



## SHRENIK LIMITED

Our Company was originally formed as a proprietary firm in the name and style of 'Shree Shyam Corporation' by Shrenikbhai Vimawala. Then the proprietary firm was converted into partnership firm and registered under The Indian Partnership Act, 1932 in the name and style of "Shrenik Tradelink" pursuant to partnership deed dated November 01, 2012 with Shrenikbhai Vimawala, Himaben Vimawala, Rishit Vimawala, Virendra Surti, Sonal Surti, Vitthal Jadhav and Nirav Zaveri as initial partners of ("Shrenik Tradelink"). "Shrenik Tradelink" was thereafter converted from a partnership firm to a Private Limited Company under Part IX of the Companies Act, 1956 with the name of "Shrenik Tradelink Private Limited" and received a Certificate of Incorporation issued by Registrar of Companies, Gujarat, Dadra and Nagar Haveli on December 20, 2012 bearing Corporate Identification No. U51396GJ2012PTC073061. Further, name of our company was changed to "Shrenik Private Limited", pursuant to shareholder resolution passed at the Extra-ordinary General Meeting of our Company held on December 01, 2016 and a fresh Certificate of Incorporation was issued by Registrar of Companies, Gujarat, Dadra and Nagar Haveli on December 19, 2016. Consequently, it was converted into a public limited company pursuant to shareholders resolution passed at Extra-ordinary General Meeting of our Company held on March 25, 2017 and the name of our Company was changed to Shrenik Limited and a fresh certificate of incorporation consequent upon Conversion of Private Company to Public Limited dated April 03, 2017 was issued by Registrar of Companies, Gujarat, Dadra and Nagar Haveli. The Corporate Identification Number of our Company is U51396GJ2012PLC073061. For further details of Incorporation, Change of Name and Registered Office of our company, please refer to chapter titled "General Information" and "Our History and Certain Other Corporate Matters" beginning on page 60 and page 127 of this Prospectus.

**Registered Office:** D/87, Nava Anaj Bazar Opp. Anupam Cinema, Khokhara, Ahemdabad 380008 Gujarat India

**Tel.:** 079- 22931502; **Fax:** N.A.

**Corporate Office:** : 505-508, 10/11, Beside Mardia Plaza, CG Road, Ahmedabad 380009, Gujarat

**Tel:** 079-26440505, 079-48990505, **Fax:** 079-26406810

**Contact Person:** Madhulika Mishra, Company Secretary and Compliance Officer

**Email:** cs@shrenik.co.in; **Website:** www.shrenik.co.in

**PROMOTERS OF OUR COMPANY: SHRENIKBHAI VIMAWALA AND RISHIT VIMAWALA**

### THE ISSUE

**INITIAL PUBLIC ISSUE OF 54,00,000 EQUITY SHARES OF FACE VALUE OF RS. 10/- EACH ("EQUITY SHARES") OF SHRENIK LIMITED (THE "COMPANY" OR THE "ISSUER") FOR CASH AT A PRICE OF RS. 40/- PER EQUITY SHARE, INCLUDING A SHARE PREMIUM OF RS. 30/- PER EQUITY SHARE (THE "ISSUE PRICE"), AGGREGATING RS. 2,160.00 LAKHS ("THE ISSUE"), OF WHICH 2,88,000 EQUITY SHARES OF FACE VALUE OF RS. 10/- EACH FOR CASH AT A PRICE OF RS. 40/- PER EQUITY SHARE, AGGREGATING RS. 115.20 LAKHS WILL BE RESERVED FOR SUBSCRIPTION BY THE MARKET MAKER TO THE ISSUE (THE "MARKET MAKER RESERVATION PORTION"). THE ISSUE LESS MARKET MAKER RESERVATION PORTION I.E. ISSUE OF 51,12,000 EQUITY SHARES OF FACE VALUE OF RS. 10 EACH FOR CASH AT A PRICE OF RS. 40/- PER EQUITY SHARE, AGGREGATING RS. 2,044.80 LAKHS IS HERINAFTER REFERRED TO AS THE "NET ISSUE". THE ISSUE AND THE NET ISSUE WILL CONSTITUTE 26.47% AND 25.06 % RESPECTIVELY OF THE FULLY DILUTED POST ISSUE PAID UP EQUITY SHARE CAPITAL OF OUR COMPANY.**

**THE FACE VALUE OF THE EQUITY SHARES IS RS. 10 EACH AND THE ISSUE PRICE OF RS. 40 IS 4 TIMES OF THE FACE VALUE OF THE EQUITY SHARES.**

**In terms of SEBI Circular No. CIR/CFD/POLICYCELL/11/2015, all potential investors shall participate in the Issue only through an Application Supported by Blocked Amount ("ASBA") process providing details about the bank account which will be blocked by the Self Certified Syndicate Banks ("SCSBs") for the same. For details in this regard, specific attention is invited to the chapter titled "Issue Procedure" beginning on page 253 of this Prospectus. A copy of the prospectus has been delivered for registration to the Registrar of Companies as required under Section 26 of the Companies Act, 2013 .**

**THE ISSUE IS BEING MADE IN ACCORDANCE WITH CHAPTER XB OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, AS AMENDED FROM TIME TO TIME ("SEBI (ICDR REGULATIONS)"). For further details please refer the section titled 'Issue Information' beginning on page 246 of this Prospectus**

### RISKS IN RELATION TO FIRST ISSUE

This being the first public issue of our Company, there has been no formal market for our Equity Shares. The face value of the Equity Shares of our Company is Rs. 10 and the Issue price of Rs. 40/- per Equity Share is 4 times of the face value. The Issue Price (as determined by our Company in consultation with the Lead Manager as stated in the chapter titled 'Basis for issue Price' beginning on page 90 of this Prospectus) should not be taken to be indicative of the market price of the Equity Shares after such Equity Shares are listed. No assurance can be given regarding an active and / or sustained trading in the Equity Shares or regarding the price at which the Equity Shares will be traded after listing.

### GENERAL RISKS

Investments in equity and equity-related securities involve a degree of risk and investors should not invest any funds in this issue unless they can afford to take the risk of losing their investment. Investors are advised to read the risk factors carefully before taking an investment decision in this issue. For taking an investment decision, investors must rely on their own examination of the Company and this issue, including the risks involved. The Equity Shares issued in the issue have not been recommended or approved by the Securities and Exchange Board of India ("SEBI"), nor does SEBI guarantee the accuracy or adequacy of the contents of this Prospectus. **Specific attention of the investors is invited to the section titled 'Risk Factors' beginning on page 16 of this Prospectus.**

### COMPANY'S ABSOLUTE RESPONSIBILITY

The Issuer, having 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 or inclusion 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.

### LISTING

The Equity Shares of our Company issued through this Prospectus are proposed to be listed on the EMERGE Platform of National Stock Exchange of India Limited ("NSE EMERGE"). In terms of the Chapter XB of the SEBI ICDR Regulations, 2009 as amended from time to time, our Company has received an approval letter dated June 09, 2017 from National Stock Exchange of India Limited for using its name in this issue document for listing of our shares on the EMERGE Platform of National Stock Exchange of India Limited. For the purpose of this issue, EMERGE Platform of the National Stock Exchange of India Limited shall be the Designated Stock Exchange.

#### LEAD MANAGER TO THE ISSUE

**PANTOMATH CAPITAL ADVISORS PRIVATE LIMITED**

406-408, Keshava Premises, Behind Family Court,  
Bandra Kurla Complex, Bandra (East),  
Mumbai – 400051, Maharashtra, India

**Tel:** +91-22 61946725

**Fax:** +91-22 2659 8690

**Website:** www.pantomathgroup.com

**Email:** ipo@pantomathgroup.com

**Investor Grievance Id:** ipo@pantomathgroup.com

**Contact Person:** Saahil Kinkhabwala

**SEBI Registration No:** INM000012110



#### REGISTRAR TO THE ISSUE

**LINK INTIME INDIA PRIVATE LIMITED**

C-101, 247 Park, L.B.S. Marg, Vikhroli (West),  
Mumbai- 400 083 India

**Tel:** +91-22 49186200

**Fax:** +91-22 49186195

**Email:** shrenik.ipo@linkintime.co.in

**Website:** www.linkintime.co.in

**Investor Grievance Id:** shrenik.ipo@linkintime.co.in

**Contact Person:** Shanti Gopalkrishnan

**SEBI Registration Number:** INR000004058



### ISSUE PROGRAMME

**ISSUE OPENS ON THURSDAY, JULY 06, 2017**

**ISSUE CLOSES ON MONDAY, JULY 10, 2017**

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

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

**SECTION I GENERAL  
DEFINITION AND ABBREVIATION**

This Prospectus uses certain definitions and abbreviations which, unless the context otherwise indicates or implies, shall have the meanings as provided below. References to any legislation, act or regulation shall be to such legislation, act or regulation as amended 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 Regulations, the SCRA, the Depositories Act or the rules and regulations made thereunder. Notwithstanding the foregoing, terms used in “Statement of Tax Benefits”, “Financial Statements” and “Main Provisions of the Articles of Association” on pages 92 ,157 and 299, respectively, shall have the meaning given to such terms in such sections. In case of any inconsistency between the definitions given below and definitions contained in the General Information Document, the definitions given below shall prevail.

**General Terms**

Term	Description
“Shrenik limited”, or “the Company” ,or “our Company” or “we”, “us”, “our”, or “Issuer” or the “Issuer Company”	Shrenik Limited, a Public Limited company incorporated under the provisions of the Companies Act, 1956 and having its registered office at D/87, Nava Anaj Bazar, Opp. Anupam Cinema, Khokhara, Ahemdabad ,380008 Gujarat, India.

**Company Related Terms**

Term	Description
Articles or Articles of Association or AOA	The Articles of Association of our Company, as amended from time to time
Auditor or Statutory Auditor	The Statutory Auditor of our Company, being Nilesh Desai & Co 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
Banker to our Company	As mentioned in chapter titled “General Information” beginning on page 60 this prospectus
“Board” or “Board of Directors” or “our Board”	The Board of Directors of our Company, as duly constituted from time to time, or committee(s) thereof
Company Secretary and Compliance Officer	The Company Secretary and Compliance Officer of our Company being Madhulika Mishra
CIN	Company Identification Number U51396GJ2012PLC073061
Director(s)	The Director(s) of our Company, unless otherwise specified
Equity Shares	Equity Shares of our Company of face value of Rs. 10/- each fully paid up
Equity Shareholders	Persons / Entities holding Equity Shares of our Company
Group Companies	Such Companies as are included in the chapter titled “ <i>Our Group Companies</i> ” beginning on page no. 154 of this Prospectus
ISIN	International Securities Identification Number. In this case Being INE632X01014
Independent Director	A non-executive, independent Director as per the Companies Act, 2013 and the Listing Regulations
Key Management Personnel	Key management personnel of our Company in terms of Regulation 2(1)(s) of the SEBI Regulations, Section 2(51) of the Companies Act, 2013 and as disclosed in “Our Management” beginning on page 131.

Term	Description
Materiality Policy	Policy on Group Companies, material creditors and material legal proceedings adopted by the Board pursuant to its resolution dated May 11, 2017
Memorandum of Association or Memorandum or MOA	The Memorandum of Association of our Company, as amended from time to time
NSE. Ltd.	National Stock Exchange of India Limited
Peer Reviewed Auditor	The Peer Reviewed Auditor of our Company, being N. K. Aswani & Co. Chartered Accountants
“Promoter”, “Promoters” or “our Promoters”	Promoters of our Company being Shrenikbhai Vimawala and Rishit Vimawala.
Promoters’ Contribution	Pursuant to Regulation 32 and 36(a) of the SEBI ICDR Regulations, an aggregate of 20% of the fully diluted post-Offer capital of our Company held by our Promoters which shall be considered as the minimum promoters’ contribution and shall be locked-in for a period of three years from the date of Allotment
Promoter Group	Persons and entities constituting the promoter group of our Company in terms of Regulation 2(1)(zb) of the SEBI Regulations and as disclosed in the chapter titled “ <i>Our Promoters and Promoter Group</i> ” on page no. 150 of this Prospectus
Registered Office	The Registered office of our Company situated at D/87, Nava Anaj Bazar, Opp. Anupam Cinema, Khokhara, Ahemdabad-380008 Gujarat, India.
Restated Financial Information	Collectively, the Restated Consolidated Financial Information and the Restated Standalone Financial Information
RoC / Registrar of Companies	Registrar of Companies, Gujarat ,ROC Bhavan, Opp Rupal Park Society, Behind Ankur Bus Stop, Naranpura, Ahmedabad-380013,Gujarat,India
Shareholders	Shareholders of our Company
Wilful Defaulter(s)	Wilful defaulter as defined under Regulation 2(zn) of the SEBI Regulations

### Issue Related Terms

Term	Description
Allocation/ Allocation of Equity Shares	The Allocation of Equity Shares of our Company pursuant to Issue of Equity Shares to the successful Applicants
Allotment/ Allot/ Allotted	Issue and allotment of Equity Shares of our Company pursuant to Issue of the Equity Shares to the successful Applicants
Acknowledgement slip	Slip or document issued by designated Intermediary to a bidder as a proof of registration of the Bid
Allottee(s)	Successful Applicant(s) to whom Equity Shares of our Company have been allotted
Applicant	Any prospective investor who makes an application for Equity Shares of our Company in terms of the Prospectus. All the applicants should make application through ASBA only.
Allotment Advice	The note or advice or intimation of Allotment, sent to each successful Bidder who has been or is to be Allotted the Equity Shares after approval of the Basis of Allotment by the Designated Stock Exchange
Application Amount	The number of Equity Shares applied for and as indicated in the Application Form multiplied by the price per Equity Share payable by the Applicants on submission of the Application Form.

Term	Description
Application Collecting Intermediaries	<ol style="list-style-type: none"> <li>1. a SCSB with whom the bank account to be blocked, is maintained</li> <li>2. a syndicate member (or sub-syndicate member) If any</li> <li>3. a stock broker registered with a recognized stock exchange (and whose name is mentioned on the website of the stock exchange as eligible for this activity)(‘broker’) if any</li> <li>4. a depository participant (‘DP’) (whose name is mentioned on the website of the stock exchange as eligible for this activity)</li> <li>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)</li> </ol>
Application Form	The Form in terms of which the prospective investors shall apply for our Equity Shares in the Issue
ASBA / Application Supported by Blocked Amount	Applications Supported by Blocked Amount (ASBA) means an application for Subscribing to the Issue containing an authorization to block the application money in a bank account maintained with SCSB
ASBA Account	Account maintained with SCSBs which will be blocked by such SCSBs to the extent of the Application Amount
ASBA Application Location(s) / Specified Cities	Locations at which ASBA Applications can be uploaded by the SCSBs, namely Mumbai, New Delhi, Chennai, Kolkata, Ahmedabad
ASBA Investor/ASBA applicant	Any prospective investor(s) / applicants(s) in this Issue who apply(ies) through the ASBA process
Banker/Refund Banker to the Issue/ Public Issue Bank	The banks which are clearing members and registered with SEBI as Banker to an Issue with whom the Public Issue Account and Refund Account will be opened and in this case being HDFC Bank Limited and ICICI Bank Limited.
Basis of Allotment	The basis on which Equity Shares will be Allotted to the successful Applicants under the Issue and which is described under chapter titled “ <i>Issue Procedure</i> ” beginning on page 253 of this Prospectus
Broker Centres	Broker centres notified by the Stock Exchanges, where the applicants can submit the Application forms to a Registered Broker.
CAN/Confirmation of Allocation Note	Notice or intimation of allocation of the Equity Shares sent to Anchor Investors, who have been allocated Equity Shares after Bid/Issue Period
Collecting Centres	Centres at which the Designated Intermediaries shall accept the Application Forms, being the Designated SCSB Branch for SCSBs, Specified Locations for Syndicate, Broker Centres for Registered Brokers, Designated RTA Locations for RTAs and Designated CDP Locations for CDPs
Controlling Branch of SCSBs	Such branch of the SCSBs which coordinate Applications under this Issue by the ASBA Applicants with the Registrar to the Issue and the Stock Exchanges and a list of which is available at <a href="http://www.sebi.gov.in">http://www.sebi.gov.in</a> or at such other website as may be prescribed by SEBI from time to time
Demographic Details	The demographic details of the Applicants such as their address, PAN, occupation and bank account details
Depositories	Depositories registered with SEBI under the Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996, as amended from time to time, being NSDL and CDSL
Depository Participant	A Depository Participant as defined under the Depositories Act, 1996
Depositories Act	The Depositories Act, 1996 as amended from time to time
Designated Branches	Such branches of the SCSBs which shall collect the ASBA Application Form from the ASBA Applicant and a list of which is available on <a href="http://www.sebi.gov.in/sebiweb/home/detail/32791/no/List-of-Self-">http://www.sebi.gov.in/sebiweb/home/detail/32791/no/List-of-Self-</a>



Term	Description
	<u><a href="#">Certified-Syndicate-Banks-under-the-ASBA-facility</a></u>
Designated Date	The date on which the amount blocked by the SCSBs is transferred from the ASBA Account to the Public Issue Account or the amount is unblocked in the ASBA Account, as appropriate, after the Issue is closed, following which the Equity Shares shall be allotted to the successful Applicants
Designated RTA Locations	Such centres of the RTAs where Applicants can submit the Application Forms. The details of such Designated RTA Locations, along with the names and contact details of the RTAs are available on the website of the Stock Exchange ( <a href="http://www.nseindia.com">www.nseindia.com</a> ) and updated from time to time
Designated Stock Exchange	Emerge Platform of National Stock Exchange Of India Limited
Draft Prospectus	The Draft Prospectus dated May 23, 2017 issued in accordance with section 32 of the Companies Act, 2013 and filed with the NSE under SEBI (ICDR) Regulations
Eligible NRIs	NRIs from 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 subscribe to the Equity Shares offered herein
Escrow Account(s)	Account(s) opened with the Escrow Collection Bank(s) for the Issue and in whose favour the Applicants (excluding ASBA Applicants) will issue cheques or drafts in respect of the Application Amount when submitting any Application(s) pursuant to this Issue
Escrow Agreement	Agreement to be entered into by our Company, the Registrar to the Issue, the Lead Manager, and the Escrow Collection Bank(s) for collection of the Application Amounts and where applicable, refunds of the amounts collected to the Applicants (excluding ASBA Applicants) on the terms and conditions thereof
General Information Document	The General Information Document for investing in public issues prepared and issued in accordance with the circular (CIR/CFD/DIL/12/2013) dated October 23, 2013, notified by SEBI.
First/ Sole Applicant	The Applicant whose name appears first in the Application Form or Revision Form
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.
Issue/ Issue Size/ Initial Public Issue/ Initial Public Offer/ Initial Public Offering/ IPO	Public Issue aggregating 54,00,000 Equity Shares of face value of Rs. 10 each fully paid of Shrenik Limited for cash at a price of Rs 40 per Equity Share (including a premium of Rs. 30 per Equity Share) aggregating Rs.2160 lakhs.
Issue Agreement	The agreement dated May 12, 2017 between our Company and the Lead Managers, pursuant to which certain arrangements are agreed to in relation to the Issue.
Issue Closing date	July 10, 2017
Issue Opening Date	July 6, 2017
Issue Period	The period between the Issue Opening Date and the Issue Closing Date inclusive of both the days during which prospective Investors may submit their application
Issue Price	The price at which the Equity Shares are being issued by our Company under this Prospectus being Rs. 40 per Equity Share of face value of Rs. 10 each fully paid
Issue Proceeds/Gross Proceeds	Proceeds from the Issue that will be available to our Company, being Rs. 2160 Lakhs

Term	Description
Indian GAAP	Generally Accepted Accounting Principles in India
IFRS	International financial reporting standard
Lead Managers / LM	Lead Managers to the Issue in this case being Pantomath Capital Advisors Private Limited (PCAPL).
Listing Agreement	The Equity Listing Agreement to be signed between our Company and the National Stock Exchange of India Limited
Market Making Agreement	Market Making Agreement dated May 12, 2017 between our Company, Lead Managers and Market Maker.
Market Maker	Market Maker appointed by our Company from time to time, in this case being Pantomath Stock Broker Private Limited who has agreed to receive or deliver the specified securities in the market making process for a period of three years from the date of listing of our Equity Shares or for any other period as may be notified by SEBI from time to time
Market Maker Reservation Portion	The Reserved Portion of 2,88,000 Equity Shares of face value of Rs. 10 each fully paid for cash at a price of Rs.40 per Equity Share aggregating Rs 115.20 lakhs for the Market Maker in this Issue
Mutual Fund(s)	A mutual fund registered with SEBI under the SEBI (Mutual Funds) Regulations, 1996, as amended from time to time
NIF	National Investment Fund set up by resolution F. No. 2/3/2005-DD-II dated November 23, 2005 of Government of India published in the Gazette of India
Net Issue	The Issue (excluding the Market Maker Reservation Portion) aggregating 51,12,000 Equity Shares of face value of Rs. 10 each fully paid for cash at a price of Rs 40 per Equity Share aggregating Rs. 2044.80 lakhs by our Company
Net Proceeds	The Issue Proceeds, less the Issue related expenses, received by the Company.
Non Institutional Investors	All Applicants that are not Qualified Institutional Buyers or Retail Individual Investors and who have applied for Equity Shares for an amount more than Rs. 2,00,000
NSE Ltd.	National Stock Exchange of India Limited
OCB/ Overseas Corporate Body	A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% by NRIs, including overseas trusts in which not less than 60% of beneficial interest is irrevocably held by NRIs directly or indirectly as defined under the Foreign Exchange Management (Deposit) Regulations, 2000, as amended from time to time. OCBs are not allowed to invest in this Issue
Payment through electronic transfer of funds	Payment through NECS, NEFT or Direct Credit, as applicable
Person/ Persons	Any individual, sole proprietorship, unincorporated association, unincorporated organization, body corporate, corporation, company, partnership, limited liability company, joint venture, or trust or any other entity or organization validly constituted and/or incorporated in the jurisdiction in which it exists and operates, as the context requires
Prospectus	The Prospectus to be filed with RoC containing, <i>inter-alia</i> , the issue size, the issue opening and closing dates and other information
Public Issue Account	Account opened with the Banker to the Issue i.e. ICICI Bank Limited under Section 40 of the Companies Act, 2013 to receive monies from the SCSBs from the bank accounts of the ASBA Applicants on the Designated Date.
Public Issue Account Agreement/ Banker to the Issue Agreement	Agreement entered on May 12, 2017 amongst our Company, Lead Managers, the Registrar to the Issue and Public Issue Bank/Banker to the Issue for collection of the Application Amount on the terms and



Term	Description
	conditions thereof.
Qualified Institutional Buyers or QIBs	Qualified Institutional Buyers as defined under Regulation 2(1)(zd) of the SEBI (ICDR) Regulations 2009
Refund Account	Account to which Application monies to be refunded to the Applicants
Refund Bank(s) / Refund Banker(s)	Bank(s) which is / are clearing member(s) and registered with the SEBI as Bankers to the Issue at which the Refund Accounts will be opened, in this case being ICICI Bank Limited
Refund through electronic transfer of funds	Refund through ASBA process
Registered Broker	Individuals or companies registered with SEBI as "Trading Members" (except Syndicate/Sub-Syndicate Members) who hold valid membership 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/dynaContent/find_a_broker.htm">http://www.nseindia.com/membership/dynaContent/find_a_broker.htm</a>
Registrar /Registrar to the Issue	Registrar to the Issue, in this case being Link Intime India Private Limited C-101, 247 Park, L.B.S. Marg, Vikhroli (West), Mumbai- 400 083 India
Registrar Agreement	Agreement dated May 12, 2017 entered into among our Company and the Registrar to the Issue in relation to the responsibilities and obligations of the Registrar to the Issue pertaining to the Issue
Retail Individual Investor	Individual Applicants, or minors applying through their natural guardians, including HUFs (applying through their <i>Karta</i> ), who apply for an amount less than or equal to Rs 2,00,000
Revision Form	The form used by the Applicants to modify the quantity of Equity Shares in any of their Application Forms or any previous Revision Form(s)
SCSB/ Self Certified Syndicate Banker	Shall mean a Banker to an Issue registered under SEBI (Bankers to an Issue) Regulations, 1994, as amended from time to time, and which offer the service of making Application/s Supported by Blocked Amount including blocking of bank account and a list of which is available on <a href="http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/RecognisedIntermediaries">http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/RecognisedIntermediaries</a> or at such other website as may be prescribed by SEBI from time to time
SEBI Listing Regulations	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015
SME Exchange	Emerge Platform of National Stock Exchange of India Limited
Specified Locations	Collection centres where the SCSBs shall accept application form, a list of which is available on the website of the SEBI ( <a href="http://www.sebi.gov.in">www.sebi.gov.in</a> ) and updated from time to time.
Shareholder director	A director not being an independent director who represents the interest of shareholder's appointed as per the terms of SECC regulation
TRS or Transaction Registration Slip	The slip or document issued by the SCSB (only on demand), as the case may be, to the applicant as proof of registration of the application.
Stock Exchange	National Stock Exchange of India Limited
Underwriter	Pantomath Capital Advisors Private Limited
Underwriting Agreement	The agreement dated May 12, 2017 entered into between the Underwriter and our Company
US GAAP	Generally accepted accounting principal (United states)
Working Day	(i) Till Application / Issue closing date: All days other than a Saturday, Sunday or a public holiday; (ii) Post Application / Issue closing date and till the Listing of Equity Shares: All trading days of stock exchanges excluding Sundays and

Term	Description
	bank holidays 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
ASEAN	Association of Southeast Asian Nations
CIS	Commonwealth of Independent States
CSO	Central Statistics Office
ECE	Economic Commission for Europe
EPFO	Employees' Provident Fund Organisation
ESI	Employee State Insurance
FCNR	Foreign Currency Non-Resident
FMGC	Fast-moving consumer goods
FDI	Foreign Direct Investment
FY	Financial Year
GDP	Gross Domestic Product
GST	Goods and Services Tax
GVA	Gross Value Added
INR	India Rupee
IMF	International Monetary Fund
MDF	Medium-density fibreboard
mn tones	Million tonnes
mt	Million Tonnes
MYEA	Mid-Year Economic Analysis
RM	Raw Material
PMGKY	Pradhan Mantri Garib Kalyan Yojana
RBI	Reserve Bank of India
UDAY	Ujwal DISCOM Assurance Yojana Scheme
US/ U.S./ USA	United States of America
WPI	Wholesale Price Index

### Conventional and General Terms / Abbreviations

Term	Description
A/C	Account
AGM	Annual General Meeting
AIF	Alternative Investments Fund
AOA	Article of Association
AS	Accounting Standards as issued by the Institute of Chartered Accountants of India
A.Y.	Assessment Year
ASBA	Application Supported by Blocked Amount
BIFR	Board for Industrial and Financial Reconstruction
BRLM	Book Running Lead Manager
CA	Chartered Accountant
CAGR	Compounded Annual Growth Rate
Category I Foreign	FPIs who are registered as - Category I foreign portfolio investors under

Term	Description
Portfolio Investors	the SEBI FPI Regulations
Category II Foreign Portfolio Investors	FPIs who are registered as - Category II foreign portfolio investors under the SEBI FPI Regulations
Category III Foreign Portfolio Investors	FPIs who are registered as - Category III foreign portfolio investors under the SEBI FPI Regulations
CB	Controlling Branch
CC	Cash Credit
CDSL	Central Depository Services (India) Limited
CENVAT	Central Value Added Tax
CFO	Chief Financial Officer
CMD	Chairman and Managing Director
CIN	Corporate Identification Number
Companies Act	Companies Act, 1956 (without reference to the provisions thereof that have ceased to have effect upon notification of the Notified Sections) and the Companies Act, 2013.
Companies Act, 2013	The Companies Act, 2013, to the extent in force pursuant to the notification of the notified sections
Depositories	NSDL and CDSL; Depositories registered with the SEBI under the Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996, as amended from time to time
Depositories Act	The Depositories Act, 1996, as amended from time to time.
DIN	Director Identification Number
DGFT	Directorate General of Foreign Trade
DP	Depository Participant
DP ID	Depository Participant's Identity
EBIDTA	Earnings before interest, depreciation, tax, amortization and extraordinary items
ECS	Electronic Clearing Services
EGM	Extraordinary General Meeting
ESIC	Employee State Insurance Corporation
ESOP	Employee Stock Ownership Plan
ESPS	Employee Stock Purchase Scheme
EPS	Earnings Per Share
FDI	Foreign Direct Investment
FCNR Account	Foreign Currency Non Resident Account
FEMA	Foreign Exchange Management Act 1999, as amended from time to time and the regulations framed there under
FII(s)	Foreign Institutional Investors
FIs	Financial Institutions
FIPB	The Foreign Investment Promotion Board, Ministry of Finance, Government of India
FPI(s)	Foreign Portfolio Investor
FVCI	Foreign Venture Capital Investor registered under the Securities and Exchange Board of India (Foreign Venture Capital Investor) Regulations, 2000
F.Y./FY	Financial Year
GAAP	Generally Accepted Accounting Principles
GDP	Gross Domestic Product
GIR Number	General Index Registry number
GoI/ Government	Government of India
GSM	Grams per Square Meter
HNI	High Net worth Individual

Term	Description
HUF	Hindu Undivided Family
ICDR Regulations/ SEBI Regulations/ SEBI (ICDR) Regulations	SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 as amended from time to time
Indian GAAP	Generally Accepted Accounting Principles in India
ICAI	Institute of Chartered Accountants of India
IFRS	International Financial Reporting Standards
IPO	Initial Public Offering
IRDA	Insurance Regulatory and Development Authority
IT Authorities	Income Tax Authorities
IT Rules	The Income Tax Rules, 1962, as amended from time to time
INR	Indian National Rupee
Key Managerial Personnel/KMP	The officers declared as a Key Managerial Personnel and as mentioned in the chapter titled “ <i>Our Management</i> ” beginning on page 131 of this Prospectus
LPH	litre per hour
Ltd.	Limited
MD	Managing Director
Mtr	Meter
N/A or N.A.	Not Applicable
NAV	Net Asset Value
NECS	National Electronic Clearing Services
NEFT	National Electronic Fund Transfer
Net Worth	The aggregate of the paid up share capital, share premium account, and reserves and surplus (excluding revaluation reserve) as reduced by the aggregate of miscellaneous expenditure (to the extent not adjusted or written off) and the debit balance of the profit and loss account
NOC	No Objection Certificate
NR	Non Resident
NRE Account	Non Resident External Account
NRI	Non Resident Indian, is a person resident outside India, who is a citizen of India or a person of Indian origin and shall have the same meaning as ascribed to such term in the Foreign Exchange Management (Deposit) Regulations, 2000, as amended from time to time
NRO Account	Non Resident Ordinary Account
NSDL	National Securities Depository Limited
p.a.	per annum
PAN	Permanent Account Number
PAT	Profit After Tax
Pvt.	Private
PBT	Profit Before Tax
P/E Ratio	Price Earnings Ratio
QIB	Qualified Institutional Buyer
RBI	Reserve Bank of India
RBI Act	The Reserve Bank of India Act, 1934, as amended from time to time.
RoNW	Return on Net Worth
Rs. / INR	Indian Rupees
RTGS	Real Time Gross Settlement
SCRA	Securities Contracts (Regulation) Act, 1956
SCRR	Securities Contracts (Regulation) Rules, 1957
SCSB	Self Certified Syndicate Bank
SEBI	Securities and Exchange Board of India
SEBI Act	Securities and Exchange Board of India Act, 1992, as amended from time to

Term	Description
	time
SEBI AIF Regulations	Securities and Exchange Board of India (Alternative Investments Funds) Regulations, 2012
SEBI FII Regulations	Securities and Exchange Board of India (Foreign Institutional Investors) Regulations, 1995
SEBI FPI Regulations	Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014
SEBI FVCI Regulations	Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000
SEBI Insider Trading Regulations	The SEBI (Prohibition of Insider Trading) Regulations, 1992, as amended from time to time, including instructions and clarifications issued by SEBI from time to time
SEBI Takeover Regulations / Takeover Regulations / Takeover Code	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011
SICA	Sick Industrial Companies (Special Provisions) Act, 1985, as amended from time to time
SME	Small Medium Enterprise
SSI Undertaking	Small Scale Industrial Undertaking
Stock Exchange(s)	Emerge Platform of National Stock Exchange of India Limited
Sq.	Square
Sq. mtr	Square Meter
TAN	Tax Deduction Account Number
TRS	Transaction Registration Slip
TIN	Taxpayers Identification Number
TNW	Total Net Worth
u/s	Under Section
UIN	Unique Identification Number
US/ U.S./ USA/ United States	United States of America
USD or US\$	United States Dollar
U.S. GAAP	Generally accepted accounting principles in the United States of America
UOI	Union of India
WDV	Written Down Value
WTD	Whole-time Director
w.e.f.	With effect from
YoY	Year over year

Notwithstanding the following: -

- i. In the section titled “*Main Provisions of the Articles of Association*” beginning on page 299 of this Prospectus, defined terms shall have the meaning given to such terms in that section;
- ii. In the chapter titled “*Financial Statements as Restated*” beginning on page 157 of this Prospectus, defined terms shall have the meaning given to such terms in that chapter;
- iii. In the section titled “*Risk Factors*” beginning on page 16 of this Prospectus, defined terms shall have the meaning given to such terms in that section;
- iv. In the chapter titled “*Statement of Possible Tax Benefits*” beginning on page 92 of this Prospectus, defined terms shall have the meaning given to such terms in that chapter; and
- v. In the chapter titled “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” beginning on page 206 of this Prospectus, defined terms shall have the meaning given to such terms in that chapter.

## PRESENTATION OF FINANCIAL, INDUSTRY AND MARKET DATA

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

### FINANCIAL DATA

Unless stated otherwise, the financial data included in this Prospectus are extracted from the restated financial statements of our Company, prepared in accordance with the applicable provisions of the Companies Act, Indian GAAP and restated in accordance with SEBI (ICDR) Regulations, as stated in the report of our Peer Reviewed Auditors, set out in the section titled *‘Financial Statements’* beginning on page 157 this Prospectus. Our restated financial statements are derived from our audited financial statements prepared in accordance with Indian GAAP and the Companies Act, and have been restated in accordance with the SEBI (ICDR) Regulations.

Our fiscal year commences on April 1<sup>st</sup> of each year and ends on March 31<sup>st</sup> of the next year. All references to a particular fiscal year are to the 12 month period ended March 31<sup>st</sup> of that year. In this Prospectus, any discrepancies in any table between the total and the sums of the amounts listed are due to rounding-off. All decimals have been rounded off to two decimal points.

There are significant differences between Indian GAAP, IFRS and US GAAP. The Company has not attempted to quantify their impact on the financial data included herein and urges you to consult your own advisors regarding such differences and their impact on the Company’s financial data. Accordingly to what extent, the financial statements included in this Prospectus will provide meaningful information is entirely dependent on the reader’s level of familiarity with Indian accounting practices / Indian GAAP. Any reliance by persons not familiar with Indian Accounting Practices on the financial disclosures presented in this Prospectus should accordingly be limited.

Any percentage amounts, as set forth in “*Risk Factors*”, “*Our Business*”, “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” and elsewhere in this Prospectus unless otherwise indicated, have been calculated on the basis of the Company’s restated financial statements prepared in accordance with the applicable provisions of the Companies Act, Indian GAAP and restated in accordance with SEBI (ICDR) Regulations, as stated in the report of our Peer Reviewed Auditor, set out in the section titled *‘Financial Statements’* beginning on page 157 of this Prospectus.

### CURRENCY OF PRESENTATION

In this Prospectus, references to “Rupees” or “Rs.” or “INR” are to Indian Rupees, the official currency of the Republic of India. All references to “\$”, “US\$”, “USD”, “U.S. \$” or “U.S. Dollars” are to United States Dollars, the official currency of the United States of America.

All references to ‘million’ / ‘Million’ / ‘Mn’ refer to one million, which is equivalent to ‘ten lacs’ or ‘ten lakhs’, the word ‘Lacs / Lakhs / Lac’ means ‘one hundred thousand’ and ‘Crore’ means ‘ten million’ and ‘billion / bn./ Billions’ means ‘one hundred crores’.

### INDUSTRY & MARKET DATA

Unless stated otherwise, Industry and Market data and various forecasts used throughout this Prospectus have been obtained from publically available Information, Industry Sources and Government Publications.

Industry Sources as well as Government Publications generally state that the information contained in those publications has been obtained from sources believed to be reliable but their accuracy and completeness and underlying assumptions are not guaranteed and their reliability cannot be assured.



Although we believe that industry data used in this Prospectus is reliable, it has not been independently verified by the Lead Manager or our Company or any of their affiliates or advisors. Such data involves risks, uncertainties and numerous assumptions and is subject to change based on various factors, including those discussed in the section “*Risk Factors*” on page 16 of this Prospectus. Accordingly, investment decisions should not be based solely on such information.

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

## FORWARD LOOKING STATEMENT

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

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

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

For a further discussion of factors that could cause our actual results to differ, refer to section titled “*Risk Factors*” and chapter titled “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” beginning on pages 16 and 206 respectively of this Prospectus. By their nature, certain market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual future gains or losses could materially differ from those that have been estimated. Future looking statements speak only as of the date of this Prospectus. Neither we, our Directors, Lead Manager, Underwriter nor any of their respective affiliates have any obligation to update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition. In accordance with SEBI requirements, the LM and our Company will ensure that investors in India are informed of material developments until the grant of listing and trading permission by the Stock Exchange.

## SECTION II – RISK FACTORS

### RISK FACTORS

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

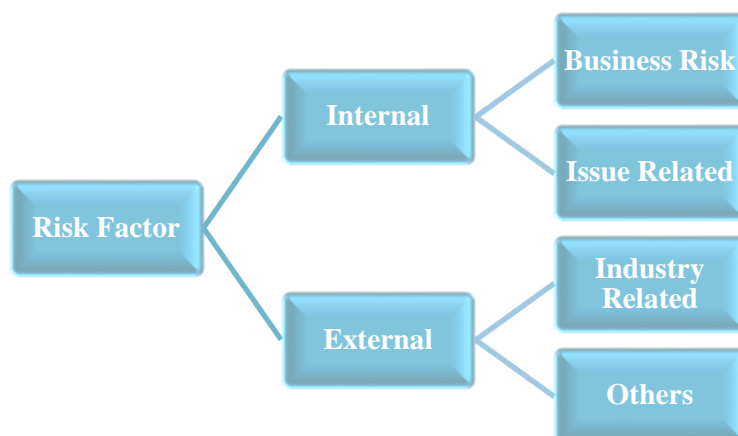
*Unless otherwise stated in the relevant risk factors set forth below, we are not in a position to specify or quantify the financial or other implications of any of the risks mentioned herein. Unless otherwise stated, the financial information of our Company used in this section is derived from our restated financial statements prepared in accordance with Indian GAAP and the Companies Act and restated in accordance with the SEBI ICDR Regulations. To obtain a better understanding, you should read this section in conjunction with the chapters titled “Our Business” beginning on page 106, “Our Industry” beginning on page 94 and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” beginning on page 206 of this Prospectus as well as other financial information contained herein.*

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

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

*The financial and other related implications of risks concerned, wherever quantifiable, have been disclosed in the risk factors mentioned below. However, there are risk factors where the impact may not be quantifiable and hence the same has not been disclosed in such risk factors. Unless otherwise stated, we are not in a position to specify or quantify the financial or other risks mentioned herein. For capitalized terms used but not defined in this chapter, refer to the chapter titled “Definitions and Abbreviation” beginning on page 3 of this Prospectus. The numbering of the risk factors has been done to facilitate ease of reading and reference and does not in any manner indicate the importance of one risk factor over another.*

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



## INTERNAL RISK FACTORS

### A. BUSINESS/COMPANY SPECIFIC RISK

**1. Risk of the growing importance of alternative media.**

The trends in advertising, electronic transmission and storage of data, as well as Internet, may have an adverse effect on traditional print media, and in consequence, on the products and its customers, but it is not possible to predict the timing or scope of those trends with a high degree of certainty. Our business is not currently diversified and consists primarily of paper. Therefore, our business is substantially dependent on our ability to attract customers who are willing to pay a premium for our products. The writing and printing paper faces limited substitution threat from the increased tendency of storage of data in soft form, which may affect demand of our writing paper. Digital media are progressively replacing paper and threaten the traditional market for paper. Any future shifts in consumer preferences away from paper would also have a material adverse effect on our results of operations.

**2. We generated a majority of our sales in Gujarat and Rajasthan and any adverse developments affecting our operations in these two states could have an adverse impact on our revenue and results of operations.**

For the year ended March 31, 2017, our sales in Gujarat and Rajasthan together contributed 99.69% of our total revenue. We may continue to expand our sales in Rajasthan and Gujarat. Existing and potential competitors to our business may increase their focus on these two states, which could reduce our market share. For example, our competitors may intensify their efforts in these states to capture a larger market share. The concentration of our operations in these two states heightens our exposure to adverse developments related to competition, as well as economic, political, demographic and other changes, which may adversely affect our business prospects, financial conditions and results of operations. Any adverse development that affects the performance of the sales in these two states could have a material adverse effect on our business, financial condition and results of operations.

**3. Failure to manage our inventory could have an adverse effect on our net sales, profitability, cash flow and liquidity.**

The results of operations of our trading business are dependent on our ability to effectively manage our inventory and stocks. To effectively manage our inventory, we must be able to accurately estimate customer demand and supply requirements and purchase new inventory accordingly. If our management has misjudged expected customer demand it could adversely impact the results by causing either a shortage of products or an accumulation of excess inventory. Further, if we fail to sell the inventory we purchase, we may be required to write-down our inventory or pay our suppliers without new purchases, or create additional vendor financing, which could have an adverse impact on our income and cash flows. We estimate our sales based on the forecast, demand and requirements and also on the customer specifications. Natural disasters such as earthquakes, extreme climatic or weather conditions such as floods or droughts may adversely impact the supply of paper and local

transportation. Should our supply of products be disrupted, we may not be able to procure an alternate source of supply in time to meet the demands of our customers, or we may not be able to procure products of equal quality or on equally competitive terms, or at all. Such disruption to supply would materially and adversely affect our business, profitability and reputation. In addition, disruptions to the delivery of paper to our warehouse or customer may occur for reasons such as poor handling, transportation bottlenecks, or labour strikes, which could lead to delayed or lost deliveries or damaged products and disrupt supply of these products. To improve our line capability, we try to stock our inventory in our warehouses. An optimal level of inventory is important to our business as it allows us to respond to customer demand effectively. If we over-stock inventory, our capital requirements will increase and we will incur additional financing costs. If we under-stock inventory, our ability to meet customer demand and our operating results may be adversely affected. Any mismatch between our planning and actual consumer consumption could lead to potential excess inventory or out-of-stock situations, either of which could have an adverse effect on our business, financial condition and results of operation

**4. *The segments of the paper industry in which we operate are highly competitive and increased competition could reduce our sales and profitability.***

We compete in different markets within the paper industry on the basis of the quality of our products, price, and distribution. All of our markets are highly competitive. Factors affecting our competitive success include, among other things, price, availability of products, brand recognition and reliability. Our competitors vary in size, and may have greater financial, marketing, personnel and other resources than us and certain of our competitors have a longer history of established businesses and reputations in the Indian paper and packaging board market as compared with us. Competitive conditions in some of our segments have caused us to incur lower net selling prices and reduced gross margins and net earnings. These conditions may continue indefinitely. Changes in the identity, ownership structure, and strategic goals of our competitors and the emergence of new competitors in our target markets may impact our financial performance. New competitors may include foreign-based companies and commodity-based domestic producers who could enter our markets. Our failure to compete effectively, including any delay in responding to changes in the industry and market, together with increased spending on advertising, may affect the competitiveness of our products, which may result in a decline in our revenues and profitability.

