners.</p>	
64D.	<ul style="list-style-type: none"> <li>i. Notwithstanding anything to the contrary contained in the Act, a Depository shall be deemed to be the registered owner for the purpose of effecting transfer of ownership of Security of the Company on behalf of the beneficial owner.</li> <li>ii. Save as otherwise provided in (i) above, the Depository as the registered owner of the Securities shall not have any voting rights or any other rights in respect of the Securities held by it.</li> <li>iii. Every person holding Securities of the Company and whose name is entered as the beneficial owner in the record of the Depository shall be deemed to be a member of the Company. The beneficial owner of Securities shall be entitled to all the rights and benefits and be subject to all the liabilities in respect of his Securities which are held by a Depository.</li> </ul>	
65.	<p>The Company, by resolution in general meeting, may convert any paid up Shares into stock, or may, at any time, reconvert any stock into paid up Shares of any denomination. When any Shares shall have been converted into stock, the several holders of such stock may thenceforth transfer their respective interests therein, or any part of such interest, in the same manner and, subject to the same regulations as to which Shares in the Company may be transferred or as near thereto as circumstances will admit. But the Directors may, from time to time, if they think fit, fix the minimum amount of stock transferable, and restrict or forbid the transfer of fractions of that minimum, but with full power nevertheless, at their discretion, to waive such rules in any particular case. The notice of such conversion of Shares into stock or reconversion of stock into Shares shall be filed with the Registrar of Companies as provided in the Act.</p>	<p><b>CONVERSION OF SHARES INTO STOCK AND RECONVERSION</b></p>
66.	<p>The Stock shall confer on the holders thereof respectively the same privileges and advantages, as regards participation in profits and voting at meetings of the Company and, for other purposes, as would have been conferred by Shares of equal amount in the capital of the Company of the same class as the Shares from which such stock was converted but no such privilege or advantage, except the participation in profits of the Company, or in the assets of the Company on a winding up, shall be conferred</p>	

	by any such aliquot part or, consolidated stock as would not, if existing in Shares, have conferred such privileges or advantages. No such conversion shall affect or prejudice any preference or other special privilege attached to the Shares so converted. Save as aforesaid, all the provisions herein contained shall, so far as circumstances will admit, apply to stock as well as to Shares and the words “Share” and “Shareholder” in these presents shall include “stock” and “stock-holder”	
67.	<p>The Company may issue Share warrants in the manner provided by the said Act and accordingly the Directors may, in their discretion, with respect to any fully paid up Share or stock, on application, in writing, signed by the person or all persons registered as holder or holders of the Share or stock, and authenticated by such evidence, if any, as the Directors may, from time to time, require as to the identity of the person or persons signing the application, and on receiving the certificate, if any, of the Share or stock and the amount of the stamp duty on the warrant and such fee as the Directors may, from time to time, prescribe, issue, under the Seal of the Company, a warrant, duly stamped, stating that the bearer of the warrant is entitled to the Shares or stock therein specified, and may provide by coupons or otherwise for the payment of future dividends, or other moneys, on the Shares or stock included in the warrant. On the issue of a Share warrant the names of the persons then entered in the Register of Members as the holder of the Shares or stock specified in the warrant shall be struck off the Register of Members and the following particulars shall be entered therein.</p> <ol style="list-style-type: none"> <li>i. fact of the issue of the warrant.</li> <li>ii. a statement of the Shares or stock included in the warrant distinguishing each Share by its number, and</li> <li>iii. the date of the issue of the warrant.</li> </ol>	
68.	A Share warrant shall entitle the bearer to the Shares or stock included in it, and, notwithstanding anything contained in these articles, the Shares or stock shall be transferred by the delivery of the Share-warrant, and the provisions of the regulations of the Company with respect to transfer and transmission of Shares shall not apply thereto.	
69.	The bearer of a Share-warrant shall, on surrender of the warrant to the Company for cancellation, and on payment of such fees, as the Directors may, from time to time, prescribe, be entitled, subject to the discretion of the Directors, to have his name entered as a member in the Register of Members in respect of the Shares or stock included in the warrant.	
70.	The bearer of a Share-warrant shall not be considered to be a member of the Company and accordingly save as herein otherwise expressly provided, no person shall, as the bearer of Share-warrant, sign a requisition for calling a meeting of the Company, or attend or vote or exercise any other privileges of a member at a meeting of the Company, or be entitled to receive any notice from the Company of meetings or otherwise, or qualified in respect of the Shares or stock specified in the warrant for being a director of the Company, or have or exercise any other rights of a member of the Company.	
71.	The Directors may, from time to time, make rules as to the terms which, if they shall think fit, a new Share warrant or coupon may be issued by way of renewal in case of defacement, loss, or destruction.	

<p>72.</p>	<ol style="list-style-type: none"> <li>1. Every holder of Securities in the Company may, at any time, nominate, in the prescribed manner, a person to whom his Securities in the Company, shall vest in the event of his death.</li> <li>2. Where the Securities in the Company are held by more than one person jointly, the joint-holders may together nominate, in the prescribed manner, a person to whom all the rights in the Securities in the Company shall vest in the event of death of all joint holders.</li> <li>3. Notwithstanding anything contained in these Articles or any other law, for the time being, in force, or in any disposition, whether testamentary or otherwise, in respect of such Securities in the Company, where a nomination made in the prescribed manner purports to confer on any person the right to vest the Securities in the Company, the nominee shall, on the death of the Shareholders of the Company or, as the case may be, on the death of the joint holders, become entitled to all the rights in the Securities of the Company or, as the case may be, all the joint holders, in relation to such securities in the Company, to the exclusion of all other persons, unless the nomination is varied or cancelled in the prescribed manner.</li> <li>4. In the case of fully paid up Securities in the Company, where the nominee is a minor, it shall be lawful for the holder of the Securities, to make the nomination to appoint in the prescribed manner any person, being a guardian, to become entitled to Securities in the Company, in the event of his death, during the minority.</li> </ol>	
<p>73.</p>	<ol style="list-style-type: none"> <li>1. Any person who becomes a nominee by virtue of the provisions of the preceding Article, upon the production of such evidence as may be required by the Board and subject as hereinafter provided, elect, either –             <ol style="list-style-type: none"> <li>a) to be registered himself as holder of the Share(s); or</li> <li>b) to make such transfer of the Share(s) as the deceased Shareholder could have made.</li> </ol> </li> <li>2. If the person being a nominee, so becoming entitled, elects to be registered as holder of the Share(s), himself, he shall deliver or send to the Company a notice in writing signed by him stating that he so elects and such notice shall be accompanied with the death certificate of the deceased shareholder.</li> <li>3. All the limitations, restrictions and provisions of the Act relating to the right to transfer and the registration of transfers of Securities shall be applicable to any such notice or transfer as aforesaid as if the death of the member had not occurred and the notice or transfer has been signed by that Shareholder.</li> <li>4. A person, being a nominee, becoming entitled to a Share by reason of the death of the holder, shall be entitled to the same dividends and other advantages which he would be entitled if he were the registered holder of the Share except that he shall not, before being registered a member in respect of his Share be entitled in respect of it to exercise any right conferred by membership in relation to meetings of the Company:</li> </ol> <p>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(s) and if the notice is not complied with within ninety days, the Board may thereafter withhold payment of all dividends, bonuses or other moneys payable in respect of the Share(s) or until the requirements of the notice have been complied with.</p>	<p><b>NOMINATION BY SECURITY HOLDER</b></p>

75.	<p>The Company shall, in each year, hold a general meeting as its Annual General Meeting. Any meeting, other than Annual General Meeting, shall be called Extra-ordinary General Meeting.</p> <p>Not more than 15 (Fifteen) months or such other period, as may be prescribed, from time to time, under the Act, shall lapse between the date of one Annual General Meeting and that of the next. Nothing contained in the foregoing provisions shall be taken as affecting the right conferred upon the Registrar under the provisions of the Act to extend time within which any Annual General Meeting may be held.</p> <p>Every Annual General Meeting shall be called for a time during business hours i.e., between 9 a.m. and 6 p.m., on a day that is not a National Holiday, and shall be held at the Office of the Company or at some other place within the city, in which the Office of the Company is situated, as the Board may think fit and determine and the notices calling the Meeting shall specify it as the Annual General Meeting.</p> <p>Every member of the Company shall be entitled to attend, either in person or by proxy, and by way of a postal ballot whenever and in the manner as may permitted or prescribed under the provisions of the Act, and the Auditors to the Company, who shall have a right to attend and to be heard, at any general meeting which he attends, on any part of the business, which concerns him as the Auditors to the Company, further, the Directors, for the time being, of the Company shall have a right to attend and to be heard, at any general meeting, on any part of the business, which concerns them as the Directors of the Company or generally the management of the Company.</p> <p>At every Annual General Meeting of the Company, there shall be laid, on the table, the Directors' Report and Audited Statements of Account, Auditors' Report, the proxy Register with forms of proxies, as received by the Company, and the Register of Directors' Share holdings, which Register shall remain open and accessible during the continuance of the meeting, and therefore in terms of the provisions of Section 96 of the Act, the Annual General Meeting shall be held within six months after the expiry of such financial year. The Board of Directors shall prepare the Annual List of Members, Summary of the Share Capital, Balance Sheet and Profit and Loss Account and forward the same to the Registrar in accordance with the applicable provisions of the Act.</p>	<b>MEETING OF MEMBERS</b>
76.	<p>The Board may, whenever it thinks fit, call an Extra-ordinary General Meeting and it shall do so upon a requisition, in writing, by any member or members holding, in aggregate not less than one-tenth or such other proportion or value, as may be prescribed, from time to time, under the Act, of such of the paid-up capital as at that date carries the right of voting in regard to the matter, in respect of which the requisition has been made.</p>	
77.	<p>Any valid requisition so made by the members must state the object or objects of the meeting proposed to be called, and must be signed by the requisitionists and be deposited at the office, provided that such requisition may consist of several documents, in like form, each of which has been signed by one or more requisitionists.</p>	
78.	<p>Upon receipt of any such requisition, the Board shall forthwith call an Extra-ordinary General Meeting and if they do not proceed within 21 (Twenty-one) days or such other lessor period, as may be prescribed, from time to time, under the Act, from the date of the requisition, being deposited at the office, to cause a meeting to be called on a day not later than 45 (Forty-five) days or such other lessor period, as may be prescribed, from time to time, under the Act, from the date of deposit of the requisition, the requisitionists, or such of their number as represent either a majority in value of the paid up Share capital held by all of them or not less than one-tenth of such of the paid up Share Capital of the Company as is referred to in Section 100(4) of the Act, whichever is less, may themselves call the meeting, but, in either case, any meeting so called shall be held within 3 (Three) months or such other period, as may be prescribed, from time to time, under the Act, from the date of the delivery of the requisition as aforesaid.</p>	