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

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

- Adjusting our products to different geographic areas;
- Obtaining the necessary materials and labour in sufficient amounts and on acceptable terms; Obtaining necessary Government and other approvals in time or at all;
- Failure to realize expected synergies and cost savings;
- Attracting potential customers in a market in which we do not have significant experience; and
- Cost of hiring new employees and absorbing increased costs.

By expanding into new geographical regions, we may be exposed to significant liability and could lose some or all of our investment in such regions, as a result of which our business, financial condition and results of operations could be adversely affected

**6. *Changes in the cost or availability of paper could affect our profitability.***

We rely significantly on manufacturers of our paper. We procure a significant portion through long term agreements wherein quantity and price are fixed on an annual basis based on market scenario. In the event we are unable to comply with certain conditions, the relevant party to agreement may terminate the agreement. We may not be able to procure adequate quantity of paper at a commercially acceptable price, or at all. Any unavailability of paper at a competitive cost and timely manner would have a material adverse effect on our business, operations and financial condition. In addition, availability of pulp in the international markets affects prices of pulp. Paper prices will change based on worldwide supply and demand and there is no assurance that we will be able to procure our requirements from suppliers at reasonable costs and in a timely manner. The availability and price of paper depends on a number of factors outside our control, including general economic conditions, environmental and conservation regulations and other factors. Fluctuations in demand in India and elsewhere may affect paper prices. The market for paper in particular is highly competitive. Any increase in worldwide demand for products manufactured, in whole or in part, from r paper may lead to an increase in the prices . As a result of various factors, the prices of paper can also be volatile and have fluctuated in recent years. We may be unable to adjust the prices which could adversely affect our financial condition and results of operations.

**7. *Orders placed by customers may be delayed, modified, cancelled or not fully paid for by our customers, which may have an adverse effect on our business, financial condition and results of operations.***

We may encounter problems in executing the orders in relation to our products, or executing it on a timely basis. Moreover, factors beyond our control or the control of our customers may postpone the delivery of such products or cause its cancellation, including delays or failure to obtain necessary permits, authorizations, permissions and other types of difficulties or obstructions. Due to the possibility of cancellations or changes in scope and schedule of delivery of such products, resulting from our customers discretion or problems we encounter in the delivery of such products or reasons outside our control or the control of our customers, we cannot predict with certainty when, if or to what extent we may be able to deliver the orders placed. Additionally, delays in the delivery of such products can lead to customers delaying or refusing to pay the amount, in part or full, that we expect to be paid in respect of such products. In addition, even where a delivery proceeds as scheduled, it is possible that the contracting parties may default or otherwise fail to pay amounts owed. While we have not yet experienced any material delay, reduction in scope, cancellation, execution difficulty, payment postponement or payment default with regard to the orders placed with us, or disputes with customers in respect of any of the foregoing, any such adverse event in the future could materially harm our cash flow position and income.

Further, we operate in highly competitive markets in relation to our products where it is difficult to predict whether and when we will receive such awards. As a result, our results of operations can fluctuate from quarter to quarter and year to year depending on whether and when such orders are awarded to us and the commencement and progress of work under the orders placed.

**8. *If our manufacturers are unable to produce paper on time we could suffer lost sales.***

We do not own or operate any manufacturing facilities and therefore depend upon independent third party to provide us the paper. We cannot control all of the various factors, which include inclement weather, natural disasters and acts of terrorism, that might affect a manufacturer's ability to ship orders of our products in a timely manner or to meet our quality standards. Late delivery of paper or delivery of paper that do not meet our quality standards could cause us to miss the delivery date requirements of our customers or delay timely delivery of paper to our warehouse. These events could cause us to fail to meet customer expectations, cause our customers to cancel orders, which could result in lost sales. The loss of or shutdown of operations at any of manufacturing facilities of the



paper manufacturing companies may have a material adverse effect on our business, financial condition and results of our operations. There could be a possibility of a mishap or an accident at the manufacturing facilities that may result in a loss or shutdown of operations and could also cause damage to life and property. The occurrence of any of these risks could significantly affect our business operations and profitability.

**9. Ours is a High Volume-Low Margin Business. Our inability to regularly grow our turnover and effectively execute our key business processes could lead to lower profitability and hence adversely affect our operating results, debt service capabilities and financial conditions.**

Our Company is into the growing phase of business cycle. Our inability to regularly grow our turnover and effectively execute our key business processes could lead to lower profitability and hence adversely affect our operating results, debt service capabilities and financial conditions. Due to the nature of the products we sell, we may not be able to charge higher margins on our products. Hence, our business model is heavily reliant on our ability to effectively grow our turnover and manage our key processes including but not limited to paper procurement, timely sales / order execution and continuous cost control of non core activities. For the financial year 2016-17, 2015-16 and 2014-15, our revenue was Rs. 42765 lakhs, 32923 lakhs and 26572 lakhs respectively. As part of our growth strategy, we have already initiated steps for increase our revenue of operations, and cater to wider markets. Our growth strategy is subject to and involves risks and difficulties, many of which are beyond our control and, accordingly, there can be no assurance that we will be able to implement our strategy or growth plans, or complete them within the timelines. For further details regarding the discussions and explanations for our past results, please refer to the chapter titled “Management’s Discussions and Analysis of Financial Condition and Results of Operations” on page 206 of this Prospectus.

**10. Our Company has a negative cash flow in its operating activities ,investing activities and financing activities for the financial year ended 2013, 2014 2015, 2016 and 2017 details of which are given below. Sustained negative cash flow could impact our growth and business.**

Our Company had negative cash flows from our operating activities as well as investing activities in the previous year(s) as per the Restated Financial Statements and the same are summarized as under:

(Rs in Lakhs)

Particulars	As at March 31				
	2013	2014	2015	2016	2017
Cash Flow from / (used in) Operating Activities	(4,126.49)	(726.45)	596.18	(745.41)	(1,932.14)
Cash Flow from / (used in) Investing Activities	(203.01)	3.57	(56.15)	(100.41)	(64.55)
Cash Flow from / (used in) Financing Activities	4,493.24	659.74	(309.88)	809.66	1,878.72

Cash flow of a company is a key indicator to show the extent of cash generated from operations to meet capital expenditure, pay dividends, repay loans and make new investments without raising finance from external resources. If we are not able to generate sufficient cash flows in future, it may adversely affect our business and financial operations.

**11. Our Company requires significant amounts of working capital for a continued growth. Our inability to meet our working capital requirements may have an adverse effect on our results of operations.**

Our business is working capital intensive primarily on account of nature of contracts and business model. A significant portion of our working capital is utilized towards inventories and trade receivables. Summary of our working capital position is given below:-

*Rs. In lakhs*

Particulars	For the year ended				
	2017	2016	2015	2014	2013
<b>A. Current Assets</b>					
A. Inventories	7,645.39	5,656.58	2,980.57	3,715.87	2,971.22
B. Trade Receivables	4,864.24	4,820.17	4,193.74	3,035.45	1,641.61
C. Cash and Bank Balances	176.63	294.60	330.75	100.60	163.74
D. Short Term Loans & Advances	1,097.83	18.02	44.07	3.22	0.28
E. Other Current Assets	-	-	-	-	-
<b>Sub Total A</b>	<b>13,784.09</b>	<b>10,789.36</b>	<b>7,549.13</b>	<b>6,855.14</b>	<b>4,776.85</b>
<b>B. Current Liabilities</b>					
A. Short Term Borrowings	5,168.60	4,275.57	4,441.12	3,014.49	2,667.16
B. Trade Payables	1,522.12	2,389.00	1,115.50	979.69	382.86
C. Other Current Liabilities	1,374.35	433.77	139.11	58.80	44.39
D. Short Term provision	4.23	10.65	6.68	60.58	7.55
<b>Sub Total B</b>	<b>8,069.30</b>	<b>7,108.98</b>	<b>5,702.42</b>	<b>4,113.56</b>	<b>3,101.95</b>
<b>Working Capital (A-B)</b>	<b>5,714.79</b>	<b>3,680.38</b>	<b>1,846.71</b>	<b>2,741.58</b>	<b>1,674.90</b>
<b>Inventories as % of total current assets</b>	<b>55.47%</b>	<b>52.43%</b>	<b>39.48%</b>	<b>54.21%</b>	<b>62.20%</b>
<b>Trade receivables as % of total current assets</b>	<b>35.29%</b>	<b>44.68%</b>	<b>55.55%</b>	<b>44.28%</b>	<b>34.37%</b>

Our business is working capital intensive and involves a lot of in trade receivable and inventory Our Company intend to continue growing by reaching out to newer customers and also increasing the sales in the existing customers. All these factors may result in increase in the quantum of current assets. Our inability to maintain sufficient cash flow, credit facility and other sources of fund, 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. For further details regarding working capital requirement, please refer to the chapter titled “Objects of the Issue” beginning on page 84 of this Prospectus.

**12. Our Company, Promoters and Directors are currently involved in certain tax related proceedings which are currently pending at various jurisdictions; any adverse decisions in such proceedings may render us liable to liabilities and penalties and may adversely affect our business and results of operations. Further, there had been penalties imposed in the past against our Company by Registrar of Companies for delay in filing of particulars of satisfaction of charges and by Stamp Authorities for non-payment of stamp duty.**

Our Company, Promoters and Directors are currently involved in certain tax related proceedings. Notices have been issued to our Company, Promoters and Directors under Income Tax Act, 1961 which are pending at various jurisdictions; any adverse decisions in such proceedings may adversely affect our business and results of operations. Further, there had been penalties imposed in the past against our Company. The Regional Director, Ahmedabad has imposed total penalties of Rs. 4,000/- against our Company for delay in filing of particulars of satisfaction of charges. The office of Superintendent of Stamps (Stamp Authorities) has imposed penalty of Rs. 60,028/- against our Company for the non-payment of stamp duty for several transactions of issue of capital of the Company. The same were duly paid by the Company. However, there is no assurance that similar penalties will not be imposed on our Company in future.

Also, there is no assurance that in future, we, our promoters, our directors may not face legal proceedings; any adverse decision in such legal proceedings may impact our business. For further details in relation to legal proceedings involving our Company, Promoters, Directors Please refer the chapter titled “Outstanding Litigation and Material Developments” on page 222 of this Prospectus.

Except as mentioned above, there are no legal proceedings by or against our Company, Directors, Promoters or Group Companies. A classification of legal proceedings is mentioned below:

Name of Entity	Criminal Proceedings	Civil/ Arbitration Proceedings	Tax Proceedings	Labour Disputes	Consumer Complaints	Complaints under Section 138 of NI Act, 1881	Aggregate amount involved (Rs. In lakhs)
<b>Company</b>							
By the Company	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Against the Company	Nil	Nil	2	Nil	Nil	Nil	0.77
<b>Promoters</b>							
By the Promoter	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Against the	Nil	Nil	2	Nil	Nil	Nil	0.03

<b>Promoter</b>							
<b>Directors other than promoters</b>							
<b>By the Directors</b>	Nil	Nil	Nil	Nil	Nil	Nil	Nil
<b>Against the Directors</b>	Nil	Nil	1	Nil	Nil	Nil	0.04

**13. Our Company has not complied with certain statutory provisions under Companies Act. Such non-compliances/lapses may attract penalties.**

Our Company has not complied with certain statutory provisions such as the following:

- Provision of non-compliance with section 383A of the Companies Act, 1956 and section 203 of Companies Act, 2013 by not appointing a Company Secretary for some period of time. However as on date of the Prospectus, our Company has appointed a Company Secretary.

No show cause notice in respect of the above has been received by the Company till date, any penalty imposed for such non-compliance in future by any regulatory authority could affect our financial conditions to that extent. Such delay/noncompliance may in the future render us liable to statutory penalties and disallowing the resolutions, which may have consequence of violation of statutory provisions concerned.

**14. Our Company has lapsed /delayed in making the required filings under Companies Act, 2013 and under the applicable provisions of Companies Act, 1956.**

Our Company is required to make filings under various rules and regulations as applicable under the Companies Act, 2013 and under the applicable provisions of the Companies Act, 1956. Some of which has not been done within the stipulated time period at some instances. Due to these delays in filings, our Company had on several occasions paid the requisite late fees. Although, we have not received any show-cause notice in respect of the above, such delay/non-compliance may in the future render us liable to statutory penalties and could have serious consequences on our operations. While this could be attributed to technical lapses and human errors, our Company is in the process of setting up a system to ensure that requisite filings are done appropriately with the requisite timeline.

**15. Conflicts of interest may arise out of common business undertaken by our Entities forming part of our Promoter group.**

Entities forming part of our promoter group deals in the similar business activities as that of our Company. As a result, conflicts of interests may arise in allocating business opportunities amongst our Company and Entities forming part of our promoter group, in circumstances where our respective interests diverge. In cases of conflict, our Promoters may favour itself over our Company. There can be no assurance that our Promoters will not compete with our existing business or any future business that we may undertake or that their interests will not conflict with ours. Any such present and future conflicts could have a material adverse effect on our reputation, business, results of operations and financial condition. For further details please refer to the chapters titled “Our Promoters and Promoter Group” beginning on page 150 of this Prospectus, respectively.

**16. We have a very limited operating history of our operations as registered Company, which may make it difficult for investors to evaluate our historical performance or future prospects.**

Our Company was originally formed as a proprietary firm in the name and style of ‘Shree Shyam Corporation’ by Shrenikbhai Vimawala. The proprietary firm was then converted into partnership firm and registered under The Indian Partnership Act, 1932 in the name and style of “Shrenik Tradelink” pursuant to partnership deed dated November 01, 2012 having Shrenikbhai Vimawala,

Himaben Vimawala, Rishit Vimawala, Virendra Surti, Sonal Surati, Vithal Jadhav and Nirav Zaveri as partners to the agreement. “Shrenik Tradelink” was thereafter converted from a partnership firm to a Private Limited Company under Part IX of the Companies Act, 1956 with the name of “Shrenik Tradelink Private Limited” and received a Certificate of Incorporation issued by Registrar of Companies, Gujarat, Dadra and Nagar Haveli on December 20, 2012 bearing Corporate Identification No. U51396GJ2012PTC073061. Further, name of our company was changed to “Shrenik Private Limited”, pursuant to shareholders resolution passed at the Extra-ordinary General Meeting of our Company held on December 01, 2016 and a fresh Certificate of Incorporation was issued by Registrar of Companies, Gujarat, Dadra and Nagar Haveli on December 19, 2016. Consequently, it was converted into a public limited company pursuant to shareholders resolution passed at Extra-ordinary General Meeting of our Company held on March 25, 2017 and the name of our Company was changed to Shrenik Limited and a fresh certificate of incorporation consequent upon Conversion of Private Company to Public Limited dated April 03, 2017 was issued by Registrar of Companies, Gujarat, Ahmedabad. We have very limited operating history as Company from which one can evaluate our business, future prospects and viability. Our future revenues and profitability are difficult to estimate and could fluctuate significantly and as a result the price of our equity shares may be volatile. For further details, see the section titled “*Our History and Certain Corporate Matters*” and “*Financial Statements as Restated*” at page 127 and 157 respectively of this Prospectus.

**17. *The Promoter Group of our Company does not include immediate relative of one of our promoter Shrenikbhai Vimawala viz. Paresh Modi.***

The Promoter Group of our Company does not include relative of one of our Promoter Shrenikbhai Vimawala, namely, Paresh Modi and/or any entity(ies) in which he severally or jointly may have an interest. He has refused to provide any information pertaining to him or any such entities. Further the said person through his respective declaration has expressed his unwillingness to be constituted under the “Promoter Group” of the Company and has requested that consequently his entities should not be considered to be part of the “Promoter Group” and “Group Companies”. Therefore, though there are no formal disassociation agreements he is not treated as part of Promoter group and the disclosures made in this Prospectus are limited to the extent of information that has been made available by our Promoter in relation to Promoter Group and Group Companies.

**18. *Our Company is dependent on third party transportation providers for the delivery of our goods and any disruption in their operations or a decrease in the quality of their services could affect our Company's reputation and results of operations.***

Our Company uses third party transportation providers for delivery of our goods. Though our business has not experienced any disruptions due to transportation strikes in the past, any future transportation strikes may have an adverse effect on our business. In addition goods may be lost or damaged in transit for various reasons including occurrence of accidents or natural disasters. There may also be delay in delivery of products which may also affect our business and results of operation negatively. An increase in the freight costs or unavailability of freight for transportation of our products may have an adverse effect on our business and results of operations.

Further, disruptions of transportation services due to weather-related problems, strikes, lock-outs, inadequacies in the road infrastructure, or other events could impair ability to procure paper on time. Any such disruptions could materially and adversely affect our business, financial condition and results of operations.

**19. *Some of our warehouses are operated through rental premises. We do not possess any documents which records the terms and conditions of our rental/leave and license arrangement with third parties. In the event our use and possession of such property is questioned, we may not be in a position to protect our rights to use and occupy such property. This may therefore temporarily disrupt our activities in that state and have an adverse impact on our business operations including our right to carry on business in such state.***

Some of our warehouses at different location in Ahmedabad are not owned by us and we continue to occupy such premises on rental/leave and license basis. We do not possess any documents which records the terms and conditions of our rental/leave and license arrangement with such parties. In the event the owners/lessors/etc. of such premises raise any objection to us occupying the premises or question our use and possession of such property, we may not be in a position to protect our rights to use and occupy such property. This may therefore require us to identify some other property, which may temporarily disrupt our activities due to relocation and have an adverse impact on our business operations including our right to carry on business in such state.

**20. *Our Company has a substantial level of sundry debtors and high debtor days.***

As of March 31, 2017 the aggregate amount owed to the Company by its debtors was Rs 4864.24 Lakhs and debtors month i.e. (Trade receivables / Annual sales) x 365 days) was around 1.35 months as per restated financials. Customer concentration coupled with high debt increase the credit risk of our business. General economic conditions may adversely affect the financial conditions of our debtors, and may result in defaults by some of these debtors. In the event of defaults by our debtors, we may suffer a liquidity shortfall and incur additional costs, including legal expenses, in recovering the sums due and payable to us. If we are unable to recover the sums due and payable to us, or if the recoveries made by us are significantly lower than the aggregate amount owed to us, it may have an adverse impact on our business, financial condition or results of operations.

In view of our management, generally the average debtors period in the industry which we operate is quite high. However, the time to service the contract has resulted in high debtor days in our Company. Moreover, our Company did not have bad debts/ unrealised debtors in recent past.

**21. *We do not own our registered office, corporate office and warehouses from which we operate. Any dispute in relation to the lease of our premises or in the event, we are unable to renew the lease/rent agreements, or if such agreements are terminated, we may suffer a disruption in our operations which would have a material adverse effect on our business and results of operations.***

We do not own the premises on which our registered office situated at D-87, Nr Gayatri Dairy, Bhalakiya Mill Compound, Khokhara, Ahmedabad, our corporate office situated at 505-508, 10/11 Beside Mardia Plaza CG Road Ahmedabad-380009, Gujarat India and 11 warehouses situated at different locations in Ahmedabad as described in the section land and property in chapter title “Our Business” beginning on page 106 of this prospectus . If any of the owners of these premises do not renew the agreements or renews such agreements on terms and conditions that are unfavorable to our Company, it may suffer a disruption in our operations or we may have to pay increased rentals which could have a material adverse effect on our business, financial condition and results of operations.

**22. *Termination of agreements with the suppliers could have a material adverse effect on our business, financial condition and results of operations***

We have entered into agreements with BILT Graphic Paper Products Limited (“BGPPL”) and Tamil Nadu newspaper and print limited for wholesale distribution of their products in Gujarat and arrangement for distribution with Asia Pulp and Paper Limited for wholesale distribution of their products in Gujarat and Rajasthan. Termination/discontinuance of agreements/arrangement with them may result in loss of business and may affect credibility of company. It could adversely affect our revenue and cash flow. Therefore our business may be adversely affected if any of our contracts are terminated by our the above-mentioned parties. If these parties do not renew the agreements or renews such agreements on terms and conditions that are unfavourable to our Company, it may suffer a disruption in our operations which could have a material adverse effect on our business, financial condition and results of operations.

**23. *We have not entered into any definitive agreements with our customers. If our customers choose not to buy their products from us, our business, financial condition and results of operations may be adversely affected and We do business with our customers on purchase order basis.***

We have not entered into any definitive agreements with our customers, and instead we majorly rely on purchase orders to govern the volume, pricing and other terms of sales of our products. However,



such orders may be amended or cancelled prior to finalisation, and should such an amendment or cancellation take place. Consequently, there is no commitment on the part of the customer to continue to source their requirements from us, and as a result, our sales from period to period may fluctuate significantly as a result of changes in our customers' vendor preferences.

Any failure to meet our customers' expectations could result in cancellation of orders. There are also a number of factors other than our performance that are beyond our control and that could cause the loss of a customer. Customers may demand price reductions, set-off any payment obligations, require indemnification for themselves or their affiliates, any of which may have an adverse effect on our business, results of operations and financial condition. Our business is conducted on purchase order basis, depending on the requirements of the client preferences and demand. We do not have long-term contracts with most of our customers and there can be no assurance that we will continue to receive repeat orders from any of them, including our long-standing customers. Further, even if we were to continue receiving orders from our clients, there can be no assurance that they will be on the same terms, and the new terms may be less favourable to us than those under the present terms

**24. *We will be subject to risks arising from foreign exchange rate movements.***

Since we are importing paper from countries like Indonesia and China we face an exchange rate risk. The exchange rate between the Indian Rupee and other currencies has been volatile in recent years and may fluctuate in the future. Therefore, changes in the exchange rate may have a material adverse effect on our product cost, thereby increasing our operating costs which may in turn have a negative impact on our business, operating results and financial conditions. Fluctuations in the exchange rates may affect the Company to the extent of cost of goods sold or purchased in foreign currency terms. Any adverse fluctuations with respect to the exchange rate of any foreign currency for Indian Rupees may affect the Company's profitability.

**25. *We require a number of approvals, NOCs, licences, registrations and permits in the ordinary course of our business. Some of these approvals are required to be transferred in the name of "Shrenik Limited" from "Shrenik Tradelink Private Limited" or "Shrenik Private Limited" pursuant to conversion and name change of our company and any failure or delay in obtaining such approvals or renewal of the same in a timely manner may adversely affect our operations.***

We require a number of approvals, licenses, registrations and permits in ordinary course of our business. Additionally, we need to apply for renewal of approvals which expire, from time to time, as and when required in the ordinary course. We were a private limited company in the name of "SHRENİK TRADELINK PRIVATE LIMITED". Further, the name of our Company was changed to "SHRENİK PRIVATE LIMITED". After complying with the relevant provisions and procedures of Companies Act, 2013, the Company was converted into public limited company, followed by the name change of the Company to "SHRENİK LIMITED". We shall be taking necessary steps for transferring the approvals in new name of our company. In case we fail to transfer/obtain the same in name of the company same may adversely affect our business or we may not be able to carry our business.

The original copy of Certificate of Registration under Employees' Provident Fund and Miscellaneous Provisions Act, 1952 and Certificate of Registration under Employees State Insurance Act, 1948 are currently not traceable by the company. Further, our Company is yet to apply for certain approvals like Registration Certificate of Establishment under Bombay Shops and Establishment Act, 1948 for its Corporate Office, Udyog Aadhar Memorandum/ Entrepreneurs Memorandum for setting micro, small and medium Enterprises Unit, Professional Tax Registration Certificate (PTRC).

Any failure to apply for and obtain the required approvals, licences, registrations or permits in a timely manner, or any suspension or revocation of any of the approvals, licences, registrations and permits would result in a delay in the our business operations which could otherwise adversely affect our financial condition, results of operations and prospects of the Company. We cannot assure you that the approvals, licences, registrations and permits issued to us would not be suspended or revoked in the event of non-compliance or alleged non-compliance with any terms or conditions thereof, or pursuant to any regulatory action. In addition to same, our failure to comply with existing or

increased regulations, or the introduction of changes to existing regulations, could adversely affect our business and results of operations.

For further details, please refer the chapter titled “Government and Other Statutory Approvals” on page 229 of this Prospectus.

***26. If we do not successfully commercialise products under our Brand “Shrenik”, or if the commercialization is delayed, our business, financial conditions and the results of operations may be adversely affected.***

Our present and future results of operations depend upon our ability to successfully develop and commercialize our products. The development process requires extensive research and results may be uncertain and we may not be successful that can ultimately be commercially viable. However, there can be no assurance that we will be able to maintain this record in the future as well, and we may face undue delays in commercializing our products. Decrease in product quality due to reasons beyond our control or allegations of product defects, misbranding, and adulteration even when false or unfounded, could tarnish the image and may cause customers to choose other brand. Further, there can be no assurance that our brand name will not be adversely affected in the future by events that are beyond our control. In the event that (i) we are unable to leverage on the brand name for any reason, (ii) our group companies' actions or incidences adversely affect the brand name, or (iii) customer complaints or adverse publicity from any other source damages our brand, our business, financial condition and results of operations may be adversely affected. We anticipate that as our business expands into new markets and as our markets become increasingly competitive, maintaining and enhancing our brand may become increasingly difficult and expensive. If we are unable to enhance the visibility of our brands, it would have an adverse effect on our business, and our financial condition.

***27. Our success depends largely upon the services of Key Managerial Personnel and skilled personnel and our ability to retain them. Our inability to attract and retain Key Managerial Personnel and skilled personnel may adversely affect the operations of our Company.***

Our Key Managerial Personnel and skilled personnel possess the requisite domain knowledge to provide efficient services to our customer. They provide expertise which enables us to make well informed decisions in relation to our business and our future prospects. Our performance and success depends largely on our ability to retain the continued service of our management team and skilled personnel. Demand for Key Managerial Personnel in the industry is concentrated. The loss of the services of such key members of our management team and the failure of any succession plans to replace such key members could have an adverse effect on our business and the results of our operations.

***28. In addition to normal remuneration or benefits and reimbursement of expenses, some of our Directors and key managerial personnel are interested in our Company to the extent of their shareholding, dividend entitlement, if any, loan availed by our Company, as creditors of the Company etc.***

Our Directors, relative of our directors and Key Managerial Personnel are interested in our Company to the extent of remuneration paid to them for services rendered and reimbursement of expenses payable to them. In addition, some of our Directors and Key Managerial Personnel may also be interested to the extent of their shareholding, dividend entitlement, if any; loan availed from them by our Company and credit balance due to them if any against purchases made from entities in which they are interested. Our registered office and some of the warehouses are on rent from one of Directors Shrenikbhai Vimawala, he may be interested to the extent of rent to be received. For further information, see “Capital Structure” and “Our Management” and “Related Party Transactions” beginning on pages 69, 131 and 155, respectively, of this Prospectus.

***29. Our revenues and profits are dependent on several factors. Any adverse change in these factors or in combination of these factors may affect our business operations and the financial condition and consequently, our ability to pay dividends.***

Our revenues and profits are dependent on several factors such as expansion of new areas, retaining key managerial personnel, complying with various regulatory requirements, repeat orders from our customer, managing costs and expenses, general market conditions, etc. Any adverse change in these factors or a combination of these factors may adversely affect our business operations and financial condition.

**30. *Any delays or defaults in receipt of payments or dues from our customers could result in a reduction of our profits.***

We regularly commit resources to assignments prior to receiving advances or other payments from our customer. We may be subject to working capital shortages due to delays or defaults in receipt of payments or dues from such customers. If our customers default in their payments or if an order/assignment in which we have invested significant resources is delayed, cancelled or curtailed, it could have a material adverse effect on our business, financial condition and results of operations.

**31. *Our insurance policies do not cover all risks, specifically risks like loss of profits, terrorism, workmen's compensation etc. In the event of the occurrence of such events, our insurance coverage may not adequately protect us against possible risk of loss.***

We attempt to maintain insurance against losses which could occur on account of natural and man made causes of accidents, damage to infrastructure facilities and the environment. There could be situations where our insurance policies may not be sufficient in covering all the losses which we may suffer. If we suffer an event for which we are not adequately insured, there is a risk that it could have a material adverse effect on our business, results of operations and financial condition.

Our Company has obtained insurance coverage in respect of certain risks. Our significant insurance policies consist of, among others, standard fire and special perils. While we believe that we maintain insurance coverage in adequate amounts consistent with size of our business, our insurance policies do not cover all risks, specifically risks like loss of profits, terrorism, workmen's compensation etc. There can be no assurance that our insurance policies will be adequate to cover the losses in respect of which the insurance has been availed. If we suffer a significant uninsured loss or if insurance claim in respect of the subject-matter of insurance is not accepted or any insured loss suffered by us significantly exceeds our insurance coverage, our business, financial condition and results of operations may be materially and adversely affected.

**32. *We have not applied for certain statutory and regulatory approvals, registrations and licenses and also application for certain statutory and regulatory approvals, registrations and licenses are still pending with the relevant governmental or regulatory authorities. Further, our inability to renew or maintain our statutory and regulatory permits and approvals required to operate our business would adversely affect our operations and profitability.***

Our Company requires several statutory and regulatory permits, licenses and approvals to operate the business. Many of these approvals are granted for fixed periods of time and need renewal from time to time. Our Company is required to renew such permits, licenses and approvals. There can be no assurance that the relevant authorities will issue any of such permits or approvals in time or at all. Further, these permits, licenses and approvals are subject to several conditions, and our Company cannot assure that it shall be able to continuously meet such conditions or be able to prove compliance with such conditions to statutory authorities, and this may lead to cancellation, revocation or suspension of relevant permits/ licenses/ approvals. For details please refer to chapter titled "Government and Other Statutory Approvals" beginning on page 229 of this Prospectus.

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

Some of the agreements entered into by us with respect to our registered and our corporate offices and other leasehold/leave and license premises are not adequately stamped and registered. The effect of inadequate stamping is that the document is not admissible as evidence in legal proceedings and parties to that agreement may not be able to legally enforce the same, except after paying a penalty for inadequate stamping. The effect of non-registration, in certain cases, is to make the document

inadmissible in legal proceedings. Any potential dispute vis-à-vis the said premises and our non-compliance of local laws relating to stamp duty and registration may adversely impact the continuance of our activity from such premises.

**34. *We may not be able to sustain if there is no effective implementation of our business and growth strategy.***

Success of our business will depend greatly on our ability to effectively implement our business and growth strategy. We cannot provide assurance that we will be able to execute our strategy on time and within the estimated budget, or that we will meet the expectations of targeted customers. Changes in regulations applicable to the industry in which we operate may also make it difficult to implement our business strategy. Inability on our part to our business and effectively implement growth strategy could have a material adverse effect on our business, financial condition and profitability.

**35. *Our Company does not have any listed peer companies for comparison of performance and therefore, investors must rely on their own examination of accounting ratios of our Company for the purposes of investment in the Issue.***

Business models of some of the listed companies which undertake certain business, which may be considered similar to our business are not comparable to our business model based on (i) percentage of contribution made by similar line of activities like market research through different medium, and other activities to the total revenue of these listed companies; and (ii) nature and extent of activities in diverse sectors undertaken by these listed companies. Therefore, there are no listed companies that may be considered as the peer group of our Company. Therefore, investors must rely on their own examination of accounting ratios of our Company for the purposes of investment in the Issue.

**36. *Our Promoters / Directors have given personal guarantees in relation to certain debt facilities provided to our Company by our lender. In event of default on the debt obligations, the personal guarantees may be invoked thereby adversely affecting our Promoters/ Directors ability to manage the affairs of our Company and consequently this may impact our business, prospects, financial condition and results of operations.***

Some of the debt facilities provided to our Company by our lenders stipulate that the facility shall be secured by a personal guarantee of our Promoters/ Director . In event of default on the debt obligations, the personal guarantees may be invoked thereby adversely affecting our Promoters/ Directors / Key Managerial Personnel(s) ability to manage the affairs of our Company and consequently this may impact our business, prospects, financial condition and results of operations. Further, in an event our Promoters/ Director withdraws or terminates his/their guarantee/s or security, the lenders for such facilities may ask for alternate guarantee/s or securities or for repayment of amounts outstanding under such facilities or even terminate such facilities. We may not be successful in procuring guarantee/s or collateral securities satisfactory to the lender and as a result may need to repay outstanding amounts under such facilities or seek additional sources of capital, which could adversely affect our financial condition. For more information, please see the chapter titled “*Financial Indebtedness*” beginning on page 215 of this Prospectus.

**37. *Our Company has loans which are repayable on demand. Any demand loan from lenders for repayment of such loans, may adversely affect our cash flows.***

As on March 31, 2017, our Company has loans amounting to Rs.4377 lakhs from related and other parties that are repayable on demand to the relevant lender. Further, some of these loans are not repayable in accordance with any agreed repayment schedule and may be recalled by the relevant lender at any time. Any such unexpected demand or accelerated repayment may have a material adverse effect on the business, cash flows and financial condition of the borrower against which repayment is sought. Any demand from lenders for repayment of such unsecured loans, may adversely affect our cash flows. For further details of above-mentioned loans of our Company, please refer the chapter titled Financial Statements as Restated beginning on page 157 of this Prospectus.

**38. *Our lenders have imposed certain restrictive conditions on us under our financing arrangements and have charge over our current assets in respect of finance availed by us.***

Under our financing arrangements, we are required to obtain the prior, written lender consent for, among other matters, changes in our capital structure, formulate a scheme of amalgamation or reconstruction and entering into any other borrowing arrangement. Further, we are required to maintain certain financial ratios.

There can be no assurance that we will be able to comply with these financial or other covenants or that we will be able to obtain the consents necessary to take the actions we believe are necessary to operate and grow our business. Our level of existing debt and any new debt that we incur in the future has important consequences. Any failure to comply with these requirements or other conditions or covenants under our financing agreements that is not waived by our lenders or is not otherwise cured by us, may require us to repay the borrowing in whole or part and may include other related costs. Our Company may be forced to sell some or all of its assets or limit our operations. This may adversely affect our ability to conduct our business and impair our future growth plans. Though these covenants are restrictive to some extent for us, however it ensures financial discipline, which would help us in the long run to improve our financial performance.

Our Company have taken secured loan from banks by creating charge over our current assets in respect of loans / facilities availed by us from banks and financial institutions. In the event we default in repayment of the loans / facilities availed by us and any interest thereof, our properties may be forfeited by lenders, which in turn could have significant adverse effect on our business, financial condition and results of operations. For further details please refer to “Annexure VII- Details of Long Term Borrowings as Restated” and “Annexure X- Details of Short Term Borrowings as Restated” of chapter titled “Financial Statements as Restated” beginning on page 157 and Financial Indebtedness in chapter titled “Financial Indebtedness” on page 215 of this Prospectus

**39. *Any deficiency in our products could make our Company liable for customer claims, which in turn could affect our Company’s results of operations.***

Our Company is bound by the terms and conditions as placed before its customers. There are no specific regulations governing the supply of the same, other than the general law of contracts. Any claims made by these customers for deficiency in our products, would be subject to these terms and conditions, which are in the nature of normal contractual obligations in India. Any violation of these obligations could impact our Company’s results of operations.

**40. *Within the parameters as mentioned in the chapter titled ‘Objects of this Issue’ beginning on page 84 of this Prospectus, our Company’s management will have flexibility in applying the proceeds of this Issue. The fund requirement and deployment mentioned in the “Objects of this Issue” have not been appraised by any bank or financial institution.***

We intend to use entire Issue proceeds for working capital and General Corporate Purpose. We intend to deploy the Net Issue Proceeds in Financial Year 2017-18 and such deployment is based on certain assumptions and strategy which our Company believes to implement in future. The funds raised from the fresh Issue may remain idle on account of change in assumptions, market conditions, strategy of our Company, etc., For further details on the use of the Issue Proceeds, please refer chapter titled “Objects of the Issue” beginning on page 84 of this Prospectus.

The deployment of funds for the purposes described above is at the discretion of our Company’s Board of Directors. The fund requirement and deployment is based on internal management estimates and has not been appraised by any bank or financial institution. Accordingly, within the parameters as mentioned in the chapter titled ‘Objects of this Issue’ beginning on page 84 of this Prospectus, the Management will have significant flexibility in applying the proceeds received by our Company from the Issue. Audit Committee will monitor the utilization of the proceeds of this Issue.

**41. *We have not identified any alternate source of financing the ‘Objects of the Issue’. If we fail to mobilize resources as per our plans, our growth plans may be affected.***

We have not identified any alternate source of funding and hence any failure or delay on our part to raise money from the Issue or any shortfall in the Issue Proceeds may delay the implementation schedule of our Project and could adversely affect our growth plans.

For further details please refer to the chapter titled “*Objects of the Issue*” beginning on page 84 of the Prospectus.

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

Post this Issue, our Promoters will collectively own 73.52 % of our equity share capital. As a result, our Promoters will continue to exercise a significant degree of influence over us and will be able to control the outcome of any proposal that can be approved by a majority shareholder vote, including, the election of members to our Board, in accordance with the Companies Act and our Articles of Association. Such a concentration of ownership may also have the effect of delaying, preventing or deterring a change in control of our Company.

In addition, our Promoters will continue to have the ability to cause us to take actions that are not in, or may conflict with, our interests or the interests of some or all of our creditors or other shareholders, and we cannot assure you that such actions will not have an adverse effect on our future financial performance or the price of our Equity Shares.

***43. We have entered into Related Party Transactions aggregating during the financial year 2016-17 as per the financials of the our company and continue to do so in future. There can be no assurance that such transactions, individually or in the aggregate, will not have an adverse effect on our Company’s financial condition and results of operations.***

Our Company has entered into transactions with our certain related parties. While we believe that all such transactions have been conducted on an arm’s length basis, there can be no assurance that we could not have achieved more favourable terms had such transactions not been entered into with related parties. Furthermore, it is likely that we will enter into related party transactions in the future. There can be no assurance that such transactions, individually or in the aggregate, will not have an adverse effect on our financial condition and results of operation. For details on the transactions entered by us, please refer to “Annexure XXIII Related Party Transactions” in Section “Financial Statements” beginning on page 157 of this Prospectus.

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

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

***45. We could be harmed by employee misconduct or any such incidences could adversely affect our financial condition, results of operations and reputation.***

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

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

Till date our Company has not paid any dividend. The amount of our future dividend payments, if any, will depend upon various factors such as our future earnings, financial condition, cash flows, working capital requirements, capital expenditures and other factors. There can be no assurance that we shall have distributable funds or that we will declare dividends in the future.

Additionally, the terms of any financing we obtain in the future, may contain restrictive covenants which may also affect some of the rights of our shareholders, including the payment of the dividend.

***47. Industry information included in this Prospectus has been derived from industry reports commissioned by us for such purpose. There can be no assurance that such third-party statistical, financial and other industry information is either complete or accurate.***

We have relied on the reports of certain independent third party for purposes of inclusion of such information in this Prospectus. These reports are subject to various limitations and based upon certain assumptions that are subjective in nature. We have not independently verified data from such industry reports and other sources. Although we believe that the data may be considered to be reliable, their accuracy, completeness and underlying assumptions are not guaranteed and their dependability cannot be assured. While we have taken reasonable care in the reproduction of the information, the information has not been prepared or independently verified by us, or any of our respective affiliates or advisors and, therefore, we make no representation or warranty, express or implied, as to the accuracy or completeness of such facts and statistics. Due to possibly flawed or ineffective collection methods or discrepancies between published information and market practice and other problems, the statistics herein may be inaccurate or may not be comparable to statistics produced for other economies and should not be unduly relied upon. Further, there is no assurance that they are stated or compiled on the same basis or with the same degree of accuracy as may be the case elsewhere. Statements from third parties that involve estimates are subject to change, and actual amounts may differ materially from those included in this Prospectus.

**B. Issue related risk**

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

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

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

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



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

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

## **EXTERNAL RISK FACTORS**

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

As stated in the reports of the Auditor included in this Prospectus on page 157, the financial statements included in this Prospectus are based on financial information that is based on the audited financial statements that are prepared and presented in conformity with Indian GAAP and restated in accordance with the SEBI ICDR Regulations, and no attempt has been made to reconcile any of the information given in this Prospectus to any other principles or to base it on any other standards. Indian GAAP differs from accounting principles and auditing standards with which prospective investors may be familiar in other countries, such as U.S. GAAP and IFRS. Significant differences exist between Indian GAAP and U.S. GAAP and IFRS, which may be material to the financial information prepared and presented in accordance with Indian GAAP contained in this Prospectus. Accordingly, the degree to which the financial information included in this Prospectus will provide meaningful information is dependent on familiarity with Indian GAAP, the Companies Act and the SEBI ICDR Regulations. Any reliance by persons not familiar with Indian GAAP on the financial disclosures presented in this Prospectus should accordingly be limited.

**51. 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 realised 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 realised 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 realised on the sale of shares held for more than 36 months to an Indian resident, which are sold other than on a recognised 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 realised on the sale of equity shares held for a period of 36 months or less which are sold other than on a recognised 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.

**52. The nationalized goods and services tax (GST) regimes proposed by the Government of India may have material impact on our operations.**

The Government of India has proposed a comprehensive national goods and service tax (GST) regime that will combine taxes and levies by the Central and State Governments into a unified rate structure. Given the limited liability of information in the public domain covering the GST we are unable to provide/ measure the impact this tax regime may have on our operations.

**53. The Companies Act, 2013 has effected significant changes to the existing Indian company law framework, which may subject us to higher compliance requirements and increase our compliance costs.**

A majority of the provisions and rules under the Companies Act, 2013 have recently been notified and have come into effect from the date of their respective notification, resulting in the corresponding provisions of the Companies Act, 1956 ceasing to have effect. The Companies Act, 2013 has brought into effect significant changes to the Indian company law framework, such as in the provisions related

to issue of capital, disclosures in Prospectus, corporate governance norms, audit matters, related party transactions, introduction of a provision allowing the initiation of class action suits in India against companies by shareholders or depositors, a restriction on investment by an Indian company through more than two layers of subsidiary investment companies (subject to certain permitted exceptions), prohibitions on loans to directors and insider trading and restrictions on directors and key managerial personnel from engaging in forward dealing. Further, the Companies Act, 2013 imposes greater monetary and other liability on our Company and Directors for any non-compliance. To ensure compliance with the requirements of the Companies Act, 2013, we may need to allocate additional resources, which may increase our regulatory compliance costs and divert management attention.

**54. *Political instability or changes in the Government could adversely affect economic conditions in India generally and our business in particular.***

Our business, and the market price and liquidity of our Equity Shares, may be affected by interest rates, changes in Government policy, taxation, social and civil unrest and other political, economic or other developments in or affecting India. Elimination or substantial change of policies or the introduction of policies that negatively affect the Company's business could cause its results of operations to suffer. Any significant change in India's economic policies could disrupt business and economic conditions in India generally and the Company's business in particular.

**55. *Financial instability in Indian financial markets could adversely affect Our Company's results of operations and financial condition.***

In this globalized world, the Indian economy and financial markets are significantly influenced by worldwide economic, financial and market conditions. Any financial turmoil, say in the United States of America, Europe, China or other emerging economies, 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. Indian financial markets have also experienced the contagion effect of the global financial turmoil. Any prolonged financial crisis may have an adverse impact on the Indian economy, thereby resulting in a material and adverse effect on our Company's business, operations, financial condition, profitability and price of its Shares. Stock exchanges in India have in the past experienced substantial fluctuations in the prices of listed securities.

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

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

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

Global economic and political factors that are beyond our control, influence forecasts and directly affect performance. These factors include interest rates, rates of economic growth, fiscal and monetary policies of governments, inflation, deflation, foreign exchange fluctuations, consumer credit availability, fluctuations in commodities markets, consumer debt levels, unemployment trends and other matters that influence consumer confidence, spending and tourism. Increasing volatility in

financial markets may cause these factors to change with a greater degree of frequency and magnitude, which may negatively affect our stock prices.

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

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

**59. *Instability of economic policies and the political situation in India could adversely affect the fortunes of the industry.***

Unstable internal and international political environment could impact the economic performance in both the short term and the long term. The Government of India has pursued the economic liberalization policies including relaxing restrictions on the private sector over the past several years. The present Government has also announced policies and taken initiatives that support continued economic liberalization. The Government has traditionally exercised and continues to exercise a significant influence over many aspects of the Indian economy. Our Company's business, and the market price and liquidity of the Equity Shares, may be affected by changes in interest rates, changes in Government policy, taxation, social and civil unrest and other political, economic or other developments in or affecting India.

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

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

**61. *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 operation as well as the price of the Equity Shares.

**PROMINENT NOTES:**

- a) Initial Public Issue of 54,00,000 Equity Shares of face value of Rs. 10/- each of the Company for cash at a price of Rs.40 per Equity Share (including a share premium of Rs.30 per equity share) ("Issue Price") aggregating Rs.2160.00 Lakhs ("the Issue"). Issue of Equity Shares will constitute 26.47% of the fully diluted Post-Issue paid up capital of our Company. For more information, please refer to chapter titled "*The Issue*" on page 58 of this Prospectus.
- b) The pre-issue net worth of our Company was Rs. 2783 lakhs for March 31, 2017. The book value of each Equity Share was Rs.18.55 for March 31, 2017 as per the restated financial statements of our

Company. For more information, please refer to section titled “*Financial Statements*” beginning on page 157 of this Prospectus.

- c) The average cost of acquisition of per Equity Shares by our Promoter, which has been calculated by taking the average amount paid by them to acquire our Equity Shares, is as follows:

Sr. No.	Name of the Promoter	No. of Shares held	Average cost of Acquisition (in Rs.)
1.	Shrenikbhai Vimawala	1,29,99,300	14.31
2.	Rishit Vimawala	10,00,100	0.00*

\*The cost of acquisition is negligible because 10,00,000 shares were transferred from Shrenikbhai Vimawala as gift and 100 shares were subscribed by him as initial subscription to MOA at cost of Rs. 1000/-.

- d) For details of Related Party Transactions entered into by our Company, please refer to the chapter titled “*Related Party Transactions*” beginning on page 157 of this Prospectus.
- e) Except as disclosed in the chapter titled “*Capital Structure*”, “*Our Promoters and Promoter Group*” and “*Our Management*” beginning on pages 69, 150 and 131 respectively, of this Prospectus, none of our Promoters, Directors or Key Management Personnel has any interest in our Company.
- f) Except as disclosed in the chapter titled “*Capital Structure*” beginning on page 69 of this Prospectus, we have not issued any Equity Shares for consideration other than cash.
- g) Investors may contact the LM or the Compliance Officer for any clarification / complaint or information relating to the Issue, which shall be made available by the LM and our Company to , the investors at large. No selective or additional information will be available for a section of investors in any manner whatsoever. For contact details of the LM and the Compliance Officer, please refer to the chapter titled “*General Information*” beginning on page 60 of this Prospectus.
- h) Investors are advised to refer to chapter titled “*Basis for Issue Price*” on page 90 of this Prospectus.
- i) Trading in Equity Shares for all investors shall be in dematerialized form only.
- j) There are no financing arrangements whereby the Promoter Group, the Directors of our Company who are the Promoters of our Company, the Independent Directors of our Company and their relatives have financed the purchase by any other person of securities of our Company during the period of six months immediately preceding the date of filing of this Prospectus.
- k) Except as stated in the chapter titled “*Our Group Companies*” beginning on page 154 and chapter titled “*Related Party Transactions*” beginning on page 155 of this Prospectus, our Group Entities have no business interest or other interest in our Company.
- l) Investors may note that in case of over-subscription in the Issue, allotment to Retail applicants and other applicants shall be on a proportionate basis. For more information, please refer to the chapter titled “*Issue Structure*” beginning on page 251 of this Prospectus

- m) “Shrenik Tradelink” was thereafter converted from a partnership firm to a Private Limited Company under Part IX of the Companies Act, 1956 with the name of “Shrenik Tradelink Private Limited” and received a Certificate of Incorporation issued by Registrar of Companies, Gujarat, Dadra and Nagar Haveli on December 20, 2012 bearing Corporate Identification No. U51396GJ2012PTC073061. Further, name of our company was changed to “Shrenik Private Limited”, pursuant to shareholders resolution passed at the Extra-ordinary General Meeting of our Company held on December 01, 2016 and a fresh Certificate of Incorporation was issued by Registrar of Companies, Gujarat, Dadra and Nagar Haveli on December 19, 2016. Consequently, it was converted into a public limited company pursuant to shareholders resolution passed at Extra-ordinary General Meeting of our Company held on March 25, 2017 and the name of our Company was changed to Shrenik Limited and a fresh certificate of incorporation consequent upon Conversion of Private Company to Public Limited dated April 03, 2017 was issued by Registrar of Companies, Gujarat, Dadra and Nagar Haveli. The Corporate Identification Number of our Company is U51396GJ2012PLC073061. For information on our Company’s profile, please refer to chapters titled “Our History and Certain Other Corporate Matters beginning on page 127 respectively of this Prospectus.

### SECTION III – INTRODUCTION SUMMARY OF INDUSTRY

*The information in this section includes extracts from publicly available information, data and statistics and has been derived from various government publications and industry sources. Neither we nor any other person connected with the Issue have verified this information. The data may have been re-classified by us for the purposes of presentation. Industry sources and publications generally state that the information contained therein has been obtained from sources generally believed to be reliable, but that their accuracy, completeness and underlying assumptions are not guaranteed and their reliability cannot be assured and, accordingly, investment decisions should not be based on such information. You should read the entire Prospectus, including the information contained in the sections titled “Risk Factors” and “Financial Statements” and related notes beginning on page 16 and 157 of this prospectus*

#### INDIAN PAPER INDUSTRY

Indian paper industry with approximately 13 mn tonnes of capacity accounts for about 3% of global paper production. According to Indian Paper Mills Association, the domestic consumption of paper in India during 2014-15 was 13.9 mn tones, yoy growth of 6%. The per capita consumption of paper in India stands at ~11 kg, which is relatively lower compared to other developed and developing countries. With increasing focus by government on education and general uptick in macro economy, CARE Rating expects Indian paper industry to witness a CAGR of 7% over the next five years to about 20 mn tones. The growth will be largely driven by printing & writing and packaging & paper board segment. The Indian paper industry can be broadly classified into three segments:

**Printing & writing (P&W):** Printing and writing segment caters to office stationary, textbooks, copier papers, notebooks etc. This segment forms ~31% of domestic paper industry. Governments thrust on education through steps like Right to Education, Sarva Shiksha Abhiyan, rise in service sector are key factors contributing to the growth of this segment.

**Packaging & paper board:** Packaging paper & board segment caters to tertiary and flexible packaging purposes in industries such as FMCG, food, pharma, textiles etc. This segment forms ~47% of the domestic paper industry. This is currently fastest growing segment owing to factors such as rising urbanization, increasing penetration of organized retail, higher growth in FMCG, pharmaceutical.

**Newsprint:** Newsprint serves the newspaper & magazines industry. This segment forms ~18% of Indian paper industry. This segment is under stress due to lower growth rates and import threat.

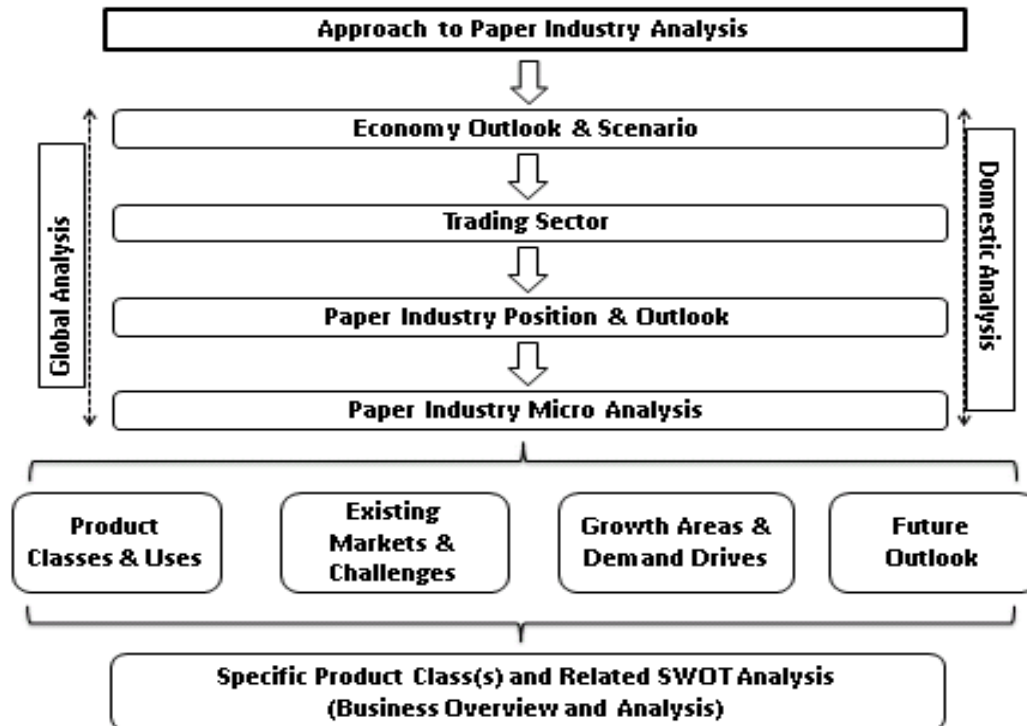
(Source: Indian Paper Industry: out of the woods [www.careratings.com](http://www.careratings.com))

#### APPROACH TO PAPER INDUSTRY ANALYSIS

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

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

Thus, ‘Kraft Paper Industry’ should be analysed in the light of ‘Paper Manufacturing’ at large. An appropriate view on Kraft Paper Industry, then, calls for the overall economy outlook, performance and expectations of Manufacturing Sector, position and outlook of Paper Industry and Kraft Paper segment micro analysis.



## GLOBAL ECONOMIC OVERVIEW

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

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

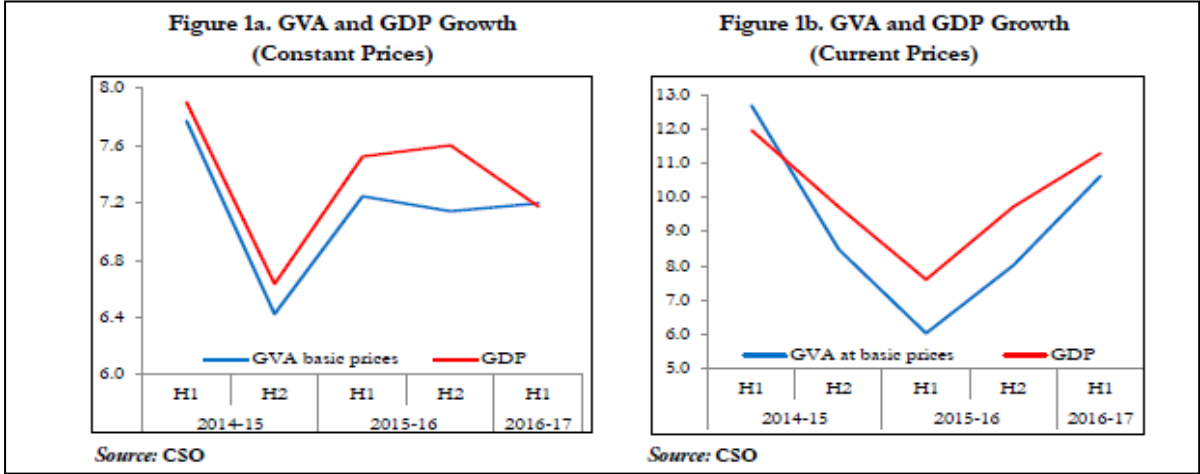
(Source: Economic Survey 2016-17 [www.indiabudget.nic.in](http://www.indiabudget.nic.in))

## REVIEW OF MAJOR DEVELOPMENTS IN INDIAN ECONOMY

The Indian economy has continued to consolidate the gains achieved in restoring macroeconomic stability. Real GDP growth in the first half of the year was 7.2 percent, on the weaker side of the 7.0-7.75 per cent projection in the Economic Survey 2015-16 and somewhat lower than the 7.6 percent rate recorded in the second half of 2015-16 (Figure 1a). The main problem was fixed investment, which



declined sharply as stressed balance sheets in the corporate sector continued to take a toll on firms' spending plans. On the positive side, the economy was buoyed by government consumption, as the 7th Pay Commission salary recommendations were implemented, and by the long-awaited start of an export recovery as demand in advanced countries began to accelerate. Nominal GDP growth recovered to respectable levels, reversing the sharp and worrisome dip that had occurred in the first half of 2015-16 (Figure 1b).



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

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

**External Sector**

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

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

declined. Net private remittances declined by \$4.5 bn in the first half of 2016-17 compared to the same period of 2015-16, weighed down by the lagged effects of the oil price decline, which affected inflows from the Gulf region.

### **Fiscal Position**

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

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

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

### **OUTLOOK FOR 2016-17**

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

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

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

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

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

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

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

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

## OUTLOOK FOR 2017-18

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

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

The outlook for private consumption is less clear. International oil prices are expected to be about 10-15 percent higher in 2017 compared to 2016, which would create a drag of about 0.5 percentage points. On the other hand, consumption is expected to receive a boost from two sources: catch-up after the demonetisation-induced reduction in the last two quarters of 2016-17; and cheaper borrowing costs, which are likely to be lower in 2017 than 2016 by as much as 75 to 100 basis points. As a result, spending on housing and consumer durables and semi-durables could rise smartly. It is too early to predict prospects for the monsoon in 2017 and hence agricultural production. But the higher is agricultural growth this year, the less likely that there would be an extra boost to GDP growth next year.

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

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

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

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

### **Fiscal outlook**

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

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

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

### **The macroeconomic policy stance for 2017-18**

An economy recovering from demonetisation will need policy support. On the assumption that the equilibrium cash-GDP ratio will be lower than before November 8, the banking system will benefit from a higher level of deposits. Thus, market interest rates—deposits, lending, and yields on g-secs—should be lower in 2017-18 than 2016-17. This will provide a boost to the economy (provided, of course, liquidity is no longer a binding constraint). A corollary is that policy rates can be lower not necessarily to lead and nudge market rates but to validate them. Of course, any sharp uptick in oil prices and those of agricultural products, would limit the scope for monetary easing.

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

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

and simplified; or toward debt reduction. The windfall should not influence decisions about the conduct of fiscal policy going forward.

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

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

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

## GLOBAL PAPER INDUSTRY

The turnaround in the global pulp, paper and paperboard industry that began in 2014 fell apart in 2015 as Asian economies experienced declining export demand, which had a negative impact on packaging paper demand, particularly in China; in addition, trade sanctions against Asian paper exporters reduced growth opportunities. Although pulp shipments were up, values were significantly lower. Overcapacity in the pulp, paper and paperboard segments led to closures and consolidation in 2015 and the first half of 2016.

Cost-reduction strategies and strategic alliances and mergers continued to be implemented among pulp, paper and paperboard companies in Europe and North America in an effort to combat low prices. Such efforts were only partially successful in turning around financial performances, and pulp lines and paper machines were forced to close. The decision by the US Federal Reserve in December 2015 to raise short-term interest rates caused a sharp rise in the US dollar against most global currencies, which had a negative impact on US exports. This prompted a reversal in the Federal Reserve's plan to further raise rates in 2016, causing an immediate devaluation of the US dollar. This, in turn, helped stabilize pulp, paper and paperboard prices in major global economies by the second quarter of 2016.

Despite years of paper-machine closures, capacity rationalization continued in the paper and paperboard industry in the ECE region in 2015 following structural changes in the demand landscape and important increases in supply from low-cost producing regions. Significant overcapacity existed in 2015 and early 2016 in the publishing-paper-grades segment of the printing-and-writing subsector as consumers continued to shift to electronic communications. This falling trend led to closures and consolidation, especially in the US. Given the inherent maturity stage of its life cycle, the graphic-paper industry may be ripe for consolidation. The appreciation of the US dollar helped improve financial results for non-US exporters; buyers in markets with weaker currencies continue to require lower import prices, however, because their paper prices remain depressed. More companies in the subsector converted from graphic grades to packaging papers and market pulp output in 2015, primarily in Europe and North America, and a select few in the US have turned their attention to specialty or fluff-pulp production.

The conversion of graphic-paper machines to paperboard slowed in 2015 and early 2016 as the space became increasingly competitive; consolidation is largely over, with the major gains achieved. The main focus of the industry now is on taking advantage of higher standards of living in emerging and underdeveloped markets by investing in personal-care products, such as facial and hygienic tissues, towel and disposable infant and adult diapers, and feminine napkins. Ongoing massive expansions in chemical market pulp mills to meet the fibre requirements for such products continued to fuel improved

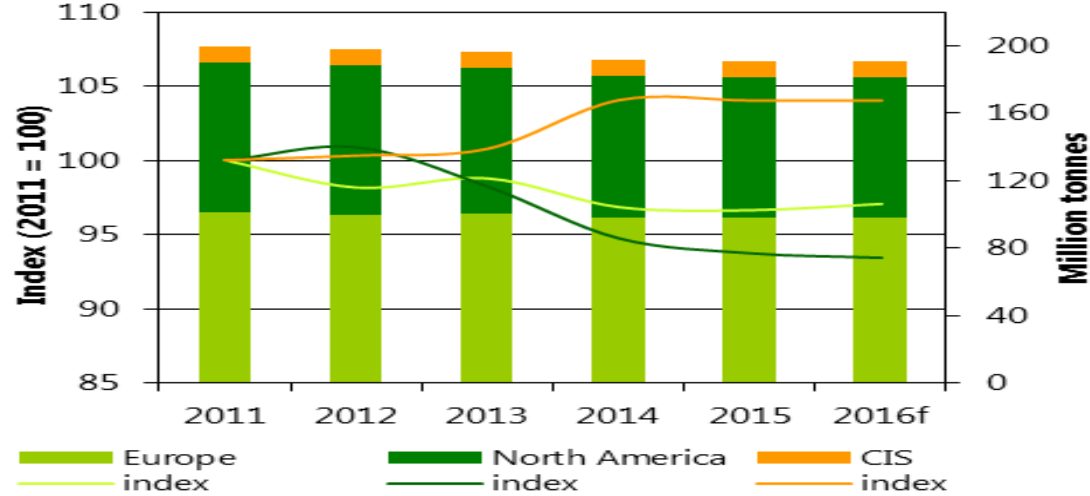


productivity through the closure of high-cost facilities Paper and paperboard production declined in Europe and North America in 2015 and was flat in the CIS

(graph 1).

**Production of paper and paperboard,**

**UNECE region,2011-2016**



Corporate strategies continue to focus on cost reductions, establishing new markets, and investing for the future, but all subsectors recognize the need for wellhoned logistics for both sourcing raw materials and shipping finished goods to global customers. The complexity of domestic and international trade – such as improved low cost logistics for selling large quantities to remote markets; high-volume consignments, especially in Europe; just-in-time inventories; documentation; and quality controls for recycled papers entering China – has compelled suppliers to invest in flexible transportation systems. Such investments have increased some costs but also helped ensure timely delivery, improve customer service and reduce inventory carrying costs at both ends. The global pulp, paper and paperboard industry continues to expand into emerging markets, and keeping abreast of the latest production technologies and consumption trends to maximize logistical efficiencies is the key to success. Newer and larger pulp mills continue to displace less-efficient ones, and excess capacity in commodity graphic grades will lead to further closures and industry consolidation. The quest to maintain a “lowest-possible-cost” position will continue to be the focus of commodity grades in each segment of the industry.

In much of Europe, the faltering economic recovery remained a challenge in early 2016. Quantitative easing and a weak euro against the US dollar continued to prop up the economy and favour exports while also causing import costs to rise. In China, GDP growth was 6.9% in 2015 and is expected to remain around that mark in 2016 as exports and domestic consumption remain relatively weak, even with a weaker yuan against the US dollar. Graphic-paper consumption continued to decline in Europe, Japan and North America in 2015 and into 2016 due to the proliferation of internet-using electronic

formats as well as smart-phone and tablet technologies, and the continued trend of endusers using cheaper alternatives to reduce costs. Businesses and governments are pushing for further cost reductions in data manipulation and communication, including traditional mail services, by embracing technology and investing in processes that provide customers with improved, timelier services. With electronic media growing in popularity, the consolidation and closure of printing plants in the newsprint and commercial printing segments continued to make headlines in 2015. Graphic-paper capacity fell by 1.7 million tonnes in the ECE region in 2015 and is expected to decline by another 1.1 million tonnes in 2016. Four million tonnes of global graphic-paper capacity was indefinitely or permanently removed from production in 2015, and a further drop of 2.7 million tonnes worldwide is expected in 2016. Following years of capacity reductions, graphic-paper prices started to recover from dismal and unprofitable levels; however, there is an ever-pressing need to remove inefficient capacity in key markets to further improve the financial performance of the industry globally. North American newsprint capacity was 5.0 million tonnes in early

2016, down by 1.8 million tonnes from 2014. shows subregional trends in paper and paperboard consumption in 2011-2016

Outside the ECE region, pulp capacity continues to increase. In Brazil, a large bleached eucalyptus kraft line with a production capacity of 1.4 million tonnes started up in 2015, followed by 1.5 million tonnes of bleached eucalyptus and softwood kraft in March 2016. In Indonesia, a single mill with two hardwood kraft pulp lines is expected to produce 2.8 million tonnes per year, starting in late 2016. In mature markets such as Europe, Japan and North America, however, market pulp mill closures, integration into tissue and towel operations, and conversions removed 2.1 million tonnes of market pulp capacity in 2015, and another 602,000 tonnes of integrated pulp capacity was permanently or indefinitely removed.

The expansion of woodpulp production in 2011-2016 was concentrated in hardwood grades and in low-cost countries outside the ECE region. A series of investments in the ECE region in softwood kraft pulp production, however, saw capacity grow by almost 500,000 tonnes in 2015 and by another 1.3 million tonnes in 2016; this is in stark contrast to 2013-2014, when global softwood kraft capacity

stagnated. Significant large-capacity expansion in the bleached hardwood kraft pulp segment – mainly bleached eucalyptus kraft in Brazil – has caused prices to decline, leading to the closure or conversion of relatively high-cost capacity in the ECE region in the five years to 2016. Specifically, US capacity was permanently closed, while other mills in North America and Europe swung production to softwood kraft grades to take advantage of higher margins. As a result, woodpulp production in the ECE region trended slightly lower in 2011-2016 (graph 3).

Aiding the large influx of hardwood kraft in 2015-2016 was the large price differential between it and softwood kraft in global markets, prompting end-users to switch to lower-priced fibre to reduce costs wherever the process and product performance requirements permitted. A slowdown in China's economy in 2015 caused a downturn in pulp prices and the price differential between hardwood and softwood kraft narrowed considerably in the second half of the year. This differential was growing again in mid-2016 as pulp markets recovered; the large incremental hardwood kraft capacity has tended to keep price increases to a minimum relative to those for softwood kraft. Capacity rationalization in the pulp and paper subsector continued in Europe, Japan, North America and South America in 2015. Some newsprint machines were closed or converted to packaging grades, and others were converted from paper-grade pulps to dissolving grades. Strong demand in China from the garment industry in particular continued to spur demand for viscose pulps (a subset of dissolving-pulp grades). China continues to impose import duties on dissolving pulps originating from Brazil, Canada and the US; the net result of these duties is that prices have increased in China, even though capacity has expanded in other countries not subject to the duties. Despite the higher prices, some global capacity expansions have been postponed indefinitely.

Dissolving-pulp demand continued to grow in 2015 and capacity grew in line with this rising demand, allowing prices to increase. In early 2016, however, a major capacity expansion in Brazil targeting the Chinese market added 7% to supply; prices edged lower but still managed to retain two-thirds of the 2015 increases. Fluff-pulp demand also saw solid, sustainable growth in 2015 as standards of living rose in Africa, Asia, the Middle East and South America, aided by higher disposable incomes. shows overall trends in demand for woodpulp in the ECE subregions in 2011-2016. Global prices for softwood kraft pulps started 2015 in decline due to the large price differential between softwood and hardwood kraft pulps and as China's economic growth slowed. Hardwood kraft pulp prices began to erode in mid-to-late 2015 after large capacity additions that exceeded global demand.

Prices for publishing papers were generally flat to weaker in 2015 as supply continued to chase demand downward in all ECE markets. Prices for coated and uncoated wood-free papers and newsprint began to improve in early 2016 after years of falling demand and overcapacity.

The global pulp and paper subsector is recovering slowly, aided largely by capacity rationalization. Many difficult reforms have been implemented, including cost cutting, mergers and divestments, but more are required. Currency fluctuations in 2015 saw global asset valuations decline against the US dollar, causing global trade inequalities and resulting in lower prices. The subsector continues to invest in green technologies (e.g. wood-based biorefineries and biofuels) with the potential to reduce production costs and diversify revenue streams

(Source:Trends and Perspectives for pulp and paper [www.unece.org](http://www.unece.org))

## INDIAN PAPER INDUSTRY

Despite the continued focus on digitisation, India's demand for paper is expected to rise 53 per cent in the next six years, primarily due to a sustained increase in the number of school-going children in rural areas. Growing consumerism, modern retailing, rising literacy (continued government spending on education through the Sarva Shiksha Abhiyan) and the increasing use of documentation will keep demand for writing and printing paper buoyant. "Though India's per capita consumption is quite low compared to global peers, things are looking up and demand is set to rise from the current 13 million tonnes (mt) to an estimated 20 mt by 2020," said Harsh Pati Singhania, vice-chairman and managing director of JK Paper.

An India Ratings report estimates India's per capita paper consumption at nine kg, against 22 kg in Indonesia, 25 kg in Malaysia and 42 kg in China. The global average stands at 58 kg.

"This indicates there is a lot of headroom for growth in India. From a demand point of view, every one kg incremental per capita consumption results in additional demand of more than one mt a year. Besides, policy factors also have a key role to play in the growth of the domestic paper industry in India. The government's sustained focus on literacy, increased consumerism and expansion in organised retail are expected to positively affect paper consumption and demand in India," said Yogesh Agarwal, managing director and chief executive of Ballarpur Industries.

Digital media has a lot of ground to cover, at least as far as penetration is concerned, primarily in rural areas. Paper is an established business and its consumption is being encouraged. What was heartening was though there were challenges, the packaging side of the segment continued to grow, Agarwal added. In the last five years, the Indian paper sector has invested about Rs 20,000 crore on capacity enhancement, technology upgrade and acquisitions. Now, companies in the sector are seeking to improve their balance sheets. While the sector is eager to expand capacity further, decisions in this regard will depend on how soon companies can improve their financials.

The India Ratings report in 2014-15, said paper companies would achieve higher profitability and free cash flows due to lower capital expenditure, and this would help in deleveraging. This is because the debt levels of these companies have peaked and cost benefits will accrue from backward integration (due to capital expenditure) and a larger scale of operations.

"The capacity expansion that took place in the industry through the last few years is now being absorbed due to the rising demand for paper in India. The sector, which faced challenge from rising input (wood) costs, is now better placed due to a renewed thrust on agro-forestry and softening of pulp costs," Singhania said.

Commissioning of several state-of-the-art pulp and paper machines such as that seen in the case of JK Paper last year will result in lower operating costs and improved quality.

(Source: India's paper demand to rise 53% by 2020 [www.ibef.org](http://www.ibef.org))



## SUMMARY OF BUSINESS

Some of the information contained in the following discussion, including information with respect to our business plans and strategies, contain forward-looking statements that involve risks and uncertainties. You should read the chapter titled —Forward-Looking Statements beginning on page 15 of this Prospectus, for a discussion of the risks and uncertainties related to those statements and also the section —Risk Factors for a discussion of certain factors that may affect our business, financial condition or results of operations. Our actual results may differ materially from those expressed in or implied by these forward-looking statements. Our fiscal year ends on March 31 of each year, so all references to a particular fiscal are to the twelve-month period ended March 31 of that year.

The financial information used in this section, unless otherwise stated, is derived from our Financial Information, prepared in accordance with Indian GAAP and Companies Act and restated in accordance with the SEBI Regulations. The following information is qualified in its entirety by, and should be read together with, the more detailed financial and other information included in this Prospectus, including the information contained in the sections titled —Risk Factors and —Financial Information as restated beginning on pages 16 and 157 respectively.

Unless otherwise stated, references in this section to Shrenik”, “the Company” or “our Company” are to Shrenik Limited, and references to “we”, “our” or “us” are to the Company.

### OVERVIEW

Incorporated in 2012, we are primarily engaged in the business of trading of different types of paper in Gujarat and Rajasthan through distribution channel. Our paper journey began with trading of variety of papers by our promoter Shrenikbhai Vimawala under the flagship of his proprietorship concern, “Shree Shyam Corporation”. With gaining an insight of the industry coupled with an available opportunity, he converted his proprietorship concern into partnership firm “Shrenik Tradelink”, which was subsequently converted into Company. In 2009 BILT Graphic Paper Products Limited (“BGPPL”) offered its distributorship to our Company. The distributorship was specifically for a Chromo Paper Plant manufactured by (“BGPPL”) and but later other products like copier paper, notebook paper were also included. The Company geared itself up for the accomplishment of the allocated project and ended up creating number of customers within a span of time. Our work has been honoured consecutively by “Performance Award”, Category ‘B’ in the year 2009-2010 and “Performance Award” Category “AAA” for a continuous period of Four Years initiating from 2011 to 2014 by (“BGPPL”).

We serve our customers with variety of papers like copier, maplitho, coated paper, FBB board and a speciality paper commodity royal executive bond. Apart from being the wholesale distributors our Company has its own brand named “Shrenik”. We believe and plan to include different varieties of paper products under the brand “Shrenik” like copier, sticker sheets, etc in near future.

Our Company has a diversified customer base catering to various segments. We have consistent retention of key customer segments which has ensured us with around 3000-3500 customer base all over Gujarat and Rajasthan.

Apart from procuring paper from local paper manufacturers and traders, we are also wholesaler distributors of Tamilnadu Newsprint and Papers Limited in Gujarat region, Asia Pulp and Paper in Gujarat and Rajasthan region. Our Company has association with its suppliers for supply of. paper and hence we do not anticipate any problem in procurement.

We have expanded our business and operations significantly during the past three years. In financial years 2017, 2016, 2015, 2014 and 2013 our turnovers (net) were 42765.41 lakhs, 32922.70 lakhs, 26572.15 lakhs, 21308.65 lakhs, and 5420.63 lakhs respectively. Our restated profits were 418.85 lakhs, 294.30 lakhs, 102.96 lakhs, 96.08 lakhs, and 9.87 lakhs respectively. We have been able to increase our turnover (net) and restated profit from financial year 2013 to financial year 2017 at a CAGR of 67.54% and 155.07%, respectively. Our turnover (net) and restated profit were 42765.41 lakhs and 418.85 lakhs, respectively for the financial year ended as on 31<sup>st</sup> march 2017.

For information on our Company’s incorporation and history and financial details, please refer to chapters titled “Our history and certain other Corporate matters”, and “Financial Statements as Restated”, “beginning on page 127 and 157 respectively of this Prospectus.

**OUR SPECTRUM OF PRODUCTS**

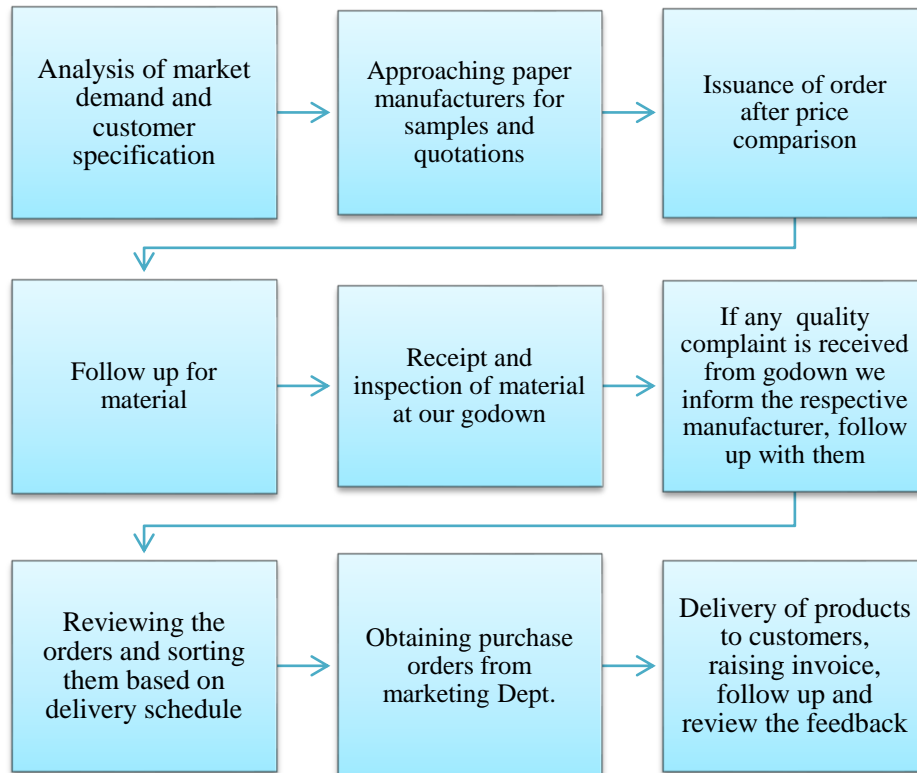
We offer a product range which includes a variety of Paper such as Coated Paper, notebook paper, photocopy paper, etc. Our Company serves various customers in the packaging products business also:

PHOTOCOPY PAPER	COATED PAPER	NOTEBOOK PAPER	FOLDING BOX BOARD
			
DESCRIPTION*			
<p>Copy paper may be called reprographic paper, copier paper, dual-purpose or xerographic paper.</p> <p>Many organizations use it in large quantities. This type of paper specially prepared for the writing of advertising copy, newspaper copy, etc., usually having guidelines to indicate margins and the number of spaces per line.</p>	<p>Coated paper is paper which has been coated by a compound or polymer to impart certain qualities to the paper, including weight, surface gloss, smoothness or reduced ink absorbency. It is used for high quality printing in packaging industry and in magazines.</p>	<p>Notebook paper can be used for storing information: book, notebook, magazine, newspaper, art, letter etc.</p>	<p>This is a low-density material with high stiffness and has a slightly yellow colour, mainly on the inside. The major end uses of folding boxboard are health and beauty products, frozen, chilled and other foods, confectionaries, pharmaceuticals, graphical uses and cigarettes</p>

*Source: Management Representation*

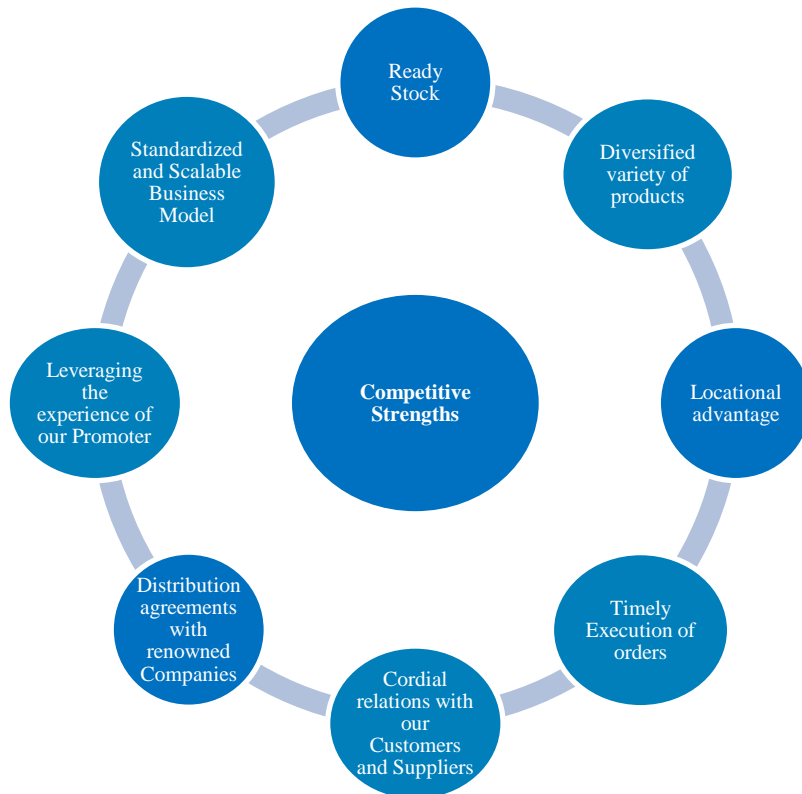
## KEY BUSINESS PROCESS

We operate as an intermediary in the Paper Supply Chain whereby we purchase paper such as notebook paper printing paper, etc. from individual paper manufacturers and supply the same to customers in the packaging products business. The following flowchart describes our overall business process:



## OUR COMPETITIVE STRENGTHS

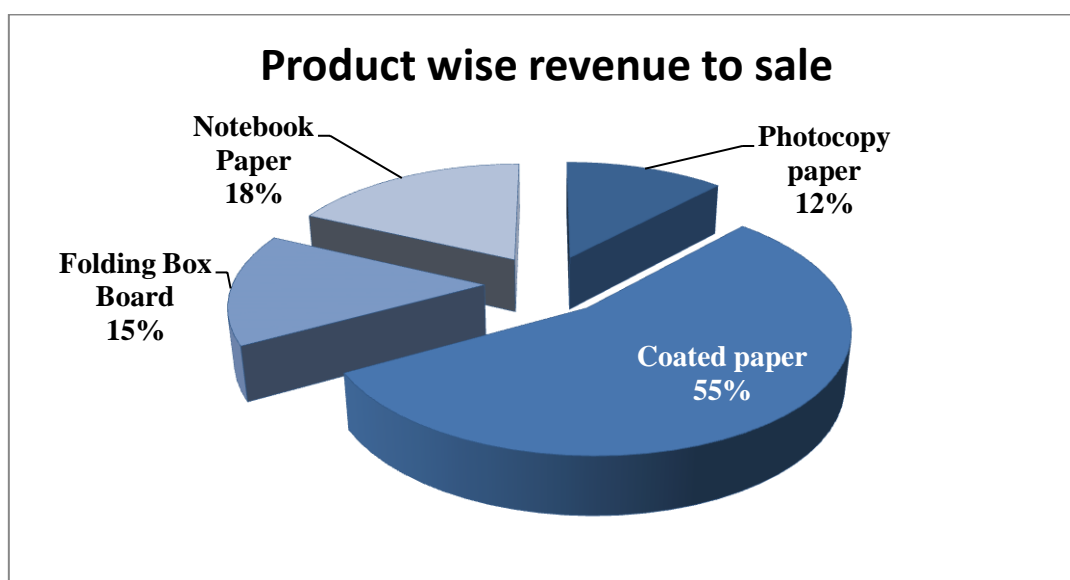
We believe that following principal strengths of our company would ensure our survival and help us attain a prominent position in the market:



### 1. Diversified Variety of readily available Paper and diversified Customer Base

As a trading company, we are in a position to always provide variety of paper collected for our customers. Our continuous efforts and beliefs in maintaining relationship with our suppliers ensures adequate inventory at any point. We procure, stock and supply a diverse and range of papers and paper to satisfy the growing requirements of customers. We are a multi-product Paper trading company with a diverse product portfolio including Duplex Board, Board, Coated Paper, etc. in various sizes and shapes. Further our products are used for varied purposes including Printing, Packaging which inter-alia includes retail mono packaging boxes manufacturing. Our competitive advantage lies in procurement of various papers ranging to all sizes, grades and standards under one roof. Our timely services of delivery has helped in forging relationships with our customers. We have a diversified customer base of 3000-3500 customers all over Gujarat and Rajasthan. Our customers come from various types of Printing, stationery houses ,offset and xerox house, publishers, traders and packaging products businesses. This reduces our reliance on few customers only.

Product-wise Revenue break-up of our Business in 2016-17:



Source: Management Representation

SR NO	PRODUCTS	AMT. ( Rs. In Lakhs )
1	NOTEBOOK PAPER	7674.18
2	PHOTOCOPY PAPER	5116.12
3	FOLDING BOX BOARD	6395.15
4	COATED PAPER	23448.88
	<b>TOTAL TURNOVER</b>	<b>42634.33</b>

## 2. Ready stock

Stock capacity plays an immensely important role in the paper market. It is the stock capacity that one stores that can determine the level of growth. At our Company it is always stock and supply pattern that is followed. We keep ready stock of all the paper we deal in all the sizes and gsms with the required amount of quantity at our respective warehouse which helps us stay at a stable position throughout the year and also helps us in serving our Customers with timely delivery of the orders.

## 3. Timely Execution of orders

Timely execution of orders is a prerequisite in our Business. Our Company has taken various steps in order to ensure adherence to timely fulfillment of orders and also to achieve cost efficiency. These steps include identifying quality product suppliers and ability to meet large and varied orders due to our capacity and linkages with suppliers. Our Company also has enjoyed good relations with our suppliers and as a consequence has had the benefit of timely supplies of the products. Our Company constantly endeavours to implement an efficient procurement policy for inputs required for delivery/trading so as to ensure cost efficiency in procurement which in turn results in cost effective delivery of products to our customers

## 4. Distribution agreement/arrangement with Companies

We have distribution agreement of BILT Graphic Paper Products Limited (“BGPPL”). In 2016 we gained distributionship of Tamilnadu Newsprint and Papers Limited and Asia Pulp and Paper.

## 5. Leveraging the experience of our Promoter

Our Promoter, Shrenekbhai Vimawala has more than two decades experience in paper and paper products trading. We believe the experience and depth of our promoter gives us a competitive advantage in the industry in which we operate. It is through the constant efforts and experience of our promoter that we have been able to build a sustainable business model. . It is also expected to help us in addressing and mitigating various risks inherent in our business, including significant competition, reliance on independent suppliers, the global economic crisis and fluctuations in prices.

#### **6. Cordial relations with our Customer and Suppliers**

Our dedicated and focused approach has helped us build strong relationships over a number of years with our customers and suppliers. We bag and place repetitive order with our customers and with our suppliers, which facilitates efficient and timely delivery of products to our. For us, establishing strong, mutually beneficial long-term relationships with strategic supplier is a critical step in improving performance and generating greater cost efficiency and enabling the business to grow and develop.

#### **7. Economies of Scale**

Our business model is order driven, and comprises of optimum utilization of our demand driven industry, developing linkages with quality suppliers and achieving consequent economies of scale. We believe that this business model has proved scalable for us in the last few financial years. We can scale upward as per the requirement generated by our Company. The business scale generation is basically due to the development of new markets by adopting aggressive marketing of the product, innovation in the paper product range and by maintaining the consistent quality of the product. We have procured distributionship Tamilnadu Newsprint and Papers Limited and Ballarpur Industries Limited in Gujarat Region , Asia Pulp and Paper for Gujarat and Rajasthan region . Apart from the agreement we have around 3000-3500 customers all over Gujarat and Rajasthan.