79.	Any meeting called under the foregoing Articles by the requisitionists shall be called in the same manner, as nearly as possible as that in which such meetings are to be called by the Board.	
80.	<p>At least 21 (Twenty-one) days' notice, of every general meeting, Annual or Extra-ordinary, and by whomsoever called, specifying the day, date, place and hour of meeting, and the general nature of the business to be transacted there at, shall be given in the manner hereinafter provided, to such persons as are under these Articles entitled to receive notice from the Company, provided that in the case of an General Meeting, with the consent of members holding not less than 95 per cent of such part of the paid up Share Capital of the Company as gives a right to vote at the meeting, a meeting may be convened by a shorter notice. In the case of an Annual General Meeting of the Shareholders of the Company, if any business other than (i) the consideration of the Accounts, Balance Sheet and Reports of the Board and the Auditors thereon, (ii) the declaration of dividend, (iii) appointment of directors in place of those retiring, (iv) the appointment of, and fixing the remuneration of, the Auditors, is to be transacted, and in the case of any other meeting, in respect of any item of business, a statement setting out all material facts concerning each such item of business, including, in particular, the nature and extent of the interest, if any, therein of every director and manager, if any, where any such item of special business relates to, or affects any other company, the extent of shareholding interest in that other company or every director and manager, if any, of the Company shall also be set out in the statement if the extent of such Share-holding interest is not less than such percent, as may be prescribed, from time to time, under the Act, of the paid-up Share Capital of that other Company.</p> <p>Where any item of business consists of the according of approval of the members to any document at the meeting, the time and place, where such document can be inspected, shall be specified in the statement aforesaid.</p>	
81.	The accidental omission to give any such notice as aforesaid to any of the members, or the non-receipt thereof shall not invalidate any resolution passed at any such meeting.	
82.	No general meeting, whether Annual or Extra-ordinary, shall be competent to enter upon, discuss or transact any business which has not been mentioned in the notice or notices upon which it was convened.	
83.	Subject to the provisions of the Act and these Articles, five(5) shareholders shall constitute quorum in Shareholder's Meetings of the Company if number of shareholders as on date of meeting is not more than One Thousand; Fifteen (15) shareholders shall constitute quorum in Shareholder's Meetings of the Company if number of shareholders as on date of meeting is more than One Thousand but not more than Five Thousand; Thirty (30) shareholders shall constitute quorum in Shareholders' Meetings of the Company if number of shareholders as on date of meeting exceeds five thousand.	
84.	A body corporate, being a member, shall be deemed to be personally present, if it is represented in accordance with and in the manner as may be prescribed by, the applicable provisions of the Act.	
85.	If, at the expiration of half an hour from the time appointed for holding a meeting of the Company, a quorum shall not be present, then the meeting, if convened by or upon the requisition of members, shall stand dissolved, but in any other case, it shall stand adjourned to such time on the following day or such other day and to such place, as the Board may determine, and, if no such time and place be determined, to the same day in the next week, at the same time and place in the city or town in which the office of the Company is, for the time being, situate, as the Board may determine, and, if at such adjourned meeting also, a quorum is not present, at the expiration of half an hour from the time appointed for holding the meeting, the members present shall be a quorum, and may transact the business for which the meeting was called.	

86.	The Chairman of the Board of Directors shall be entitled to take the chair at every general meeting, whether Annual or Extra-ordinary. If there be no such Chairman, or, if, at any meeting, he shall not be present within 15 (Fifteen) minutes of the time appointed for holding such meeting, then the members present shall elect another director as the Chairman of that meeting, and, if no director be present, or if all the Directors present decline to take the Chair, then the members present shall elect one among them to be the Chairman.
87.	No business shall be discussed at any general meeting, except the election of a Chairman, whilst the Chair is vacant.
88.	The Chairman, with the consent of the meeting, may adjourn any meeting, from time to time, and from place to place, in the city or town, in which the office of the Company is, for the time being, situate, but no business shall be transacted at any adjourned meeting, other than the business left unfinished, at the meeting, from which the adjournment took place.
89.	At any general meeting, a resolution put to the vote of the meeting shall be decided on a show of hands, unless a poll is demanded, before or on the declaration of the result of the show of hands, by any member or members present in person or by proxy and holding Shares in the Company, which confer a power to vote on the resolution not being less than one-tenth or such other proportion as may statutorily be prescribed, from time to time, under the Act, of the total voting power, in respect of the resolution or on which an aggregate sum of not less than Rs. 500,000/- or such other sum as may statutorily be prescribed, from time to time, under the Act, has been paid up, and unless a poll is demanded, a declaration by the Chairman that a resolution has, on a show of hands, been carried unanimously or by a particular majority, or has been lost and an entry to that effect in the minutes book of the Company shall be conclusive evidence of the fact, without proof of the number or proportion of the votes recorded in favour of or against that resolution.
90.	In the case of an equality of votes, the Chairman shall, both on a show of hands and at a poll, if any, have a casting vote in addition to the vote of votes, if any, to which he may be entitled as a member, if he is.
91.	If a poll is demanded as aforesaid, the same shall, subject to Article 93 hereunder, be taken at Mumbai or, if not desired, then at such other place as may be decided by the Board, at such time not later than 48 (Forty-eight) hours from the time when the demand was made and place in the city or town in which the office of the Company is, for the time being, situate, and, either by open voting or by ballot, as the Chairman shall direct, and either at once or after an interval or adjournment, or otherwise, and the result of the poll shall be deemed to be resolution of the meeting at which the poll was demanded. The demand for a poll may be withdrawn at any time by the persons, who made the demand.
92.	Where a poll is to be taken, the Chairman of the meeting shall appoint one or, at his discretion, two scrutineers, who may or may not be members of the Company to scrutinise the votes given on the poll and to report thereon to him, subject to that one of the scrutineers so appointed shall always be a member, not being an officer or employee of the Company, present at the meeting, provided that such a member is available and willing to be appointed. The Chairman shall have power, at any time, before the result of the poll is declared, to remove a scrutineer from office and fill the vacancy so caused in the office of a scrutineer arising from such removal or from any other cause.
93.	Any poll duly demanded on the election of a Chairman of a meeting or on any question of adjournment of the meeting shall be taken forthwith at the same meeting.
94.	The demand for a poll, except on questions of the election of the Chairman and of an adjournment thereof, shall not prevent the continuance of a meeting for the transaction of any business other than the question on which the poll has been demanded.

95.	No member shall be entitled to vote either personally or by proxy at any general meeting or meeting of a class of Shareholders either upon a show of hands or upon a poll in respect of any Shares registered in his name on which any calls or other sums presently payable by him have not been paid or in regard to which the Company has, or has exercised, any right of lien.	<b>VOTES OF MEMBERS</b>
96.	Subject to the provisions of these Articles and without prejudice to any special privileges or restrictions so to voting, for the time being, attached to any class of Shares, for the time being, forming part of the capital of the Company, every member, not disqualified by the last preceding Article shall be entitled to be present, speak and vote at such meeting, and, on a show of hands, every member, present in person, shall have one vote and, upon a poll, the voting right of every member present in person or by proxy shall be in proportion to his Share of the paid-up Equity Share Capital of the Company. Provided, however, if any preference Shareholder be present at any meeting of the Company, subject to the provision of section 47, he shall have a right to vote only on resolutions, placed before the meeting, which directly affect the rights attached to his Preference Shares.	
97.	On a poll taken at a meeting of the Company, a member entitled to more than one vote, or his proxy or other person entitled to vote for him, as the case may be, need not, if he votes, use all his votes or cast in the same way all the votes, he uses.	
98.	A member of unsound mind or in respect of whom an order has been made by a court having jurisdiction in lunacy, may vote, whether on a show of hands or on a poll, by his committee or other legal guardian; and any such committee or guardian may, on a poll, vote by proxy. If any member be a minor, the vote, in respect of his Share or Shares, be used by his guardian, or any one of his guardians, if more than one, to be selected, in the case of dispute, by the Chairman of the meeting.	
99.	If there be joint registered holders of any Shares, any one of such persons may vote at any meeting or may appoint another person, whether a member or not, as his proxy, in respect of such Shares, as if he were solely entitled thereto, but the proxy so appointed shall not have any right to speak at the meeting and, if more than one of such joint holders be present at any meeting, then one of the said persons so present, whose name stands higher on the Register, shall alone be entitled to speak and to vote in respect of such Shares, but the other of the joint holders shall be entitled to be present at the meeting. Several executors or administrators of a deceased member in whose name Shares stand shall, for the purpose of these Articles, be deemed joint holders thereof.	
100.	Subject to the provisions of these Articles, votes may be given either personally or by proxy. A body corporate, being a member, may vote either by a proxy or by a representative, duly authorised, in accordance with the applicable provisions, if any, of the Act, and such representative shall be entitled to exercise the same rights and powers, including the right to vote by proxy, on behalf of the body corporate, which he represents, as that body corporate could exercise, if it were an individual member.	
101.	Any person entitled, under the Article 61 hereinabove, to transfer any Share, may vote, at any general meeting, in respect thereof, in the same manner, as if he were the registered holder of such Shares provided that forty-eight hours at least before the time of holding the meeting or adjourned meeting, as the case may be, at which he proposes to vote, he shall satisfy the Directors of his right to transfer such Shares and give such indemnity, if any, as the Directors may require or the Directors shall have provisionally admitted his right to vote at such meeting in respect thereof.	
102.	Every proxy, whether a member or not, shall be appointed, in writing, under the hand of the appointer or his attorney, or if such appointer is a body corporate under the common seal of such corporate, or be signed by an officer or officers or any attorney duly authorised by it or them, and, for a member of unsound mind or in respect of whom an order has been made by a court having jurisdiction in lunacy, any committee or guardian may appoint such proxy. The proxy so appointed shall not have a right to speak on any matter at the meeting.	