#### **8. Locational Advantage**

The Company has taken 1 registered office, 1 corporate office and 11 warehouses on rent in different regions of Ahmedabad which is strategically located and is well connected by rail, roads and air with the rest of the country. The warehouses are located within the limits of Ahmedabad Municipal Corporation Procurement of these products is less time consuming and comparatively cheaper due to savings on freight. Thus, the location of the our warehouses and office is advantageous to the company in transportation of products. Our warehouses are well safeguarded with climate control to provide the proper mix of temperature and humidity to keep the papers safe and damage free.

**SUMMARY OF FINANCIAL STATEMENTS**  
**STATEMENT OF ASSETS AND LIABILITIES AS RESTATE**

**ANNEXURE-I**

(Amount in Lakhs)

Particulars	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013
<b>I. EQUITY AND LIABILITIES</b>					
<b>1. Shareholders' funds</b>					
(a) Share capital	1500.00	1500.00	600.00	600.00	600.00
(b) Reserves and surplus	1282.05	863.20	208.90	71.31	9.87
<b>Sub-Total</b>	<b>2782.05</b>	<b>2363.20</b>	<b>808.90</b>	<b>671.31</b>	<b>609.87</b>
<b>2. Share application money pending allotment</b>	-	-	-	-	-
<b>Sub-Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>3. Non-current liabilities</b>					
(a) Long-term borrowings	3576.61	1857.39	1506.78	2487.66	1405.76
(b) Deferred tax liabilities (Net)	-	1.29	-	1.51	0.74
(c) Other Non Current Liabilities	13.38	9.80	5.68	2.69	0.64
<b>Sub-Total</b>	<b>3589.99</b>	<b>1868.48</b>	<b>1512.46</b>	<b>2491.86</b>	<b>1407.14</b>
<b>4. Current liabilities</b>					
(a) Short-term borrowings	5168.60	4275.57	4441.12	3014.49	2667.16
(b) Trade payables	1522.12	2389.00	1115.50	979.69	382.86
(c) Other current liabilities	1397.24	433.77	139.11	58.80	44.39
(d) Short-term provisions	4.23	10.64	6.69	60.58	7.55
<b>Sub-Total</b>	<b>8092.19</b>	<b>7108.98</b>	<b>5702.42</b>	<b>4113.56</b>	<b>3101.96</b>
<b>TOTAL</b>	<b>14464.23</b>	<b>11340.66</b>	<b>8023.78</b>	<b>7276.73</b>	<b>5118.97</b>
<b>II. ASSETS</b>					
<b>1. Non-current assets</b>					
(a) Fixed assets	<b>349.39</b>	<b>294.49</b>	<b>198.97</b>	<b>154.48</b>	<b>153.23</b>
(b) Non-current investments	52.27	52.27	52.27	52.23	52.23
(c) Deferred tax assets (net)	2.48	-	1.47	-	-
(d) Long-term loans and advances	275.16	203.46	221.95	214.88	136.66
(e) Other Non Current Assets	0.84	1.08	-	-	-
<b>Sub-Total</b>	<b>680.14</b>	<b>551.30</b>	<b>474.66</b>	<b>421.59</b>	<b>342.12</b>
<b>2. Current assets</b>					
(a) Current investments	-	-	-	-	-
(b) Inventories	7645.39	5656.58	2980.57	3715.87	2971.22
(c) Trade receivables	4864.24	4820.17	4193.74	3035.45	1641.61
(d) Cash and cash equivalents	176.63	294.60	330.75	100.60	163.74
(e) Short-term loans and advances	1097.83	18.01	44.06	3.22	0.28
<b>Sub-Total</b>	<b>13784.09</b>	<b>10789.36</b>	<b>7549.12</b>	<b>6855.14</b>	<b>4776.85</b>
<b>TOTAL</b>	<b>14464.23</b>	<b>11340.66</b>	<b>8023.78</b>	<b>7276.73</b>	<b>5118.97</b>

## STATEMENT OF PROFIT AND LOSS AS RESTATED

## ANNEXURE-II

(Amount in Lakhs)

Particulars	For the period ended March 31, 2017	For the year ended March 31, 2016	For the year ended March 31, 2015	For the year ended March 31, 2014	For the year ended March 31, 2013
I. Revenue from operations	42765.41	32922.70	26572.15	21308.65	5420.63
II. Other income	43.30	23.80	13.90	19.19	4.25
<b>III. Total Revenue (I + II)</b>	<b>42808.71</b>	<b>32946.50</b>	<b>26586.05</b>	<b>21327.84</b>	<b>5424.88</b>
IV. Expenses:					
Cost of materials consumed	-	-	-	-	-
Purchases of Stock-in-Trade	42671.12	33947.37	24469.27	20792.43	5696.17
Changes in inventories of finished goods work-in-progress and Stock-in-Trade	(1988.81)	(2676.01)	735.31	(744.66)	(605.33)
Employee benefits expense	95.06	85.46	77.52	68.25	10.31
Finance costs	756.42	635.39	790.28	734.85	179.69
Depreciation and amortization expense	31.61	28.70	24.82	8.74	1.81
Other expenses	610.23	472.16	321.16	325.01	124.85
<b>Total expenses</b>	<b>42175.63</b>	<b>32493.07</b>	<b>26418.36</b>	<b>21184.64</b>	<b>5407.50</b>
<b>V. Profit before exceptional and extraordinary items and tax (III-IV)</b>	<b>633.08</b>	<b>453.43</b>	<b>167.69</b>	<b>143.20</b>	<b>17.38</b>
VI. Exceptional items	-	-	15.82	-	-
<b>VII. Profit before extraordinary items and tax (V - VI)</b>	<b>633.08</b>	<b>453.43</b>	<b>151.87</b>	<b>143.20</b>	<b>17.38</b>
VIII. Extraordinary Items-	-	-	-	-	-
<b>IX. Profit before tax (VII- VIII)</b>	<b>633.08</b>	<b>453.43</b>	<b>151.87</b>	<b>143.20</b>	<b>17.38</b>
X. Tax expense:					
(1) Current tax	218.00	156.38	51.89	46.35	6.77
(2) Deferred tax	(3.77)	2.76	(2.98)	0.77	0.74
(3) Current tax expense relating to prior years	-	-	-	-	-
<b>XI. Profit (Loss) for the period from continuing operations (VII-VIII)</b>	<b>418.85</b>	<b>294.30</b>	<b>102.96</b>	<b>96.08</b>	<b>9.87</b>
XII. Profit/(loss) from discontinuing operations	-	-	-	-	-
XIII. Tax expense of discontinuing operations	-	-	-	-	-
<b>XIV. Profit/(loss) from Discontinuing operations (after tax) (XII-XIII)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>XV. Profit (Loss) for the period (XI + XIV)</b>	<b>418.85</b>	<b>294.30</b>	<b>102.96</b>	<b>96.08</b>	<b>9.87</b>
XVI Earnings per equity share:					
(1) Basic	2.79	3.66	1.72	1.60	0.59
(2) Diluted	2.79	3.66	1.72	1.60	0.59



## STATEMENT OF CASH FLOW AS RESTATED

## ANNEXURE-III

(Amount in Lakhs)

Particulars	For the period ended March 31, 2017	For the year ended March 31, 2016	For the year ended March 31, 2015	For the year ended March 31, 2014	For the year ended March 31, 2013
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>					
Restated Net profit Before Tax and Extraordinary Items	633.08	453.43	151.87	143.20	17.38
<b>Adjustments For:</b>					
Depreciation	31.61	28.70	24.82	8.74	1.81
Interest Received	(21.96)	(23.81)	(13.21)	(13.56)	(4.26)
Dividend Received	-	-	-	-	-
Net (gain) / loss on Sale Of Asset	-	-	-	-	-
Net (gain) / loss on Sale of Investments	-	-	-	-	-
Interest and Finance Charges	756.42	635.39	790.28	734.85	179.69
<b>Operating Profit before working capital changes</b>	<b>1399.15</b>	<b>1093.71</b>	<b>953.76</b>	<b>873.23</b>	<b>194.62</b>
<b>Adjustment For:</b>					
Decrease/(Increase) in Inventories	(1988.81)	(2676.01)	735.31	(744.66)	(2971.22)
Decrease/(Increase) in Trade receivables	(44.07)	(626.43)	(1158.29)	(1393.84)	(1641.61)
Decrease/(Increase) in Other Non-Current Assets	0.24	(1.08)	-	-	-
Decrease/(Increase) in Short-term loans and advances	(1079.82)	26.05	(40.85)	(2.93)	(0.28)
Decrease/(Increase) in Long Term Loans and Advances	(71.70)	18.49	(7.07)	(78.22)	(136.66)
(Decrease)/Increase in Trade Payables	(866.88)	1273.49	135.81	596.83	382.86
(Decrease)/Increase in Other Current Liabilities	963.47	294.66	80.31	14.41	44.39
(Decrease)/Increase in Short Term Provisions	(6.42)	3.96	(53.89)	53.03	7.55
(Decrease)/Increase in Other Non current Liabilities	3.58	4.12	2.99	2.05	0.64
<b>Cash Generated from Operations</b>	<b>(1691.26)</b>	<b>(589.03)</b>	<b>648.07</b>	<b>(680.10)</b>	<b>(4119.72)</b>
Taxes Paid	218.00	156.38	51.89	46.35	6.77
<b>Net Cash From /(Used In ) Operating Activities (A)</b>	<b>(1909.25)</b>	<b>(745.41)</b>	<b>596.18</b>	<b>(726.48)</b>	<b>(4126.49)</b>
<b>Cash Flow From Investing Activities</b>					
(Purchase)/Sale Of Fixed Assets/ Capital Work In Progress	(86.52)	(124.21)	(69.31)	(9.99)	(155.03)
Decrease/(Increase) in Non Current investments	-	-	(0.04)	-	(52.23)
Purchase Of Investment	-	-	-	-	-
Sale Of Investment	-	-	-	-	-
Net gain / loss on Sale of Investments	-	-	-	-	-
Interest Received	21.96	23.81	13.21	13.56	4.26
Dividend Received					
<b>Net Cash From /(Used In ) Investing Activities (B)</b>	<b>(64.55)</b>	<b>(100.41)</b>	<b>(56.15)</b>	<b>3.57</b>	<b>(203.01)</b>

Particulars	For the period ended March 31, 2017	For the year ended March 31, 2016	For the year ended March 31, 2015	For the year ended March 31, 2014	For the year ended March 31, 2013
<b>Cash Flow From Financing Activities</b>					
Proceeds from Issue of Shares	-	900.00	-	-	600.00
Security Premium	-	360.00	-	-	-
Proposed Dividend	-	-	34.64	(34.64)	-
Interest and Finance Charges	(756.42)	(635.39)	(790.28)	(734.85)	(179.69)
Dividend Paid					
<b>(Decrease)/Increase in Short Term Borrowing</b>	893.04	(165.56)	1426.63	347.33	2667.16
<b>(Decrease)/Increase in Long Term Borrowing</b>	1719.22	350.61	(980.88)	1081.89	1405.76
Net gain / loss on Foreign Exchanges	-	-	-	-	-
<b>Net Cash From Financing Activities (c)</b>	1855.83	809.66	(309.88)	659.74	4493.24
<b>Net Increase / (Decrease) in Cash (A)+(B)+(C)</b>	(117.97)	(36.15)	230.15	(63.14)	163.74
<b>Cash and Cash equivalents at the beginning of the year</b>	294.60	330.75	100.60	163.74	-
<b>Cash and Cash equivalents at the end of the year</b>	<b>176.63</b>	<b>294.60</b>	<b>330.75</b>	<b>100.60</b>	<b>163.74</b>

I. The Cash Flow statement has been prepared under Indirect method as per Accounting Standard-3 "Cash Flow Statements"

II. Figures in Brackets represent outflows

The above statement should be read with the Restated Statement of Assets and Liabilities, Statement of Profit and loss, Significant Accounting Policies and Notes to Accounts as appearing in Annexure I,II, IV(A) respectively.

## THE ISSUE

PRESENT ISSUE IN TERMS OF THIS PROSPECTUS	
Particulars	Details of Equity Shares
Public Issue of Equity Shares	54,00,000 Equity Shares of face value of Rs.10/- each fully paid of the Company for cash at price of Rs. 40/- per Equity Share aggregating Rs. 2160.00 lakhs
<b>Of which:</b>	
Market Maker Reservation Portion	2,88,000 Equity Shares of face value of Rs. 10/- each fully paid of the Company for cash at price of Rs 40/- per Equity Share aggregating Rs. 115.20 lakhs
Net Issue to the Public*	51,12,000 Equity Shares of face value of Rs.10/- each fully paid of the Company for cash at price of Rs. 40/- per Equity Share aggregating Rs.2044.80 lakhs
	<i>Of which:</i>
	25,56,000 Equity Shares of face value of Rs. 10/- each fully paid of the Company for cash at price of Rs. 40/- per Equity Share aggregating Rs. 852.00 lakhs will be available for allocation for allotment to Retail Individual Investors of up to Rs. 2 lakhs
	25,56,000 Equity Shares of face value of Rs. 10 /- each fully paid of the Company for cash at price of Rs. 40/- per Equity Share aggregating Rs. 852.00 lakhs will be available for allocation to investors above Rs. 2 lakhs
<b>Pre and Post Issue Equity Shares</b>	
Equity Shares outstanding prior to the Issue	1,50,00,000 Equity Shares
Equity Shares outstanding after the Issue	2,04,00,000 Equity Shares
Use of Proceeds(Objects of the Issue)	For further details please refer chapter titled “ <i>Objects of the Issue</i> ” beginning on page 84 of this Prospectus for information on use of Issue Proceeds

### Notes:

The Issue has been authorized by the Board of Directors *vide* a resolution passed at its meeting held on April 24, 2017 and by the shareholders of our Company *vide* a special resolution passed pursuant to section 62(1)(c) of the Companies Act, 2013 at the Annual General Meeting held on May 10, 2017.

\*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, as present issue is a fixed price issue, the allocation in the net Issue to the public category shall be made as follows:

- a) Minimum fifty percent to retail individual investors; and
- b) Remaining to
  - i. Individual applicants other than retail individual investors; and
  - ii. Other investors including corporate bodies or institutions, irrespective of the number of specified securities applied for;
- c) The unsubscribed portion in either of the categories specified in (a) or (b) above may be allocated to the applicants in the other category.

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

For further details please refer to section titled 'Issue Information' beginning on page 246 of this Prospectus.

## GENERAL INFORMATION

### OVERVIEW OF OUR COMPANY

Our Company was originally formed as a proprietary firm in the name and style of ‘Shree Shyam Corporation’ by Shrenikbhai Vimawala. The proprietary firm was then converted into partnership firm and registered under The Indian Partnership Act, 1932 in the name and style of “Shrenik Tradelink” pursuant to partnership deed dated November 01, 2012 having Shrenikbhai Vimawala, Himaben Vimawala, Rishit Vimawala, Virendra Surti, Sonal Surati, Vithal Jadhav and Nirav Zaveri as partners to the agreement.

“Shrenik Tradelink” was thereafter converted from a partnership firm to a Private Limited Company under Part IX of the Companies Act, 1956 with the name of “Shrenik Tradelink Private Limited” and received a Certificate of Incorporation issued by Registrar of Companies, Gujarat, Dadra and Nagar Haveli on December 20, 2012 bearing Corporate Identification No. U51396GJ2012PTC073061. Further, name of our company was changed to “Shrenik Private Limited”, pursuant to shareholders resolution passed at the Extra-ordinary General Meeting of our Company held on December 01, 2016 and a fresh Certificate of Incorporation was issued by Registrar of Companies, Gujarat, Dadra and Nagar Haveli on December 19, 2016. Consequently, it was converted into a public limited company pursuant to shareholders resolution passed at Extra-ordinary General Meeting of our Company held on March 25, 2017 and the name of our Company was changed to Shrenik Limited and a fresh certificate of incorporation consequent upon Conversion of Private Company to Public Limited dated April 03, 2017 was issued by Registrar of Companies, Gujarat, Ahmedabad. The Corporate Identification Number of our Company is U51396GJ2012PLC073061.

Shrenikbhai Vimawala, Himaben Vimawala, Rishit Vimawala, Virendra Surti, Sonal Surti, Vitthal Jadhav and Nirav Zaveri were initial subscribers to our Company.

Shrenikbhai Vimawala and Rishit Vimawala are the promoters of our Company. Shrenikbhai Vimawala and Rishit Vimawala were allotted shares on December 20, 2012. The details in this regard have been disclosed in the chapter titled, “Capital Structure” beginning on page 69 of this Prospectus.

For further details of Business, Incorporation, Change of Name and Registered Office of our company, please refer to chapter titled “Our Business” and “Our History and Certain Other Corporate Matters” beginning on page 106 and page 127 of this Prospectus.

### REGISTERED OFFICE OF OUR COMPANY

#### **Shrenik Limited**

D/87, Nava Anaj Bazar,  
Opp. Anupam Cinema,  
Khokhara, Ahmedabad - 380008 Gujarat.

**Tel:** 079- 22931502

**Fax:** Not Available

**Email:** [info@shrenik.co.in](mailto:info@shrenik.co.in)

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

**Corporate Identification Number:** U51396GJ2012PLC073061

### CORPORATE OFFICE OF OUR COMPANY

#### **Shrenik Limited**

505-508, 10/11 Beside Mardia Plaza CG Road  
Ahmedabad-380009, Gujarat

**Tel:** 079-26440303-505, 079-48990505-606

**Fax:** 079-26406810

**Email:** [info@shrenik.co.in](mailto:info@shrenik.co.in)

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

**Corporate Identification Number:** U51396GJ2012PLC073061

## REGISTRAR OF COMPANIES

### Registrar of Companies, Gujarat, Ahmedabad

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

Website: [www.mca.gov.in](http://www.mca.gov.in)

## DESIGNATED STOCK EXCHANGE

### Emerge Platform of National Stock Exchange of India

Exchange Plaza, Plot no. C/1, G Block,  
Bandra-Kurla Complex, Bandra (E),  
Mumbai - 400051, Maharashtra, India

## BOARD OF DIRECTORS OF OUR COMPANY

Sr. No.	Name	Age	DIN	Address	Designation
1.	Shrenikbhai Vimawala	52	03474255	A-2, Riviera Entalia, Opp. Suyog Bungalow, Corporate Road, Prahladnagar, Ahmedabad 380051 Gujarat, India	Chairman and Managing Director
2.	Rishit Vimawala	27	03474249	A-2, Riviera Entalia, Opp. Suyog Bungalow, Corporate Road,, Prahladnagar Ahmedabad 380051 Gujarat, India	Whole-time Director
3.	Kaivan Vimawala	22	06514171	A/2, Riviera Entalia, Opp. Suyog Bungalow, Corporate Road, Prahladnagar, Ahmedabad 380051 Gujarat, India	Whole-time Director
4.	Himaben Vimawala	50	05132544	A/2, Riviera Entalia, Opp. Suyog Bungalow, Corporate Road, Prahladnagar, Ahmedabad 380051 Gujarat, India	Non-Executive Director
5.	Ashish Modi	49	02506019	Haridwar 49, Shangrila Village, Near Pleasure Club, Ghuma Taluka, Dascroi Ahmedabad 380058 Gujarat, India	Independent Director
6.	Devarsh Shah	27	06954437	802, Retreat Tower-B, Opp Shayamal R.H. -1, 132 Ft Ring Rd, Satellite Ahmedabad 380015 Gujarat, India	Independent Director

For further details of our Directors, please refer to the chapter titled “*Our Management*” beginning on page 131 of this Prospectus.

## CHIEF FINANCIAL OFFICER

**Virendra Surati**  
**Shrenik Limited**

505-508, 10/11 Beside Mardia Plaza CG Road  
Ahmedabad-380009, Gujarat

**Tel:** 079-26440303-505, 079-48990505-606

**Fax:** 079-26406810

**Email:** [cfo@shrenik.co.in](mailto:cfo@shrenik.co.in)

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

## COMPANY SECRETARY & COMPLIANCE OFFICER

**Madhulika Mishra**  
**Shrenik Limited**

505-508, 10/11 Beside Mardia Plaza CG Road  
Ahmedabad-380009, Gujarat

**Tel:** 079-26440303-505, 079-48990505-606

**Fax:** 079-26406810

**Email:** [cs@shrenik.co.in](mailto:cs@shrenik.co.in)

**Website:** [www.shrenik.co.in](http://www.shrenik.co.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 or refund orders, etc.**

All grievances relating to the ASBA process may be addressed to the Registrar to the Issue, with a copy to the relevant SCSB to whom the Application was submitted (at ASBA Locations), giving full details such as name, address of the applicant, number of Equity Shares applied for, Amount blocked, ASBA Account number and the Designated Branch of the relevant SCSBs to whom the Application was submitted (at ASBA Locations) by the ASBA Applicants.

## STATUTORY AUDITOR

**Nilesh Desai & Co.**

3-C, 4<sup>th</sup> Floor, Sumeru Centre  
Nr. Parimal Railway Crossing,  
Opp. Municipal School,  
Paldi, Ahmedabad 380007.

**Tel:** 079-26650982

**Fax:** Not Available

**E-mail:** [nileshdesaica@gmail.com](mailto:nileshdesaica@gmail.com)

**Contact Person:** Nilesh Desai

**Firm Registration No:** 114059W

**Membership No:** 044975

## PEER REVIEWED AUDITOR

**N. K. Aswani & Co.**

Chartered Accountants

701/A, Wall Street-II,

Opp. Orient Club,

Nr. Gujarat College Crossing,

Ellisbridge, Ahmedabad



380006 Gujarat, India  
**Tel No.:** 079-26402552  
**Fax No.:** 079-26402553  
**Email:** narainkaswani@yahoo.co.in  
**Contact Person:** Narian Aswani  
**Firm Registration No.:** 100738W  
**Membership No.:** 033278

M/s N.K. Aswani & Co., Chartered Accountant holds a peer reviewed certificate dated November 13, 2013 issued by the Institute of Chartered Accountants of India.

#### **LEAD MANAGER**

##### **Pantomath Capital Advisors Private Limited**

406-408, Keshava Premises,  
Bandra Kurla Complex, Bandra (East)  
Mumbai 400 051, Maharashtra, India  
**Tel:** 022-61946700/25  
**Fax:** 022-26598690  
**Email:** ipo@pantomathgroup.com  
**Website:** www.pantomathgroup.com  
**Contact Person:** Saahil Kinkhabwala  
**SEBI Registration No:** INM000012110

#### **REGISTRAR TO THE ISSUE**

##### **Link Intime India Private Limited**

C-101, 247 Park, L.B.S. Marg, Vikhroli (West),  
Mumbai 400083, Maharashtra, India.  
**Tel:** 022-49186200  
**Fax:** 022-49186195  
**Email:** [shrenik.ipo@linkintime.co.in](mailto:shrenik.ipo@linkintime.co.in)  
**Website:** [www.linkintime.co.in](http://www.linkintime.co.in)  
**Contact Person:** Shanti Gopalkrishnan  
**SEBI Registration Number:** INR000004058

#### **LEGAL ADVISOR TO THE ISSUE**

##### **M V Kini**

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

#### **BANKER TO THE COMPANY**

##### **Punjab National Bank**

Popular House Ashram road, Ahmedabad

**Tel:** +079 26583280  
**Fax:** + 079 26583298  
**E-mail:** [bo0960@pnb.co.in](mailto:bo0960@pnb.co.in)  
**Contact Person:** Nitil Pandya  
**Website:** [www.pnb.co.in](http://www.pnb.co.in)

## PUBLIC ISSUE BANK /BANKER TO THE ISSUE

### ICICI Bank Limited

Capital Market Division, 1<sup>st</sup> Floor,  
122, Mistry Bhavan,  
Dinshaw Vachha Road  
Backbay Reclamation,  
Churchgate, Mumbai-400020  
**Tel:** 022-66818932  
**Fax:** 022- 22611138  
**Email:** [shradha.salaria@icicibank.com](mailto:shradha.salaria@icicibank.com)  
**Contact Person:** Shradha Salaria  
**Website:** [www.icicibank.com](http://www.icicibank.com)  
**SEBI Registration Number:** INBI00000004

### HDFC Bank Limited

FIG OPS Dept.,  
Lodha –I, Think Techno Campus 0-3 Level,  
Next to Kanjurmarg Railway Station,  
Kanjurmarg (East), Mumbai-400042  
**Tel:** +022 30752927/28/2914  
**Fax:** + 022 25799801  
**E-mail:** [prasanna.uchil@hdfcbank.com](mailto:prasanna.uchil@hdfcbank.com),  
[vincent.dsouza@hdfcbank.com](mailto:vincent.dsouza@hdfcbank.com),[Siddharth.Jadhav@hdfcbank.com](mailto:Siddharth.Jadhav@hdfcbank.com)  
**Contact Person:** Prasanna Uchil, Vincent Dsouza, Siddharth Jadhav  
**Website:** [www.hdfcbank.com](http://www.hdfcbank.com)  
SEBI Registration Number: INBI00000063

## REFUND BANKER

### ICICI Bank Limited

Capital Market Division, 1<sup>st</sup> Floor,  
122, Mistry Bhavan,  
Dinshaw Vachha Road  
Backbay Reclamation,  
Churchgate, Mumbai-400020  
**Tel:** 022-66818932  
**Fax:** 022- 22611138  
**Email:** [shradha.salaria@icicibank.com](mailto:shradha.salaria@icicibank.com)  
**Contact Person:** Shradha Salaria  
**Website:** [www.icicibank.com](http://www.icicibank.com)  
**SEBI Registration Number:** INBI00000004

## SELF CERTIFIED SYNDICATE BANKS

The lists of banks that have been notified by SEBI to act as SCSB for the Applications Supported by Blocked Amount (ASBA) Process are provided on <http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognition-Intermediaries>. For details on

Designated Branches of SCSBs collecting the ASBA Bid Form, please refer to the above-mentioned SEBI link.

#### **REGISTERED BROKERS**

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

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

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

#### **COLLECTING DEPOSITORY PARTICIPANTS**

The list of the CDPs eligible to accept Bid cum Application Forms at the Designated CDP Locations, including details such as name and contact details, are provided on the website of Stock Exchange at NSE Ltd., as updated from time to time. The list of branches of the SCSBs named by the respective SCSBs to receive deposits of the Bid cum Application Forms from the Designated Intermediaries will be available on the website of the SEBI ([www.sebi.gov.in](http://www.sebi.gov.in)) and updated from time to time.

#### **CREDIT RATING**

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

#### **IPO GRADING**

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

#### **APPRAISAL AND MONITORING AGENCY**

As per regulation 16(1) of the SEBI ICDR Regulations, the requirement of Monitoring Agency is not mandatory if the Issue size is below Rs. 10,000 Lakhs. Since the Issue size is only of Rs.2160.00 lakhs our Company has not appointed any monitoring agency for this Issue. However, as per the Clause 52 of the SME Listing Agreement to be entered into with NSE Ltd. upon listing of the Equity Shares the Audit Committee of our Company as per section 177 of Companies Act, 2013, would be monitoring the utilization of the proceeds of the Issue.

#### **INTER-SE ALLOCATION OF RESPONSIBILITIES**

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

#### **EXPERT OPINION**

N. K. Aswani & Co. Chartered Accountants, have provided their written consent for the inclusion of the report on the restated financial statements in the form and context in which it will appear in the Prospectus and Prospectus and the statement of tax benefits and to be named as an expert in relation hereto, and such consent has not been withdrawn at the time of delivery of this Prospectus to Stock Exchange. Except the report of the Peer Reviewed Auditor our Company has not obtained any other expert opinion.

#### **DEBENTURE TRUSTEE**

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

## UNDERWRITER

Our Company and Lead Manager to the Issue hereby confirm that the Issue is 100% Underwritten. The underwriting agreement is dated May 12, 2017 and pursuant to the terms of the underwriting agreement; obligations of the underwriter are subject to certain conditions specified therein. The underwriter has indicated their intention to underwrite following number of specified securities being offered through this Issue.

Name and Address of the Underwriters	Indicative Number of Equity shares to be Underwritten	Amount Underwritten (Rupees In Lakhs)	% of the Total Issue Size Underwritten
<b>Pantomath Capital Advisors Private Limited</b> 406-408, Keshava Premises Co-Op Soc. Ltd. Bandra Kurla Complex, Bandra (East) Mumbai 400051 <b>Tel:</b> 022 61946700/725 <b>Fax:</b> 022 26598690 <b>Email:</b> <a href="mailto:ipo@pantomathgroup.com">ipo@pantomathgroup.com</a> <b>Contact Person:</b> Madhu Lunawat <b>SEBI Registration Number:</b> INM000012110	54,00,000	2160.00	100%
<b>Total</b>	54,00,000	<b>2160.00</b>	<b>100%</b>

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

*Includes 2,88,000 Equity shares of the Market Maker Reservation Portion which are to be subscribed by the Market Maker in order to claim compliance with the requirements of Regulation 106 V(4) of the SEBI (ICDR) Regulations, 2009, as amended.*

## DETAILS OF THE MARKET MAKING ARRANGEMENT

Our Company and the Lead Manager have entered into a tripartite agreement dated May 12, 2017 with the following Market Maker, duly registered with NSE Ltd. to fulfil the obligations of Market Making:

### **Pantomath Stock Brokers Private Limited**

406-408, Keshava Premises, Behind Family Court  
 Bandra Kurla Complex, Bandra (East),  
 Mumbai – 400 051, Maharashtra, India  
**Tel:** +91 22 61946700  
**Fax:** +91 22 26598690  
**E-mail:** [broking@pantomathgroup.com](mailto:broking@pantomathgroup.com)  
**Website:** [www.pantomathbroking.com](http://www.pantomathbroking.com)  
**Contact Person:** Mahavir Toshniwal  
**SEBI Registration No.:** INZ000068338

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

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

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

1. The Market Maker(s) (individually or jointly) shall be required to provide a 2-way quote for 75% of the time in a day. The same shall be monitored by the Stock Exchange. The spread (difference between the sell and the buy quote) shall not be more than 10% or as specified by the stock exchange. Further, the Market Maker(s) shall inform the Exchange in advance for each and every black out period when the quotes are not being offered by the Market Maker(s).
2. The minimum depth of the quote shall be Rs. 1,00,000/-. However, the investors with holdings of value less than Rs. 1,00,000/- shall be allowed to offer their holding to the Market Maker(s) (individually or jointly) in that scrip provided that he sells his entire holding in that scrip in one lot along with a declaration to the effect to the selling broker. Based on the IPO price of Rs. 40 the minimum lot size is 3000 Equity shares thus minimum depth of the quote shall be Rs. 1,20,000 Lakhs until the same, would be revised by NSE.
3. After a period of three (3) months from the market making period, the Market Maker would be exempted to provide quote if the Shares of Market Maker in our Company reaches to 25% of Issue Size (including 54,00,000 Equity Shares out to be allotted under this Issue). Any Equity Shares allotted to Market Maker under this Issue over and above 25% Equity Shares would not be taken in to consideration of computing the threshold of 25% of Issue Size. As soon as the Shares of Market Maker in our Company reduce to 24% of Issue Size, the Market Maker will resume providing 2-way quotes.
4. There shall be no exemption/threshold on downside. However, in the event the Market Maker exhausts his inventory through market making process, NSE Ltd. may intimate the same to SEBI after due verification.
5. Execution of the order at the quoted price and quantity must be guaranteed by the Market Maker(s), for the quotes given by him.
6. There would not be more than five Market Makers for the Company's Equity Shares at any point of time and the Market Makers may compete with other Market Makers for better quotes to the investors. At this stage, Pantomath Stock Brokers Private Limited is acting as the sole Market Maker.
7. The shares of the Company will be traded in continuous trading session from the time and day the company gets listed on Emerge Platform of NSE Ltd. and market maker will remain present as per the guidelines mentioned under NSE Ltd. and SEBI circulars.
8. There will be special circumstances under which the Market Maker may be allowed to withdraw temporarily/fully from the market – for instance due to system problems, any other problems. All controllable reasons require prior approval from the Exchange, while force-majeure will be applicable for non controllable reasons. The decision of the Exchange for deciding controllable and non-controllable reasons would be final.
9. The Market Maker(s) shall have the right to terminate said arrangement by giving one month notice or on mutually acceptable terms to the Lead Manager, who shall then be responsible to appoint a replacement Market Maker(s).

In case of termination of the above mentioned Market Making agreement prior to the completion of the compulsory Market Making period, it shall be the responsibility of the Lead Manager to arrange for another Market Maker(s) in replacement during the term of the notice period being served by the

Market Maker but prior to the date of releasing the existing Market Maker from its duties in order to ensure compliance with the requirements of regulation 106V of the SEBI (ICDR) Regulations. Further the Company and the Lead Manager reserves the right to appoint other Market Maker(s) either as a replacement of the current Market Maker or as an additional Market Maker subject to the total number of Designated Market Makers does not exceed 5 (five) or as specified by the relevant laws and regulations applicable at that particular point of time. The Market Making Agreement is available for inspection at our Corporate Office from 11.00 a.m. to 5.00 p.m. on working days.

10. Emerge Platform of NSE 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 Ltd. can impose any other margins as deemed necessary from time-to-time.
11. Emerge Platform of NSE Ltd. 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(s) in case he is not present in the market (offering two way quotes) for at least 75% of the time. The nature of the penalty will be monetary as well as suspension in market making activities / trading membership.

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

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

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

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

## CAPITAL STRUCTURE

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

*Amount (Rs .in lakhs except share data)*

No.		Aggregate nominal value	Aggregate value at Issue Price
<b>A.</b>	<b>Authorised Share Capital</b>		
	2,50,00,000 Equity Shares of face value of Rs. 10/- each	2500.00	
<b>B.</b>	<b>Issued, Subscribed and Paid-Up Share Capital before the Issue</b>		
	1,50,00,000 Equity Shares of face value of Rs. 10/- each	1500.00	
<b>C.</b>	<b>Present Issue in terms of this Prospectus</b>		
	Issue of 54,00,000 Equity Shares of face value of Rs.10 each at a price of Rs. 40/- per Equity Share aggregating up to Rs. 2160.00 Lakhs	540.00	2160.00
	<b>Consisting:</b>		
	<b>Reservation for Market Maker</b> –2,88,000 Equity Shares of face value of Rs. 10/- each reserved as Market Maker portion at a price of Rs. 40/- per Equity Share aggregating Rs. 115.20 lakhs.	28.80	115.20
	<b>Net Issue to the Public</b> –51,12,000 Equity Shares of face value of Rs. 10/- each at a price of Rs. 40/- per Equity Share	511.20	2044.80
	<b>Of the Net Issue to the Public</b>		
	<b>Allocation to Retail Individual Investors</b> – 25,56,000 Equity Shares of face value of Rs. 10/- each fully paid of the Company for cash at price of Rs. 40/- per Equity Share aggregating Rs. 852.00 lakhs will be available for allocation for allotment to Retail Individual Investors of up to Rs.2 lakhs	255.60	852.00
	<b>Allocation to Other than Retail Individual Investors</b> – 25,56,000 Equity Shares of face value of Rs. 10 /- each fully paid of the Company for cash at price of Rs. 40/- per Equity Share aggregating Rs. 852.00 lakhs will be available for allocation to investors above Rs. 2 lakhs	255.60	852.00
<b>D.</b>	<b>Issued, Subscribed and Paid-Up Share Capital after the Issue</b>		
	2,04,00,000 Equity Shares of face value of Rs. 10/- each	2040.00	
<b>E.</b>	<b>Securities Premium Account</b>		
	Before the Issue	360.00	
	After the Issue	1980.00	

- The Issue has been authorised by the Board of Directors of our Company *vide* a resolution passed at its meeting held on April 24, 2017 and by the shareholders of our company *vide* a Special Resolution passed pursuant to Section 62 (1) (c) of Companies Act, 2013 at the Annual General Meeting held on May 10, 2017.
- The Company has one class of share capital i.e. Equity Shares of face value of Rs. 10/- each only. All Equity Shares issued are fully paid-up. Our Company has no outstanding convertible instruments as on the date of this Prospectus. Issue size may be revised to adjust the shares in lot of 3000 Equity shares.-



## NOTES TO THE CAPITAL STRUCTURE

### 1. Details of changes in authorised Share Capital:

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

Particulars of Change		Date of Shareholders' Meeting	AGM / EGM
Increased From	Increased To		
Rs. 6,00,00,000 consisting of 60,00,000 Equity shares of Rs. 10 each		On Incorporation	-
Rs.6,00,00,000 consisting of 60,00,000 Equity shares of Rs. 10 each.	Rs. 25,00,00,000 consisting of 2,50,00,000 Equity shares of Rs. 10 each	July 13, 2015	EGM

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

Date of Allotment	No. of Equity Shares allotted	Face value (Rs.)	Issue Price (Rs.) <sup>0</sup>	Nature of consideration	Nature of Allotment	Cumulative no. of Equity Shares	Cumulative Paid -up Capital (Rs.)
December 20, 2012	60,00,000	10	10	Other than Cash	Subscription to Memorandum of Association <sup>(i)</sup>	60,00,000	6,00,00,000
October 08, 2015	20,00,000	10	14	Cash	Rights Issue <sup>(ii)</sup>	80,00,000	8,00,00,000
December 26, 2015	20,00,000	10	14	Cash	Rights Issue <sup>(iii)</sup>	1,00,00,000	10,00,00,000
January 30, 2016	20,00,000	10	14	Cash	Rights Issue <sup>(iv)</sup>	1,20,00,000	12,00,00,000
March 08, 2016	30,00,000	10	14	Cash	Rights Issue <sup>(v)</sup>	1,50,00,000	15,00,00,000

#### Notes:

(i) Initial Subscribers to Memorandum of Association subscribed 60,00,000 Equity Shares of face value of Rs. 10/- each fully paid at par pursuant to conversion of partnership firm M/s Shrenik Tradelink into Company under Part IX of the Companies Act, 1956 on December 20, 2012 as per the details given below:

Sr. No	Name of Person	No. of Shares Allotted
1	Shrenikbhai Vimawala	59,99,400
2	Himaben Vimawala	100
3	Rishit Vimawala	100
4	Virendra Surti	100
5	Sonal Surati	100
6	Vitthal Jadhav	100
7	Nirav Zhaveri	100
	<b>Total</b>	<b>60,00,000</b>

(ii) Further allotment of 20,00,000 Equity Shares of face value of Rs. 10/- each by way of Rights Issue fully paid at Rs. 14 for every three shares one share were offered to existing shareholders on October 08, 2015 as per the details given below:

Sr. No	Name of Person	No. of Shares Allotted
1.	Shrenikbhai Vimawala	20,00,000
	<b>Total</b>	<b>20,00,000</b>

(iii) Further allotment of 20,00,000 Equity Shares of face value of Rs. 10/- each by way of Right Issue fully paid at Rs. 14 , for every four shares one share were offered to existing shareholders on December 26, 2015 as per the details given below:

Sr. No	Name of Person	No. of Shares Allotted
1.	Shrenikbhai Vimawala	20,00,000
	<b>Total</b>	<b>20,00,000</b>

(iv) Further allotment of 20,00,000 Equity Shares of face value of Rs. 10/- each by way of Right Issue fully paid at Rs. 14 for every five shares one share were offered to existing shareholders on January 30, 2016 as per the details given below:

Sr. No	Name of Person	No. of Shares Allotted
1.	Shrenikbhai Vimawala	20,00,000
	<b>Total</b>	<b>20,00,000</b>

(v) Further allotment of 30,00,000 Equity Shares of face value of Rs. 10/- each by way of Right Issue fully paid at Rs. 14 for every four shares one share were offered to existing shareholders on March 08, 2016 as per the details given below:

Sr. No	Name of Person	No. of Shares Allotted
1.	Shrenikbhai Vimawala	30,00,000
	<b>Total</b>	<b>30,00,000</b>

- No Equity Shares have been allotted pursuant to any scheme approved under Section 230-240 of the Companies Act, 2013.
- Our Company has not revalued its assets since inception and have not issued any Equity Shares (including bonus shares) by capitalizing any revaluation reserves.
- We have not issued any shares at price below Issue Price within last one year from the date of this Prospectus.
- We have not issued any Equity Shares for consideration other than cash except as mentioned below:

Sr. No	Date of Allotment / Date of Fully Paid up	No. of Equity Shares Allotted	Face Value (Rs.)	Issue Price (Rs.)	Consideration	Nature of Issue
1	December 20, 2012	60,00,000	10	14	Other than Cash	Shares issued pursuant to conversion of Shrenik Tradelink (partnership firm)through Subscription to MOA
	<b>Total</b>	<b>60,00,000</b>				

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

- i. Build Up of Promoters' shareholdings -As on the date of this Prospectus, our Promoters, Shrenikbhai Vimawala and Rishit Vimawala together holds 1,39,99,400 Equity Shares of our Company. None of the Equity shares held by our Promoters are subject to any pledge.

#### a. Shrenikbhai Vimawala

Date of Allotment / Transfer	Date when made fully paid up	No. of Equity Shares	Face value per Share (Rs.)	Issue / Acquisition / Transfer price (Rs.)*	Nature of Transactions	Pre-issue shareholding %	Post-issue shareholding %	Lock-in Period	Source of funds	Pledge
On Incorporation December 20, 2012	December 20, 2012	41,82,000	10	10	Initial Issue as Subscriber to MOA at consideration otherwise than in cash pursuant to conversion of partnership firm into Company.	27.88	20.50	3 years	Shares issued pursuant to conversion of Shrenik Tradelink (partnership firm)	-
		18,17,400				12.12	8.91	1 year		
March 01, 2013	Not applicable	(100)	10	0	Gift of Shares to Kaivan Vimawala	negligible	negligible	-	-	
October 08, 2015	October 08, 2015	20,00,000	10	14	Rights Issue	13.33	9.80	-	Internal accruals/ Borrowings	-
December 26, 2015	December 26, 2015	20,00,000	10	14	Rights Issue	13.33	9.80	1 year	Internal accruals/ Borrowings	-
January 30, 2016	January 30, 2016	20,00,000	10	14	Rights Issue	13.33	9.80	1 year	Internal accruals/ Borrowings	-

Date of Allotment / Transfer	Date when made fully paid up	No. of Equity Shares	Face value per Share (Rs.)	Issue / Acquisition / Transfer price (Rs.)*	Nature of Transactions	Pre-issue shareholding %	Post-issue shareholding %	Lock-in Period	Source of funds	Pledge
February 18, 2016	Not applicable	(20,00,000)	10	0	Gift of Shares to Rishit Vimawala and Kaivan Vimawala	(13.33)	(9.80)	-	-	-
March 08, 2016	March 08, 2016	30,00,000	10	14	Rights Issue	20.00	14.71	1 year	repayment of unsecured loan	-
<b>Total</b>		<b>1,29,99,300</b>				<b>86.66</b>	<b>63.72</b>			

**b. Rishit Vimawala**

Date of Allotment / Transfer	Date when made fully paid up	No. of Equity Shares	Face value per Share (Rs.)	Issue / Acquisition / Transfer price (Rs.)*	Nature of Transactions	Pre-issue shareholding %	Post-issue shareholding %	Lock-in Period	Source of funds	Pledge
December 20, 2012	December 20, 2012	100	10	10	Initial Issue as Subscriber to MOA at consideration otherwise than in cash pursuant to conversion of partnership firm into Company.	negligible	negligible	1 year	Shares issued pursuant to conversion of Shrenik Tradelink (partnership firm)	-
February 18, 2016	not applicable	10,00,000	10	0	Transfer of shares from Shrenikbhai	6.67	4.90	1 year	Transfer by Gift	-

Date of Allotment / Transfer	Date when made fully paid up	No. of Equity Shares	Face value per Share (Rs.)	Issue / Acquisition / Transfer price (Rs.)*	Nature of Transactions	Pre-issue shareholding %	Post-issue shareholding %	Lock-in Period	Source of funds	Pledge
					Vimawala as gift					
<b>Total</b>		<b>10,00,100</b>				<b>6.67</b>	<b>4.90</b>			

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

Pursuant to Regulation 32 and 36 of SEBI ICDR Regulations, in case of a public offer, either to the extent of twenty per cent of the proposed issue size or to the extent of twenty per cent. of the post-issue capital ("Promoters Contribution") and locked-in for a period of three years from the date of Allotment. The lock-in of the Promoters' Contribution would be created as per applicable law and procedure and details of the same shall also be provided to the Stock Exchange before listing of the Equity Shares.

Our Promoters have given written consent to include such number of Equity Shares held by them and subscribed by them as a part of Promoters' Contribution constituting 20.50% of the issue size and have agreed not to sell or transfer or pledge or otherwise dispose of in any manner, the Promoters Contribution, for a period of three years from the date of allotment in the Issue.

Name of the Promoter	Date of Allotment/ made fully paid up	No. of Shares Allotted/ Transferred	Face Value	Issue Price	Nature of Allotment	% of Post Issue shareholding	Lock in Period
Shrenikbhai Vimawala,	December 20, 2012	41,82,000	10	10	Subscription to MOA at consideration otherwise than in cash pursuant to conversion of partnership firm into Company.	20.50	3 years

The minimum Promoters' contribution has been brought in to the extent of not less than the specified minimum lot and from the persons defined as 'promoter' under the SEBI ICDR Regulations. The Equity Shares that are being locked in are not ineligible for computation of Promoters' contribution in terms of Regulation 33 of the SEBI ICDR Regulations. In connection, we confirm the following:

- The Equity Shares offered for minimum 20.50% Promoters' contribution have not been acquired in the three years preceding the date of the Prospectus for consideration other than cash and revaluation of assets or capitalization of intangible assets nor resulted from a bonus issue out of the revaluation reserves or unrealized profits of the Company or against Equity Shares which are otherwise ineligible for computation of Promoters' contribution;
- The minimum Promoters' contribution does not include Equity Shares acquired during the one year preceding the date of the Prospectus at a price lower than the Issue Price;
- Our Company has been formed by the conversion of a partnership firm into a company and thus, Equity Shares have been issued to our Promoters upon conversion of a partnership firm;-
- The Equity Shares held by the Promoters and offered for minimum Promoters' contribution are not subject to any pledge;
- All the Equity Shares of our Company held by the Promoter are in of dematerialised ; and

f) The Equity Shares offered for Promoter's contribution do not consist of Equity Shares for which specific written consent has not been obtained from the Promoter for inclusion of its subscription in the Promoter's contribution subject to lock-in.

g) **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 three years, as specified above, the entire pre-Issue equity share Capital shall be locked in for a period of one year from the date of allotment of Equity Shares in this Public Issue

h) **Other requirements in respect of lock-in:**

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

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

We further confirm that our Promoters' Contribution of 20.50% of the post Issue Equity Share capital does not include any contribution from Alternative Investment Fund.

7. There were no shares/purchased/sold by the Promoter and Promoter Group, directors and their immediate relatives during last six months.



## 8. Our Shareholding Pattern

The table below represents the equity shareholding pattern of our Company as on date of this Prospectus:

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) As a % of (A+B+C 2)	Number of Voting Rights held in each class of securities*		No. of Shares Underlying Outstanding convertible securities (including Warrants)	Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) As a % of (A+B+C 2)	Number of Locked in shares**		Number of Shares pledged or otherwise encumbered		Number of equity shares held in dematerialized form***
								No of Voting Rights	Total as a % of (A+B+C)			No.(a)	As a % of total Shares held (b)	No. (a)	As a % of total Shares held (b)	
I	II	III	IV	V	VI	VII = IV + V+ VI	VIII	IX		X	XI = VII + X	XII		XIII		XIV
A	Promoter and Promoter Group	4	1,49,99,600	-	-	1,49,99,600	100.00	1,49,99,600	100.00	-	100.00	-	-	-	-	1,49,99,600
B	Public	4	400	-	-	400	Negligible	400	Negligible	-	Negligible	-	-	-	-	400
C	Non Promoter	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

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) As a % of (A+B+C 2)	Number of Voting Rights held in each class of securities*		No. of Shares Underlying Outstanding convertible securities (including Warrants)	Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) As a % of (A+B+C 2)	Number of Locked in shares**		Number of Shares pledged or otherwise encumbered		Number of equity shares held in dematerialized form***	
								No of Voting Rights	Total as a % of (A+B+C)			No.(a)	As a % of total Shares held (b)	No. (a)	As a % of total Shares held (b)		
	- Non Public																
1	Shares underlying DRs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2	Shares held by Employee Trusts	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	<b>Total</b>	<b>8</b>	<b>1,50,00,000</b>	<b>-</b>	<b>-</b>	<b>1,50,00,000</b>	<b>100</b>	<b>1,50,00,000</b>	<b>100</b>	<b>-</b>	<b>100.00</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,50,00,000</b>

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

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

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

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

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

Sr. No.	Name of the Shareholder	Pre – Issue		Post – Issue	
		No. of Equity Shares	% of Pre-Issue Capital	No. of Equity Shares	% of Post-Issue Capital
(I)	(II)	(III)	(IV)	(V)	(VI)
	<b>Promoters</b>				
1.	Shrenikbhai Vimawala	1,29,99,300	86.67	1,29,99,300	63.72
2.	Rishit Vimawala	10,00,100	6.67	10,00,100	4.90
	<b>Sub total (A)</b>				
	<b>Promoter Group</b>				
3.	Kaivan Vimawala	10,00,100	6.67	10,00,100	4.90
4.	Himaben Vimawala	100	Negligible	100	Negligible
	<b>Sub total (B)</b>				
	<b>Total (A+B)</b>	<b>1,49,99,600</b>	<b>100.00</b>	<b>1,49,99,600</b>	<b>73.52</b>

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

Sr. No.	Name of the Promoter	No. of Shares held	Average cost of Acquisition (in Rs.)
3.	Shrenikbhai Vimawala	1,29,99,300	14.31
4.	Rishit Vimawala	10,00,100	Negligible*

\*The cost of acquisition is negligible because 10,00,000 shares were transferred from Shrenikbhai Vimawala as gift and 100 shares were subscribed by him as initial subscription to MOA at cost of Rs. 1000/-.

12. None of the persons belonging to the category “Public” holds securities (including shares, warrants, convertible securities) of more than 1% of the total number of shares.

13. The lists of top 10 shareholders of our Company and the number of Equity Shares held by them as on the date of filing, ten days before the date of filing and two years before the date of filing of this Prospectus are set forth below:

a) Particulars of the top ten shareholders\* as on the date of filing this Prospectus:

Sr. No.	Name of Shareholders	Number of Equity Shares	% of Total Paid-Up Capital
1.	Shrenikbhai Vimawala	1,29,99,300	86.66
2.	Rishit Vimawala	10,00,100	6.67
3.	Kaivan Vimawala	10,00,100	6.67
4.	Himaben Vimawala	100	Negligible
5.	Virendra Surti	100	Negligible
6.	Sonal Surti	100	Negligible
7.	Vitthal Jadhav	100	Negligible

Sr. No.	Name of Shareholders	Number of Equity Shares	% of Total Paid-Up Capital
8.	Nirav Zaveri	100	Negligible
	<b>Total</b>	<b>1,50,00,000</b>	<b>100.00</b>

*\*Our Company has 8 shareholders as on the date of filing of this Prospectus.*

**b) Particulars of the top ten shareholders\*ten days prior to the date of filing of this Prospectus**

Sr. No.	Name of Shareholders	Number of Equity Shares	% of Total Paid-Up Capital
1.	ShrenikbhaiVimawala	1,29,99,300	86.66
2.	Rishit Vimawala	10,00,100	6.67
3.	Kaivan Vimawala	10,00,100	6.67
4.	HimabenVimawala	100	Negligible
5.	Virendra Surti	100	Negligible
6.	Sonal Surti	100	Negligible
7.	Vitthal Jadhav	100	Negligible
8.	Nirav Zaveri	100	Negligible
	<b>Total</b>	<b>1,50,00,000</b>	<b>100.00</b>

*\*Our Company had 8 shareholders 10 days prior of filing of this Prospectus.*

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

Sr. No.	Name of shareholder*	No. of Shares	% age of pre-Issue capital
1.	Shrenikbhai Vimawala	59,99,300	99.99
2.	Himaben Vimawala	100	Negligible
3.	Rishit Vimawala	100	Negligible
4.	Kaivan Vimawala	100	Negligible
5.	Virendra Surti	100	Negligible
6.	Sonal Surti	100	Negligible
7.	Vitthal Jadhav	100	Negligible
8.	Nirav Zaveri	100	Negligible
	<b>Total</b>	<b>60,00,000</b>	<b>100.00</b>

*\* Our Company had 8 shareholders 2 years prior filing of this Prospectus.*

**14. Details of the Equity Shares held by our Directors**

Set out below are details of the Equity Shares held by our Directors in our Company:

Sr. No.	Name	Pre – Issue		Post – Issue	
		No. of Equity Shares	% of Pre-Issue Capital	No. of Equity Shares	% of Post-Issue Capital
(I)	(II)	(III)	(IV)	(V)	(VI)

Sr. No.	Name	Pre – Issue		Post – Issue	
		No. of Equity Shares	% of Pre-Issue Capital	No. of Equity Shares	% of Post-Issue Capital
1	Shrenikbhai Vimawala	1,29,99,300	86.66	1,29,99,300	63.72
2	Rishit Vimawala	10,00,100	6.67	10,00,100	4.90
3	Kaivan Vimawala	10,00,100	6.67	10,00,100	4.90
4	Himaben Vimawala	100	Negligible	100	Negligible
	<b>Total</b>	<b>1,49,99,600</b>	<b>100.00</b>	<b>1,49,99,600</b>	<b>73.52</b>

15. Our Company does not have any Employee Stock Option Scheme / Employee Stock Purchase Plan for our employees and we do not intend to allot any shares to our employees under Employee Stock Option Scheme / Employee Stock Purchase Plan from the proposed issue. As and when, options are granted to our employees under the Employee Stock Option Scheme, our Company shall comply with the SEBI (Share Based Employee Benefits) Regulations, 2016.
16. Neither the Lead Manager viz. Pantomath Capital Advisors Private Limited, nor their associates hold any Equity Shares of our Company as on the date of this Prospectus.
17. Under-subscription in the net issue, if any, in any category, would be allowed to be met with spill over from any other category or a combination of categories at the discretion of our Company in consultation with the Lead Manager and the Emerge Platform of NSE Ltd.
18. The unsubscribed portion in any reserved category (if any) may be added to any other reserved category.
19. 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.
20. There are no Equity Shares against which depository receipts have been issued.
21. Other than the Equity Shares, there are no other class of securities issued by our Company.
22. There will be no further issue of capital, whether by way of issue of bonus shares, preferential allotment, rights issue or in any other manner during the period commencing from the date of the Prospectus until the Equity Shares have been listed. Further, our Company does not intend to alter its capital structure within six months from the date of opening of the Issue, by way of split / consolidation of the denomination of Equity Shares. However our Company may further issue Equity Shares (including issue of securities convertible into Equity Shares) whether preferential or otherwise after the date of the listing of equity shares to finance an acquisition, merger or joint venture or for regulatory compliance or such other scheme of arrangement or any other purpose as the Board may deem fit, if an opportunity of such nature is determined by its Board of Directors to be in the interest of our Company.
23. None of the persons/Companies comprising our Promoter Group, or our Directors or their relatives have financed the purchase by any other person of securities of our Company other than in the normal course of the business of any such entity/individual or otherwise during the period of six months immediately preceding the date of filing of the Prospectus.
24. Our Company, our Promoters, our Directors and the Lead Manager have not entered into any buy back or standby or similar arrangements for the purchase of Equity Shares being offered through the Issue from any person.
25. There are no safety net arrangements for this public issue.
26. An over-subscription to the extent of 10% of the Issue can be retained for the purpose of rounding off to the nearest multiple of minimum allotment lot, while finalising the Basis of Allotment. Consequently, the actual Allotment may go up by a maximum of 10% of the Issue, as a result of which, the post-Issue paid up capital after the Issue would also increase by the excess amount of

Allotment so made. In such an event, the Equity Shares held by our Promoters and subject to lock- in shall be suitably increased; so as to ensure that a minimum of 20% of the post Issue paid-up capital is locked in.

27. In case of over-subscription in all categories the allocation in the Issue shall be as per the requirements of Regulation 43 (4) of SEBI (ICDR) Regulations, as amended from time to time.
28. As on date of this Prospectus there are no outstanding warrants, options or rights to convert debentures loans or other financial instruments into our Equity Shares.
29. All the Equity Shares of our Company are fully paid up as on the date of the Prospectus. Further, since the entire issue price in respect of the Issue is payable on application, all the successful applicants will be issued fully paid-up equity shares and thus all shares offered through this issue shall be fully paid-up.
30. As per RBI regulations, OCBs are not allowed to participate in this Issue.
31. Our Company has not raised any bridge loans against the proceeds of the Issue.
32. Our Company undertakes that at any given time, there shall be only one denomination for our Equity Shares, unless otherwise permitted by law.
33. Our Company shall comply with such accounting and disclosure norms as specified by SEBI from time to time.
34. An Applicant cannot make an application for more than the number of Equity Shares being issued through this Issue, subject to the maximum limit of investment prescribed under relevant laws applicable to each category of investors.
35. No payment, direct or indirect in the nature of discount, commission, and allowance or otherwise shall be made either by us or our Promoters to the persons who receive allotments, if any, in this Issue.
36. Our Company has 8 shareholders as on the date of filing of this Prospectus.
37. Our Promoters and the members of our Promoter Group will not participate in this Public Issue.
38. Our Company shall ensure that transactions in the Equity Shares by the Promoters and the Promoter Group between the date of filing the Prospectus and the Issue Closing Date shall be reported to the Stock Exchange within twenty-four hours of such transaction.
39. For the details of transactions by our Company with our Promoter Group, Group Companies during financial years ended March 31 2017, 2016, 2015, 2014 and 2013 please refer to paragraph titled “Details of Related Parties Transactions as Restated” in the chapter titled “*Financial Statements as restated*” on page 157 of the Prospectus.
40. None of our Directors or Key Managerial Personnel holds Equity Shares in our Company, except as stated above in this chapter and also in the chapter titled “Our Management” beginning on page 131 of the Prospectus.



## OBJECT OF THE ISSUE

Our Company proposes to utilize the net proceeds from the Issue towards funding the following objects and achieve the benefits of listing on the EMERGE Platform of NSE.

### DETAILS OF THE PROCEEDS

Particulars	Amount (Rs. in lakhs)
Gross Proceeds from the Issue	2160.00
(Less) Issue related expenses	100.00
Net Proceeds	2060.00

The object to the Issue is to fulfil Working Capital requirements and General Corporate Purposes.

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

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

### FUND REQUIREMENTS

Sr. No.	Particulars	Amount to be financed from Net Proceeds of the Issue (Rs. in lakhs)	Percentage of Gross Proceeds	Percentage of Net Proceeds
1.	Working Capital Requirements	1575.00	72.92%	76.46%
2.	General Corporate Purpose	485.00	22.45%	23.54%

**The requirements of the objects detailed above are intended to be funded from the Proceeds of the Issue and Internal Accruals. Accordingly, we confirm that there is no requirement for us to make firm arrangements of finance through verifiable means towards at least 75% of the stated means of finance, excluding the amount to be raised from the proposed Issue.**

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

In view of the dynamic nature of the sector and specifically that of our business, we may have to revise our expenditure and fund requirements as a result of variations in cost estimates and external factors which may not be within the control of our management. This may entail rescheduling and revising the planned expenditures and fund requirements and increasing or decreasing expenditures for a particular purpose at the discretion of our management, within the objects.

While we intend to utilise the Issue Proceeds in the manner provided above, in the event of a surplus, we will use such surplus towards general corporate purposes including meeting future growth requirements. In case of variations in the actual utilisation of funds earmarked for the purposes set forth above, increased fund requirements for a particular purpose may be financed by surplus funds, if any, available in respect of the other purposes for which funds are being raised in this Issue. In the event of any shortfall in the Net Proceeds, we may explore a range of options including utilising our internal accruals and seeking additional debt from existing and future lenders

We may have to revise our expenditure and fund requirements as a result of variations in cost estimates on account of variety of factors such as incremental pre-operative expenses and external factors which may not be within the control of our management and may entail rescheduling and revising the planned expenditure and funding requirement and increasing or decreasing the expenditure for a particular purpose from the planned expenditure at the discretion of our management in accordance with applicable laws. In case of any surplus after utilization of the Net

Proceeds for the stated objects, we may use such surplus towards future growth opportunities, if required and general corporate purposes.

In case of variations in the actual utilisation of funds earmarked for the purposes set forth above, increased fund requirements for a particular purpose may be financed by surplus funds, if any, available in respect of the other purposes for which funds are being raised in this Issue. If surplus funds are unavailable, the required financing will be done through internal accruals through cash flows from our operations and debt.

## Details of Objects

### 1. Working Capital

We finance our working capital requirements from bank funding, internal accruals and unsecured loans. As on date our Company's working capital sanction facilities consisted of an aggregate based limit of Rs. 5279 lakhs. For further information, see "*Financial Indebtedness*" on page 215 of this Prospectus.

As on March 31, 2016 and March 31, 2017 our Company's net working capital consisted of Rs.7955.94 lakhs and Rs. 10860.50 lakhs based on the restated financial statements.

The total net working capital requirement for the year 2018 is estimated to be Rs. 12739.51 lakhs. The incremental working capital requirement for the year ending 2018 will be Rs. 1879.01 lakhs, which will be met through the Net Proceeds to the extent of Rs. 304.01 lakhs and the balance portion will be met through internal accruals and short term borrowings.

### Basis of estimation of working capital requirement

The details of our Company's working capital requirement are based on the restated financial statements as at March 31, 2016 and March 31, 2017 estimated are as set out in the table below

*Amount (Rs. In Lakhs)*

Particulars	As on March 31	
	2017	2016
<b>Current Assets</b>		
Inventories	7645.39	5656.58
Trade Receivables	4864.24	4820.17
Short term Loans and Advances and other Current Assets	1097.83	18.01
Cash and cash equivalents	176.63	294.60
<b>Total (A)</b>	<b>13784.09</b>	<b>10789.36</b>
<b>Current Liabilities</b>		
Trade Payables	1522.12	2388.99
Other Current Liabilities and Provisions	1401.47	444.42
<b>Total (B)</b>	<b>2923.59</b>	<b>2833.42</b>
<b>Net Working Capital (A)-(B)</b>	<b>10860.50</b>	<b>7955.94</b>

The details of our Company's expected working capital requirement as at March 31, 2018 is set out in the table below:

Amount (Rs. In Lakhs)

Particulars	2017-18 (Estimated)
<b>Current Assets</b>	
Inventories	8939.06
Trade Receivables	5625.00
Short term Loans and Advances and other Current Assets	919.16
Cash and cash equivalents	226.17
<b>Total (A)</b>	<b>15709.39</b>
<b>Current Liabilities</b>	
Trade Payables	2040.36
Other Current Liabilities and Provisions	929.52
<b>Total (B)</b>	<b>2969.88</b>
<b>Net Working Capital (A)-(B)</b>	<b>12739.51</b>
<b>Incremental Net Working Capital</b>	1879.01
<b>Proposed funding pattern</b>	
Issue Proceeds	1575.00
Internal Accruals	304.01
Bank funding	<b>1879.01</b>
<b>Total Source</b>	1879.01

\*Incremental Working capital is calculated by subtracting the Current year actual working capital from previous year net working capital.

#### Assumption for working capital requirements

Assumptions for Holding Levels\*

(In months)

Particulars	Holding Level as of March 31, 2016	Holding Level as of March 31, 2017	Holding Level as of March 31, 2018 (Estimated)
<b>Current Assets</b>			
Trade Receivables	1.78	1.37	1.35
Inventories	2.17	2.26	2.25
<b>Current Liabilities</b>			
Trade Payables	0.78	0.43	0.50

Our Company proposes to utilize Rs. 1575.00 lakhs of Net Proceeds towards working capital requirements for meeting our business requirements.

The incremental working capital requirements are based on historical Company data and estimation of the future requirements in Financial Year 2017-18 considering the growth in activities of our Company. Our Company has assumed Trade receivables and Trade payables as 1.35 months and 0.50 months respectively for the Financial Year 2017-18.

Our Debtors cycle was of about 1.78 months and 1.37 months in Financial Year 2015-16 and 2016-17 respectively. Further, we expect our debtor's cycle to same in to 1.35 months in Financial Year 2017-18.

### *Justification for “Holding Period” levels*

The justifications for the holding levels mentioned in the table above are provided below

<i>Assets- Current Assets</i>	
<b>Trade receivables</b>	It is in line with the previous year.
<b>Inventories</b>	It is in line with previous year. We have assumed inventory period of 2.25 months in FY 2017-18 which is very normal in trading business so as to fulfil customer’s requirements as we aim to stock inventory of our paper range to fulfil customer requirements on immediate basis.
<i>Liabilities - Current Liabilities</i>	
<b>Trade Payables</b>	It is almost in line with the previous year.

Pursuant to the certificate dated May 25, 2017, M/s Nilesh Desai & Co, Chartered Accountants, have compiled the working capital estimates from the Restated Financial Statements and the working capital projections as approved by the Board by the resolution dated May 11, 2017 .

## **2. General Corporate Purpose**

Our Company proposes to deploy the balance Net Proceeds aggregating Rs 485.00 lakhs towards general corporate purposes, subject to such utilization not exceeding 25% of the Net Proceeds, in compliance with the SEBI Regulations, including but not limited to strategic initiatives, partnerships and joint ventures, meeting exigencies which our Company may face in the ordinary course of business, meeting expenses incurred in the ordinary course of business and any other purpose as may be approved by the Board or a duly appointed committee from time to time, subject to compliance with the necessary provisions of the Companies Act. Our Company's management, in accordance with the policies of the Board, will have flexibility in utilizing any surplus amounts.

### **ISSUE RELATED EXPENSES**

The expenses for this Issue include issue management fees, underwriting fees, registrar fees, legal advisor fees, printing and distribution expenses, advertisement expenses, depository charges and listing fees to the Stock Exchange, among others. The total expenses for this Issue are estimated not to exceed Rs. 100.00 Lakhs.

<b>Expenses</b>	<b>Expenses(Rs. in Lakhs)*</b>	<b>Expenses (% of total Issue expenses)</b>	<b>Expenses (% of Gross Issue Proceeds)</b>
Payment to Merchant Banker including expenses towards printing, advertising, and payment to other intermediaries such as Registrars, Bankers etc.	95.00	95%	4.40%
Regulatory fees	3.00	3.00%	0.14%
Marketing and Other Expenses	2.00	2.00%	0.09%
<b>Total estimated Issue expenses</b>	<b>100.00</b>	<b>100%</b>	<b>4.63%</b>

*\*As on date of the Prospectus, our Company has incurred Rs. 31 Lakhs towards Issue Expenses out of internal accruals.*

*\*\*SCSBs will be entitled to a processing fee of Rs. 10 per Application Form for processing of the Application Forms procured by other Application Collecting Intermediary and submitted to them.*

*Selling commission payable to registered broker, SCSBs, RTAs, CDPs on the portion directly procured from Retail Individual Applicants and Non Institutional Applicants, would be Rs. 100 on the Allotment Amount# or 0.01% whichever is less on the Applications wherein shares are allotted.*

*The commissions and processing fees shall be payable within 30 working days post the date of receipt of final invoices of the respective intermediaries.*

*#Amount Allotted is the product of the number of Equity Shares Allotted and the Issue Price.*

#### **SCHEDULE OF IMPLEMENTATION & DEPLOYMENT OF FUNDS:**

Our Company proposes to deploy the Net Proceeds in the aforesaid objects in the financial year 2017-18.

<b>Activity</b>	<b>Total Amount (Rs in Lakhs)</b>	<b>Amount incurred till date</b>	<b>Estimated deployment of the Issue Proceeds FY 2017-18</b>
Working Capital Requirements	1575.00	-	1575.00
General Corporate Purposes	485.00	-	485.00

Further our Management, in accordance with the policies setup by the Board, will have flexibility in deploying the Net Proceeds of the Issue.

M/s Nilesh Desai & Co., Chartered Accountants vide their certificate dated June 20, 2017 have confirmed that the following funds have been deployed towards issue expenses.

Amount (Rs in Lakhs)

<b>Source</b>	<b>Amount</b>
Internal Accruals	31.00

#### **BRIDGE FINANCING**

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

#### **APPRAISAL BY APPRAISING AGENCY**

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

#### **INTERIM USE OF FUNDS**

Pending utilization of the Issue Proceeds for the Objects of the Issue described above, our Company shall deposit the funds only in Scheduled Commercial Banks included in the Second Schedule of Reserve Bank of India Act, 1934.

In accordance with Section 27 of the Companies Act, 2013, our Company confirms that, pending utilization of the proceeds of the Issue as described above, it shall not use the funds from the Issue Proceeds for any investment in equity and/or real estate products and/or equity linked and/or real estate linked products.

#### **MONITORING UTILISATION OF FUNDS**

As the size of the Issue does not exceed Rs. 10,000 lakhs, in terms of Regulation 16 of the SEBI Regulations, our Company is not required to appoint a monitoring agency for the purposes of this Issue. Our Board and Audit Committee shall monitor the utilization of the Net Proceeds.

Pursuant to Regulation 32 of the Listing Regulations, our Company shall on a half yearly basis disclose to the Audit Committee the uses and application of the Issue Proceeds. Until such time as any part of the Issue Proceeds remains unutilized, our Company will disclose the utilization of the Issue Proceeds under separate heads in our Company's balance sheet(s) clearly specifying the amount of and purpose for which Issue Proceeds have been utilized so far, and details of amounts out of the Issue Proceeds that have not been utilized so far, also indicating interim investments, if any, of such unutilized Issue Proceeds. In the event that our Company is unable to utilize the entire amount that we have currently estimated for use out of the Issue Proceeds in a Fiscal Year, we will utilize such unutilized amount in the next financial year. Further, in accordance with Regulation 32(1) (a) of the

Listing Regulations our Company shall furnish to the Stock Exchanges on a half yearly basis, a statement indicating material deviations, if any, in the utilization of the Issue Proceeds for the objects stated in this Prospectus.

#### **VARIATION IN OBJECTS**

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

#### **OTHER CONFIRMATIONS**

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

## BASIS FOR ISSUE PRICE

The Issue Price of Rs. 40/- per Equity Share has been determined by our Company, in consultation with the Lead Manager on the basis of the following qualitative and quantitative factors and on the basis of an assessment of Market demand for the equity shares through the fixed price process. The face value of the Equity Share is Rs. 10/- and Issue Price is Rs. 40/- per Equity Share and is 4.0 times the face value. Investors should read the following basis with the sections titled “Risk Factors” and “Financial Information” and the chapter titled “Our Business” beginning on page nos. 16,157 and 106 respectively, of this Prospectus to get a more informed view before making any investment decisions. The trading price of the Equity Shares of our Company could decline due to these risk factors and you may lose all or part of your investments.

### QUALITATIVE FACTORS

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

- Experience of our promoter
- Wide Customer base
- Relationship with our Clients and Suppliers

For further details, refer to heading “*Our Competitive Strengths*” under chapter titled “*Our Business*” beginning on page 106 of this Prospectus.

### QUANTITATIVE FACTORS

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

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

Year ended	EPS (Rs.)	Weight
March 31, 2015	1.72	1
March 31, 2016	3.66	2
March 31, 2017	2.79	3
<b>Weighted average</b>	<b>2.90</b>	

Note:-

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

#### 2. Price to Earnings (P/E) ratio in relation to Issue Price of Rs. 40 per Equity Share of Rs. 10 each fully paid up.

Particulars	P/E Ratio
P/E ratio based on Basic & Diluted EPS for FY 2016-17	14.32
P/E ratio based on Weighted Average Basic & Diluted EPS	13.77
<b>*Industry P/E</b>	
Lowest	NA
Highest	NA
Average	NA

\*We believe that there are no listed peers engaged in trading of paper exclusively in the segment in which we operate. There are no comparable listed Companies within the same line of business as our Company. Thus Industry P/E Ratio can not be ascertained.



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

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

Year ended	RoNW (%)	Weight
March 31, 2015	12.73	1
March 31, 2016	12.45	2
March 31, 2017	15.06	3
<b>Weighted Average</b>		<b>13.80</b>

**Note:** The RoNW has been computed by dividing net profit after tax as restated, by Net Worth as at the end of the year/period excluding miscellaneous expenditure to the extent not written off.

### 4. Minimum Return on Total Net Worth post issue needed to maintain Pre Issue EPS for the year ended March 31, 2017 is 11.53%

### 5. Net Asset Value (NAV)

Particulars	Amount (in Rs.)
Net Asset Value per Equity Share as of March 31, 2017	18.55
Net Asset Value per Equity Share after the Issue	24.23
Issue Price per equity share	40.00

Net Asset Value per Equity Share has been calculated as net worth divided by number of equity shares at the end of the year.

### *Comparison with other listed companies*

We believe that there are no listed Companies in India which are purely engaged only in trading of paper. Further there are no listed entities which are focused exclusively on the segment in which we operate.

### Notes

1. The figures for Shrenik Limited are based on the restated financials for the year ended March 31, 2017.
2. The Issue Price of Rs. 40.00 per Equity Share has been determined by the Company in consultation with the LM and is justified based on the above accounting ratios.

For further details refer section titled “Risk Factors” beginning on page 16 of this Prospectus and the financials of the Company including profitability and return ratios, as set out in the section titled “Financial Statements” beginning on page 157 of this Prospectus for a more informed view.

## STATEMENT OF POSSIBLE TAX BENEFIT

To,  
The Board of Directors,  
**Shrenik Limited**  
D/87, Nava Anaj Bazar,  
Opp. Anupam Cinema,  
Khokhara, Ahemdabad - 380008 Gujarat.

Dear Sirs,

**Subject: Statement of Possible Special Tax Benefits available to Shrenik Limited (the Company) and its shareholders prepared in accordance with the requirements under Schedule VIII – Clause (VII) (L) of the SEBI (ICDR) Regulations, 2009 as amended (the ‘Regulations’)**

We hereby report that the enclosed annexure prepared by Shrenik Limited, states the possible special tax benefits available to Shrenik Limited 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 special tax benefits is dependent upon fulfilling such conditions, which based on the business imperatives, the company may or may not choose to fulfil. The benefits discussed in the enclosed Annexure cover only special tax benefits available to the Company and shareholders 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 Offer”) 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 offer 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 N. K. Aswani & Co.**  
**Chartered Accountants**  
**Firm Registration No.100738W**

**N.K. Aswani**  
**Proprietor**  
**Membership No: 033278**  
**Date: May 18, 2017**  
**Place: Ahmedabad**

## **ANNEXURE TO THE STATEMENT OF 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**

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

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

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

#### **Note:**

1. 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.

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 shall not be liable to any claims, liabilities or expenses relating to this assignment except to the extent of fees agreed for 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 COMPANY

### OUR INDUSTRY

*The information in this section includes extracts from publicly available information, data and statistics and has been derived from various government publications and industry sources. Neither we nor any other person connected with the Issue have verified this information. The data may have been re-classified by us for the purposes of presentation. Industry sources and publications generally state that the information contained therein has been obtained from sources generally believed to be reliable, but that their accuracy, completeness and underlying assumptions are not guaranteed and their reliability cannot be assured and, accordingly, investment decisions should not be based on such information. You should read the entire Prospectus, including the information contained in the sections titled “Risk Factors” and “Financial Statements” and related notes beginning on page 16 and 157 of this Prospectus.*

#### INDIAN PAPER INDUSTRY

Indian paper industry with approximately 13 mn tonnes of capacity accounts for about 3% of global paper production. According to Indian Paper Mills Association, the domestic consumption of paper in India during 2014-15 was 13.9 mn tones, yoy growth of 6%. The per capita consumption of paper in India stands at ~11 kg, which is relatively lower compared to other developed and developing countries. With increasing focus by government on education and general uptick in macro economy, CARE Rating expects Indian paper industry to witness a CAGR of 7% over the next five years to about 20 mn tones. The growth will be largely driven by printing & writing and packaging & paper board segment. The Indian paper industry can be broadly classified into three segments:

**Printing & writing (P&W):** Printing and writing segment caters to office stationary, textbooks, copier papers, notebooks etc. This segment forms ~31% of domestic paper industry. Governments thrust on education through steps like Right to Education, Sarva Shiksha Abhiyan, rise in service sector are key factors contributing to the growth of this segment.

**Packaging & paper board:** Packaging paper & board segment caters to tertiary and flexible packaging purposes in industries such as FMCG, food, pharma, textiles etc. This segment forms ~47% of the domestic paper industry. This is currently fastest growing segment owing to factors such as rising urbanization, increasing penetration of organized retail, higher growth in FMCG, pharmaceutical.

**Newsprint:** Newsprint serves the newspaper & magazines industry. This segment forms ~18% of Indian paper industry. This segment is under stress due to lower growth rates and import threat.

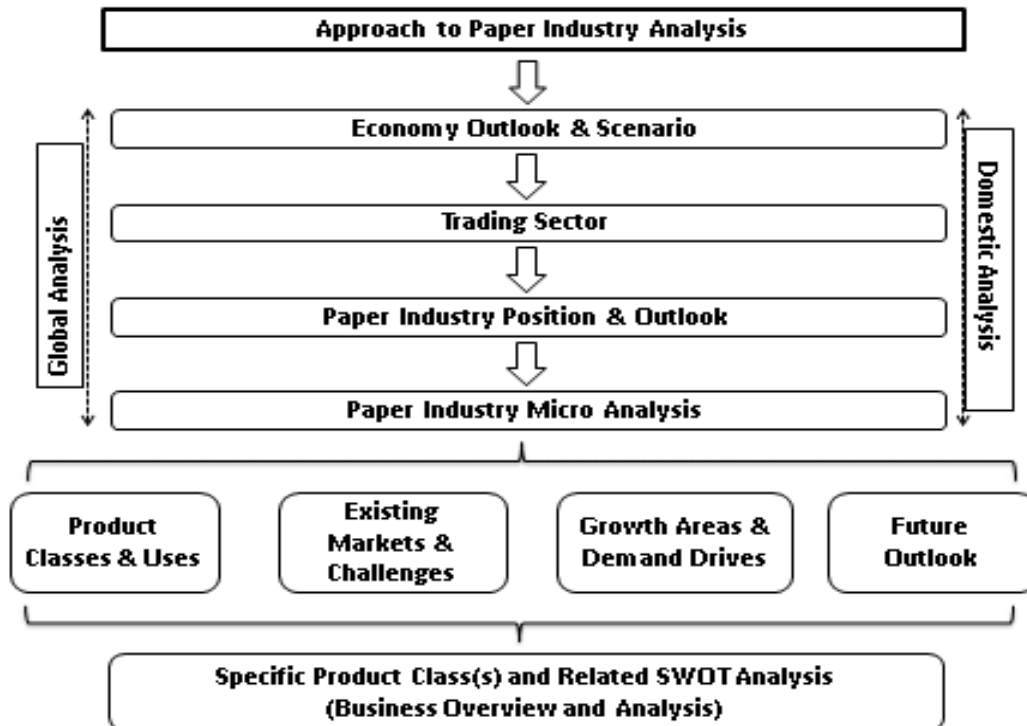
(Source: Indian Paper Industry: out of the woods [www.careratings.com](http://www.careratings.com))

#### APPROACH TO PAPER INDUSTRY ANALYSIS

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

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

Thus, ‘Kraft Paper Industry’ should be analysed in the light of ‘Paper Manufacturing’ at large. An appropriate view on Kraft Paper Industry, then, calls for the overall economy outlook, performance and expectations of Manufacturing Sector, position and outlook of Paper Industry and Kraft Paper segment micro analysis.



## GLOBAL ECONOMIC OVERVIEW

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

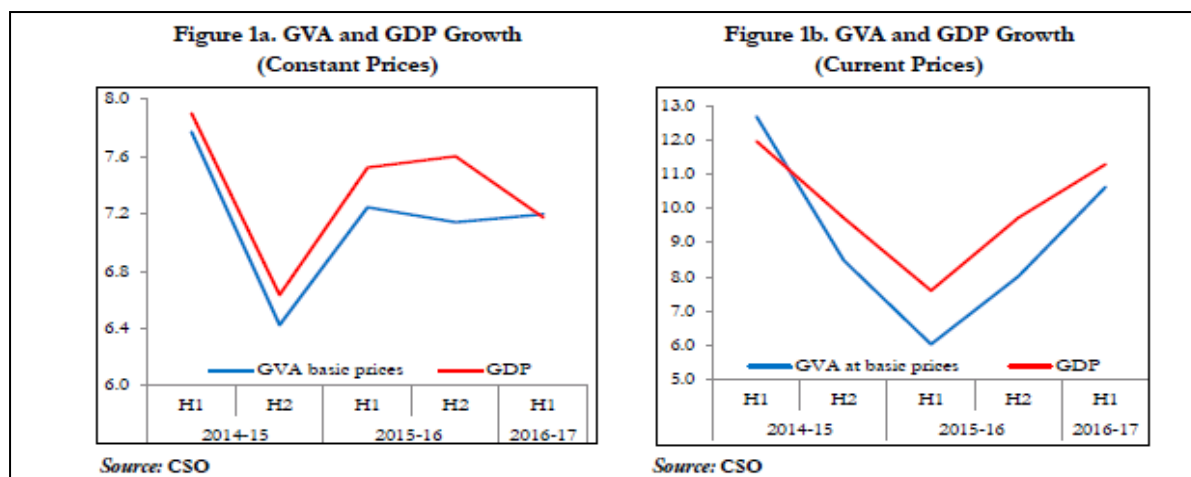
Third, developments in the US, especially the rise of the dollar, will have implications for China's currency and currency policy. If China is able to successfully re-balance its economy, the spill over effects on India and the rest of the world will be positive. On, the other hand, further declines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

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

## REVIEW OF MAJOR DEVELOPMENTS IN INDIAN ECONOMY

The Indian economy has continued to consolidate the gains achieved in restoring macroeconomic stability. Real GDP growth in the first half of the year was 7.2 percent, on the weaker side of the 7.0-

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



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

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

### **External Sector**

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

The trade deficit declined by 23.5 per cent in April-December 2016 over corresponding period of previous year. During the first half of the fiscal year, the main factor was the contraction in imports, which was far steeper than the fall in exports. But during October- December, both exports and

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

### **Fiscal Position**

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

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

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

### **OUTLOOK FOR 2016-17**

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

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

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



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

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

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

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

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

## OUTLOOK FOR 2017-18

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

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

The outlook for private consumption is less clear. International oil prices are expected to be about 10-15 percent higher in 2017 compared to 2016, which would create a drag of about 0.5 percentage points. On the other hand, consumption is expected to receive a boost from two sources: catch-up after the demonetisation-induced reduction in the last two quarters of 2016-17; and cheaper borrowing costs, which are likely to be lower in 2017 than 2016 by as much as 75 to 100 basis points. As a result, spending on housing and consumer durables and semi-durables could rise smartly. It is too early to predict prospects for the monsoon in 2017 and hence agricultural production. But the higher is agricultural growth this year, the less likely that there would be an extra boost to GDP growth next year.

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

FY2018. Even under this forecast, India would remain the fastest growing major economy in the world.

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

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

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

### **Fiscal outlook**

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

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

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

### **The macroeconomic policy stance for 2017-18**

An economy recovering from demonetisation will need policy support. On the assumption that the equilibrium cash-GDP ratio will be lower than before November 8, the banking system will benefit from a higher level of deposits. Thus, market interest rates—deposits, lending, and yields on g-secs—should be lower in 2017-18 than 2016-17. This will provide a boost to the economy (provided, of course, liquidity is no longer a binding constraint). A corollary is that policy rates can be lower not necessarily to lead and nudge market rates but to validate them. Of course, any sharp uptick in oil prices and those of agricultural products, would limit the scope for monetary easing.

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

percent, and 3.5 percent in the following three years. But fiscal policy needs to balance the cyclical imperatives with medium term issues relating to prudence and credibility.

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

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

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

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

## **GLOBAL PAPER INDUSTRY**

The turnaround in the global pulp, paper and paperboard industry that began in 2014 fell apart in 2015 as Asian economies experienced declining export demand, which had a negative impact on packaging paper demand, particularly in China; in addition, trade sanctions against Asian paper exporters reduced growth opportunities. Although pulp shipments were up, values were significantly lower. Overcapacity in the pulp, paper and paperboard segments led to closures and consolidation in 2015 and the first half of 2016.

Cost-reduction strategies and strategic alliances and mergers continued to be implemented among pulp, paper and paperboard companies in Europe and North America in an effort to combat low prices. Such efforts were only partially successful in turning around financial performances, and pulp lines and paper machines were forced to close. The decision by the US Federal Reserve in December 2015 to raise short-term interest rates caused a sharp rise in the US dollar against most global currencies, which had a negative impact on US exports. This prompted a reversal in the Federal Reserve's plan to further raise rates in 2016, causing an immediate devaluation of the US dollar. This, in turn, helped stabilize pulp, paper and paperboard prices in major global economies by the second quarter of 2016.

Despite years of paper-machine closures, capacity rationalization continued in the paper and paperboard industry in the ECE region in 2015 following structural changes in the demand landscape and important increases in supply from low-cost producing regions. Significant overcapacity existed in 2015 and early 2016 in the publishing-paper-grades segment of the printing-and-writing subsector as consumers continued to shift to electronic communications. This falling trend led to closures and consolidation, especially in the US. Given the inherent maturity stage of its life cycle, the graphic-

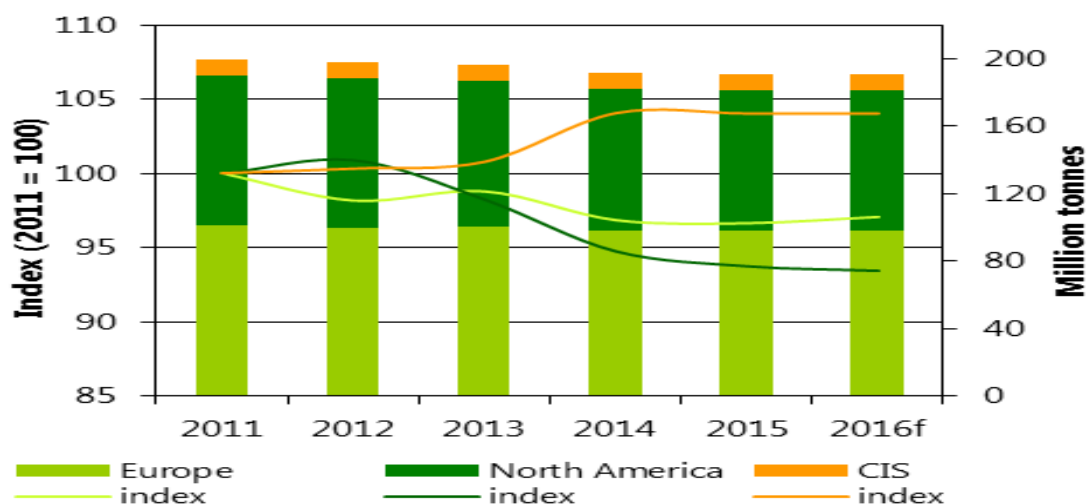
paper industry may be ripe for consolidation. The appreciation of the US dollar helped improve financial results for non-US exporters; buyers in markets with weaker currencies continue to require lower import prices, however, because their paper prices remain depressed. More companies in the subsector converted from graphic grades to packaging papers and market pulp output in 2015, primarily in Europe and North America, and a select few in the US have turned their attention to specialty or fluff-pulp production.