103.	An instrument of Proxy may state the appointment of a proxy either for the purpose of a particular meeting specified in the instrument and any adjournment thereof or it may appoint for the purpose of every meeting of the Company or of every meeting to be held before a date specified in the instrument and every adjournment of any such meeting.
104.	A member, present by proxy, shall be entitled to vote only on a poll.
105.	The instrument appointing a proxy and a Power of Attorney or other authority, if any, under which it is signed or a notarially certified copy of that power of authority, shall be deposited at the Office not later than 48 (Forty-eight) hours before the time for holding the meeting at which the person named in the Instrument proposes to vote, and, in default, the Instrument of Proxy shall not be treated as valid. No instrument appointing a proxy shall be a valid after the expiration of 12 (Twelve) months or such other period as may be prescribed under the Laws, for the time being, in force, or if there shall be no law, then as may be decided by the Directors, from the date of its execution.
106.	Every Instrument of proxy, whether for a specified meeting or otherwise, shall, as nearly as circumstances thereto will admit, be in any of the forms as may be prescribed from time to time .
107.	A vote, given in accordance with the terms of an Instrument of Proxy, shall be valid notwithstanding the previous death of insanity of the principal, or revocation of the proxy or of any power of Attorney under which such proxy was signed or the transfer of the Share in respect of which the vote is given, provided that no intimation, in writing, of the death or insanity, revocation or transfer shall have been received at the Office before the meeting.
108.	No objections shall be made to the validity of any vote, except at any meeting or poll at which such vote shall be tendered, and every vote, whether given personally or by proxy, or not disallowed at such meeting or on a poll, shall be deemed as valid for all purposes of such meeting or a poll whatsoever.
109.	The Chairman, present at the time of taking of a poll, shall be the sole judge of the validity of every vote tendered at such poll.
110.	<p>a) The Company shall cause minutes of all proceeding of every general meeting to be kept by making, within 30 (Thirty) days of the conclusion of every such meeting concerned, entries thereof in books kept, whether manually in the registers or by way of loose leaves bound together, as may be decided by the Board of Directors, for that purpose with their pages consecutively numbered.</p> <p>b) Each page of every such book shall be initialled or signed and the last page of the record of proceedings of each meeting in such book shall be dated and signed by the Chairman of the same meeting within the aforesaid period of thirty days or in the event of the death or inability of that Chairman within that period, by a director duly authorised by the Board for that purpose.</p> <p>c) In no case the minutes of proceedings of a meeting shall be attached to any such book as aforesaid by pasting or otherwise.</p> <p>d) The minutes of each meeting shall contain a fair and correct summary of the proceedings there at.</p> <p>e) All appointments made at any meeting aforesaid shall be included in the minutes of the meeting.</p> <p>f) Nothing herein contained shall require or to be deemed to require the inclusion, in any such minutes, of any matter, which, in the opinion of the Chairman of the meeting, (i) is or could reasonably be regarded as, defamatory of any person, or (ii) is irrelevant or immaterial to the proceedings, or (iii) is detrimental to the interests of the Company. The Chairman of the meeting shall exercise an absolute discretion in regard to the inclusion or non-inclusion of any matter in the minutes on the aforesaid grounds.</p> <p>g) Any such minutes shall be conclusive evidence of the proceedings recorded</p>

	<p>therein.</p> <p>h) The book containing the minutes of proceedings of general meetings shall be kept at the Office of the Company and shall be open, during business hours, for such periods not being less in the aggregate than 2 (Two) hours, in each day, as the Directors determine, to the inspection of any member without charge.</p>	
111.	<p>Until otherwise determined by a general meeting of the Company and, subject to the applicable provisions of the Act, the number of Directors) shall not be less than three nor more than fifteen.</p> <p>The First Directors of the Company were:</p> <ol style="list-style-type: none"> <li>1. <b>MR. SUNIL HARIPANT POPHALE</b></li> <li>2. <b>MRS. MEENA SUNIL POPHALE</b></li> <li>3. <b>MRS. SUDHA HARIPANT POPHALE</b></li> </ol>	
112.	<p>a) Whenever, Directors enter into a contract with any Government, whether central, state or local, bank or financial institution or any person or persons (hereinafter referred to as “the appointer”) for borrowing any money or for providing any guarantee or security or for technical collaboration or assistance or for underwriting or enter into any other arrangement whatsoever or in case of Promoters of the Company (hereinafter referred as “Promoters”), the Directors shall have, subject to the provisions of Section 152 and other applicable provisions, if any, of the Act, the power to agree that such appointer or Promoters shall have the right to appoint or nominate by a notice, in writing, addressed to the Company, one or more Directors on the Board (hereinafter referred to as “Special Director”) for such period and upon such terms and conditions, as may be mentioned in the agreement if any, and that such Director or Directors may or may not be liable to retire by rotation, nor be required to hold any qualification Shares. The Directors may also agree that any such Director or Directors may be removed, from time to time, by the appointer or Promoter, entitled to appoint or nominate them and the appointer or Promoter may appoint another or others in his or their place and also fill in vacancy, which may occur as a result of any such director or directors ceasing to hold that office for any reasons whatsoever. The directors appointed or nominated under this Article, shall be entitled to exercise and enjoy all or any of the rights and privileges exercised and enjoyed by the directors of the Company including payment of remuneration, sitting fees and travelling expenses to such director or directors, as may be agreed by the Company with the appointer.</p> <p>b) The Special Directors, appointed under the preceding Article, shall be entitled to hold Office until required by the Government, person, firm, body corporate promoters or financial institution/s who may have appointed them, and will not be bound to retire by rotation or be subject to the Articles hereof. A Special Director shall not require to hold any qualification Share(s) in the Company. As and when a Special Director vacates Office, whether upon request as aforesaid or by death, resignation or otherwise, the Government, person, firm or body corporate promoters or financial institution, who appointed such Special Director, may appoint another director in his place. Every nomination, appointment or removal of a Special Director or other notification, under this Article, shall be in writing and shall, in the case of the Government, be under the hand of a Secretary or some other responsible and authorised official to such Government, and in the case of a company or financial institution, under the hand of director of such company or institution duly authorised in that behalf by a resolution of the Board of Directors. Subject as aforesaid, a Special Director shall be entitled to the same rights and privileges and be subject to the same of obligations as any other director of the Company.</p>	<b>DIRECTORS</b>

113.	If it is provided by the Trust Deed, securing or otherwise, in connection with any issue of Debentures of the Company, that any person or persons shall have power to nominate a director of the Company, then in the case of any and every such issue of Debentures, the person or persons having such power may exercise such power, from time to time, and appoint a director accordingly. Any director so appointed is hereinafter referred to as “the Debenture Director”. A Debenture Director may be removed from Office, at any time, by the person or persons in whom, for the time being, is vested the power, under which he was appointed, and another director may be appointed in his place. A Debenture Director shall not be required to hold any qualification Share(s) in the Company.	
114.	Subject to the provisions of section 161(2) of the Act, 2013, The Board may appoint an alternate director to act for a director (hereinafter called “the Original Director”) during his absence for a period of not less than 3 (Three) months or such other period as may be, from time to time, prescribed under the Act, from the India, in which the meetings of Board are ordinarily held. An alternate director appointed, under this Article, shall not hold Office for a period longer than that permissible to the Original Director in whose place he has been appointed and shall vacate Office, if and when the Original Director returns to that State. If the term of Office of the Original Director is determined before he so returns to that State, any provisions in the Act or in these Articles for the automatic re-appointment of a retiring director, in default of another appointment, shall apply to the original director and not to the alternate director.	
115.	Subject to the provisions of section 161(1) of the Act, 2013, the Board shall have power, at any time and from time to time, to appoint any other qualified person to be an Additional Director, but so that the total number of Directors shall not, at any time, exceed the maximum fixed under these Articles. Any such Additional Director shall hold Office only upto the date of the next Annual General Meeting.	
116.	Subject to the provisions of section 152 and 162 of the Act, 2013, the Board shall have power, at any time and from time to time, to appoint any other qualified person to be a director to fill a casual vacancy. Any person so appointed shall hold Office only upto the date, upto which the director in whose place he is appointed would have held Office if it had not been vacated by him.	
117.	A director shall not be required to hold any qualification Share(s) in the Company.	
118.	<p>i. Subject to the provisions of section 196, 197 and read with schedule V of the Companies Act, 2013, a Managing Director or Director who is in the Whole-time employment of the Company may be paid remuneration either by way of a monthly payment or at a specified percentage of the net profits of the Company or partly by one way and partly by the other, or in any other manner, as may be, from time to time, permitted under the Act or as may be thought fit and proper by the Board or, if prescribed under the Act, by the Company in general meeting.</p> <p>ii. Subject generally to the provisions of the Act, and, in the case of the Managing Director, subject to the provisions of the Articles herein below, as may be applicable, the Board shall have power to pay such remuneration to a director for his services, Whole-time or otherwise, rendered to the Company or for services of professional or other nature rendered by him, as may be determined by the Board. If any director, being willing, shall be called upon to perform extra services or make any special exception in going to or residing at a place other than the place where the director usually resides, or otherwise in or for the Company’s business or for any of the purpose of the Company, then, subject to the provisions of the Act, the Board shall have power to pay to such director such remuneration, as may be determined by the Board.</p> <p>iii. Subject to the provisions of the Act, a director, who is neither in the Whole-time employment nor a Managing Director, may be paid remuneration either;</p>	