The conversion of graphic-paper machines to paperboard slowed in 2015 and early 2016 as the space became increasingly competitive; consolidation is largely over, with the major gains achieved. The main focus of the industry now is on taking advantage of higher standards of living in emerging and underdeveloped markets by investing in personal-care products, such as facial and hygienic tissues, towel and disposable infant and adult diapers, and feminine napkins. Ongoing massive expansions in chemical market pulp mills to meet the fibre requirements for such products continued to fuel improved productivity through the closure of high-cost facilities Paper and paperboard production declined in Europe and North America in 2015 and was flat in the CIS

(graph 1).

### Production of paper and paperboard,

UNECE region, 2011-2016



Corporate strategies continue to focus on cost reductions, establishing new markets, and investing for the future, but all subsectors recognize the need for wellhoned logistics for both sourcing raw materials and shipping finished goods to global customers. The complexity of domestic and international trade – such as improved low cost logistics for selling large quantities to remote markets; high-volume consignments, especially in Europe; just-in-time inventories; documentation; and quality controls for recycled papers entering China – has compelled suppliers to invest in flexible transportation systems. Such investments have increased some costs but also helped ensure timely delivery, improve customer service and reduce inventory carrying costs at both ends. The global pulp, paper and paperboard industry continues to expand into emerging markets, and keeping abreast of the latest production technologies and consumption trends to maximize logistical efficiencies is the key to success. Newer and larger pulp mills continue to displace less-efficient ones, and excess capacity in commodity graphic grades will lead to further closures and industry consolidation. The quest to maintain a “lowest-possible-cost” position will continue to be the focus of commodity grades in each segment of the industry.

In much of Europe, the faltering economic recovery remained a challenge in early 2016. Quantitative easing and a weak euro against the US dollar continued to prop up the economy and favour exports while also causing import costs to rise. In China, GDP growth was 6.9% in 2015 and is expected to remain around that mark in 2016 as exports and domestic consumption remain relatively weak, even with a weaker yuan against the US dollar. Graphic-paper consumption continued to decline in Europe, Japan and North America in 2015 and into 2016 due to the proliferation of internet-using electronic

formats as well as smart-phone and tablet technologies, and the continued trend of endusers using cheaper alternatives to reduce costs. Businesses and governments are pushing for further cost reductions in data manipulation and communication, including traditional mail services, by embracing technology and investing in processes that provide customers with improved, timelier services. With electronic media growing in popularity, the consolidation and closure of printing plants in the newsprint and commercial printing segments continued to make headlines in 2015. Graphic-paper capacity fell by 1.7 million tonnes in the ECE region in 2015 and is expected to decline by another 1.1 million tonnes in 2016. Four million tonnes of global graphic-paper capacity was indefinitely or permanently removed from production in 2015, and a further drop of 2.7 million tonnes worldwide is expected in 2016. Following years of capacity reductions, graphic-paper prices started to recover from dismal and unprofitable levels; however, there is an ever-pressing need to remove inefficient capacity in key markets to further improve the financial performance of the industry globally. North American newsprint capacity was 5.0 million tonnes in early 2016, down by 1.8 million tonnes from 2014. shows subregional trends in paper and paperboard consumption in 2011-2016

Outside the ECE region, pulp capacity continues to increase. In Brazil, a large bleached eucalyptus kraft line with a production capacity of 1.4 million tonnes started up in 2015, followed by 1.5 million tonnes of bleached eucalyptus and softwood kraft in March 2016. In Indonesia, a single mill with two hardwood kraft pulp lines is expected to produce 2.8 million tonnes per year, starting in late 2016. In mature markets such as Europe, Japan and North America, however, market pulp mill closures, integration into tissue and towel operations, and conversions removed 2.1 million tonnes of market pulp capacity in 2015, and another 602,000 tonnes of integrated pulp capacity was permanently or indefinitely removed.

The expansion of woodpulp production in 2011-2016 was concentrated in hardwood grades and in low-cost countries outside the ECE region. A series of investments in the ECE region in softwood kraft pulp production, however, saw capacity grow by almost 500,000 tonnes in 2015 and by another 1.3 million tonnes in 2016; this is in stark contrast to 2013-2014, when global softwood kraft capacity stagnated. Significant large-capacity expansion in the bleached hardwood kraft pulp segment – mainly bleached eucalyptus kraft in Brazil – has caused prices to decline, leading to the closure or conversion of relatively high-cost capacity in the ECE region in the five years to 2016. Specifically, US capacity was permanently closed, while other mills in North America and Europe swung production to softwood kraft grades to take advantage of higher margins. As a result, woodpulp production in the ECE region trended slightly lower in 2011-2016 (graph 3).

Aiding the large influx of hardwood kraft in 2015-2016 was the large price differential between it and softwood kraft in global markets, prompting end-users to switch to lower-priced fibre to reduce costs wherever the process and product performance requirements permitted. A slowdown in China's economy in 2015 caused a downturn in pulp prices and the price differential between hardwood and softwood kraft narrowed considerably in the second half of the year. This differential was growing again in mid- 2016 as pulp markets recovered; the large incremental hardwood kraft capacity has tended to keep price increases to a minimum relative to those for softwood kraft. Capacity rationalization in the pulp and paper subsector continued in Europe, Japan, North America and South America in 2015. Some newsprint machines were closed or converted to packaging grades, and others were converted from paper-grade pulps to dissolving grades. Strong demand in China from the garment industry in particular continued to spur demand for viscose pulps (a subset of dissolving-pulp grades). China continues to impose import duties on dissolving pulps originating from Brazil, Canada and the US; the net result of these duties is that prices have increased in China, even though capacity has expanded in other countries not subject to the duties. Despite the higher prices, some global capacity expansions have been postponed indefinitely.

Dissolving-pulp demand continued to grow in 2015 and capacity grew in line with this rising demand, allowing prices to increase. In early 2016, however, a major capacity expansion in Brazil targeting the Chinese market added 7% to supply; prices edged lower but still managed to retain two-thirds of the 2015 increases. Fluff-pulp demand also saw solid, sustainable growth in 2015 as standards of living rose in Africa, Asia, the Middle East and South America, aided by higher disposable incomes. shows

overall trends in demand for woodpulp in the ECE subregions in 2011-2016. Global prices for softwood kraft pulps started 2015 in decline due to the large price differential between softwood and hardwood kraft pulps and as China's economic growth slowed. Hardwood kraft pulp prices began to erode in mid-to-late 2015 after large capacity additions that exceeded global demand.

Prices for publishing papers were generally flat to weaker in 2015 as supply continued to chase demand downward in all ECE markets. Prices for coated and uncoated wood-free papers and newsprint began to improve in early 2016 after years of falling demand and overcapacity.

The global pulp and paper subsector is recovering slowly, aided largely by capacity rationalization. Many difficult reforms have been implemented, including cost cutting, mergers and divestments, but more are required. Currency fluctuations in 2015 saw global asset valuations decline against the US dollar, causing global trade inequalities and resulting in lower prices. The subsector continues to invest in green technologies (e.g. wood-based biorefineries and biofuels) with the potential to reduce production costs and diversify revenue streams

(Source: Trends and Perspectives for pulp and paper [www.unece.org](http://www.unece.org))

## INDIAN PAPER INDUSTRY

Despite the continued focus on digitisation, India's demand for paper is expected to rise 53 per cent in the next six years, primarily due to a sustained increase in the number of school-going children in rural areas. Growing consumerism, modern retailing, rising literacy (continued government spending on education through the Sarva Shiksha Abhiyan) and the increasing use of documentation will keep demand for writing and printing paper buoyant. "Though India's per capita consumption is quite low compared to global peers, things are looking up and demand is set to rise from the current 13 million tonnes (mt) to an estimated 20 mt by 2020," said Harsh Pati Singhanian, vice-chairman and managing director of JK Paper.

An India Ratings report estimates India's per capita paper consumption at nine kg, against 22 kg in Indonesia, 25 kg in Malaysia and 42 kg in China. The global average stands at 58 kg.

"This indicates there is a lot of headroom for growth in India. From a demand point of view, every one kg incremental per capita consumption results in additional demand of more than one mt a year. Besides, policy factors also have a key role to play in the growth of the domestic paper industry in India. The government's sustained focus on literacy, increased consumerism and expansion in organised retail are expected to positively affect paper consumption and demand in India," said Yogesh Agarwal, managing director and chief executive of Ballarpur Industries.

Digital media has a lot of ground to cover, at least as far as penetration is concerned, primarily in rural areas. Paper is an established business and its consumption is being encouraged. What was heartening was though there were challenges, the packaging side of the segment continued to grow, Agarwal added. In the last five years, the Indian paper sector has invested about Rs 20,000 crore on capacity enhancement, technology upgrade and acquisitions. Now, companies in the sector are seeking to improve their balance sheets. While the sector is eager to expand capacity further, decisions in this regard will depend on how soon companies can improve their financials.

The India Ratings report in 2014-15, said paper companies would achieve higher profitability and free cash flows due to lower capital expenditure, and this would help in deleveraging. This is because the debt levels of these companies have peaked and cost benefits will accrue from backward integration (due to capital expenditure) and a larger scale of operations.

"The capacity expansion that took place in the industry through the last few years is now being absorbed due to the rising demand for paper in India. The sector, which faced challenge from rising input (wood) costs, is now better placed due to a renewed thrust on agro-forestry and softening of pulp costs," Singhanian said.

Commissioning of several state-of-the-art pulp and paper machines such as that seen in the case of JK Paper last year will result in lower operating costs and improved quality.



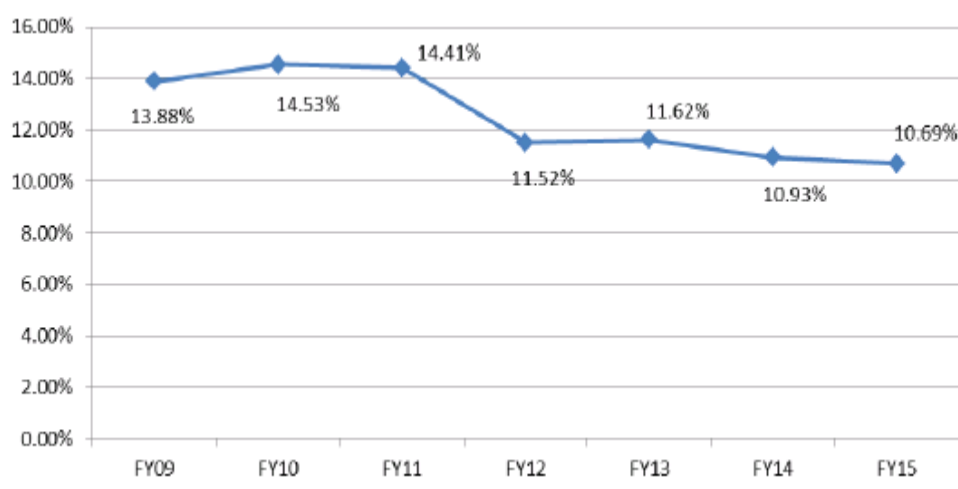
(Source: India's paper demand to rise 53% by 2020 [www.ibef.org](http://www.ibef.org))

## GROWTH OF INDIAN PAPER INDUSTRY

### Operating Profit Margin Improving For Paper Players

The major cost heads for paper industry players are raw material (constituting ~50% of net sales) and power and fuel cost (constituting ~ 16% of net sales). The operating margins of the paper companies were in the range of 14 % during FY09 to FY11 due to lower costs and better price realizations backed by good demand growth. However, during FY12 to FY14, the operating margin trend showed a declining trend with increase in raw material prices and power and fuel cost largely during FY13. Also, with capacity expansion during FY09 to FY11, players could not increase the prices and faced import threat. Due to this the operating margin declined to ~11% during FY12 to FY14. The fall in margin was arrested in FY15 and H2FY16 witnessed improvement in margins due to declining RM costs and power & fuel cost.

### EBIDTA MARGIN TREND FOR PAPER COMPANIES



Within the paper industry, P&W players operating margins improved to 20% in Q4FY16 from a low of 10% in Q2FY14. During FY16, key players increased prices by Rs 2 per kg in December month. Also, the companies benefitted from lower domestic wood prices and coal prices impacting power & fuel cost. Agro forestry initiatives taken by players yielded results

### Stabilizing raw material prices

Pulp is the primary raw material used for manufacturing of paper, and is obtained through processing of fibers separated from wood, wastepaper, agriculture residues etc. Indian paper industry is facing issue of pulpwood deficit in domestic market. To compensate for this deficit, Indian paper companies import pulp. This deficit can be mainly attributed to deforestation, increase in wood demand from other industries like construction industry, plywood & MDF board industry, bio-energy plants etc. To counter the issue of wood deficit, Indian paper companies gave thrust to initiatives like agro forestry which have now started yielding results. The increase in raw material prices from FY11 – FY14 has stabilized from FY15. In Union Budget 2016, basic customs duty on wood in chips or particles for manufacture of paper, paperboard and news print has been reduced to nil from 5%. This will augur well for Indian companies depending upon imported wood chips

### Segment wise Raw Material source

Segment	Raw material Source	Raw Material cost % to net sales	% of Raw Material imports
P&W	Wood,Bamboo	35%	22%
Paperboard	Agriculture Residue, Wastepaper	60%	45%
Newsprint	Wastepaper	50%	30%

### Declining coal prices to reduce power and fuel cost

Indian paper players depend on imported coal to meet their power requirements. The declining trend in global coal prices has helped Indian paper industry to improve margins. Amongst the various segments, power & fuel cost for P&W players is ~17%, for Paperboard segment is ~15% and for Newsprint segment it is around 18%. Earlier Indian paper industry was considered as core sector industry and hence it used to get coal on priority basis and at subsidized rates but from 2005 it is in non-core list of industries and hence paper players have to purchase domestic coal at higher prices. Timely availability of coal is another pertinent issue. To counter this, Indian paper players rely on imported coal which is available at lower cost as compared to domestic coal. From FY12 to FY16 imported coal prices have reduced by ~53% while INR has depreciated by ~37% to USD, which has benefited Indian paper industry

### Paper players face import threat

The 2.5% customs duty on paper in India has been brought down to Zero; from 1st January 2014, as per the terms of the free trade agreement with the Association of Southeast Asian Nations (ASEAN). Due to this there has been a rise in paper imports from ASEAN countries which has resulted in increasing share of imports in paper consumption in India. Earlier only few special grade paper and newsprint were imported but now, P&W paper is too being imported. In newsprint segment itself, imports increased from 47% of total consumption in FY09 to 59% in FY15.

### Impact on the Credit profile of paper players

Increasing cost pressure coupled with stable pricing impacted the financial performance and thus debt protection metrics of the paper players weakened during the period FY12 to FY15. However, CARE Ratings believes that worst is over for its rated players in the P&W paper segment with softening of wood prices and will largely maintain stable credit risk over the near to medium term. This will largely be due to cost pressure subsidizing and expected improvement in domestic demand and export opportunities. Packaging and paperboard segment will benefit from higher growth while newsprint segment will continue to face pressure from newsprint imports.



## OUR BUSINESS

Some of the information contained in the following discussion, including information with respect to our business plans and strategies, contain forward-looking statements that involve risks and uncertainties. You should read the chapter titled —Forward-Looking Statements beginning on page 15 of this Prospectus, for a discussion of the risks and uncertainties related to those statements and also the section —Risk Factors for a discussion of certain factors that may affect our business, financial condition or results of operations. Our actual results may differ materially from those expressed in or implied by these forward-looking statements. Our fiscal year ends on March 31 of each year, so all references to a particular fiscal are to the twelve-month period ended March 31 of that year.

The financial information used in this section, unless otherwise stated, is derived from our Financial Information, prepared in accordance with Indian GAAP and Companies Act and restated in accordance with the SEBI Regulations. The following information is qualified in its entirety by, and should be read together with, the more detailed financial and other information included in this Prospectus, including the information contained in the sections titled —Risk Factors and —Financial Information as restated beginning on pages 16 and 157 respectively.

Unless otherwise stated, references in this section to Shrenik”, “the Company” or “our Company” are to Shrenik Limited, and references to “we”, “our” or “us” are to the Company.

### OVERVIEW

Incorporated in 2012, we are primarily engaged in the business of trading of different types of paper in Gujarat and Rajasthan through distribution channel. Our paper journey began with trading of variety of papers by our promoter Shrenikbhai Vimawala under the flagship of his proprietorship concern, “Shree Shyam Corporation”. With gaining an insight of the industry coupled with an available opportunity, he converted his proprietorship concern into partnership firm “Shrenik Tradelink”, which was subsequently converted into Company. In 2009 BILT Graphic Paper Products Limited (“BGPPL”) offered its distributorship to our Company. The distributorship was specifically for a Chromo Paper Plant manufactured by (“BGPPL”) and but later other products like copier paper, notebook paper were also included. The Company geared itself up for the accomplishment of the allocated project and ended up creating number of customers within a span of time. Our work has been honoured consecutively by “Performance Award”, Category ‘B’ in the year 2009-2010 and “Performance Award” Category “AAA” for a continuous period of Four Years initiating from 2011 to 2014 by (“BGPPL”).

We serve our customers with variety of papers like copier, maplitho, coated paper, FBB board and a speciality paper commodity royal executive bond. Apart from being the wholesale distributors our Company has its own brand named “Shrenik” .We believe and plan to include different varieties of paper products under the brand “Shrenik” like copier, sticker sheets, etc in near future.

Our Company has a diversified customer base catering to various segments. We have consistent retention of key customer segments which has ensured us with around 3000-3500 customer base all over Gujarat and Rajasthan.

Apart from procuring paper from local paper manufacturers and traders, we are also wholesaler distributors of Tamilnadu Newsprint and Papers Limited in Gujarat region, Asia Pulp and Paper in Gujarat and Rajasthan region. Our Company has association with its suppliers for supply of. paper and hence we do not anticipate any problem in procurement.

We have expanded our business and operations significantly during the past three years. In financial years 2017, 2016, 2015, 2014 and 2013 our turnovers (net) were 42765.41 lakhs, 32922.70 lakhs, 26572.15 lakhs, 21308.65 lakhs, and 5420.63 lakhs respectively. Our restated profits were 418.85

lakhs, 294.30 lakhs, 102.96 lakhs, 96.08 lakhs, and 9.87 lakhs respectively. We have been able to increase our turnover (net) and restated profit from financial year 2013 to financial year 2017 at a CAGR of 67.54% and 155.07%, respectively. Our turnover (net) and restated profit were 42765.41 lakhs and 418.85 lakhs, respectively for the financial year ended as on 31<sup>st</sup> march 2017.

For information on our Company’s incorporation and history and financial details, please refer to chapters titled “Our history and certain other Corporate matters”, and “Financial Statements as Restated”, “beginning on page 127 and 157 respectively of this Prospectus.

## OUR SPECTRUM OF PRODUCTS

We offer a product range which includes a variety of Paper such as Coated Paper, notebook paper, photocopy paper, etc. Our Company serves various customers in the packaging products business also:

PHOTOCOPY PAPER	COATED PAPER	NOTEBOOK PAPER	FOLDING BOX BOARD
			
DESCRIPTION*			
<p>Copy paper may be called reprographic paper, copier paper, dual-purpose or xerographic paper.</p> <p>Many organizations use it in large quantities. This type of paper specially prepared for the writing of advertising copy, newspaper copy, etc., usually having guidelines to indicate margins and the number of spaces per line.</p>	<p>Coated paper is paper which has been coated by a compound or polymer to impart certain qualities to the paper, including weight, surface gloss, smoothness or reduced ink absorbency. It is used for high quality printing in packaging industry and in magazines.</p>	<p>Notebook paper can be used for storing information: book, notebook, magazine, newspaper, art, letter etc.</p>	<p>This is a low-density material with high stiffness and has a slightly yellow colour, mainly on the inside. The major end uses of folding boxboard are health and beauty products, frozen, chilled and other foods, confectionaries, pharmaceuticals, graphical uses and cigarettes</p>

*Source: Management Representation*

*(Note: Images are for the graphical presentation only.)*

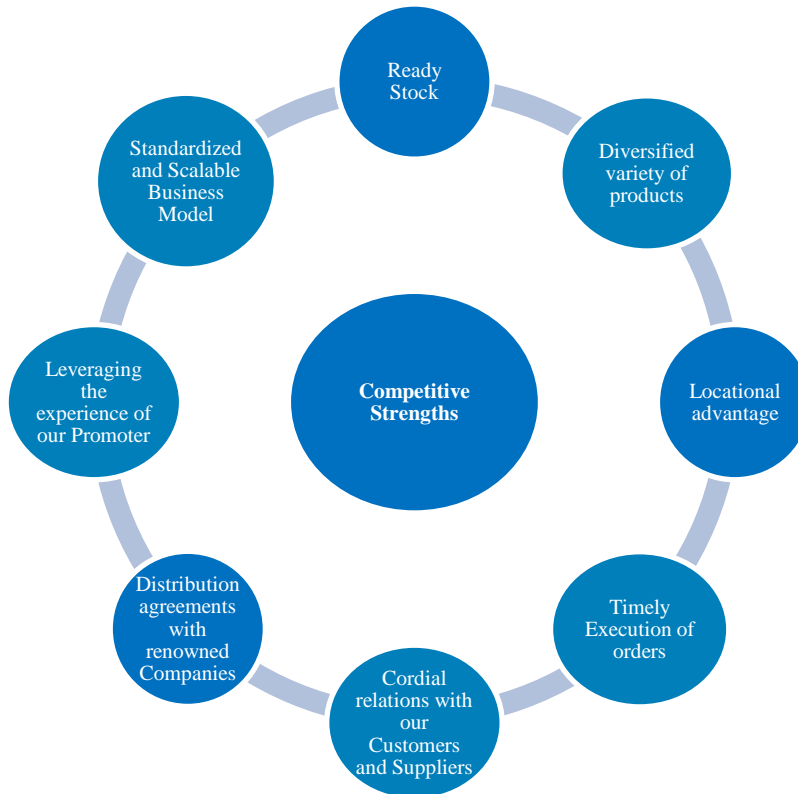
## KEY BUSINESS PROCESS

We operate as an intermediary in the Paper Supply Chain whereby we purchase paper such as notebook paper printing paper, etc. from individual paper manufacturers and supply the same to customers in the packaging products business. The following flowchart describes our overall business process:



## OUR COMPETITIVE STRENGTHS

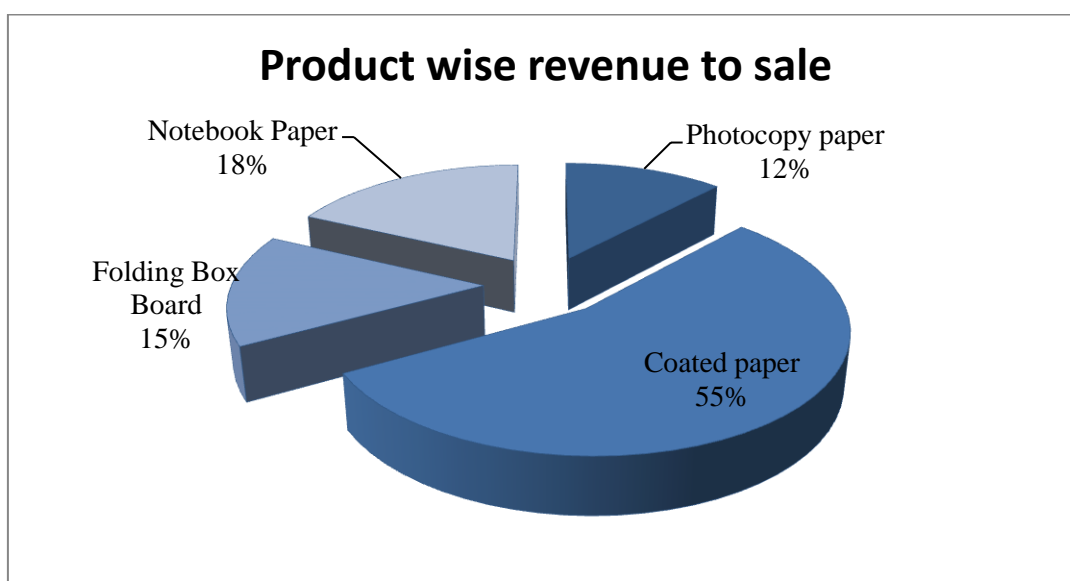
We believe that following principal strengths of our company would ensure our survival and help us attain a prominent position in the market:



### 1. Diversified Variety of readily available Paper and diversified Customer Base

As a trading company, we are in a position to always provide variety of paper collected for our customers. Our continuous efforts and beliefs in maintaining relationship with our suppliers ensures adequate inventory at any point. We procure, stock and supply a diverse and range of papers and paper to satisfy the growing requirements of customers. We are a multi-product Paper trading company with a diverse product portfolio including Duplex Board, Board, Coated Paper, etc. in various sizes and shapes. Further our products are used for varied purposes including Printing, Packaging which inter-alia includes retail mono packaging boxes manufacturing. Our competitive advantage lies in procurement of various papers ranging to all sizes, grades and standards under one roof. Our timely services of delivery has helped in forging relationships with our customers. We have a diversified customer base of 3000-3500 customers all over Gujarat and Rajasthan. Our customers come from various types of Printing, stationery houses ,offset and xerox house, , publishers, traders and packaging products businesses. This reduces our reliance on few customers only.

Product-wise Revenue break-up of our Business in 2016-17:



Source: Management Representation

Total turnover product wise for fy. 2016-17:

SR NO	PRODUCTS	AMT. ( Rs. In Lakhs )
1	NOTEBOOK PAPER	7674.18
2	PHOTOCOPY PAPER	5116.12
3	FOLDING BOX BOARD	6395.15
4	COATED PAPER	23448.88
	<b>TOTAL TURNOVER</b>	<b>42634.33</b>

## 2. Ready stock

Stock capacity plays an immensely important role in the paper market. It is the stock capacity that one stores that can determine the level of growth. At our Company it is always stock and supply pattern that is followed. We keep ready stock of all the paper we deal in all the sizes and gsms with the required amount of quantity at our respective warehouse which helps us stay at a stable position throughout the year and also helps us in serving our Customers with timely delivery of the orders.

## 3. Timely Execution of orders

Timely execution of orders is a prerequisite in our Business. Our Company has taken various steps in order to ensure adherence to timely fulfilment of orders and also to achieve greater cost efficiency. These steps include identifying quality product suppliers and ability to meet large and varied orders due to our capacity and linkages with suppliers. Our Company also has enjoyed good relations with our suppliers and as a consequence has had the benefit of timely supplies of the products. Our Company constantly endeavours to implement an efficient procurement policy for inputs required for delivery/trading so as to ensure cost efficiency in procurement which in turn results in cost effective delivery of products to our customers

## 4. Distribution agreement with Companies

We have distribution agreement of BILT Graphic Paper Products Limited ("BGPPL"). In 2016 we gained distributionship of Tamilnadu Newsprint and Papers Limited and Asia Pulp and Paper.

## **5. Leveraging the experience of our Promoter**

Our Promoter, Shrenekbhai Vimawala has more than two decades experience in paper and paper products trading. We believe the experience and depth of our promoter gives us a competitive advantage in the industry in which we operate. It is through the constant efforts and experience of our promoter that we have been able to build a sustainable business model. . It is also expected to help us in addressing and mitigating various risks inherent in our business, including significant competition, reliance on independent suppliers, the global economic crisis and fluctuations in prices.

## **6. Cordial relations with our Customer and Suppliers**

Our dedicated and focused approach has helped us build strong relationships over a number of years with our customers and suppliers. We bag and place repetitive order with our customers and with our suppliers, which facilitates efficient and timely delivery of products to our. For us, establishing strong, mutually beneficial long-term relationships with strategic supplier is a critical step in improving performance and generating greater cost efficiency and enabling the business to grow and develop.

## **7. Economies of Scale**

Our business model is order driven, and comprises of optimum utilization of our demand driven industry, developing linkages with quality suppliers and achieving consequent economies of scale. We believe that this business model has proved scalable for us in the last few financial years. We can scale upward as per the requirement generated by our Company. The business scale generation is basically due to the development of new markets by adopting aggressive marketing of the product, innovation in the paper product range and by maintaining the consistent quality of the product. We have procured distributionship Tamilnadu Newsprint and Papers Limited and Ballarpur Industries Limited in Gujarat Region , Asia Pulp and Paper for Gujarat and Rajasthan region .Apart from the agreement we have around 3000-3500 customers all over Gujarat and Rajasthan.

## **8. Locational Advantage**

The Company has taken 1 registered office, 1 corporate office and 11 warehouses on rent in different regions of Ahmedabad which is strategically located and is well connected by rail, roads and air with the rest of the country. The warehouses are located within the limits of Ahmedabad Municipal Corporation Procurement of these products is less time consuming and comparatively cheaper due to savings on freight. Thus, the location of the our warehouses and office is advantageous to the company in transportation of products. Our warehouses are well safeguarded with climate control to provide the proper mix of temperature and humidity to keep the papers safe and damage free.

## OUR BUSINESS STRATEGY



### 1. **Geographical expansion**

We cater to a large number of customer throughout Gujarat and Rajasthan. We further intend to cater to PAN India customers. We intend to supply to other states and also intend to enter other regions over the course of time. Through a combination of adhering to global standards, increased marketing initiatives, competitive pricing and more efficient use of resources, we intend to expand our footprint and become a preferred supplier for retailers and wholesaler.

### 2. **Enhancing our brand image**

At present we mainly market our products under the brand name “Shrenik”. Developing our brand image is quite essential to market our products. We would continue to associate ourselves with good quality customers and execute projects to their utmost satisfaction. We are highly conscious about our brand image and intend to continue our brand building exercise by providing quality products to customers.

### 3. **Growing our existing customers relationships**

Our Company is customer satisfaction oriented company and always strives to maintain good relationships with the customers. We believe that there are significant opportunities for additional growth within our existing customers base. We intend to leverage our domain expertise, understanding of our target industry and close relationship with our customers to expand the scope of current products in new areas.

### 4. **Improving operational efficiencies**

Improving operational efficiencies is the key to success of any business. Our Company intends to improve efficiencies to achieve cost reductions so that they can be competitive. We believe that this can be done through domestic presence and economies of scale. Increasing our penetration in existing regions will enable us to penetrate into new catchment areas within these regions. As a result of these measures, our Company will be able to increase its market share and profitability.

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

Our Company strives to consistently meet quality standards to the customer satisfaction. This is necessary so as to make sure that we get repeat business from our existing customers. This will also aid us in enhancing our brand value.

## **6. Leveraging Market skills and Relationship**

Leveraging our market skills and relationships is a continuous process in our organization and the skills that we impart in our people is to give importance to customers. We aim to do this by leveraging our marketing skills and relationships and further enhancing customer satisfaction.

### **COLLABORATIONS**

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

### **UTILITIES & INFRASTRUCTURE FACILITIES**

Our registered office, corporate office and warehouses are well equipped with computer systems, internet connectivity, other communication equipment, security and other facilities, which are required for our business operations to function smoothly. Our registered office and warehouses has facilities of water and electricity provided by respective authorities. Generally power requirements are met through normal distribution channel like State Electricity Board. Our warehouses are well safeguarded with climate control facility to provide a proper mix of temperature and humidity to keep the papers safe and damage free. Our warehouses have been constructed keeping in mind the requirements of Paper Products. All of the warehouses of the Company are well constructed providing the humid protection to papers so as to protect the products from rains. The infrastructure of our warehouses is sufficiently equipped with all types of requirements ranging from storing the products to protecting them. The warehouse employees of the company take care of the entries to be made day in and day out with respect to stock of the company. The roofs of our warehouses have been constructed in a manner that prevents water from entering into the rooms and hence the chance of our paper products getting drenched remains nil. Our warehouses are RCC Constructed (Reinforced Cement Concrete) which ensures us of the safety of the paper products of our Company. The warehouses are monitored on regular basis so that requirements, if any, can be met on immediate basis.

### **EXPORT AND EXPORT OBLIGATIONS**

As on date of this Prospectus our Company doesn't have any export obligation as we are not currently exporting any of our products.

### **HUMAN RESOURCE**

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

As on March 31, 2017, we have 21 employees on payroll. Our manpower is a prudent mix of the experienced and youth which gives us the dual advantage of stability and growth. Our work processes and skilled/ semi-skilled/ unskilled resources together with our management team have enabled us to implement our growth plans.

### **CAPACITY AND CAPACITY UTILISATION**

Capacity and capacity utilisation is not applicable to our Company since we are purely into the business of trading paper and paper products.

### **COMPETITION**

The paper market is highly competitive and fragmented, and we face competition from various domestic players. Some of our competitors have greater financial, marketing, sales and other resources than we do. Moreover, as we seek to diversify into new geographical areas, we may face competition from competitors that have a pan-India presence and also from competitors that have a strong presence in regional markets. Competitive overbuilding in certain markets may have a material adverse effect on our operations in that market. Due to fragmented nature of the industry, there is no



authentic data available to our Company on total industry size and market share of our Company vis-à-vis the competitors.

#### **END USERS**

The end users of paper in business to customers vertical constitute stationery houses , xerox , , offset and in business to business vertical constitute paper traders, Printing, publishing, traders, packaging products businesses.

#### **SALES AND MARKETING**



Efficiency of marketing network is critical to our Company. Our management and personnel in marketing team, through their experience and efforts create and expand the clientele base of the Company. To develop customers, our management and other personnel, regularly interacts either directly or indirectly with prospective customers and existing dealer distribution network.

#### **INSURANCE**

We believe that our insurance coverage is adequate for our business needs and operations. We will continue to review our policies to ensure adequate insurance coverage maintained. We maintain insurance policies in respect of our stock stored in warehouses. Our Company has obtained standard fire and special perils insurance policy for stock in trade.

## INTELLECTUAL PROPERTY

We have for registration of the following Trademarks with Trademarks Registry, Government of India. The details of trademark applications are as under:

Sr. No.	Trademark	Trademark Type	Class	Applicant	Application No.	Date of Application	Validity/ Renewal	Registration status
1.	<b>SHRENIK</b>	Device	16	Shrenik Tradelink Private Limited	2663635	January 22, 2014	January 22, 2024	Registered
2.	<b>SHRENIK</b>	Device	35	Shrenik Tradelink Private Limited	2663636	January 22, 2014	January 22, 2024	Registered
3.		Device	35	Shrenik Tradelink Private Limited	2663637	January 22, 2014	January 22, 2024	Registered
4.		Device	16	Shrenik Tradelink Private Limited	2663638	January 22, 2014	January 22, 2024	Registered

Note- Our Company has applied for change of name of the applicant to Trademark Registry for the abovementioned trademarks via application dated April 12, 2017 pursuant to conversion of Company from private to public limited Company.

## LAND AND PROPERTY

### 1. Land and Properties taken on lease/rent by the Company.

Sr No	Location of the Property	Licensor/Lessor	Use
1.	D-87, Nr Gayatri Dairy, Bhalakiya Mill Compound, Khokhara, Ahmedabad, Gujarat, India	Shrenikbhai Vimawala	Registered Office
2.	505-508, 10/11 Beside Mardia Plaza CG Road Ahmedabad-380009, Gujarat	Shrenikbhai Vimawala	Corporate Office
3.	No 26, Godown, New Anaj Bajar Coop-Warehouses, Nr Gayatri Dairy, Opp Anupam Cinema, Khokhara, Ahmedabad – 380008, Gujarat, India	Shrenikbhai Vimawala	Warehouse
4.	96, Grain Market, Opp Anupam Cinema, Khokhara, Ahmedabad – 380008, Gujarat, India	Shrenikbhai Vimawala	Warehouse
5.	113, Nr Gayatri Dairy, Bhalakiya Mill Compound, Khokhara, Ahmedabad, Gujarat, India	Himaniben Patel	Warehouse
6.	D-95, Nr Gayatri Dairy, Bhalakiya Mill Compound, Khokhara, Ahmedabad, Gujarat, India	Ghanshyambhai Patel, Devendrabhai Patel, Babubhai Patel, Maheshbhai Patel	Warehouse
7.	D-94, Nr Gayatri Dairy, Bhalakiya Mill Compound, Khokhara, Ahmedabad, Gujarat, India	Palak Sanghvi	Warehouse
8.	A-79, Nr Gayatri Dairy, Bhalakiya Mill Compound, Khokhara, Ahmedabad, Gujarat, India	Nikesh Bhagwatibhai Patel, Sarojben Bhagwatibhai Patel	Warehouse

Sr No	Location of the Property	Licensor/Lessor	Use
9.	B-115, Nr Gayatri Dairy, Bhalakiya Mill Compound, Khokhara, Ahmedabad, Gujarat, India	Divyangbhai Chandulal Gandhi	Warehouse
10.	C-119, Nr Gayatri Dairy, Bhalakiya Mill Compound, Khokhara, Ahmedabad, Gujarat, India	Kashiram Trilokchandbhai	Warehouse
11.	D-62, Ramkrushna Ind. Estate, Ramkrushna Mill Compound, Opp Shital Cinema, Nr. Sarangpur Bridge, Rakhial, Ahmedabad, Gujarat, India	Shrenikbhai Vimawala	Warehouse
12.	D-86, Nr Gayatri Dairy, Bhalakiya Mill Compound, Khokhara, Ahmedabad, Gujarat, India	Tarulataben Parikh	Warehouse
13.	780 & 2525, Cadila Estate, Opp. Tulsi Hotel, Aslali, Ahmedabad, Gujarat, India	Sudhirbhai Marfatia, Yogesh Shah, Chinubhai C Patel	Warehouse

We do not possess any documents which records the terms and conditions of our rental/leave and license arrangement with such parties. In the event the owners/lessors/etc. of such premises raise any objection to us occupying the premises or question our use and possession of such property, we may not be in a position to protect our rights to use and occupy such property. For more information please refer to chapters titled “Risk Factors” beginning on page 16 respectively of this Prospectus.

## **KEY INDUSTRY REGULATIONS AND POLICIES**

Except as otherwise specified in this Prospectus, the Companies Act, 1956 / the Companies Act, 2013, we are subject to a number of central and state legislations which regulate substantive and procedural aspects of our business. Additionally, our operations require sanctions from the concerned authorities, under the relevant Central and State legislations and local bye-laws. The following is an overview of some of the important laws, policies and regulations which are pertinent to our business as a player in business of trading of paper. Taxation statutes such as the Income Tax Act, 1961 and applicable Labour laws, environmental laws, contractual laws, intellectual property laws as the case may be, apply to us as they do to any other Indian company. The statements below are based on the current provisions of Indian law, and the judicial and administrative interpretations thereof, which are subject to change or modification by subsequent legislative, regulatory, administrative or judicial decisions. The regulations set out below may not be exhaustive, and are only intended to provide general information to Applicants and is neither designed nor intended to be a substitute for professional legal advice

### **APPROVALS**

For the purpose of the business undertaken by our Company, it is required to comply with various laws, statutes, rules, regulations, executive orders, etc. that may be applicable from time to time. The details of such approvals have more particularly been described for your reference in the chapter titled “Government and Other Statutory Approvals” beginning on page number 229 of this Prospectus.

### **APPLICABLE LAWS AND REGULATIONS**

#### **BUSINESS/TRADE RELATED LAWS/REGULATIONS**

##### **The Micro, Small and Medium Enterprises Development Act, 2006**

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

##### **The New Gujarat Industrial Policy 2015**

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

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

Institutions, setting new laboratories, financial support through partial reimbursement of cost for filing domestic patents and international patents. Gujarat government shall be taking market development initiatives with the intention of giving enhanced visibility to local produce from large industries and specifically from MSMEs. Government of Gujarat stresses on “Zero Defect” to produce globally-competitive, locally manufactured goods. One of the expansive marketing practices around the globe is participation in international and domestic trade fairs to show one’s products or wares. Government of Gujarat will make market credit available to MSMEs. Quality improvement is strongly envisaged in the new industrial policy. The assistance will be granted by national (approved by quality council of India) and international certification. The policy also intends to encourage use of enterprise resources planning system (ERP) for MSMEs. Government of Gujarat also provides assistance for raising capital through SME exchange on one time basis.

### **Anti-Trust Laws**

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

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

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

### **GENERAL CORPORATE COMPLIANCE**

#### **The Companies Act 1956 and the Companies Act, 2013**

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

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

## **EMPLOYMENT AND LABOUR LAWS**

### **Employees' Provident Funds and Miscellaneous Provisions Act, 1952 ("the EPF Act") and the Employees Provident Fund Scheme, 1952**

The EPF Act is applicable to an establishment employing more than 20 employees and as notified by the government from time to time. All the establishments under the EPF Act are required to be registered with the appropriate Provident Fund Commissioner. Also, in accordance with the provisions of the EPF Act, the employers are required to contribute to the employees' provident fund the prescribed percentage of the basic wages, dearness allowances and remaining allowance (if any) payable to the employees. The employee shall also be required to make the equal contribution to the fund. The Central Government under section 5 of the EPF Act (as mentioned above) frames Employees Provident Scheme, 1952.

### **Employees Deposit Linked Insurance Scheme, 1976**

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

### **The Employees Pension Scheme, 1995**

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

### **Employees' State Insurance Act, 1948 (the "ESI Act")**

It is an act to provide for certain benefits to employees in case of sickness, maternity and 'employment injury' and to make provision for certain other matters in relation thereto. It shall apply to all factories (including factories belonging to the Government other than seasonal factories. Provided that nothing contained in this sub-section shall apply to a factory or establishment belonging to or under the control of the Government whose employees are otherwise in receipt of benefits substantially similar or superior to the benefits provided under this Act. This Act requires all the employees of the establishments to which this Act applies to be insured in the manner provided there under. Employer and employees both are required to make contribution to the fund. The return of the contribution made is required to be filed with the Employee State Insurance department.

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

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

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

The Act shall apply to every factory, mine plantation, port and railway company; to every shop or establishment within the meaning of any law for the time being in force in relation to shops and establishments in a State, in which ten or more persons are employed, or were employed, on any day of the preceding twelve months; such other establishments or class of establishments, in which ten or more employees are employed, on any day of the preceding twelve months, as the Central Government, may by notification, specify in this behalf.. A shop or establishment to which this act

has become applicable shall be continued to be governed by this act irrespective of the number of persons falling below ten at any day. The gratuity shall be payable to an employee on termination of his employment after he has rendered continuous service of not less than five years on superannuation or his retirement or resignation or death or disablement due to accident or disease. The five year period shall be relaxed in case of termination of service due to death or disablement.

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

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

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

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

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

The Equal Remuneration Act 1976 provides for payment of equal remuneration to men and women workers and for prevention discrimination, on the ground of sex, against Female employees in the matters of employment and for matters connected therewith. The act was enacted with the aim of state to provide Equal Pay and Equal Work as envisaged under Article 39 of the Constitution.

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

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

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

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

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

In order to curb the rise in sexual harassment of women at workplace, this act was enacted for prevention and redressal of complaints and for matters connected therewith or incidental thereto. The terms sexual harassment and workplace are both defined in the act. Every employer should also constitute an “Internal Complaints Committee” and every officer and member of the company shall hold office for a period of not exceeding three years from the date of nomination. Any aggrieved



woman can make a complaint in writing to the Internal Committee in relation to sexual harassment of female at workplace. Every employer has a duty to provide a safe working environment at workplace which shall include safety from the persons coming into contact at the workplace, organising awareness programs and workshops, display of rules relating to the sexual harassment at any conspicuous part of the workplace, provide necessary facilities to the internal or local committee for dealing with the complaint, such other procedural requirements to assess the complaints.