	<p>a) by way of monthly, quarterly or annual payment with the approval of the Central Government; or</p> <p>b) by way of commission, if the Company, by a special resolution, authorizes such payment.</p> <p>iv. The fee payable to a director, excluding a Managing or Whole time Director, if any, for attending a meeting of the Board or Committee thereof shall be such sum, as the Board may, from time to time, determine, but within and subject to the limit prescribed by the Central Government pursuant to the provisions, for the time being, under the Act.</p>	
119.	The Board may allow and pay to any director such sum, as the Board may consider fair compensation, for travelling, boarding, lodging and other expenses, in addition to his fee for attending such meeting as above specified and if any director be called upon to go or reside out of the ordinary place of his residence for the Company's business, he shall be entitled to be repaid and reimbursed of any travelling or other expenses incurred in connection with business of the Company. The Board may also permit the use of the Company's car or other vehicle, telephone(s) or any such other facility, by the director, only for the business of the Company.	
120.	The continuing Directors may act, notwithstanding, any vacancy in their body but if, and so long as their number is not reduced below the minimum number fixed by Article 111 hereof. the continuing Directors, not being less than two, may only act, for the purpose of increasing the number of Directors to that prescribed minimum number or of summoning a general meeting but for no other purpose.	
121.	The office of director shall be vacated, pursuant to the provisions of section 164 and section 167 of the Companies Act, 2013. Further, the Director may resign his office by giving notice to the Company pursuant to section 168 of the Companies Act, 2013.	
122.	The Company shall keep a Register, in accordance with Section 189(1) of the Act, and within the time as may be prescribed, enter therein such of the particulars, as may be relevant having regard to the application thereto of Section 184 or Section 188 of the Act, as the case may be. The Register aforesaid shall also specify, in relation to each director of the Company, names of the bodies corporate and firms of which notice has been given by him, under the preceding two Articles. The Register shall be kept at the Office of the Company and shall be open to inspection at such Office, and the extracts may be taken there from and copies thereof may be required by any member of the Company to the same extent, in the same manner, and on payment of the same fee as in the case of the Register of Members of the Company and the provisions of Section 189(3) of the Act shall apply accordingly.	
123.	A director may be or become a director of any other Company promoted by the Company or in which it may be interested as a vendor, Shareholder or otherwise, and no such director shall be accountable for any benefits received as director or Shareholder of such Company except in so far as the provisions of the Act may be applicable.	
124.	<p>a) At every Annual General Meeting of the Company, one-third of such of the Directors, for the time being, as are liable to retire by rotation or if their number is not three or a multiple of three, the number nearest to one-third shall retire from Office. The Independent, Nominee, Special and Debenture Directors, if any, shall not be subject to retirement under this clause and shall not be taken into account in determining the rotation of retirement or the number of directors to retire, subject to Section 152 and other applicable provisions, if any, of the Act.</p> <p>b) Subject to Section 152 of the Act, the directors, liable to retire by rotation, at every annual general meeting, shall be those, who have been longest in Office since their last appointment, but as between the persons, who became Directors on the same day, and those who are liable to retire by rotation, shall, in default of and subject to any agreement among themselves, be determined by lot.</p>	
125.	A retiring director shall be eligible for re-election and shall act as a director	

	throughout the meeting at which he retires.	
126.	Subject to Section 152 of the Act, the Company, at the general meeting at which a director retires in manner aforesaid, may fill up the vacated Office by electing a person thereto.	
127.	<p>a) If the place of retiring director is not so filled up and further the meeting has not expressly resolved not to fill the vacancy, the meeting shall stand adjourned till the same day in the next week, at the same time and place or if that day is a public holiday, till the next succeeding day, which is not a public holiday, at the same time and place.</p> <p>b) If at the adjourned meeting also, the place of the retiring director is not filled up and that meeting also has not expressly resolved not to fill the vacancy, the retiring director shall be deemed to have been re-appointed at the adjourned meetings, unless:-</p> <ol style="list-style-type: none"> <li>i. at that meeting or at the previous meeting, resolution for the re-appointment of such director has been put to the meeting and lost;</li> <li>ii. the retiring director has, by a notice, in writing, addressed to the Company or its Board, expressed his unwillingness to be so re-appointed;</li> <li>iii. he is not qualified, or is disqualified, for appointment.</li> <li>iv. a resolution, whether special or ordinary, is required for the appointment or re-appointment by virtue of any provisions of the Act; or</li> <li>v. Section 162 of the Act is applicable to the case.</li> </ol>	
128.	Subject to the provisions of Section 149 of the Act, the Company may, by special resolution, from time to time, increase or reduce the number of directors, and may alter their qualifications and the Company may, subject to the provisions of Section 169 of the Act, remove any director before the expiration of his period of Office and appoint another qualified person in his stead. The person so appointed shall hold Office during such time as the director, in whose place he is appointed, would have held, had he not been removed.	
129.	<p>a) No person, not being a retiring director, shall be eligible for appointment to the office of director at any general meeting unless he or some member, intending to propose him, has, not less than 14 (Fourteen) days or such other period, as may be prescribed, from time to time, under the Act, before the meeting, left at the Office of the Company, a notice, in writing, under his hand, signifying his candidature for the Office of director or an intention of such member to propose him as a candidate for that office, along with a deposit of Rupees One lakh or such other amount as may be prescribed, from time to time, under the Act., which shall be refunded to such person or, as the case may be, to such member, if the person succeeds in getting elected as a director or gets more than twenty-five per cent of total valid votes cast either on show of hands or on poll on such resolution.</p> <p>b) Every person, other than a director retiring by rotation or otherwise or a person who has left at the Office of the Company a notice under Section 160 of the Act signifying his candidature for the Office of a director, proposed as a candidate for the Office of a director shall sign and file with the Company, the consent, in writing, to act as a director, if appointed.</p> <p>c) A person, other than a director re-appointed after retirement by rotation immediately on the expiry of his term of Office, or an Additional or Alternate Director, or a person filling a casual vacancy in the Office of a director under Section 161 of the Act, appointed as a director or reappointed as a director immediately on the expiry of his term of Office, shall not act as a director of the Company, unless he has, within thirty days of his appointment, signed and filed with the Registrar his consent, in writing, to act as such director.</p>	



130.	The Company shall keep at its Office a Register containing the particulars of its directors and key managerial personnel and their shareholding as mentioned in Section 170 of the Act, and shall otherwise comply with the provisions of the said Section in all respects.	
131.	Every director and Key Managerial Personnel within a period of thirty days of his appointment, or relinquishment of his office, as the case may be, disclose to the company the particulars specified in sub-section (1) of section 184 relating to his concern or interest in any company or companies or bodies corporate (including shareholding interest), firms or other association which are required to be included in the register under that section 189 of the Companies Act, 2013.	
132.	<p>1. Subject to the provisions of the Act and of these Articles, the Board shall have power to appoint, from time to time, any of its member as a Managing Director or Managing Directors of the Company for a fixed term, not exceeding 5 (Five) years at a time, and upon such terms and conditions as the Board thinks fit, and subject to the provisions of the succeeding Article hereof, the Board may, by resolution, vest in such Managing Director or Managing Directors such of the powers hereby vested in the Board generally, as it thinks fit, and such powers may be made exercisable for such period or periods; and upon such conditions and subject to such restrictions, as it may determine. The remuneration of a Managing Director may be by way of salary and/or allowances, commission or participation in profits or perquisites of any kind, nature or description, or by any or all of these modes, or by any other mode(s) not expressly prohibited by the Act or the Rules made thereunder, or any notification or circular issued under the Act.</p> <p>2. The Board shall have power to appoint an individual as the Chairperson of the Company as well as the Managing Director or Chief Executive Officer of the Company at the same time.</p>	<b>MANAGING DIRECTOR</b>
133.	Subject to the superintendence, directions and control of the Board, the Managing Director or Managing Directors shall exercise the powers, except to the extent mentioned in the matters, in respect of which resolutions are required to be passed only at the meeting of the Board, under Section 179 of the Act and the rules made thereunder.	
134.	Subject also to the other applicable provisions, if any, of the Act, the Company shall not appoint or employ, or continue the appointment or employment of, a person as its Managing or Whole-time Director who :- <p>a) is below the age of twenty-one years or has attained the age of seventy years</p> <p>b) is an undischarged insolvent, or has any time been adjudged an insolvent;</p> <p>c) suspends, or has at any time suspended, payment to his creditors, or makes or has, at any time, made, a composition with them; or</p> <p>d) is or has, at any time, been convicted by a Court and sentenced for a period of more than six months.</p>	
135.	Unless decided by the Board to the contrary, depending upon the circumstances of the case, a Managing Director shall not, while he continues to hold that office, be subject to retirement by rotation, in accordance with the Article 124 hereof. If he ceases to hold the office of director, he shall ipso-facto and forthwith ceases to hold the office of Managing Director.	<b>PROCEEDINGS OF THE BOARD OF DIRECTORS</b>
136.	The Directors may meet together as a Board for the despatch of business, from time to time, and shall so meet at least once in every 3 (Three) months and at least 4 (Four) such meetings shall be held in every year in such a manner that not more than one hundred and twenty days (120) days shall intervene between two consecutive meetings of the Board. The Directors may adjourn and otherwise regulate their meetings as they think fit, subject to the provisions of the Act. The Board of directors may participate in a meeting of the Board either in person or through video	