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

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

### **TAX RELATED LEGISLATIONS**

#### **Value Added Tax (“VAT”)**

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

#### **Gujarat Value Added Tax (“VAT”), 2003**

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

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

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

#### **Service Tax**

Chapter V of the Finance Act, 1994 as amended, provides for the levy of a service tax in respect of ‘taxable services’, as specified in entry 39 defined therein. The service provider of taxable services is required to collect service tax from the recipient of such services and pay such tax to the Government. Every person who is liable to pay this service tax must register himself with the appropriate authorities. According to Rule 6 of the Service Tax Rules, every assessee is required to pay service tax in TR 6 challan by the 5<sup>th</sup> / 6<sup>th</sup> 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.

### **Central Sales Tax Act, 1956 (“CST”)**

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

### **Customs Act, 1962**

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

### **Gujarat State Tax on Profession, Trades, Callings and Employment Act, 1976 and The Gujarat State Tax On Professions Traders, Callings and Employments Rules, 1976**

This Act is applicable to any person who is engaged in any profession, trade, callings and employment in the State of Gujarat and includes Hindu Undivided Family, firm, company, corporation or other corporate body, any society, club or association, so engaged but does not include any person who earns wages on a casual basis. It came into force on April 1, 1976. The tax shall be levied and collected on professions, trades, callings and employment by designated authority for the benefit of the Panchayat, Municipalities, Municipal Corporations or, as the case may be, the State. Every person engaged in any Profession, Trade, Calling or Employment and falling under one or the other of the classes mentioned in column 2 of Schedule I shall be liable to pay the tax to the Designated Authority at such rate fixed by it but not exceeding the amount mentioned against the class of such person in the said Schedule. Provided that the rates of tax for the class of persons mentioned in entry 1 of the said Schedule shall be fixed by the State Government by notification in the Official Gazette. Provided further that the tax so payable in respect of any one person shall not exceed two thousand and five hundred rupees in any year. Provided also that the State Government may, by notification in the Official Gazette, specify the minimum rate of tax for each of such class mentioned in column 2 of Schedule I, below which tax shall not be levied by the Designated Authority and different limits may be fixed for different Designated Authorities and the minimum rate so notified shall be levied till the Designated Authority fixes some other rate under the provisions of this Act. Provided also that the State Government may, by notification in the Official Gazette, specify the class of persons other than those mentioned in entries 1 to 9 in Schedule I, to whom entry 10 in that Schedule shall apply. Provided also that the tax shall not be levied from the persons mentioned below Schedule I.

Every employer not being an officer of Government liable to pay tax under Section-4 shall obtain a certificate of registration from the prescribed authority in the prescribed manner. Every person liable to pay tax under this act shall obtain Certificate of enrollment from the prescribed authority in the prescribed manner.

## **OTHER LAWS**

### **Shops and establishments laws in various states**

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

## **ENVIRONMENTAL LEGISLATIONS**

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

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

### **National Environmental Policy, 2006**

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

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

## **INTELLECTUAL PROPERTY LEGISLATIONS**

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

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

### **The Patents Act, 1970**

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

### **The Copyright Act, 1957**

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

### **Trade Marks Act, 1999**

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

### **GENERAL LAWS**

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

### **OTHER LAWS:**

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

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

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

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

#### **Foreign Exchange Management Act, 1999**

Foreign investment in India is primarily governed by the provisions of the Foreign Exchange Management Act, 1999 (“FEMA”) and the rules and regulations promulgated there under. The act aims at amending the law relating to foreign exchange with facilitation of external trade and payments for promoting orderly developments and maintenance of foreign exchange market in India. It applies to all branches, offices and agencies outside India owned or controlled by a person resident in India

and also to any contravention there under committed outside India by any person to whom this Act applies. Every exporter of goods is required to a) furnish to the Reserve Bank or to such other authority a declaration in such form and in such manner as may be specified, containing true and correct material particulars, including the amount representing the full export value or, if the full export value of the goods is not ascertainable at the time of export, the value which the exporter, having regard to the prevailing market conditions, expects to receive on the sale of the goods in a market outside India; b) furnish to the Reserve Bank such other information as may be required by the Reserve Bank for the purpose of ensuring the realization of the export proceeds by such exporter. The Reserve Bank may, for the purpose of ensuring that the full export value of the goods or such reduced value of the goods as the Reserve Bank determines, having regard to the prevailing market conditions, is received without any delay, direct any exporter to comply with such requirements as it deems fit. Every exporter of services shall furnish to the Reserve Bank or to such other authorities a declaration in such form and in such manner as may be specified, containing the true and correct material particulars in relation to payment for such services.

### **FEMA Regulations**

As laid down by the FEMA Regulations, no prior consents and approvals are required from the Reserve Bank of India, for Foreign Direct Investment under the automatic route within the specified sectoral caps. In respect of all industries not specified as FDI under the automatic route, and in respect of investment in excess of the specified sectoral limits under the automatic route, approval may be required from the FIPB and/or the RBI. The RBI, in exercise of its power under the FEMA, has notified the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 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 there under, and the policy prescribed by the Department of Industrial Policy and Promotion, Ministry of Commerce & Industry, Government of India

### **THE FOREIGN DIRECT INVESTMENT**

The Government of India, from time to time, has made policy pronouncements on Foreign Direct Investment ("**FDI**") through press notes and press releases. The Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India ("**DIPP**"), has issued consolidated FDI Policy Circular of 2016 ("**FDI Policy 2016**"), which with effect from June 7, 2016, consolidates and supersedes all previous press notes, press releases and clarifications on FDI Policy issued by the DIPP that were in force. Further, DIPP has issued Press note 5, dated June 24, 2016 which introduces few changes in FDI Policy 2016. The Government proposes to update the consolidated circular on FDI policy once every year and therefore, FDI Policy 2016 will be valid until the DIPP issues an updated circular.

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

Under the current FDI Policy of 2016, foreign direct investment in micro and small enterprises is subject to sectoral caps, entry routes and other sectoral regulations. At present 100 % foreign direct investment through automatic route is permitted in the sector in which our Company operates. Therefore applicable foreign investment up to 100% is permitted in our company under automatic route.

## OUR HISTORY AND CERTAIN OTHER CORPORATE MATTERS

### CORPORATE PROFILE AND BRIEF HISTORY

Our Company was originally formed as a proprietary firm in the name and style of ‘Shree Shyam Corporation’ by Shrenikbhai Vimawala. Then the proprietary firm was converted into partnership firm and registered under The Indian Partnership Act, 1932 in the name and style of “Shrenik Tradelink” pursuant to partnership deed dated November 01, 2012 with Shrenikbhai Vimawala, Himaben Vimawala, Rishit Vimawala, Virendra Surti, Sonal Surati, Vithal Jadhav and Nirav Zaveri as partners to the agreement.

“Shrenik Tradelink” was thereafter converted from a partnership firm to a Private Limited Company under Part IX of the Companies Act, 1956 with the name of “Shrenik Tradelink Private Limited” and received a Certificate of Incorporation issued by Registrar of Companies, Gujarat, Dadra and Nagar Haveli on December 20, 2012 bearing Corporate Identification No. U51396GJ2012PTC073061. Further, name of our company was changed to “Shrenik Private Limited”, pursuant to shareholders resolution passed at the Extra-ordinary General Meeting of our Company held on December 01, 2016 and a fresh Certificate of Incorporation was issued by Registrar of Companies, Gujarat, Ahmedabad on December 19, 2016. Consequently, it was converted into a public limited company pursuant to shareholders resolution passed at Extra-ordinary General Meeting of our Company held on March 25, 2017 and the name of our Company was changed to Shrenik Limited and a fresh certificate of incorporation consequent upon Conversion of Private Company to Public Limited dated April 03, 2017 was issued by Registrar of Companies, Gujarat, Ahmedabad. The Corporate Identification Number of our Company is U51396GJ2012PLC073061.

Shrenikbhai Vimawala, Himaben Vimawala, Rishit Vimawala, Virendra Surti, Sonal Surati, Vithal Jadhav and Nirav Zaveri were initial subscribers to our Company.

Shrenikbhai Vimawala and Rishit Vimawala are the promoters of our Company. Shrenikbhai Vimawala and Rishit Vimawala were allotted shares on December 20, 2012. The details in this regard have been disclosed in the chapter titled, “Capital Structure” beginning on page 69 of this Prospectus.

Our Company is engaged in the business of trading of different types of paper and paper products in the state of Gujarat and Rajasthan through distribution channel. We serve our customers with variety of Paper Products like Copier, Maplitho, Coated Paper, FBB Board and a specialist paper commodity Royal Executive Bond. Apart from being the wholesale distributors our Company has its own brand named “Shrenik”. We believe and plan to include different varieties of paper products under the Brand Shrenik like copier, sticker sheets, etc in near future.

Client Base our Company has a well-diversified customer base catering to various segments. We have consistent retention of key customer segments which has ensured us with around 3000-3500 client base all over Gujarat and Rajasthan. Some of our marquee clients in financial year 2017 include Magnum Papers Limited, Surya Coats Pvt. Ltd., Sirpur Paper Mills Ltd, JK Paper, ABC Paper, Abhishek Papers amongst others.

For information on our Company’s profile, activities, market, products, etc., market of each segment, standing of our Company in comparison with prominent competitors, with reference to its products, management, managerial competence, technology, market, major suppliers and customers, environmental issues, geographical segment, etc. wherever applicable, please refer to this chapter and chapters titled “Our Business”, “Our Industry”, “Financial Statements as Restated”, “Management’s Discussion and Analysis of Financial Condition and Results of Operation”, “Government and Other Statutory Approvals” beginning on page 106, 94, 157, 206 and 229 respectively of this Prospectus.

## CHANGES IN REGISTERED OFFICE OF OUR COMPANY

There has not been any change in the registered office of our Company since incorporation. Our Company's registered office is situated at D/87, Nava Anaj Bazar Opp. Anupam Cinema, Khokhara, Ahmedabad 380008, Gujarat.

## KEY EVENTS AND MILESTONES IN THE HISTORY OF OUR COMPANY

The following table sets forth the key events and milestones in the history of our Company, since incorporation:

Financial Year	Events
2009	Attaining distributorship of Ballarpur Industries Limited by Sole proprietary firm 'Shree Shyam Corporation' of Shrenikbhai Vimawala
2010	Bestowed Performance Award" in Category 'B' for our work by Ballarpur Industries
2011-2014	Honoured Performance Award" in Category 'AAA' for our work for four consecutive years by Ballarpur Industries
2012	Formation of Partnership Firm by conversion of Shree Shyam Corporation , the proprietary firm of Shrenikbhai Vimawala
2012	Conversion of Partnership Firm to Company in the name and style of "Shrenik Tradelink Private Limited"
2016	<ul style="list-style-type: none"> <li>Change of Name from Shrenik Tradelink Private Limited to Shrenik Private Limited</li> <li>Attaining dealership of Tamil Naidu News Print and Papers Limited.</li> </ul>
2017	<ul style="list-style-type: none"> <li>Conversion of company from Private Limited to Public Limited</li> <li>Attaining dealership of Asia pulp and Papers.</li> </ul>

The main object of our Company, as contained in our Memorandum of Association, is as set forth below:

- To carry on the business of importing, exporting, buying, selling, distributing, converting, altering, twisting, coating, calendering or otherwise handling all kinds and classes of paper, pulp, paper boards such as writing paper, printing paper, newspaper, wastepaper, absorbent paper, newsprinting, wrapping paper, tissue paper, cover paper, blotter paper, filter paper, antique paper, ivory finish paper, coated paper, cellophane paper, art paper, bank or bond paper, badami or brown or buff paper, bible paper, cartridge paper, cloth lined paper, azure laid and wove paper, cream laid and wove paper, handmade paper, parchment, drawing paper, kraft paper, manila paper, envelope paper, grass proof or gummed paper, handmade paper, tracing paper, carbon paper, vellum paper, water proof paper, paste board, card board, straw board, pulp board, leather board, mill board, corrugated board, box board, post cards, soda pulp, mechanical pulp sulphite pulp, wood pulp.*

## AMENDMENTS TO THE MOA OF OUR COMPANY SINCE INCORPORATION

Since incorporation, the following changes have been made to our Memorandum of Association.

Date of Shareholder's Approval	Amendment
July 13, 2015	The authorized share capital of Rs. 6,00,00,000 consisting 60,00,000 Equity Shares of Rs. 10/- each was increased to Rs. 25,00,00,000 consisting of 2,50,00,000 Equity Shares of Rs. 10/- each.

Date of Shareholder's Approval	Amendment
December 1 , 2016	<p>Amendment of Memorandum of Association pursuant to change of name of our Company from Shrenik Tradelink Private Limited to Shrenik Private Limited and adoption of Memorandum of Association as per Companies Act, 2013.</p> <p>A fresh certificate of incorporation pursuant to the change of name was granted by the RoC on December 19, 2016.</p>
March 25, 2017	<p>Amendment of Memorandum of Association upon Conversion of our Company from a Private Limited Company to a Public Limited Company and the consequent change in name of our Company to Shrenik Limited.</p> <p>A fresh certificate of incorporation pursuant to the change of name and conversion of Company to public was granted by the RoC on April 03, 2017.</p>

#### **HOLDING/SUBSIDIARY COMPANY OF OUR COMPANY**

Our Company has no holding and/or subsidiary company as on this date of filing of this Prospectus.

#### **PROMOTERS OF OUR COMPANY**

The promoters of our Company are Shrenikbhai Vimawala and Rishit Vimawala. For details, see “*Our Promoter and Promoter Group*” beginning on page 150 of this Prospectus.

#### **CAPITAL RAISING ACTIVITIES THROUGH EQUITY OR DEBT**

For details regarding our capital raising activities through equity and debt, refer to the section titled “*Capital Structure*” beginning on page 69 of this Prospectus.

#### **INJUNCTIONS OR RESTRAINING ORDERS**

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

#### **MERGERS AND ACQUISITIONS IN THE HISTORY OF OUR COMPANY**

Our Company has not merged/amalgamated itself nor has acquired any business/undertaking, since incorporation. But, the Company was originally formed a Sole proprietary firm in the name and style of ‘Shree Shyam Corporation’ by Shrenikbhai Vimawala which was later converted into partnership firm. Further, the partnership firm was converted into Company and the business of the partnership firm was taken over by the Company.

#### **SHAREHOLDERS AGREEMENTS**

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

#### **OTHER AGREEMENTS**

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

#### **STRATEGIC/ FINANCIAL PARTNERS**

Our Company does not have any strategic/financial partner as on the date of filing of this Prospectus.

#### **DEFAULTS OR RESCHEDULING OF BORROWINGS WITH FINANCIAL INSTITUTIONS OR BANKS**

There have been no defaults or rescheduling of borrowings with financial institutions or banks as on the date of this Prospectus.

#### **CONVERSION OF LOANS INTO EQUITY SHARES**



There have been no incident of conversion of loans availed from financial institutions and banks into Equity Shares as on the date of this Prospectus.

#### **CHANGE IN ACTIVITIES OF OUR COMPANY IN THE LAST FIVE YEARS**

There has been no change in the activities of our Company during the last five years.

#### **STRIKES AND LOCKOUTS**

There have been no strikes or lockouts in our Company since incorporation.

#### **REVALUATION OF ASSETS**

Our Company has not revalued its assets since incorporation and has not issued any Equity Shares including bonus shares by capitalizing any revaluation reserves.-

#### **TIME AND COST OVERRUNS IN SETTING UP PROJECTS**

As on the date of this Prospectus, there have been no time and cost overruns in any of the projects undertaken by our Company.

#### **NUMBER OF SHAREHOLDERS**

Our Company has 8 shareholders as on date of this Prospectus.

#### **DETAILS OF PAST PERFORMANCE**

For details in relation to our financial performance in the previous five financial years, including details of non-recurring items of income, refer to section titled “Financial Statements” beginning on page 157 of this Prospectus.

#### **BUSINESS INTEREST BETWEEN OUR COMPANY AND OUR SUBSIDIARIES**

Except as disclosed in “Related Party Transactions” on page 155 we do not have any Subsidiary, Holding Company which has any business interest in our Company.

#### **SIGNIFICANT SALE/PURCHASE BETWEEN OUR SUBSIDIARY/ASSOCIATE/HOLDING/JV AND OUR COMPANY**

We do not have any Subsidiary, Holding, Joint Venture and Associate Company as on date of filing this Prospectus.

#### **DEFUNCT / STRUCK-OFF COMPANY**

One of our group company Shree Shyam Krupa Tradelink Private Limited was struck off on December 21, 2016.

## OUR MANAGEMENT

### BOARD OF DIRECTORS

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

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

Sr. No.	Name, Father's/, Designation, Address, Occupation, Nationality, Term and DIN	Date of Appointment/ Reappointment as Director	Other Directorship
1.	<p><b>Name:</b> Shrenikbhai Vimawala  <b>Father's Name:</b> Sudhir Vimawala  <b>Age:</b> 52 Years  <b>Designation:</b> Chairman and Managing Director  <b>Address:</b> A-2, Riviera Entalia, Opp. Suyog Bunglow, Corporate Road, Prahladnagar, Ahmedabad 380051 Gujarat, IN.  <b>Occupation:</b> Business  <b>Nationality:</b> Indian  <b>DIN:</b> 03474255  <b>Term:</b> 5 years w.e.f. April 11, 2017, liable to be retired by rotation.</p>	<p><b>Appointed as Director</b> on December 20, 2012</p> <p><b>Designated as Chairman &amp; Managing Director</b> on April 11, 2017.</p> <p><b>Re-Designated as Chairman &amp; Managing Director</b> on May 10, 2017.</p>	<p><b>Public Limited Company:</b> Nil  <b>Private Limited Company:</b> Nil</p>
2.	<p><b>Name:</b> Rishit Vimawala  <b>Father's Name:</b> Shrenikbhai Vimawala  <b>Age:</b> 27 Years  <b>Designation:</b> Whole-time Director  <b>Address:</b> A-2, Riviera Entalia, Opp. Suyog Bunglow, Corporate Road, Prahladnagar Ahmedabad-380051 Gujarat, IN.  <b>Occupation:</b> Business  <b>Nationality:</b> Indian  <b>DIN:</b> 03474249  <b>Term:</b> 5 years w.e.f. April, 11, 2017, liable to be retired by rotation.</p>	<p><b>Appointed as Director</b> on December 20, 2012</p> <p><b>Designated as Whole-time Director</b> on April 11, 2017.</p> <p><b>Re-Designated as Whole-time Director</b> on May 10, 2017.</p>	<p><b>Public Limited Company –</b> Nil  <b>Private Limited Company</b> Nil</p>

Sr. No.	Name, Father's/, Designation, Address, Occupation, Nationality, Term and DIN	Date of Appointment/ Reappointment as Director	Other Directorship
3.	<p><b>Name:</b> Kaivan Vimawala  <b>Father's Name:</b> Shrenikbhai Vimawala  <b>Age:</b> 22 years  <b>Designation:</b> Whole-time Director  <b>Address:</b> A/2, Riviera Entalia, Opp. Suyog Bunglow, Corporate Road, Prahladnagar, Ahmedabad 380051 Gujarat IN.  <b>Occupation:</b> Business  <b>Nationality:</b> Indian  <b>DIN:</b> 06514171  <b>Term:</b> 5 years w.e.f April 11, 2017, liable to be retired by rotation.</p>	<p><b>Appointed as Director</b> on December 20, 2012</p> <p><b>Designated as Whole-time Director</b> on April 11, 2017.</p> <p><b>Re-Designated as Whole time Director</b> on May 10, 2017.</p>	<p><b>Public Limited Company:</b> Nil  <b>Private Limited Company:</b> Nil</p>
4.	<p><b>Name:</b> Himaben Vimawala  <b>Father's Name:</b> Govindlal Modi  <b>Age:</b> 50 Years  <b>Designation:</b> Non Executive Director  <b>Address:</b> A/2, Riviera Entalia, Opp. Suyog Bunglow, Corporate Road, Prahladnagar, Ahmedabad 380051 Gujarat, IN.  <b>Occupation:</b> Home-maker  <b>Nationality:</b> Indian  <b>DIN:</b>05132544  <b>Term:</b> Liable to retire by rotation</p>	<p><b>Appointed as an Additional Non-Executive Director</b> on April 11, 2017</p> <p><b>Regularized as Non-Executive Director</b> on May 10, 2017</p>	<p><b>Public Limited Company:</b> Nil  <b>Private Limited Company:</b> Nil</p>
5.	<p><b>Name:</b> Ashish Modi  <b>Father's Name:</b> Harish Kumar Modi  <b>Age:</b> 49 Years  <b>Designation:</b> Independent Director  <b>Address:</b> Haridwar 49, Shangrila Village, Near Pleasure Club, Ghuma Taluka, Dascroi Ahmedabad 380058 Gujarat, IN.  <b>Occupation:</b> Business  <b>Nationality:</b> Indian  <b>DIN:</b> 02506019  <b>Term:</b> 5 years w.e.f. April 11, 2017 subject to ratification by shareholders in general meeting.</p>	<p><b>Designated as an Additional Independent Director</b> on April 11, 2017</p> <p><b>Regularized as Independent Director</b> on May 10, 2017</p>	<p><b>Public Limited Company:</b></p> <ul style="list-style-type: none"> <li>• Vadilal Chemicals Limited</li> <li>• Vadilal Enterprises Limited</li> <li>• Ganesh Housing Corporation Limited</li> </ul> <p><b>Private Limited Company:</b></p> <ul style="list-style-type: none"> <li>• Yash Organiser Private Limited</li> <li>• Essem Infra Private Limited</li> </ul>
6.	<p><b>Name:</b> Devarsh Shah  <b>Father's Name:</b> Muktesh Shah  <b>Age:</b> 27 years</p>	<p><b>Appointed as an Additional</b></p>	<p><b>Public Limited Company</b> Nil</p>

Sr. No.	Name, Father's/, Designation, Address, Occupation, Nationality, Term and DIN	Date of Appointment/ Reappointment as Director	Other Directorship
	<p><b>Designation:</b> Independent Director</p> <p><b>Address:</b> 802, Retreat Tower-B, Opp. Shayamal R.H. -1, 132 Ft Ring Rd, Satellite Ahmedabad 380015 Gujarat, IN.</p> <p><b>Occupation:</b> Business</p> <p><b>Nationality:</b> Indian</p> <p><b>DIN:</b>06954437</p> <p><b>Term:</b> 5 years w.e.f. April 11, 2017 subject to ratification by shareholders in general meeting</p>	<p><b>Independent Director</b> April 11, 2017</p> <p><b>Regularized as Independent Director</b> on May 10, 2017</p>	<p><b>Private Limited Company</b></p> <ul style="list-style-type: none"> <li>• Iage Solutions Private Limited</li> </ul>

### BRIEF BIOGRAPHIES OF OUR DIRECTORS

**i. Shrenikbhai Vimawala**

Shrenikbhai Vimawala, aged 52 years, is the Promoter, Chairman and Managing Director of our Company. He holds Bachelor's degree in commerce from Gujarat University. He has more than two decades of experience in the field of paper trading. He started his own sole proprietorship Shree Shyam Corporation and attained distributorship of Ballarpur Industries and till date the company has been maintained the distributorship of Ballarpur Industries. Under his leadership the Company was bestowed different awards for his performance He has been on the Board of our Company since December 20, 2012 .He monitors overall working of the Company.

**ii. Rishit Vimawala**

Rishit Vimawala, aged 27 years, is the Promoter and Whole-time Director of our Company. He has been on the Board of our Company since December 20, 2012. He holds Bachelor's degree in commerce from Gujarat University. His scope of work includes looking after Marketing, Human Resource and Finance Department of the Company.

**iii. Kaivan Vimawala**

Kaivan Vimawala, aged 22 years, is a Whole-time Director of our Company. He has been on the Board of our Company since March 01, 2013. He is pursuing his Bachelor's degree in Commerce from Ahmedabad University and looks after the Sales and Administration Department of the Company.

**iv. Himaben Vimawala**

Himaben Vimawala, aged 50 years, is a Non executive Director of our Company. She has been on the Board of our Company since April 11, 2017. She holds Diploma in Home Science from Smt. Radhaba Home Science and Shri C. V. Shah Commerce Polytechnic.

**v. Ashish Modi**

Ashish Modi, aged 49 years, is an Independent Director of our Company. He has been on the Board of our Company since April, 11, 2017. He holds Bachelor's degree in commerce from Gujarat University.

**vi. Devarsh Shah**

Devarsh Shah, aged 27 years, is an Independent Director of our Company. He has been on the Board of our Company since April 11, 2017. He has completed Bachelor's degree in Computer Applications from Gujarat University and is currently pursuing Master's degree

in Computer Application from GLS Institute Computer Technology. He has 3.5 years experience in migration of various banking domain data structures.

## CONFIRMATIONS

As on the date of this Prospectus:

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

Director	Other Director	Family Relation
Shrenikbhai Vimawala	Himaben Vimawala	Husband – Wife
	Kaivan Vimawala	Father – Son
	Rishit Vimawala	Father – Son
Himaben Vimawala	Kaivan Vimawala	Mother – Son
	Rishit Vimawala	Mother – Son
	Shrenikbhai Vimawala	Wife – Husband
Rishit Vimawala	Kaivan Vimawala	Brother
	Shrenikbhai Vimawala	Son- father
	Himaben Vimawala	Son- Mother
Kaivan Vimawala	Rishit Vimawala	Brother
	Shrenikbhai Vimawala	Son – Father
	Himaben Vimawala	Son – Mother

2. There are no arrangements or understanding with major shareholders, customers, suppliers or any other entity, pursuant to which any of the Directors or Key Management Personnel were selected as a Director or member of the senior management.
3. The Directors of our Company have not entered into any service contracts with our Company which provides for benefits upon termination of employment.
4. None of our Directors are on the RBI List of willful defaulters.
5. Further, none of our Directors are or were directors of any company whose shares were (a) suspended from trading by stock exchange(s) or (b) delisted from the stock exchanges during the term of their directorship in such companies.
6. None of the Promoters, persons forming part of our Promoter Group, Directors or persons in control of our Company, has been or is involved as a promoter, director or person in control of any other company, which is debarred from accessing the capital market under any order or directions made by SEBI or any other regulatory authority.

## REMUNERATION/COMPENSATION/COMMISSION PAID TO DIRECTORS

During the last financial year ended on March 31, 2017, the directors have been paid gross remuneration as follows:

Name of Director	Amount (Rs. In Lakhs)
Rishit Vimawala	10.80
Shrenikbhai Vimawala	24.00
Kaivan Vimawala	6.00

### Terms and conditions of employment of our Managing Director:

Shrenikbhai Vimawala has been appointed as the Chairman and Managing Director of our Company for a period of 5 years with effect from April 11, 2017. He is paid remuneration as per the terms and conditions mentioned in the Letter of Appointment dated April 11, 2017, entered into between Shrenikbhai Vimawala and our Company.

<b>Remuneration</b>	Rs. 24,00,000/- p.a. with such increments as may be mutually decided
<b>Perquisites</b>	<ol style="list-style-type: none"><li>i. Reimbursement of medical and hospitalization expenses actually incurred by him and his family.</li><li>ii. Leave Travel Allowance for him and his family once in a year in accordance with the Company policy.</li><li>iii. Bonus for the financial year, at the discretion of the Company.</li><li>iv. Reimbursement of expenses incurred in Purchase of newspapers, magazines, books and periodicals in accordance with the Company policy.</li><li>v. Reimbursement of expenses incurred on account of business of the Company in accordance with the Company policy.</li><li>vi. Reimbursement of any other expenses incurred in accordance with the rules and policies of the Company.</li><li>vii. Provision of chauffeur driven car for the use on Company's business, and telephone at residence.</li><li>viii. He shall be entitled to such increment from time to time as the Board may by its discretion determine.</li><li>ix. He shall not be paid any sitting fees for attending any Board/Committee Meetings.</li></ol>

In the event of insufficient profit and unavoidable circumstances board of directors of the Company is authorized to reduce the Managerial remuneration after mutual discussion and decision with Shrenikbhai Vimawala, Chairman and Managing Director of Company.

### Terms and conditions of employment of our Whole Time Directors:

#### Rishit Vimawala

Rishit Vimawala has been appointed as Whole Time Director of our Company for a period of 5 years with effect from April 11, 2017. He is paid remuneration as per the terms and conditions mentioned in the Letter of Appointment dated April 11, 2017, entered into between Rishit Vimawala and our Company.

<b>Remuneration</b>	Rs 10,80,000/- p.a. with such increments as may be mutually decided.
<b>Perquisites</b>	<ul style="list-style-type: none"> <li>i. Reimbursement of medical and hospitalization expenses actually incurred by him and his family.</li> <li>ii. Leave Travel Allowance once in a year in accordance with the Company policy.</li> <li>iii. Bonus for the financial year, at the discretion of the Company.</li> <li>iv. He shall not be paid any sitting fee for attending the meetings of the Board of Directors or committees thereof from the date of his appointment.</li> </ul>

### **Kaivan Vimawala**

Kaivan Vimawala has been appointed as Whole Time Director of our Company for a period of 5 years with effect from April 11, 2017. He is paid remuneration as per the terms and conditions mentioned in the Letter of Appointment dated April 11, 2017, entered into between Kaivan Vimawala and our Company, Shrenik Limited.

<b>Remuneration</b>	Rs. 6,00,000/- p.a. with such increments as may be mutually decided.
<b>Perquisites</b>	<ul style="list-style-type: none"> <li>i. Reimbursement of medical and hospitalization expenses actually incurred by him and his family.</li> <li>ii. Leave Travel Allowance once in a year in accordance with the Company policy.</li> <li>iii. Bonus for the financial year, at the discretion of the Company.</li> <li>iv. He shall not be paid any sitting fee for attending the meetings of the Board of Directors or committees thereof from the date of his appointment.</li> </ul>

### **Terms and conditions of employment of our Independent Directors and Non-executive Directors**

Independent Directors and Non Executive of our Company may be paid sitting fees, commission and any other amounts as may be decided by our Board in accordance with the provisions of the Articles of Association a, the Companies Act, 2013 and their appointment letters and other applicable laws and regulations.

### **SHAREHOLDING OF OUR DIRECTORS IN THE COMPANY**

As per the Articles of Association of our Company, a Director is not required to hold any qualification shares.

The following table details the shareholding of our Directors as on the date of this Prospectus:

<b>Sr. No.</b>	<b>Name of the Director</b>	<b>No. of Equity Shares</b>	<b>% of Pre Issue Equity Share Capital</b>	<b>% of Post Issue Equity Share Capital</b>
1.	Shrenikbhai Vimawala	1,29,99,300	86.67	63.72
2.	Himaben Vimawala	100	0.01	Negligible



Sr. No.	Name of the Director	No. of Equity Shares	% of Pre Issue Equity Share Capital	% of Post Issue Equity Share Capital
3.	Rishit Vimawala	10,00,100	6.67	4.90
4.	Kaivan Vimawala	10,00,100	6.67	4.90

## INTERESTS OF DIRECTORS

### Interest in Promotion of the Company

Our Directors, Shrenikbhai Vimawala and Rishit Vimawala may be deemed to be interested to the extent of being Promoters of our Company. They may also be deemed to be interested to the extent of any dividend payable to them and other distributions in respect of the Equity Shares held by them. For further details, refer to chapters titled “*Our Promoter and Promoter Group*” and “*Related Party Transaction*” beginning on page 150 and 155 of this Prospectus.

### Interest by way of Remuneration from the Company

Our Executive Directors, Shrenikbhai Vimawala and Rishit Vimawala may be deemed to be interested to the extent of remuneration paid to them for services rendered as a Director of our Company and reimbursement of expenses payable to them. For details, see “*Remuneration/Compensation of Directors*” above. Further, our Independent Directors are entitled to receive sitting fees for attending meetings of our Board within the limits laid down in the Companies Act, 2013 and as decided by our Board subject to Articles of Association. Further, except as disclosed above none of our Directors hold any Equity Shares in our Company. Our Directors may also be interested to the extent of Equity Shares, if any, held by them or held by the entities in which they are associated as promoters, directors, partners, proprietors or trustees or held by their relatives or that may be subscribed by or allotted to the companies, firms, ventures, trusts in which they are interested as promoters, directors, partners, proprietors, members or trustees, pursuant to the Issue. Some of our Directors may also be deemed to be interested to the extent of any dividend payable to them and other distributions in respect of the said equity shares, if any. Except as stated in the chapters “*Our Management*” and “*Related Party Transactions*” beginning on pages 131 and 155 respectively of this Prospectus and described herein above, our Directors do not have any other interest in the business of our Company.

### Interest by way of sitting fees

The Articles of Association and appointment letters to Non executive directors of our Company provides that payment of sitting fees of Rs. 5,000 per meeting to non executive Directors for attending a meeting of the Board or a Committee thereof and shall be decided by the Board of Directors from time to time.

## PROPERTY INTEREST

Except as stated/referred to in the heading titled “*Land and Property*” under the chapter titled “*Our Business*” beginning on page 106 and chapter titled “*Related Party Transaction*” on page 155 of the Prospectus, our Directors have not entered into any contract, agreement or arrangements within a period of two years preceding the date of Prospectus in which the Directors are interested directly or indirectly and no payments have been made to them in respect of these contracts, agreements or arrangements or are proposed to be made to them. Further our Directors do not have any interest in any immovable property to be acquired by the Company except otherwise disclosed in the heading titled “*Land and Property*” under the chapter titled “*Our Business*” beginning on page 106 of the Prospectus. However, the registered office situated at D-87, Nr. Gayatri Dairy, Bhalakiya Mill Compound, Khokhara, Ahmedabad and three warehouses of our Company situated at No 26, Godown, New Anaj Bajar Coop-Warehouses, Nr. Gayatri Dairy, Opp. Anupam Cinema, Khokhara, Ahmedabad – 380008, 96, Grain Market, Opp Anupam Cinema, Khokhara, Ahmedabad – 380008 and D-62, Ramkrushna Ind. Estate, Ramkrushna Mill Compound, Opp Shital Cinema, Nr. Sarangpur



Bridge, Rakhial, Ahmedabad respectively is taken on rent from the our promoter Shrenikbhai Vimawala.

#### INTEREST IN THE BUSINESS OF OUR COMPANY

Save and except as stated otherwise in “*Related Party Transactions*” in the chapter titled “*Financial Statements as Restated*” beginning on page 157 of this Prospectus, our Directors do not have any other interests in our Company as on the date of this Prospectus.

#### SHAREHOLDING OF DIRECTORS IN SUBSIDIARIES AND ASSOCIATE COMPANIES

Our Company does not have any Subsidiary Company/ Associate Company as on date of filing this Prospectus.

#### CHANGES IN OUR BOARD OF DIRECTORS DURING THE LAST THREE YEARS

Following are the changes in directors of our Company in last three years prior to the date of this Prospectus:

Name	Date of event	Nature of event	Reason
Kaivan Vimawala	March 1, 2013	Change in designation He was appointed on 01.03.2013, regularized on 30.09.2013 and designation changed on 11th April, 2017	Reappointment as Whole Time Director
Naman Andrapiya	April 11, 2017	Appointment	Appointment as Additional Director
Shrenikbhai Vimawala	April 11, 2017	Change in designation	Re-appointed as Chairman and Managing Director
Rishit Vimawala	April 11, 2017	Change in designation	Re-appointed as Chairman and Managing Director
Ashish Modi	April 11, 2017	Appointment	Appointment as an Additional Independent Director
Devarsh Shah	April 11, 2017	Appointment	Appointment as an Additional Independent Director
Himaben Vimawala	April 11, 2017	Appointment	Appointment as an Additional Non executive Director
Naman Andrapiya	April 24, 2017	Resignation	Resignation as Additional Director
Ashish Modi	May 10, 2017	Change in designation	Appointment as an Independent Director
Devarsh Shah	May 10, 2017	Change in designation	Appointment as an Independent Director
Himaben Vimawala	May 10, 2017	Change in designation	Appointment as Non executive Director
Shrenikbhai Vimawala	May 10, 2017	Change in designation	Re-appointed as Chairman and Managing Director
Rishit Vimawala	May 10, 2017	Change in designation	Re-appointed as Chairman and Managing Director

## BORROWING POWERS OF THE BOARD

Pursuant to a special resolution passed at an Extra- Ordinary General Meeting of our Company held on September 15, 2016 and pursuant to Section 180(1)(c) and any other applicable provisions, of the Companies Act, 2013 and the rules made there-under, consent of Members be and is hereby accorded to borrow from time to time, any sum or sums of monies, which together with the monies already borrowed by the Company (apart from temporary loans obtained from the Company's bankers in the ordinary course of business), may exceed the aggregate of the paid up capital of the company and free reserve, that is to say, reserves not set apart for any specific purposes, provided that the total outstanding amount so borrowed, shall not at any time exceed the limit of Rs. 200.00 crores.

## CORPORATE GOVERNANCE

The provisions of the SEBI Listing Regulations will be applicable to our Company immediately upon the listing of our Equity Shares with National Stock Exchange of India Limited. Our Company undertakes to take all necessary steps to continue to comply with all the requirements of Chapter IV of the SEBI Listing Regulations as may be applicable.

Our Company stands committed to good corporate governance practices based on the principles such as accountability, transparency in dealings with our stakeholders, emphasis on communication and transparent reporting. We have complied with the requirements of the applicable regulations, including Regulations, in respect of corporate governance including constitution of the Board and Committees thereof. The corporate governance framework is based on an effective independent Board, the Board's supervisory role from the executive management team and constitution of the Board Committees, as required under law.

The Board functions either as a full Board or through various committees constituted to oversee specific operational areas.

Currently our Board has six directors out of which two are Independent Directors. The constitution of our Board is in compliance with section 149 of the Companies Act, 2013.

**The following committees have been formed in compliance with the corporate governance norms:**

- A) Audit Committee
- B) Stakeholders Relationship Committee
- C) Nomination and Remuneration Committee
- D) Corporate Social Responsibility Committee
- E) Vigil Mechanism Committee

### **A) Audit Committee**

Our Company has constituted an audit committee ("Audit Committee"), as per section 177 of the Companies Act 2013 vide resolution passed in the meeting of the Board of Directors dated April 11, 2017. The constituted Audit Committee comprises following members:

Name of the Director	Status	Nature of Directorship
Ashish Modi	Chairman	Independent Director
Devarsh Shah	Member	Independent Director
Rishit Vimawala	Member	Whole-time Director

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

The Audit Committee shall have following powers/responsibilities:

- a. To investigate any activity within its terms of reference.
- b. To seek information from any employee.
- c. To obtain outside legal or other professional advice, and

- d. To secure attendance of outsiders with relevant expertise if it considers necessary.

The Audit Committee shall mandatorily review the following information:

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

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

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

1. Overseeing the company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible;
2. Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees;
3. Approving payment to statutory auditors for any other services rendered by the statutory auditors;
4. Approving initial or any subsequent modification of transactions of the Company with related parties;
5. Scrutinizing inter-corporate loans and investments;
6. Valuation of undertakings or assets of the Company, wherever it is necessary;
7. Evaluation of internal financial controls and risk management systems;
8. Monitoring the end use of funds raised through public offers and related matters;
9. Reviewing, with the management, the annual financial statements before submission to the Board for approval, with particular reference to:
  - a) Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms section 134 of the Companies Act, 2013;
  - b) Changes, if any, in accounting policies and practices along with reasons for the same;
  - c) Major accounting entries involving estimates based on the exercise of judgment by management;
  - d) Significant adjustments made in the financial statements arising out of audit findings;
  - e) Compliance with listing and other legal requirements relating to financial statements;
  - f) Disclosure of any related party transactions; and
  - g) Qualifications in the draft audit report.
10. Reviewing, with the management, the half yearly financial statements before submission to the board for approval;

11. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
12. Reviewing, with the management, performance of statutory and internal auditors, and adequacy of the internal control systems;
13. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
14. Discussing with the internal auditors any significant findings and follow up there on;
15. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
16. Discussing with the statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
17. Looking into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
18. Reviewing the functioning of the Whistle Blower mechanism, in case the same is existing;
19. Reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
20. Approving the appointment of the Chief Financial Officer (i.e. the whole time finance director or any other person heading the finance function) after assessing the qualifications, experience and background, etc., of the candidate; and
21. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee or contained in the equity listing agreements as and when amended from time to time.

Explanation (i): The term "related party transactions" shall have the same meaning as contained in the Accounting Standard 18, Related Party Transactions, issued by The Institute of Chartered Accountants of India.

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

The committee shall meet at least four times in a year and not more than four months shall elapse between any two meetings. The quorum for the meeting shall be either two members or one third of the members of the committee, whichever is higher but there shall be presence of minimum two Independent members at each meeting. Meeting of the Audit Committee shall be called by at least seven day's notice in advance.

#### **Tenure:**

The Audit Committee shall continue to be in function as a committee of the Board until otherwise resolved by the Board, to carry out the functions of the Audit Committee as approved by the Board.

#### **B) Stakeholder's Relationship Committee**

Our Company has constituted a shareholder / investors grievance committee ("*Stakeholders' Relationship Committee*") to redress complaints of the shareholders. The Stakeholders Relationship Committee was constituted vide resolution passed at the meeting of the Board of Directors held on April 11, 2017.

The Stakeholder's Relationship Committee comprises the following Directors:

Name of the Director	Status	Nature of Directorship
Himaben Vimawala	Chairperson	Non-executive Director
Shrenikbhai Vimawala	Member	Chairman and Managing Director
Rishit Vimawala	Member	Whole-time Director

The Company Secretary of our Company shall act as a Secretary to the Stakeholder's Relationship Committee.

The scope and function of the Stakeholder's Relationship Committee and its terms of reference shall include the following:

- A. Tenure:** The Stakeholder/ Investor Relationship Committee shall continue to be in function as a committee of the Board until otherwise resolved by the Board, to carry out the functions of the Stakeholder / Investor Relationship Committee as approved by the Board.
- B. Meetings:** The Stakeholder/ Investor Relationship Committee shall meet at least at least four times a year with maximum interval of four months between two meetings and shall report to the Board on a quarterly basis regarding the status of redressal of complaints received from the shareholders of the Company. The quorum for the meeting shall be either two members or one third of the members of the committee, whichever is higher.
- C. Terms of Reference:** Redressal of shareholders' and investors' complaints, including and in respect of:
  1. Allotment, transfer of shares including transmission, splitting of shares, changing joint holding into single holding and vice versa, issue of duplicate shares in lieu of those torn, destroyed, lost or defaced or where the cages in the reverse for recording transfers have been fully utilized;
  2. Issue of duplicate certificates and new certificates on split/consolidation/renewal, etc.; and
  3. Review the process and mechanism of redressal of Shareholders /Investors grievance and suggest measures of improving the system of redressal of Shareholders /Investors grievances;
  4. Non-receipt of share certificate(s), non-receipt of declared dividends, non-receipt of interest/dividend warrants, non-receipt of annual report and any other grievance/complaints with Company or any officer of the Company arising out in discharge of his duties;
  5. Oversee the performance of the Registrar & Share Transfer Agent and also review and take note of complaints directly received and resolved them;
  6. Oversee the implementation and compliance of the Code of Conduct adopted by the Company for prevention of Insider Trading for Listed Companies as specified in the Securities & Exchange Board of India (Probation of insider Trading) Regulations, 1992 as amended from time to time;
  7. Any other power specifically assigned by the Board of Directors of the Company from time to time by way of resolution passed by it in a duly conducted Meeting;
  8. Carrying out any other function contained in the SME equity listing agreement as and when applicable and as amended from time to time.