	conferencing or other audio visual means, as may be prescribed, which are capable of recording and recognising the participation of the directors and of recording and storing the proceedings of such meetings along with date and time subject to the rules as may be prescribed.	
137.	not less than seven (7) days Notice of every meeting of the Board may be given, in writing, in writing to every director at his address registered with the company and such notice shall be sent by hand delivery or by post or by electronic means. Subject to the provisions of section 173(3) meeting may be called at shorter notice.	
138.	Subject to Section 174 of the Act, the quorum for a meeting of the Board shall be one-third of its total strength, excluding Directors, if any, whose places may be vacant at the time and any fraction contained in that one-third being rounded off as one, or two directors, whichever is higher, provided that where, at any time, the number of interested directors exceeds or is equal to two-thirds of the total strength the number of the remaining directors, that is to say, the number of directors who are not interested, present at the meeting, being not less than two, shall be the quorum, during such time.	
139.	If a meeting of the Board could not be held for want of quorum, then the meeting shall automatically stand adjourned for 30 minutes in the same day and at same place.	
140.	A director may, at any time, or Secretary shall, as and when directed by the any of the Directors to do so, convene a meeting of the Board, by giving a notice, in writing, to every other director.	
141.	The Board may, from time to time, elect one of their member to be the Chairman of the Board and determine the period for which he is to hold the office. If at any meeting of the Board, the Chairman is not present at a time appointed for holding the same, the directors present shall choose one of them, being present, to be the Chairman of such meeting.	
142.	Subject to the restrictive provisions of any agreement or understanding as entered into by the Company with any other person(s) such as the collaborators, financial institutions, etc., the questions arising at any meeting of the Board shall be decided by a majority of the votes of the directors present there at and, also subject to the foregoing, in the case of an equality of votes, the Chairman shall have a second or casting vote.	
143.	A meeting of the Board, at which a quorum is present, shall be competent to exercise all or any of the authorities, powers and discretions, which, by or under the Act or the Articles of the Company, are, for the time being, vested in or exercisable by the Board generally.	
144.	Subject to the restrictions contained in Section 179 of the Act 2013 and the rules made thereunder, the Board may delegate any of their powers to the committee of the Board, consisting of such number of its body, as it thinks fit, and it may, from time to time, revoke and discharge any such committee of the Board, either wholly or in part and either as to persons or purposes, but every committee of the Board, so formed, shall, in the exercise of the powers so delegated, conform to any regulations that may, from time to time, be imposed on it by the Board. All acts done by any such committee of the Board, in conformity with such regulations, and in fulfilment of the purposes of their appointment but not otherwise, shall have the like force and effect as if were done by the Board.	
145.	The meetings and proceedings of any meeting of such Committee of the Board, consisting of two or more members, shall be governed by the provisions contained herein for regulating the meetings and proceedings of the meetings of the directors, so far as the same are applicable thereto and are not superseded by any regulations made by the Directors under the last preceding Article.	
146.	No resolution shall be deemed to have been duly passed by the Board or by a Committee thereof by circulation, unless the resolution has been circulated in draft, together with the necessary papers, if any, to all the directors or to all the members of the Committee, then in India, not being less in number than the quorum fixed for a	

	meeting of the Board or Committee, as the case may be, and to all the directors or to all the members of the Committee, at their usual addresses in India and has been approved, in writing, by such of the directors or members of the Committee as are then in India, or by a majority of such of them, as are entitled to vote on the resolution.	
147.	All acts done by any meeting of the Board or by a Committee of the Board, or by any person acting as a director shall notwithstanding that it shall, afterwards, be discovered that there was some defect in the appointment of such director or persons acting as aforesaid or that they or any of them were or was, as the case may be, disqualified or had vacated office or that the appointment of any of them was disqualified or had vacated office or that the appointment of any of them had been terminated by virtue of any provisions contained in the Act or in these Articles, be as valid as if every such person had duly been appointed and was qualified to be a director and had not vacated his office or his appointed had not been terminated, provided that nothing in this Article shall be deemed to give validity to any act or acts done by a director or directors after his or their appointment(s) has or have been shown to the Company to be invalid or to have terminated.	
148.	<p>a) The Company shall cause minutes of all proceedings of every meeting of the Board and the Committee thereof to be kept by making, within 30 (Thirty) days of the conclusion of each such meeting, entries thereof in books kept, whether manually in the registers or by way of loose leaves bound together, as may be decided by the Board of Directors, for that purpose with their pages consecutively numbered.</p> <p>b) Each page of every such book shall be initialled or signed and the last page of the record of proceedings of each meeting in such book shall be dated and signed by the Chairman of the said meeting or the Chairman of the next succeeding meeting.</p> <p>c) In no case, the minutes of proceedings of a meeting shall be attached to any such book as aforesaid by pasting or otherwise.</p> <p>d) The minutes of each meeting shall contain a fair and correct summary of the proceedings thereat.</p> <p>e) All appointment made at any of the meetings aforesaid shall be included in the minutes of the meeting.</p> <p>f) The minutes shall also contain :-</p> <p>(i) the names of the Directors present at the meeting; and</p> <p>(ii) in the case of each resolution passed at the meeting, the names of the directors, if any dissenting from or not concurring in the resolution.</p> <p>g) Nothing contained in sub-clauses (a) to (f) shall be deemed to require the inclusion in any such minutes of any matter which, in the opinion of the Chairman of the meeting -</p> <p>(i) is, or could reasonably be regarded as, defamatory of any person;</p> <p>(ii) is irrelevant or immaterial to the proceedings; or</p> <p>(iii) is detrimental to the interests of the Company;</p> <p>and that the Chairman shall exercise an absolute discretion with regard to the inclusion or non-inclusion of any matter in the minutes on the ground specified in this sub-clause.</p> <p>h) Minutes of the meetings kept in accordance with the aforesaid provisions shall be an evidence of the proceedings recorded therein.</p>	
149.	<p>Without prejudice to the general powers as well as those under the Act, and so as not in any way to limit or restrict those powers, and without prejudice to the other powers conferred by these Articles or otherwise, it is hereby declared that the Directors shall have, inter alia, the following powers, that is to say, power –</p> <p>a) to pay the costs, charges and expenses, preliminary and incidental to the promotion, formation, establishment and registration of the Company;</p>	

	<p>b) to pay and charge, to the account of the Company, any commission or interest lawfully payable thereon under the provision of the Act;</p> <p>c) subject to the provisions of the Act, to purchase or otherwise acquire for the Company any property, rights or privileges, which the Company is authorised to acquire, at or for such price or consideration and generally on such terms and conditions as they may think fit and being in the interests of the Company, and in any such purchase or other acquisition to accept such title or to obtain such right as the directors may believe or may be advised to be reasonably satisfactory;</p> <p>d) at their discretion and subject to the provisions of the Act, to pay for any property, right or privileges acquired by or services rendered to the Company, either wholly or partially, in cash or in Shares, Bonds, Debentures, mortgages, or other securities of the Company, and any such Shares may be issued either as fully paid up, with such amount credited as paid up thereon, as may be agreed upon, and any such bonds, Debentures, mortgages or other securities may either be specifically charged upon all or any part of the properties of the Company and its uncalled capital or not so charged;</p> <p>e) to secure the fulfilment of any contracts or engagement entered into by the Company or, in the interests or for the purposes of this Company, by, with or against any other Company, firm or person, by mortgage or charge of all or any of the properties of the Company and its uncalled capital, for the time being, or in such manner and to such extent as they may think fit;</p> <p>f) to accept from any member, as far as may be permissible by law, a surrender of his Shares or any part thereof, whether under buy-back or otherwise, on such terms and conditions as shall be agreed mutually, and as may be permitted, from time to time, under the Act or any other Law or the Regulations, for the time being, in force,</p> <p>g) to appoint any person to accept and hold in trust, for the Company, any property belonging to the Company, in which it is interested, or for any other purposes, and execute and do all such deeds and things as may be required in relation to any trust, and to provide for the remuneration of such trustee or trustees;</p> <p>h) to institute, conduct, defend, compound or abandon any legal proceedings by or against the Company or its Officers, or otherwise concerning the affairs of the Company, and also to compound and allow time for payment or satisfaction of any debts, due and of any differences to arbitration and observe and perform any awards made thereon;</p> <p>i) to act on behalf of the Company in all matters relating to bankruptcy and insolvents;</p> <p>j) to make and give receipts, releases and other discharges for moneys payable to the Company and for the claims and demands of the Company;</p> <p>k) subject to the applicable provisions of the Act, to invest and deal with any moneys of the Company not immediately required for the purposes thereof upon such security, not being Shares of this Company, or without security and in such manner, as they may think fit, and from time to time, to vary or realise such investments, save as provided in Section 49 of the Act, all investments shall be made and held in the Company's own name;</p> <p>l) to execute, in the name and on behalf of the Company, in favour of any director or other person, who may incur or be about to incur any personal liability whether as principal or surety, for the benefit or purposes of the Company, such mortgages of the Company's property, present and future, as they may think fit, and any such mortgage may contain a power of sale and such other powers, provisions, covenants and agreements as shall be agreed upon;</p> <p>m) to determine from time to time, who shall be entitled to sign, on behalf of the Company, bills, invoices, notes, receipts, acceptances, endorsements, cheques,</p>	
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	<p>dividend warrants, releases, contracts and or any other document or documents and to give the necessary authority for such purpose, and further to operate the banking or any other kinds of accounts, maintained in the name of and for the business of the Company;</p> <p>n) to distribute, by way of bonus, incentive or otherwise, amongst the employees of the Company, a Share or Shares in the profits of the Company, and to give to any staff, officer or others employed by the Company a commission on the profits of any particular business or transaction, and to charge any such bonus, incentive or commission paid by the Company as a part of the operational expenditure of the Company;</p> <p>o) to provide for the welfare of directors or ex-directors, Shareholders, for the time being, or employees or ex-employees of the Company and their wives, widows and families or the dependents or connections of such persons, by building or contributing to the building of houses or dwellings, or grants of moneys, whether as a gift or otherwise, pension, gratuities, allowances, bonus, loyalty bonuses or other payments, also whether by way of monetary payments or otherwise, or by creating and from time to time, subscribing or contributing to provident and other association, institutions, funds or trusts and by providing or subscribing or contributing towards places of worship, instructions and recreation, hospitals and dispensaries, medical and other attendance and other assistance, as the Board shall think fit, and to subscribe or contribute or otherwise to assist or to guarantee money to charitable, benevolent, religious, scientific, national or other institutions or objects, which shall have any moral or other claim to support or aid by the Company, either by reason of locality or place of operations, or of public and general utility or otherwise;</p> <p>p) before recommending any dividend, to set aside out of the profits of the Company such sums, as the Board may think proper, for depreciation or to a Depreciation Fund, or to an Insurance Fund, a Reserve Fund, Capital Redemption Fund, Dividend Equalisation Fund, Sinking Fund or any Special Fund to meet contingencies or to repay debentures or debenture-stock, or for special dividends or for equalising dividends or for repairing, improving, extending and maintaining any of the property of the Company and for such other purposes, including the purposes referred to in the preceding clause, as the Board may, in their absolute discretion, think conducive to the interests of the Company and, subject to the provisions of the Act, to invest the several sums so set aside or so much thereof, as required to be invested, upon such investments, other than shares of the Company, as they may think fit, and from time to time, to deal with and vary such investments and dispose off and apply and expend all or any part thereof for the benefit of the Company, in such manner and for such purposes, as the Board, in their absolute discretion, think conducive to the interests of the Company, notwithstanding, that the matter, to which the Board apply or upon which they expend the same, or any part thereof, may be matters to or upon which the capital moneys of the Company might rightly be applied or expended, and to divide the Reserve Fund into such special funds, as the Board may think fit, with full power to transfer the whole or any portion of a Reserve Fund or divisions of a Reserve Fund and with full powers to employ the assets constituting all or any of the above funds, including the Depreciation Fund, in the business of the Company or in the purchase of or repayment of debentures or debenture stock and without being bound to keep the same separate from the other assets and without being bound to pay interest on the same with power however to the Board at their discretion to pay or allow to the credit of such funds interest at such rate as the Board may think proper, subject to the provisions of the applicable laws, for the time being, in force.</p> <p>q) to appoint and at their discretion, remove or suspend such general managers, secretaries, assistants, supervisors, clerks, agents and servants or other</p>	
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	<p>employees, in or for permanent, temporary or special services, as they may, from time to time, think fit, and to determine their powers and duties and to fix their salaries, emoluments or remuneration of such amount, as they may think fit.</p> <p>r) to comply with the requirements of any local laws, Rules or Regulations, which, in their opinion, it shall, in the interests of the Company, be necessary or expedient to comply with.</p> <p>s) at any time, and from time to time, by power of attorney, under the Seal of the Company, to appoint any person or persons to be the attorney or attorneys of the Company, for such purposes and with such powers, authorities and discretions, not exceeding those vested in or exercisable by the Board under these presents and excluding the powers to make calls and excluding also except in their limits authorised by the Board the power to make loans and borrow moneys, and for such period and subject to such conditions as the Board may, from time to time, think fit, and any such appointment may, if the Board thinks fit, be made in favour of the members or in favour of any Company, or the Share-holders, directors, nominees, or managers of any Company or firm or otherwise in favour of any fluctuating body of persons whether nominated directly or indirectly by the Board and any such Power of Attorney may contain such powers for the protection of convenience of person dealing with such Attorneys, as the Board may think fit, and may contain powers enabling any such delegates all or any of the powers, authorities and discretions, for the time being, vested in them;</p> <p>t) Subject to the provisions of the Act, for or in relation to any of the matters, aforesaid or otherwise, for the purposes of the Company, to enter into all such negotiations and contracts and rescind and vary all such contracts, and execute and do all such contracts, and execute and do all such acts, deeds and things in the name and on behalf of the Company, as they may consider expedient;</p> <p>u) from time to time, make, vary and repeal bylaws for the regulation of the business of the Company, its Officers and Servants.</p>	
150.	<p>The Company shall not appoint or employ, at the same time, more than one of the following categories of managerial personnel, namely</p> <p>a) Managing Director, and</p> <p>b) Manager</p>	<b>MANAGEMENT</b>
151.	<p>Subject to the provisions of the Act,—</p> <p>i. A chief executive officer, manager, company secretary, chief financial officer may be appointed by the Board for such term, at such remuneration and upon such conditions as it may thinks fit; and any chief executive officer, manager, company secretary, chief financial officer so appointed may be removed by means of a resolution of the Board;</p> <p>ii. A director may be appointed as chief executive officer, manager, company secretary, chief financial officer.</p>	<b>CHIEF EXECUTIVE OFFICER, MANAGER, COMPANY SECRETARY OR CHIEF FINANCIAL OFFICER</b>
152.	<p>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, 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, chief financial officer.</p>	
153.	<p>Copies of the Memorandum and Articles of Association of the Company and other documents, referred to in Section 17 of the Act, shall be sent by the Company to every member, at his request, within 7 (Seven) days of the request, on payment, if required by the Board, of the sum of Re.1/- (Rupee One Only) or such other higher sum, as may be prescribed, from time to time, under the Act and further decided, from time to time, by the Board, for each such copy.</p>	<b>COPIES OF MEMORANDUM AND ARTICLES TO BE SENT TO MEMBERS</b>

154.	<p>a) The Board shall provide a Common Seal for the purposes of the Company, and shall have power, from time to time, to destroy the same and substitute a new Seal in lieu thereof, and the Board shall provide for the safe custody of the Seal, for the time being, and that the Seal shall never be used except by the authority of the Board or a Committee of the Board previously given. The Common Seal of the Company shall be kept at its office or at such other place, in India, as the Board thinks fit.</p> <p>b) The Common Seal of the Company shall be used by or under the authority of the Directors or by a Committee of the Board of Directors authorised by it in that behalf in the presence of at least one director, or Secretary or any other responsible officer of the Company as may be expressly authorised by the Board by way of a resolution passed at their duly constituted meeting, who shall sign every instrument to which the seal is affixed. Such instruments may also be counter-signed by other officer or officers, if any, appointed for the purpose. However, the certificates, relating to Shares or Debentures in or of the Company, shall be signed in such manner as may be prescribed in the Act and/or any Rules thereunder.</p>	<b>SEAL</b>
155.	The profits of the Company, subject to any special rights relating thereto created or authorised to be created by these Articles, and further subject to the provisions of these Articles, shall be divisible among the members in proportion to the amount of capital paid up or credited as paid up to the Shares held by them respectively.	
156.	The Company, in general meeting, may declare that dividends be paid to the members according to their respective rights, but no dividends shall exceed the amount recommended by the Board, but the Company may, in general meeting, declare a smaller dividend than was recommended by the Board.	
157.	<p>Subject to the applicable provisions of the Act, no dividend shall be declared or paid otherwise than out of profits of the financial year arrived at after providing for depreciation in accordance with the provisions of the Act or out of the profits of the Company for any previous financial year or years arrived at after providing for depreciation in accordance with these provisions and remaining undistributed or out of both provided that :-</p> <p>a) if the Company has not provided for any previous financial year or years it shall, before declaring or paying a dividend for any financial year, provide for such depreciation out of the profits of the financial year or out of the profits of any other previous financial year or years;</p> <p>b) if the Company has incurred any loss in any previous financial year or years the amount of loss or an amount which is equal to the amount provided for depreciation for that year or those years whichever is less, shall be set off against the profits of the Company for the year for which the dividend is proposed to be declared or paid as against the profits of the Company for any financial year or years arrived at in both cases after providing for depreciation in accordance with the provisions of schedule II of the Act .</p>	<b>DIVIDEND</b>
158.	The Board may, from time to time, pay to the members such interim dividend, as in their judgement, the position of the Company justifies.	
159.	Where capital is paid in advance of calls, such capital may carry interest as may be decided, from time to time, by the Board, but shall not, in respect thereof, confer a right to dividend or to participate in profits.	
160.	All dividends shall be apportioned and paid proportionately to the amounts paid up on the shares during which any portion or portions of the period in respect of which the dividend is paid up; but if any Share is issued on the terms providing that it shall rank for dividend as from a particular date or on such preferred rights, such Share shall rank for dividend accordingly.	
161.	The Board may retain the dividends payable upon Shares in respect of which any person is, under the Article 61 hereinabove, entitled to become a member, or which any person under that article is entitled to transfer until such person shall become a	

	member in respect of such Shares, or shall duly transfer the same and until such transfer of Shares has been registered by the Company, notwithstanding anything contained in any other provision of the Act or these Articles, the provisions of Section 206A of the Act or the corresponding section of Act, 2013 as and when notified shall apply.	
162.	Any one of several persons, who are registered as joint holders of any Share, may give effectual receipts for all dividends or bonus and payments on account of dividends or bonus or other moneys payable in respect of such Shares.	
163.	No member shall be entitled to receive payment of any interest or dividend in respect of his Share or Shares, whilst any money may be due or owing from him to the Company in respect of such Share or Shares or otherwise howsoever, either alone or jointly with any other person or persons, and the Board may deduct, from the interest or dividend payable to any member, all sums of money so due from him to the Company.	
164.	Subject to the applicable provisions, if any, of the Act, a transfer of Shares shall not pass the right to any dividend declared thereon and made effective from the date prior to the registration of the transfer.	
165.	Unless otherwise directed, any dividend may be paid up by cheque or warrant or by a pay-slip sent through the post to the registered address of the member or person entitled, or, in the case of joint holders, to that one of them first named in the Register in respect of the joint holdings. Every such cheque or warrant shall be made payable to the order of the person to whom it is sent. The Company shall not be liable or responsible for any cheque or warrant or pay-slip lost in transmission or for any dividend lost to the member or person entitled thereto due to or by the forged endorsement of any cheque or warrant or the fraudulent recovery of the dividend by any other means.	
166.	<p>a) If the Company has declared a dividend but which has not been paid or claimed within 30 (Thirty) days from the date of declaration the Company shall transfer the total amount of dividend which remains unpaid or unclaimed within the said period of 30 (Thirty) days a special account to be opened by the Company in that behalf in any scheduled Bank called “the Unpaid Dividend Account of..... Limited”. The Company shall within a period of ninety days of making any transfer of an amount to the Unpaid Dividend Account, prepare a statement containing the names, their last known addresses and the unpaid dividend to be paid to each person and place it on the website of the Company and also on any other website approved by the Central Government, for this purpose. No unclaimed or unpaid dividend shall be forfeited by the Board before the claim becomes barred by law.</p> <p>b) Any money transferred to the unpaid dividend account of the Company which remains unpaid or unclaimed for a period of 7 (Seven) years, from the date of such transfer shall be transferred by the Company to the Fund know as the Investor Education and Protection Fund established under Section 205C of the Act 1956 or the corresponding section of Act, 2013 as and when notified shall apply.</p>	
167.	Subject to the provisions of the Act, no unpaid dividend shall bear interest as against the Company.	
168.	Any general meeting declaring a dividend may, on the recommendation of the Directors, make a call on the members of such amount as the meeting decides, but so that the call on each member shall not exceed the dividend payable to him and so that the call be made payable at the same time as the dividend and the dividend may, if so arranged between the Company and the members, be set off against the calls.	
169.	a) The Company, in general meeting, may resolve that any moneys, investments or other assets forming part of the undivided profits of the Company standing to the credit of the Reserve Fund, or any Capital Redemption Reserve Account or in the hands of the Company and available for dividend, or representing premium	<b>CAPITALISATION</b>



	<p>received on the issue of Shares and standing to the credit of the Share Premium Account, be capitalised and distributed amongst such of the Shareholders as would be entitled to receive the same, if distributed by way of dividend, and in the same proportion on the footing that they become entitled thereto as capital, and that all or any part of such capitalised fund be applied, on behalf of such Shareholders, in paying up in full either at par or at such premium, as the resolution may provide, any unissued Shares or Debentures or Debenture stock of the Company which shall be distributed accordingly on in or towards payment of the uncalled liability on any issued Shares or Debentures, stock and that such distribution or payment shall be accepted by such Shareholders in full satisfaction of their interest in the said capitalised sum, provided that a Share Premium Account and a Capital Redemption Reserve Account may, for the purposes of this Article, only be applied for the paying of any unissued Shares to be issued to members of the Company as, fully paid up, bonus Shares.</p> <p>b) A general meeting may resolve that any surplus moneys arising from the realisation of any capital assets of the Company, or any investments representing the same, or any other undistributed profits of the Company, not subject to charge for income tax, be distributed among the members on the footing that they receive the same as capital.</p> <p>c) For the purpose of giving effect to any resolution under the preceding paragraphs of this Article, the Board may settle any difficulty, which may arise, in regard to the distribution, as it thinks expedient, and, in particular, may issue fractional certificates and may fix the value for distribution of any specific assets, and may determine that such cash payments shall be made to any members upon the footing of the value so fixed or that fraction of value less than Rs.10/- (Rupees Ten Only) may be disregarded in order to adjust the rights of all parties, and may vest any such cash or specific assets in trustees upon such trusts for the person entitled to the dividend or capitalized funds, as may seem expedient to the Board. Where requisite, a proper contract shall be delivered to the Registrar for registration in accordance with Section 75 of the Act and the Board may appoint any person to sign such contract, on behalf of the persons entitled to the dividend or capitalized fund, and such appointment shall be effective.</p>	
170.	<p>The Company shall keep at the Office or at such other place in India, as the Board thinks fit and proper, books of account, in accordance with the provisions of the Act with respect to :-</p> <p>a) all sums of money received and expended by the Company and the matters in respect of which the receipt and expenditure take place;</p> <p>b) all sales and purchases of goods by the Company;</p> <p>c) the assets and liabilities of the Company;</p> <p>d) such particulars, if applicable to this Company, relating to utilization of material and/or labour or to other items of cost, as may be prescribed by the Central Government.</p> <p>Where the Board decides to keep all or any of the books of account at any place, other than the Office of the Company, the Company shall, within 7 (Seven) days, or such other period, as may be fixed, from time to time, by the Act, of the decision, file with the Registrar, a notice, in writing, giving the full address of that other place.</p> <p>The Company shall preserve, in good order, the books of account, relating to the period of not less than 8 (Eight) years or such other period, as may be prescribed, from time to time, under the Act, preceding the current year, together with the vouchers relevant to any entry in such books.</p> <p>Where the Company has a branch office, whether in or outside India, the Company shall be deemed to have complied with this Article, if proper books of account, relating to the transaction effected at the branch office, are kept at the branch office, and the proper summarized returns, made up to day at intervals of not more than 3 (Three) months or such other period, as may be prescribed, from time to time, by the</p>	<b>ACCOUNTS</b>

	<p>Act, are sent by the branch office to the Company at its Office or other place in India, at which the books of account of the Company are kept as aforesaid.</p> <p>The books of account shall give a true and fair view of the state of affairs of the Company or branch office, as the case may be, and explain the transactions represented by it. The books of account and other books and papers shall be open to inspection by any director, during business hours, on a working day, after a prior notice, in writing, is given to the Accounts or Finance department of the Company.</p>	
171.	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 the directors, and no member, not being a director, shall have any right of inspecting any account or books or document of the Company, except as conferred by law or authorised by the Board.	
172.	The Directors shall, from time to time, in accordance with sections 129 and 134 of the Act, cause to be prepared and to be laid before the Company in Annual General Meeting of the Shareholders of the Company, such Balance Sheets, Profit and Loss Accounts, if any, and the Reports as are required by those Sections of the Act.	
173.	A copy of every such Profit & Loss Accounts and Balance Sheets, including the Directors' Report, the Auditors' Report and every other document(s) required by law to be annexed or attached to the Balance Sheet, shall at least 21 (Twenty-one) days, before the meeting, at which the same are to be laid before the members, be sent to the members of the Company, to every trustee for the holders of any Debentures issued by the Company, whether such member or trustee is or is not entitled to have notices of general meetings of the Company sent to him, and to all persons other than such member or trustees being persons so entitled.	
174.	The Auditors, whether statutory, branch or internal, shall be appointed and their rights and duties shall be regulated in accordance with the provisions of the Act and the Rules made thereunder.	
175.	<p>a) A document or notice may be served or given by the Company on any member either personally or by sending it, by post or by such other means such as fax, e-mail, if permitted under the Act, to him at his registered address or, if he has no registered address in India, to the address, if any, in India, supplied by him to the Company for serving documents or notices on him.</p> <p>b) Where a document or notice is sent by post, service of the document or notice shall be deemed to be effected by properly addressing, pre-paying, wherever required, and posting a letter containing the document or notice, provided that where a member has intimated to the Company, in advance, that documents or notices should be sent to him under a certificate of posting or by registered post, with or without the acknowledgement due, and has deposited with the Company a sum sufficient to defray the expenses of doing so, service of the document or notice shall not be deemed to be effected unless it is sent in the manner and, such service shall be deemed to have been effected, in the case of a notice of a meeting, at the expiration of forty-eight hours after the letter containing the document or notice is posted, and in any other case, at the time at which the letter would be delivered in the ordinary course of post.</p>	<p><b>DOCUMENTS AND NOTICES</b></p>
176.	A document or notice, whether in brief or otherwise, advertised, if thought fit by the Board, in a newspaper circulating in the neighborhood of the Office shall be deemed to be duly served or sent on the day, on which the advertisement appears, on or to every member who has no registered address in India and has not supplied to the Company an address within India for the serving of documents on or the sending of notices to him.	
177.	A document or notice may be served or given by the Company on or to the joint holders of a Share by serving or giving the document or notice on or to the joint holder named first in the Register of Members in respect of the Share.	
178.	A document or notice may be served or given by the Company on or to the person	

	entitled to a Share, including the person nominated in the manner prescribed hereinabove, in consequence of the death or insolvency of a member by sending it through the post as a prepaid letter addressed to them by name or by the title or representatives of the deceased, or assigned of the insolvent or by any like description, at the address, if any, in India, supplied for the purpose by the persons claiming to be entitled, or, until such an address has been so supplied, by serving the document or notice, in any manner in which the same might have been given, if the death or insolvency had not occurred.	
179.	Documents or notices of every general meeting shall be served or given in some manner hereinafter authorised on or to (a) every member, (b) every person entitled to a Share in consequence of the death or insolvency of member, (c) the Auditor or Auditors of the Company, and (d) the directors of the Company.	
180.	Every person who, by operation of law, transfer or by other means whatsoever, shall become entitled to any Share, shall be bound by every document or notice in respect of such Share, which, previously to his name and address being entered on the Register of Members, shall have duly served on or given to the person from whom he derives his title to such Shares.	
181.	Any document or notice to be served or given by the Company may be signed by a director or some person duly authorised by the Board for such purpose and the signature thereto may be written, printed or lithographed.	
182.	All documents or notices to be served or given by members on or to the Company or any Officer thereof shall be served or given by sending it to the Company or Officer at the Office by post, under a certificate of posting or by registered post, or by leaving it at the Office, or by such other means such as fax, e-mail, if permitted under the Act.	
183.	The Liquidator, on any winding up, whether voluntary or under supervision or compulsory, may, with the sanction of a special resolution, but subject to the rights attached to any Preference Share Capital, divide among the contributories, in specie, any part of the assets of the Company and may, with the like sanction, vest any part of the assets of the Company in trustees upon such trusts for the benefit of the contributories, as the liquidators, with the like sanction, shall think fit.	<b>WINDING UP</b>
184.	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 favor or in which he is acquitted or in which relief is granted to him by the court or the Tribunal.	<b>INDEMNITY AND RESPONSIBILITY</b>
185.	<p>a) Every director, manager, auditor, treasurer, trustee, member of a committee, officer, servant, agent, accountant or other person employed in the business of the Company shall, if so required by the Directors, before entering upon his duties, sign a declaration pledging himself to observe strict secrecy respecting all transactions and affairs of the Company with the customers and the state of the accounts with the individuals and in matters relating thereto, and shall, by such declaration, pledge himself not to reveal any of the matters which may come to his knowledge in the discharge of his duties except when required so to do by the Directors or by Law or by the person to whom such matters relate and except so far as may be necessary in order to comply with any of the provisions contained in these presents or the Memorandum of Association of the Company.</p> <p>b) No member shall be entitled to visit or inspect any works of the Company, without the permission of the Directors, or to require discovery of or any information respecting any details of the Company's trading or business or any matter which is or may be in the nature of a trade secret, mystery of trade, secret or patented process or any other matter, which may relate to the conduct of the business of the Company and, which in the opinion of the Directors, it would be inexpedient in the interests of the Company to disclose.</p>	<b>SECRECY</b>

## **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 the Company or entered into more than two years before the date of the Prospectus) which are or may be deemed material have been entered or to be entered into by the Company. These contracts, copies of which have been attached to the copy of the Prospectus, delivered to the Registrar of Companies Maharashtra, Mumbai for registration. Copies of contracts and documents for inspection referred to hereunder, may be inspected at the registered office of the Company from 11.00 a.m. to 5.00 p.m. on working days from the date of the Prospectus until the Issue Closing Date.

#### **Material Contracts**

1. Agreement dated March 30, 2017 between our Company, Selling Shareholder and Hem Securities Limited as Lead Manager (LM) to the Issue.
2. Agreement dated March 30, 2017 executed between our Company, Selling Shareholder and the Registrar to the Issue (Bigshare Services Pvt. Ltd.)
3. Market Making Agreement dated May 08, 2017 between our Company, the LM and Market Maker.
4. Banker to the Issue Agreement dated May 08, 2017 among our Company, the LM, Selling Shareholder, Banker to the Issue and the Registrar to the Issue.
5. Underwriting Agreement dated May 08, 2017 between our Company, Selling Shareholder, the LM and Underwriter.
6. Share Escrow Agreement dated May 08, 2017 among our Company, the Selling Shareholder, the LM and Escrow Agent.
7. Tripartite Agreement dated May 05, 2017 among CDSL, the Company and the Registrar to the Company.
8. Tripartite Agreement dated April 16, 2014 among NDSL, the Company and the Registrar to the Company.

#### **Material Documents**

1. Certified copies of the Memorandum of Association and Articles of Association of our Company as amended.
2. Certificate of Incorporation dated February 23, 2009 issued by the Registrar of Companies, Maharashtra, Mumbai.
3. Certificate of Commencement of Business dated issued by the Deputy Registrar of Companies, Maharashtra, Mumbai dated March 06, 2009 upon incorporation.
4. Certificate for Change in object clause of Memorandum of Association issued by Registrar of Companies, Maharashtra, Mumbai dated March 29, 2017.
5. Copy of the Board Resolution dated February 01, 2017 authorizing the Fresh Issue, Offer for Sale and other related matters.
6. Copy of Shareholder's Resolution dated February 27, 2017 authorizing the Fresh Issue, Offer for Sale and other related matters.
7. Copies of the Authority letters provided by the Selling Shareholder.

8. Copies of Audited Financial Statements of our Company for the year ended March 31, 2017, March 31, 2016, 2015, 2014 & 2013.
9. Peer Review Auditors Report dated May 12, 2017 on Restated Financial Statements of our Company for the year ended March 31, 2017, 2016, 2015, 2014 & 2013.
10. Copy of the Statement of Tax Benefits dated March 25, 2017 from the Statutory Auditor.
11. Consents of the Lead Manager, Legal Advisor to the Issue, Registrar to the Issue, Registrar And Share Transfer Agent To The Company, Market Maker, Underwriter, Banker to the Issue, Statutory Auditor of the Company, Peer Review Auditor, Promoter of our Company, Directors of our Company, Company Secretary and Compliance Officer, Chief Financial Officer, Bankers to our Company, as referred to, in their respective capacities.
12. Copy of Certificate from the Peer Review Auditors of our Company, M/s B G Kale & Company, Chartered Accountants, dated May 12, 2017 regarding the Eligibility of the Issue.
13. Board Resolution dated April 13, 2017 for approval of Draft Prospectus and dated May 15, 2017 for approval Prospectus.
14. Due Diligence Certificate from Lead Manager dated April 13, 2017 filed with NSE and dated May 15, 2017 filed with SEBI.
15. Approval from NSE vide letter dated May 03, 2017 to use the name of NSE in this Draft Prospectus and Prospectus for listing of Equity Shares on the SME Platform of the NSE.

**DECLARATION**

I, the person mentioned herein below, as the Selling Shareholder, certify that all relevant provisions of the Companies Act, 2013, the Companies Act, 1956, to the extent applicable, the guidelines issued by the Government of India and the regulations and guidelines issued by Securities and Exchange Board of India established under section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with while issuing the Prospectus. No statement made in the Prospectus is contrary to the provisions of the Companies Act, 2013, the Companies Act, 1956, to the extent applicable and the Securities and Exchange Board of India Act, 1992, each as amended from time to time or the rules made there under or regulations and guidelines issued, as the case may be. I further certify that all the statements made in the Prospectus are true and correct.

**SIGNED BY THE SELLING SHAREHOLDER:**

Sd/-

\_\_\_\_\_

**Mr. Sunil Haripant Pophale**

**Place: - Igatpuri, Nashik**

**Date:- May 15, 2017**

**DECLARATION**

We, the persons mentioned herein below, as Directors or otherwise, as mentioned, certify that all relevant provisions of the Companies Act, 2013, the Companies Act, 1956, to the extent applicable, the guidelines issued by the Government of India and the regulations and guidelines issued by Securities and Exchange Board of India established under section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with while issuing the Prospectus. No statement made in the Prospectus is contrary to the provisions of the Companies Act, 2013, the Companies Act, 1956, to the extent applicable and the Securities and Exchange Board of India Act, 1992, each as amended from time to time or the rules made there under or regulations and guidelines issued, as the case may be. We further certify that all the statements made in the Prospectus are true and correct.

**SIGNED BY THE DIRECTORS OF OUR COMPANY:**

Sd/- \_\_\_\_\_  
**Mr. Sunil Haripant Pophale**  
*Chairman & Executive Director*  
DIN: 00064412

Sd/- \_\_\_\_\_  
**Mrs. Meena Sunil Pophale**  
*Whole- Time Director*  
DIN: 00834085

Sd/- \_\_\_\_\_  
**Mr. Vasant Pandit Jagtap**  
*Executive Director*  
DIN: 06904144

Sd/- \_\_\_\_\_  
**Mrs. Uttara Adwait Kher**  
*Non Executive Independent Director*  
DIN: 07805920

Sd/- \_\_\_\_\_  
**Mr. Ravindra Keshav Paranjpe**  
*Non Executive Independent Director*  
DIN: 06816384

Sd/- \_\_\_\_\_  
**Mr. Prasanna Prabhakar Rege**  
*Non Executive Independent Director*  
DIN: 02795136

**SIGNED BY THE COMPANY SECRETARY & CHIEF FINANCIAL OFFICER OF OUR COMPANY:-**

Sd/- \_\_\_\_\_  
**Mr. Jayesh Bhagwati Prasad Vaishnav**  
*Company Secretary & Compliance officer*

Sd/- \_\_\_\_\_  
**Mr. Potdar Laxmikant Shamkant**  
*Chief Financial Officer*

**Place: Igatpuri, Nashik**

**Date: May 15, 2017**