#### **C) Nomination and Remuneration Committee:**

Our Company has constituted a Nomination and Remuneration Committee in accordance section 178 of Companies Act 2013. The constitution of the Nomination and Remuneration Committee was approved by a Meeting of the Board of Directors held on April 11, 2017. The said committee is comprised as under:

The Nomination and Remuneration Committee comprises the following Directors:

Name of the Director	Status	Nature of Directorship
Himaben Vimawala	Chairperson	Non-executive Director
Devarsh Shah	Member	Independent Director
Ashish Modi	Member	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 arise for review of Managerial Remuneration. The quorum for the meeting shall be one third of the total strength of the committee or two members, whichever is higher. Meeting of the Nomination and Remuneration/Compensation Committee shall be called by at least seven day's notice in advance.

The quorum for the meeting shall be one third of the total strength of the committee or two members, whichever is higher. Meeting of the Nomination and Remuneration Committee shall be called by at least seven day's notice in advance.

**C. Terms of Reference:**

- Identify persons who are qualified to become Directors and may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment ad removal and shall carry out evaluations of every director's performance;
- Formulate the criteria for determining the qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration for directors, Key Managerial Personnel and other employees;
- While formulating the criteria to ensure that—
  1. The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the company successfully;
  2. Relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
  3. Remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals.”
- Decide the salary, allowances, perquisites, bonuses, notice period, severance fees and increment of Executive Directors;
- Define and implement the Performance Linked Incentive Scheme (including ESOP of the Company) and evaluate the performance and determine the amount of incentive of the Executive Directors for that purpose;
- Decide the amount of Commission payable to the Whole time Directors;
- Review and suggest revision of the total remuneration package of the Executive Directors keeping in view the performance of the Company, standards prevailing in the industry, statutory guidelines etc;
- To formulate and administer the Employee Stock Option Scheme.
- Formulate the assessment/evaluation criteria for performance evaluation of the Directors of the Company;
- Devise a policy on the Board diversity;
- Carry out any other function as is mandated by the Board from time to time and / or enforced by any statutory notification, amendment or modification, as may be applicable;

#### D) Corporate Social Responsibility Committee

Our Company has constituted a Corporate Social Responsibility Committee in accordance section 135 of Companies Act 2013. The constitution of the Corporate Social Responsibility Committee was approved by a Meeting of the Board of Directors held on April 24, 2017. The said committee is comprised as under:

The Corporate Social Responsibility Committee comprises the following Directors:

Name of the Director	Status	Nature of Directorship
Shrenikbhai Vimawala	Chairman	Chairman and Managing Director
Rishit Vimawala	Member	Whole-time Director
Kaivan Vimawala	Member	Whole-time Director
Ashish Modi	Member	Independent Director

- A. Tenure:** The Corporate Social Responsibility Committee shall continue to be in function as a committee of the Board until otherwise resolved by the Board.
- B. Meetings:** The committee shall meet as and when the need arise for review of the quorum for the meeting shall be one third of the total strength of the committee or two members, whichever is higher. Meeting of the Corporate Social Responsibility Committee shall be called by at least seven day's notice in advance.
- C. Terms of Reference:**
- To formulate and recommend to the Board, a CSR policy which shall indicate the activities to be undertaken by the Company as per the Companies Act, 2013;
  - To review and recommend the amount of expenditure to be incurred on the activities to be undertaken by the company;
  - To monitor the CSR policy of the Company from time to time;

Any other matter as the CSR Committee may deem appropriate after approval of the Board of Directors or as may be directed by the Board of Directors from time to time.

#### E) Vigil Mechanism Committee

The Vigil Mechanism Committee comprises the following Directors:

Name of the Director	Status	Nature of Directorship
Rishit Vimawala	Vigilant Officer	Whole Time Director
Ashish Modi	Member	Independent Director
Devarsh Shah	Member	Independent 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 NSE Emerge. We shall comply with the requirements of the SEBI (Prohibition of Insider Trading) Regulations, 2015 on listing of Equity Shares on stock exchanges.

The Vigil Mechanism team be and is hereby vested with the following roles and responsibilities along with the roles and responsibilities as mentioned in the Vigil Mechanism Policy of the Company:

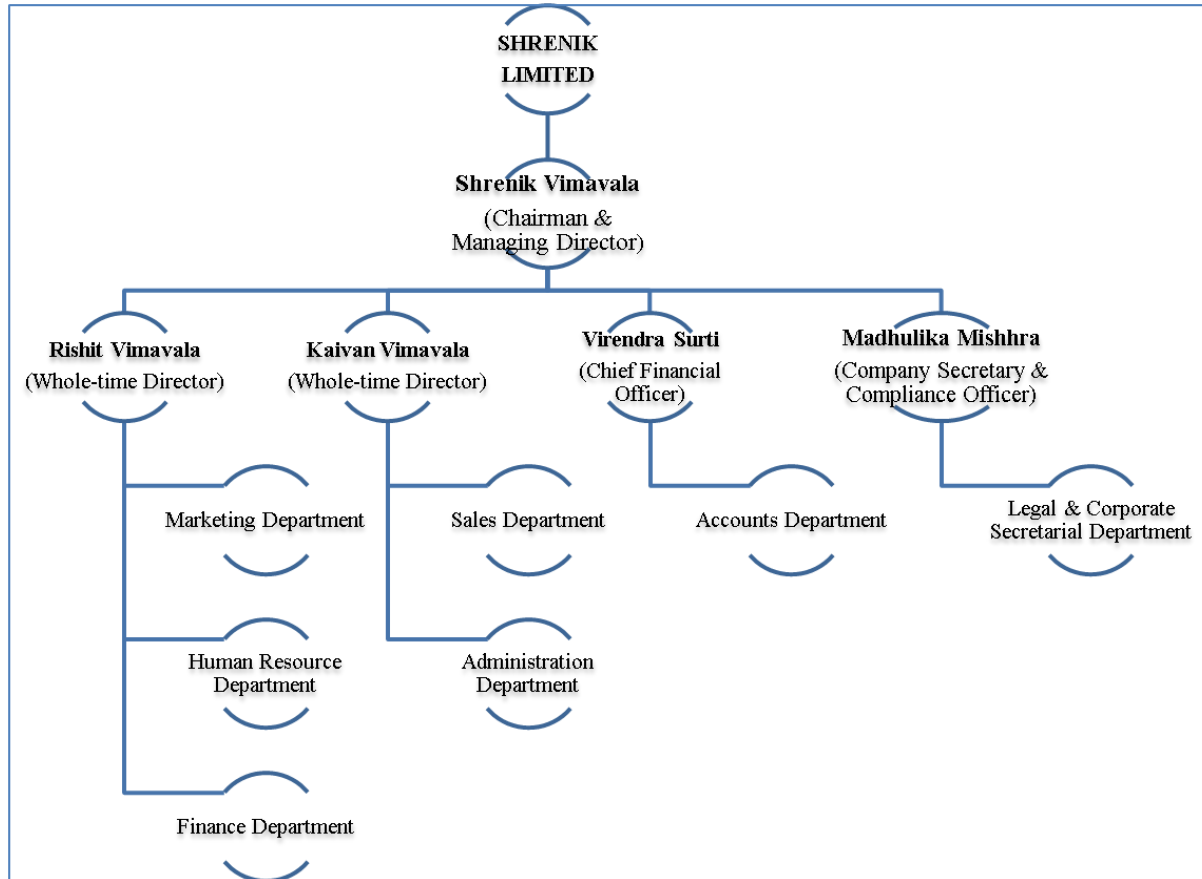
- a) To provide for adequate safeguards against victimization of persons who use such mechanism and also provide for direct access to the chairperson of the Audit Committee or the Director nominated to play the role of Audit Committee as the case may be exceptional cases.”

Madhulika Mishra, Company Secretary & Compliance Officer, will be responsible for setting forth policies, procedures, monitoring and adhering to the rules for the prevention of dissemination of price sensitive information and the implementation of the code of conduct under the overall supervision of the Board.

**Terms of Reference:**

To provide for adequate safeguards against victimization of persons who use such mechanism and also provide for direct access to the chairperson of the Audit Committee or the Director nominated to play the role of Audit Committee as the case may be exceptional cases.

## KEY ORGANIZATIONAL STRUCTURE





## KEY MANAGERIAL PERSONNEL

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

**The details of our Key Managerial Personnel are set out below:**

**a. Shrenikbhai Vimawala**

Shrenikbhai Vimawala, aged 52 years, is the Promoter, Chairman and Managing Director of our Company. He holds Bachelor's degree in commerce from Gujarat University. He has more than two decades of experience in the field of paper trading. He started his own sole proprietorship Shree Shyam Corporation and attained distributorship of Ballarpur Industries and till date the company has been maintained the distributorship of Ballarpur Industries. Under his leadership the Company was bestowed different awards for his performance He has been on the Board of our Company since December 20, 2012 He monitors overall working of the Company.

**b. Rishit Vimawala**

Rishit Vimawala, aged 27 years, is the Promoter and Whole-time Director of our Company. He has been on the Board of our Company since December 20, 2012. He holds Bachelor's degree in commerce from Gujarat University. His scope of work includes looking after Marketing, Human Resource and Finance Department of the Company.

**c. Kaivan Vimawala**

Kaivan Vimawala, aged 22 years, is a Whole-time Director of our Company. He has been on the Board of our Company since March 01, 2013. He is pursuing Bachelor's degree in Commerce from Ahmedabad University and looks after the Sales and Administration Department of the Company

**d. Virendra Surti, Chief Financial Officer**

Virendra Surti, aged 41 years, is the Chief Financial Officer of our Company. He has been appointed as Chief Financial Officer of our Company with effect from April 11, 2017. He holds Bachelor's degree in commerce with specialization in Advanced Accounting and Auditing from Gujarat University. He looks after the Accounts Department.

**e. Madhulika Mishra, Company Secretary**

Madhulika Mishra, aged 24 years, is the Company Secretary of our Company. She has been appointed as Company Secretary of our Company with effect from March 01, 2016. She is a qualified Company Secretary by profession and is an associate member of the Institute of Company Secretaries of India. She holds Bachelor's degree in Business Administration from Gujarat University and also holds Master's Degree in Business Administration from Gujarat University. She is entrusted with the responsibility of handling Legal and Corporate Secretarial Department of our Company.

## RELATIONSHIP BETWEEN KEY MANAGERIAL PERSONNEL

Except as disclosed below, none of the Key Managerial Personnel's are related to each other within the meaning of Section 2 (77) of the Companies Act, 2013. All of the Key Managerial Personnel are permanent employees of our company.

KMP	Other KMP	Family Relation
Shrenikbhai Vimawala	Rishit Vimawala	Father-Son
	Kaivan Vimawala	Father-Son
Rishit Vimawala	Shrenikbhai Vimawala	Son – Father

	Kaivan Vimawala	Brother
Kaivan Vimawala	Shrenikbhai Vimawala	Son – Father
	Rishit Vimawala	Brother

#### **RELATIONSHIPS OF DIRECTORS/ AND PROMOTERS WITH KEY MANAGERIAL PERSONNEL**

Except as disclosed below, none of our Directors of the Company are related to the Key Managerial Personnel within the meaning of section 2(77) of the Companies Act, 2013.

Director/Promoters	KMP	Family Relation
Shrenikbhai Vimawala	Rishit Vimawala	Father-Son
	Kaivan Vimawala	Father-Son
Himaben Vimawala	Shrenikbhai Vimawala	Wife – Husband
	Rishit Vimawala	Mother-son
	Kaivan Vimawala	Mother-son
Rishit Vimawala	Shrenikbhai Vimawala	Son – Father
	Kaivan Vimawala	Brother
Kaivan Vimawala	Shrenikbhai Vimawala	Son – Father
	Rishit Vimawala	Brother

#### **ARRANGEMENTS AND UNDERSTANDING WITH MAJOR SHAREHOLDERS**

None of our Directors have been appointed on our Board pursuant to any arrangement with our major shareholders, customers, suppliers or others.

#### **SHAREHOLDING OF THE KEY MANAGERIAL PERSONNEL**

Except as disclosed below, none of the Key Managerial Personnel hold any Equity Shares of our Company as on the date of this Prospectus.

Sr. No.	Name of the Director	No. of Equity Shares	% of Pre Issue Equity Share Capital	% of Post Issue Equity Share Capital
1.	Shrenikbhai Vimawala	1,29,99,300	86.67	63.72
2.	Rishit Vimawala	10,00,100	6.67	4.90
3.	Kaivan Vimawala	10,00,100	6.67	4.90
4.	Virendra Surti	100	0.01	negligible

#### **REMUNERATION/ COMPENSATION TO KEY MANAGERIAL PERSONNEL**

Except as disclosed below, none of the Key Managerial Personnel hold any Equity Shares of our Company as on the date of this Prospectus.

Name of the Key Managerial Personnel	Remuneration paid during FY 2016-17 (Rupees in Lakhs)
Shrenikbhai Vimawala	24.00
Rishit Vimawala	18.00
Kaivan Vimawala	6.00
Madhulika Mishra	1.90

#### **BONUS OR PROFIT SHARING PLAN OF THE DIRECTORS/ KEY MANAGERIAL PERSONNEL**

Our Company has not entered into any Bonus or Profit Sharing Plan with any of the Directors, Key Managerial Personnel.

#### **CONTINGENT AND DEFERRED COMPENSATION PAYABLE TO KEY MANAGERIAL PERSONNEL**

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

#### **LOANS TO KEY MANAGERIAL PERSONNEL**

The Company has not given any loans and advances to the Key Managerial Personnel as on the date of this Prospectus.

#### **INTEREST OF KEY MANAGERIAL PERSONNEL**

The Key Managerial Personnel of our Company have interest in our Company to the extent of the remuneration or benefits to which they are entitled to as per their terms of appointment and reimbursement of expenses incurred by them during the ordinary course of business and to the extent of Equity Shares held by them in our Company, if any and dividends payable thereon, if any.

Except as disclosed in this Prospectus, none of our key managerial personnel have been paid any consideration of any nature from our Company, other than their remuneration.

Except as stated in the heading titled “*Related Party Transactions*” under the Section titled “Financial Statements as Restated” beginning on page 157 of this Prospectus and described herein above, our key managerial personnel do not have any other interest in the business of our Company.

## CHANGES IN KEY MANAGERIAL PERSONNEL IN THE LAST THREE YEARS

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

Name	Date of appointment	Nature of event	Reason
Kaivan Vimawala	May 10, 2017	Change in designation	Re-appointed as Whole-time Director (General Meeting)
Rishit Vimawala	May 10, 2017	Change in designation	Re-appointed as Whole-time Director (General Meeting)
Shrenikbhai Vimawala	May 10, 2017	Change in designation	Appointed as Chairman and Managing Director (General Meeting)
Kaivan Vimawala	April 11, 2017	Change in designation	Re-appointed as Whole-time Director (Board Meeting)
Rishit Vimawala	April 11, 2017	Change in designation	Re-appointed as Whole-time Director (Board Meeting)
Shrenikbhai Vimawala	April 11, 2017	Change in designation	Re-appointed as Chairman and Managing Director (Board Meeting)
Madhulika Ramesh Mishra	March 01, 2016	Appointment	Appointment as Company Secretary
Virendra Surti	April 11, 2017	Appointment	Appointed as Chief Financial Officer

Other than the above changes, there have been no changes to the KMP of our company that are not in the normal cause of employment.

## ESOP/ESPS SCHEME TO EMPLOYEES

Presently, we do not have any ESOP/ESPS Scheme for employees.


## PAYMENT OR BENEFIT TO OUR OFFICERS (NON SALARY RELATED)

Except as disclosed in the heading titled “*Related Party Transactions*” in the section titled “*Financial Statements as Restated*” beginning on page 157 of this Prospectus, no amount or benefit has been paid or given within the three preceding years or is intended to be paid or given to any of our officers except the normal remuneration for services rendered as officers or employees.

## OUR PROMOTER AND PROMOTER GROUP

Our Company is promoted by Shrenikbhai Vimawala and Rishit Vimawala. As on date of this Prospectus, our promoter holds, in aggregate 1,39,99,400 Equity Shares representing 93.33% of the pre-issue paid up Capital of our Company.

**Brief profile of our Promoter is as under:**

	<p><b>Shrenikbhai Vimawala, Promoter, Chairman &amp; Managing Director</b></p> <p>Shrenikbhai Vimawala, aged 52 years, is the Promoter, Chairman and Managing Director of our Company. He holds Bachelor’s degree in commerce from Gujarat University. He has more than two decades of experience in the field of paper trading. He started his own sole proprietorship Shree Shyam Corporation and attained distributorship of Ballarpur Industries and till date the company has been maintained the distributorship of Ballarpur Industries. Under his leadership the Company was bestowed different awards for his performance He has been on the Board of our Company since December 20, 2012 He monitors overall working of the Company.</p> <p><b>Passport No:</b>P6349101  <b>Driving License:</b>GJ01 20030032754  <b>Voters ID:</b>DDV3559473</p> <p><b>Address:</b> A-2, Riviera Entalia, Opp. Suyog Bunglow, Corporate Road, Prahladnagar, Ahmedabad 380051 Gujarat. India.</p> <p><b>Firms and ventures promoted by Shrenikbhai Vimawala:</b> Shree Krishna Trading Co (HUF), Shree Trading Co.</p> <p>For further details relating to Shrenikbhai Vimawala, including terms of appointment as our Chairman and Managing Director, other directorships, please refer to the chapter titled “<i>Our Management</i>” beginning on page 131 of this Prospectus.</p>
	<p><b>Rishit Vimawala, Promoter &amp; Whole-time Director</b></p> <p>Rishit Vimawala, aged 27 years, is the Promoter and Whole-time Director of our Company. He has been on the Board of our Company since December 20, 2012. He holds Bachelor’s degree in commerce from Gujarat University. His scope of work includes looking after Marketing, Human Resource and Finance Department of the Company.</p> <p><b>Passport No:</b>P6349408  <b>Driving License:</b>GJ01/209741/06  <b>Voters ID:</b> Not Available</p> <p><b>Address:</b> A-2, Riviera Entalia, Opp. Suyog Bunglow, Corporate Road, Prahladnagar, Ahmedabad 380051, Gujarat, India.</p> <p><b>Firms and ventures promoted by Rishit Vimawala:</b> Shreenath Trading Co.</p>

	For further details relating to Rishit Vimawala, including terms of appointment as our Whole-time Director, other directorships, please refer to the chapter titled “ <i>Our Management</i> ” beginning on page 131 of this Prospectus.
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## DECLARATION

Our Company confirms that the permanent account number, bank account number and passport number of our Promoters shall be submitted to the Stock Exchange at the time of filing of this Prospectus with it.

## INTEREST OF PROMOTERS

Our Promoters, Shrenikbhai Vimawala and Rishit Vimawala are interested in our Company to the extent that they promoted and formed our Company and are interested to the extent of their shareholding and the dividend receivable, if any and other distributions in respect of the Equity Shares held by them. For details regarding shareholding of our promoters in our Company, please refer “*Capital Structure*” on page 69 of this Prospectus.

Our Promoters may also be deemed to be interested in our Company to the extent of their shareholding/ interest in our group company /or ventures promoted by them with which our Company transacts during the course of its operations.

Our Promoters are Directors and KMP of our Company and may be deemed to be interested to the extent of remuneration and/ or reimbursement of expenses payable to them for services rendered to us in accordance with the provisions of the Companies Act, 2013 and in terms of the agreements entered into with our company, if any and AoA of our Company. For details please see “*Our Management*”, “*Financial Statements*” and “*Capital Structure*” beginning on pages 131, 157 and 69 respectively of this Prospectus.

Except as mentioned in the chapter titled “*Our Business*”, our Promoters do not have any other interest in any property acquired or proposed to be acquired by our Company in a period of two years before filing of this Prospectus or in any transaction by our Company for acquisition of land, construction of building or supply of machinery. However, the registered office situated at D-87, Nr Gayatri Dairy, Bhalakiya Mill Compound, Khokhara, Ahmedabad and three warehouses of our Company situated at No 26, Godown, New Anaj Bajar Co-op-Warehouses, Nr. Gayatri Dairy, Opp Anupam Cinema, Khokhara, Ahmedabad – 380008; 96, Grain Market, Opp. Anupam Cinema, Khokhara, Ahmedabad – 380008 and D-62, Ramkrushna Ind. Estate, Ramkrushna Mill Compound, Opp Shital Cinema, Nr. Sarangpur Bridge, Rakhial, Ahmedabad respectively is taken on rent from the our promoter Shrenikbhai Vimawala.

Except as stated in this section and “*Related Party Transactions*” and “*Our Management*” on page 155 and 131 of this Prospectus respectively, there has been no payment of benefits to our Promoters or Promoter Group during the two years preceding the filing of this Prospectus nor is there any intention to pay or give any benefit to our Promoters or Promoter Group.

## COMMON PURSUITS

Ventures promoted by our Promoters viz. Shree Krishna Trading Co (HUF), Shree Trading Co., and Shreenath Trading Co. in which they have any business interests / other interests deals in the similar business activities as that of our Company. As a result, conflicts of interests may arise in allocating business opportunities amongst our Company, and in circumstances where our respective interests diverge. In cases of conflict, our Promoter may favour itself or other ventures in which our Promoters have interests. Except as disclosed in this Prospectus, our promoters do not have any interest in any venture that is involved in any activities similar to those conducted by our Company.

## RELATED PARTY TRANSACTIONS

For the transactions with our Promoters, Promoter Group and Group Company, please refer to chapter titled “*Related Party Transactions*” on page 155 of this Prospectus.

Except as stated in “*Related Party Transactions*” beginning on page 155 of this Prospectus, and as stated therein, our Promoter or any of the Promoter Group Entities do not have any other interest in our business.

## PAYMENT OR BENEFITS TO PROMOTERS

Except as stated otherwise in the chapter titled “*Related Party Transactions*” on page 155 of this Prospectus, there have been no payments or benefits to the Promoters during the two years prior to filing of this Prospectus.

## OUR PROMOTER GROUP

Our Promoter Group in terms of Regulation 2(1) (zb) of the SEBI (ICDR) Regulations is as under:

### A. Natural Persons who are part of the Promoter Group:

Relationship with Promoters	Shrenikbhai Vimawala	Rishit Vimawala
Father	Late Sudhirbhai Vimawala	Shrenikbhai Vimawala
Mother	Late Pushpaben Vimawala	Himaben Vimawala
Brother	-	Kaivan Vimawala
Sister(s)	Hetalben Andrapiya	-
Spouse	Himaben Vimawala	-
Son(s)	Rishit Vimawala	-
	Kaivan Vimawala	-
Daughter(s)	-	-
Wife's Father	Late Govind Modi	-
Wife's Mother	Hasumatiben Modi	-
Wife's Brother(s)	Paresh Modi*	-
Wife's Sister(s)	-	-

\*The Promoter Group of our Company does not include certain relatives of our Promoter Shrenikbhai Vimawala, namely, Prakah Modi and/or any entity(ies) in which they severally or jointly may have an interest. He has refused to provide any information pertaining to him or any such entities. Further the said person through his declaration has expressed his unwillingness to be constituted under the “Promoter Group” of the Company and has requested that consequently his entities should not be considered to be part of the “Promoter Group” and “Group Companies”. Therefore, though there are no formal disassociation agreements they are not treated as part of Promoter group and the disclosures made in this Prospectus are limited to the extent of information that has been made available by our Promoters in relation to Promoter Group and Group Companies.

### B. Corporates and Entities forming part of our Promoter Group:

1. Shree Krishna Trading Co.
2. Shree Trading Co.
3. Shreenath Trading Co.
4. Kaivan Enterprise.

## RELATIONSHIP OF PROMOTERS WITH OUR DIRECTORS

Except as disclosed herein, our Promoter is not related to any of our Company’s Directors within the meaning of Section 2 (77) of the Companies Act, 2013.



Promoter	Director	Relationship
Shrenikbhai Vimawala	Rishit Vimawala	Father-Son
	Kaivan Vimawala	Father-Son
	Himaben Vimawala	Husband-Wife
Rishit Vimawala	Shrenikbhai Vimawala	Son-Father
	Himaben Vimawala	Son-Mother
	Kaivan Vimawala	Brother

#### DISASSOCIATION BY THE PROMOTERS IN THE LAST THREE YEAR

Two of our Promoters viz. Rishit Vimawala and Shrenikbhai Vimawala have disassociated themselves from Shree Shyam Krupa Tradelink Pvt. Ltd. on account of striking off of the Company on December 21, 2016.

#### CHANGES IN CONTROL

There has been no change in the management or control of our Company in the last three years.

#### LITIGATION INVOLVING OUR PROMOTERS

For details of legal and regulatory proceedings involving our Promoters, please refer “*Outstanding Litigation and Material Developments*” on page 222 of this Prospectus.

#### CONFIRMATIONS

Our Company, our Promoters and members of promoter group are not Wilful Defaulters and there are no violations of securities laws committed by our Promoters in the past and no proceedings for violation of securities laws are pending against them.

Our Promoters are not interested as a member of a firm or company, and no sum has been paid or agreed to be paid to our Promoters or to such firm or company in cash or otherwise by any person for services rendered by our Promoters or by such firm or company in connection with the promotion or formation of our Company.

Our Promoters and members of the Promoter Group have not been prohibited from accessing or operating in capital markets under any order or direction passed by SEBI or any other regulatory or governmental authority.

Our Promoters are not and has never been a promoter, director or person in control of any other company which is prohibited from accessing or operating in capital markets under any order or direction passed by SEBI or any other regulatory or governmental authority.

Except as disclosed in “*Related Party Transactions*” on page 155 of this Prospectus, our Promoters are not related to any of the sundry debtors nor are t beneficiaries of Loans and Advances given by/to our Company.-

#### OTHER VENTURES OF OUR PROMOTERS

Save and except as disclosed in the chapter titled “Our Promoter and Promoter Group” and “Our Group Companies” beginning on page 150 and 154, of this Prospectus, there are no ventures promoted by our Promoter in which they have any business interests / other interests.

#### DEFUNCT / STRUCK-OFF COMPANY

One of our group company Shree Shyam Krupa Tradelink Private Limited was struck off on December 21, 2016.



## **OUR GROUP COMPANIES**

In accordance with the provisions of the SEBI ICDR Regulations, for the purpose of identification of Group Companies, our Company has considered companies as covered under the applicable accounting standards, being AS 18 (as mentioned in our Restated Financials) and other companies as per the policy adopted by our Board. Our Board, in its meeting held on dated May 11, 2017 has decided that a company shall be considered as a Group Company , if (i) such company is part of the Promoter Group of our Company in terms Regulation 2(1)(zb) of the SEBI ICDR Regulations; and (ii) our Company has entered into one or more transactions with such company during the last completed financial year which in value exceeds 10% of the total consolidated revenue of our Company for that financial year as per the audited financial statements. Based on the above, there are no Group Companies of our Company.

## **RELATED PARTY TRANSACTIONS**

For details on Related Party Transactions of our Company, please refer to Annexure XXIV of restated financial statement under the section titled, '*Financial Statements*' beginning on page 157 of this Prospectus.

## **DIVIDEND POLICY**

Under the Companies Act, 2013, our Company can pay dividends upon a recommendation by our Board of Directors and approval by a majority of the shareholders at the Annual General Meeting. The Articles of Association of our Company also gives the discretion to our Board of Directors to declare and pay interim dividends.

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 will depend on a number of factors, including the results of operations, earnings, capital requirements and surplus, general financial conditions, contractual restrictions, applicable Indian legal restrictions and other factors considered relevant by our Board of Directors.

Our Company has no formal dividend policy. The amounts paid as dividends in the past are not necessarily indicative of the Company's dividend policy or dividend amounts, if any, in the future. Investors are cautioned not to rely on past dividends as an indication of the future performance of the Company or for an investment in the Equity Shares

**SECTION V – FINANCIAL STATEMENTS**  
**FINANCIAL STATEMENTS AS RE-STATED**

**Independent Auditor’s Report for the Restated Financial Statements of  
Shrenik Limited**

**Report of Auditors on the Restated Financial Information of Shrenik Limited for each of the period / years ended on March 31, 2017, March 31, 2016, March 31, 2015, March 31, 2014 and March 31, 2013.**

**The Board of Directors  
Shrenik Limited**

D/87, New Grain Market,  
Opp. Anupam Cinema, Khokhra,  
Ahmedabad.

Dear Sirs,

1. We, N. K. Aswani & Co., have examined the attached Restated Statement of Assets and Liabilities of **Shrenik Limited** (the “Company”) as at 31st March 2017, 2016, 2015, 2014 and 2013 and the related Restated Statement of Profit & Loss and Restated Statement of Cash Flow for the years / period ended as at 30<sup>th</sup> September 2016, 31st March 2017, 2016, 2015, 2014 and 2013, annexed to this report for the purpose of inclusion in the offer document prepared by the Company (collectively the ”**Restated Summary Statements**” or “**Restated Financial Statements**”). These Restated Summary Statements have been prepared by the Company and approved by the Board of Directors of the Company in connection with the Initial Public Offering (IPO) on EMERGE Platform of NSE Limited.
2. These Restated Summary Statements have been prepared in accordance with the requirements of:
  - (i) Part I of Chapter III to the Companies Act, 2013 (“**Act**”) read with Companies (Prospectus and Allotment of Securities) Rules 2014;
  - (ii) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations 2009 (“**ICDR Regulations**”) issued by the Securities and Exchange Board of India (“**SEBI**”) in pursuance to Section 11 of the Securities and Exchange Board of India Act, 1992 and related amendments / clarifications from time to time;
  - (iii) The terms of reference to our engagements with the Company requesting us to carry out the assignment, in connection with the Prospectus/ Prospectus being issued by the Company for its proposed Initial Public Offering of equity shares in EMERGE Platform of NSE Limited (“**IPO**” or “**SME IPO**”); and
  - (iv) The Guidance Note on Reports in Company Prospectus (Revised) issued by the Institute of Chartered Accountants of India (“**Guidance Note**”).
3. The Restated Summary Statements of the Company have been extracted by the management from the Audited Financial Statements of the Company for the financial year ended on 31st March 2017, 2016, 2015, 2014 and 2013.
4. In accordance with the requirements of Part I of Chapter III of Act including rules made therein, ICDR Regulations, Guidance Note and Engagement Letter, we report that:
  - (i) The “**Statement of Assets and Liabilities as Restated**” as set out in **Annexure I** to this report, of the Company as at 31st March 2017, 2016, 2015, 2014 and 2013 are prepared by the Company and approved by the Board of Directors. These Statement of Assets and Liabilities, as restated have been arrived at after making such adjustments and regroupings to

the individual financial statements of the Company, as in our opinion were appropriate and more fully described in Significant Accounting Policies and Notes to Accounts as set out in **Annexure IV(A)** to this Report.

- (ii) The “**Statement of Profit and Loss as Restated**” as set out in **Annexure II** to this report, of the Company for the years ended 31st March 2017, 2016, 2015, 2014 and 2013 are prepared by the Company and approved by the Board of Directors. These Statement of Profit and Loss, as restated have been arrived at after making such adjustments and regroupings to the individual financial statements of the Company, as in our opinion were appropriate and more fully described in Significant Accounting Policies and Notes to Accounts as set out in **Annexure IV(A)** to this Report.
  - (iii) The ” **Statement of Cash Flow as Restated**” as set out in **Annexure III** to this report, of the Company for the years ended 31st March 2017, 2016, 2015, 2014 and 2013 are prepared by the Company and approved by the Board of Directors. These Statement of Cash Flow, as restated have been arrived at after making such adjustments and regroupings to the individual financial statements of the Company, as in our opinion were appropriate and more fully described in Significant Accounting Policies and Notes to Accounts as set out in **Annexure IV(A)** to this Report.
5. Based on the above, we are of the opinion that the Restated Financial Statements have been made after incorporating:
- a) Adjustments for the changes in accounting policies retrospectively in respective financial period/years to reflect the same accounting treatment as per the changed accounting policy for all reporting periods, if any.
  - b) Adjustments for prior period and other material amounts in the respective financial years/period to which they relate and there are no qualifications which require adjustments.
  - c) There are no extra-ordinary items that need to be disclosed separately in the accounts and qualifications requiring adjustments.
  - d) There were no qualifications in the Audit Reports issued by the Statutory Auditors for the financial period/year ended on 31st March 2017, 2016, 2015, 2014 and 2013 which would require adjustments in this Restated Financial Statements of the Company.
  - e) These Profits and Losses have been arrived at after charging all expenses including depreciation and after making such adjustments/restatements and regroupings as in our opinion are appropriate and are to be read in accordance with the Significant Accounting Polices and Notes to Accounts as set out in **Annexure IV(A)** to this report.
6. Audit for the financial year ended on 31st March 2017, 2016, 2015, 2014 and 2013 was conducted by M/s. Nilesh Desai & Co. (Chartered Accountants). Accordingly reliance has been placed on the financial information examined by them for the said years. The financial report included for these years is based solely on the report submitted by them. Further financial statements for the period / financial year ended on 31st March, 2017 have been reaudited by us as per the relevant guidelines.
7. We have also examined the following other financial information relating to the Company prepared by the Management and as approved by the Board of Directors of the Company and annexed to this report relating to the Company for the financial period/year ended on 31st March 2017, 2016, 2015, 2014 and 2013 proposed to be included in the Prospectus/Prospectus (“**Offer Document**”).

**Annexure of Restated Financial Statements of the Company:-**

- a. Significant Accounting Policies and Notes to Accounts as restated in Annexure IV(A);
- b. Reconciliation of Restated Profit as appearing in Annexure IV(B) to this report.
- c. Details of Share Capital as Restated as appearing in Annexure V to this report;

- d. Details of Reserves and Surplus as Restated as appearing in Annexure VI to this report;
  - e. Details of Long Term Borrowings as Restated as appearing in Annexure VII to this report;
  - f. Nature of Security and Terms of Repayment for Long term Borrowings as appearing in Annexure VIII to this report
  - g. Details of Deferred Tax Liabilities (Net) as Restated as appearing in Annexure IX to this report;
  - h. Details of Short Term Borrowings as Restated as appearing in Annexure X to this report;
  - i. Nature of Security and Terms of Repayment for Short term Borrowings as appearing in Annexure XI to this report
  - j. Details of Trade Payables as Restated as appearing in Annexure XII to this report;
  - k. Details of Other Current Liabilities as Restated as appearing in Annexure XIII to this report;
  - l. Details of Short Term Provisions as Restated as appearing in Annexure XIV to this report;
  - m. Details of Fixed Assets as Restated as appearing in Annexure XV to this report;
  - n. Details of Non-Current Investments as Restated as appearing in Annexure XVI to this report;
  - o. Details of Long Term Loans & Advances as Restated as appearing in Annexure XVII to this report;
  - p. Details of Inventories as Restated as appearing in Annexure XVIII to this report;
  - q. Details of Trade Receivables as Restated enclosed as Annexure XIX to this report;
  - r. Details of Cash and Cash Equivalents as Restated enclosed as Annexure XX to this report;
  - s. Details of Short Term Loans & Advances as Restated as appearing in Annexure XXI to this report;
  - t. Details of Revenue from operations as Restated as appearing in Annexure XXII to this report;
  - u. Details of Other Income as Restated as appearing in Annexure XXIII to this report;
  - v. Details of Related Parties Transactions as Restated as appearing in Annexure XXIV to this report;
  - w. Details of Summary of Accounting Ratios as Restated as appearing in Annexure XXV to this report
  - x. Capitalization Statement as Restated as at 31<sup>st</sup> March 2017 as appearing in Annexure XXVI to this report;
  - y. Statement of Tax Shelters as Restated as appearing in Annexure XXVII to this report;
8. We, N. K. Aswani & Co., Chartered Accountants have been subjected to the peer review process of the Institute of Chartered Accountants of India (“ICAI”) and hold a valid peer review certificate issued by the “Peer Review Board” of the ICAI.
  9. The preparation and presentation of the Financial Statements referred to above are based on the Audited financial statements of the Company and are in accordance with the provisions of the Act and ICDR Regulations. The Financial Statements and information referred to above is the responsibility of the management of the Company.
  10. The report should not in any way be construed as a re-issuance or re-dating of any of the previous audit reports issued by any other Firm of Chartered Accountants nor should this report be construed as a new opinion on any of the financial statements referred to therein.
  11. We have no responsibility to update our report for events and circumstances occurring after the date of the report.

12. In our opinion, the above financial information contained in Annexure I to XXVII of this report read with the respective Significant Accounting Policies and Notes to Accounts as set out in Annexure IV(A) are prepared after making adjustments and regrouping as considered appropriate and have been prepared in accordance with the Act, ICDR Regulations, Engagement Letter and Guidance Note.
13. Our report is intended solely for use of the management and for inclusion in the Offer Document in connection with the SME IPO. Our report should not be used, referred to or adjusted for any other purpose except with our consent in writing.

**For, N. K. Aswani & Co.**  
Chartered Accountants  
**Firm Registration No.: 100738W**

**Sd/-**  
**N. K. Aswani & Co.**  
**Proprietor**  
**Membership No.: 033278**  
**Date: May 18, 2017**  
**Place: Ahmedabad**

## STATEMENT OF ASSETS AND LIABILITIES AS RESTATED

## ANNEXURE-I

(Amount in Lakhs)

Particulars	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013
<b>I. EQUITY AND LIABILITIES</b>					
<b>1. Shareholders' funds</b>					
(a) Share capital	1500.00	1500.00	600.00	600.00	600.00
(b) Reserves and surplus	1282.05	863.20	208.90	71.31	9.87
<b>Sub-Total</b>	<b>2782.05</b>	<b>2363.20</b>	<b>808.90</b>	<b>671.31</b>	<b>609.87</b>
<b>2. Share application money pending allotment</b>	-	-	-	-	-
<b>Sub-Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>3. Non-current liabilities</b>					
(a) Long-term borrowings	3576.61	1857.39	1506.78	2487.66	1405.76
(b) Deferred tax liabilities (Net)	-	1.29	-	1.51	0.74
(c) Other Non Current Liabilities	13.38	9.80	5.68	2.69	0.64
<b>Sub-Total</b>	<b>3589.99</b>	<b>1868.48</b>	<b>1512.46</b>	<b>2491.86</b>	<b>1407.14</b>
<b>4. Current liabilities</b>					
(a) Short-term borrowings	5168.60	4275.57	4441.12	3014.49	2667.16
(b) Trade payables	1522.12	2389.00	1115.50	979.69	382.86
(c) Other current liabilities	1397.24	433.77	139.11	58.80	44.39
(d) Short-term provisions	4.23	10.64	6.69	60.58	7.55
<b>Sub-Total</b>	<b>8092.19</b>	<b>7108.98</b>	<b>5702.42</b>	<b>4113.56</b>	<b>3101.96</b>
<b>TOTAL</b>	<b>14464.23</b>	<b>11340.66</b>	<b>8023.78</b>	<b>7276.73</b>	<b>5118.97</b>
<b>II. ASSETS</b>					
<b>1. Non-current assets</b>					
(a) Fixed assets	<b>349.39</b>	<b>294.49</b>	<b>198.97</b>	<b>154.48</b>	<b>153.23</b>
(b) Non-current investments	52.27	52.27	52.27	52.23	52.23
(c) Deferred tax assets (net)	2.48	-	1.47	-	-
(d) Long-term loans and advances	275.16	203.46	221.95	214.88	136.66
(e) Other Non Current Assets	0.84	1.08	-	-	-
<b>Sub-Total</b>	<b>680.14</b>	<b>551.30</b>	<b>474.66</b>	<b>421.59</b>	<b>342.12</b>
<b>2. Current assets</b>					
(a) Current investments	-	-	-	-	-
(b) Inventories	7645.39	5656.58	2980.57	3715.87	2971.22
(c) Trade receivables	4864.24	4820.17	4193.74	3035.45	1641.61
(d) Cash and cash equivalents	176.63	294.60	330.75	100.60	163.74
(e) Short-term loans and advances	1097.83	18.01	44.06	3.22	0.28
<b>Sub-Total</b>	<b>13784.09</b>	<b>10789.36</b>	<b>7549.12</b>	<b>6855.14</b>	<b>4776.85</b>
<b>TOTAL</b>	<b>14464.23</b>	<b>11340.66</b>	<b>8023.78</b>	<b>7276.73</b>	<b>5118.97</b>



## STATEMENT OF PROFIT AND LOSS AS RESTATED

## ANNEXURE-II

(Amount in Lakhs)

Particulars	For the period ended March 31, 2017	For the year ended March 31, 2016	For the year ended March 31, 2015	For the year ended March 31, 2014	For the year ended March 31, 2013
I.Revenue from operations	42765.41	32922.70	26572.15	21308.65	5420.63
II.Other income	43.30	23.80	13.90	19.19	4.25
<b>III. Total Revenue (I + II)</b>	<b>42808.71</b>	<b>32946.50</b>	<b>26586.05</b>	<b>21327.84</b>	<b>5424.88</b>
IV. Expenses:					
Cost of materials consumed	-	-	-	-	-
Purchases of Stock-in-Trade	42671.12	33947.37	24469.27	20792.43	5696.17
Changes in inventories of finished goods work-in-progress and Stock-in-Trade	(1988.81)	(2676.01)	735.31	(744.66)	(605.33)
Employee benefits expense	95.06	85.46	77.52	68.25	10.31
Finance costs	756.42	635.39	790.28	734.85	179.69
Depreciation and amortization expense	31.61	28.70	24.82	8.74	1.81
Other expenses	610.23	472.16	321.16	325.01	124.85
<b>Total expenses</b>	<b>42175.63</b>	<b>32493.07</b>	<b>26418.36</b>	<b>21184.64</b>	<b>5407.50</b>
<b>V. Profit before exceptional and extraordinary items and tax (III-IV)</b>	<b>633.08</b>	<b>453.43</b>	<b>167.69</b>	<b>143.20</b>	<b>17.38</b>
VI. Exceptional items	-	-	15.82	-	-
<b>VII. Profit before extraordinary items and tax (V - VI)</b>	<b>633.08</b>	<b>453.43</b>	<b>151.87</b>	<b>143.20</b>	<b>17.38</b>
VIII. Extraordinary Items-	-	-	-	-	-
<b>IX. Profit before tax (VII- VIII)</b>	<b>633.08</b>	<b>453.43</b>	<b>151.87</b>	<b>143.20</b>	<b>17.38</b>
X. Tax expense:					
(1) Current tax	218.00	156.38	51.89	46.35	6.77
(2) Deferred tax	(3.77)	2.76	(2.98)	0.77	0.74
(3) Current tax expense relating to prior years	-	-	-	-	-
<b>XI. Profit (Loss) for the period from continuing operations (VII-VIII)</b>	<b>418.85</b>	<b>294.30</b>	<b>102.96</b>	<b>96.08</b>	<b>9.87</b>
XII. Profit/(loss) from discontinuing operations	-	-	-	-	-
XIII. Tax expense of discontinuing operations	-	-	-	-	-
<b>XIV. Profit/(loss) from Discontinuing operations (after tax) (XII-XIII)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>XV. Profit (Loss) for the period (XI + XIV)</b>	<b>418.85</b>	<b>294.30</b>	<b>102.96</b>	<b>96.08</b>	<b>9.87</b>
XVI Earnings per equity share:					
(1) Basic	2.79	3.66	1.72	1.60	0.59
(2) Diluted	2.79	3.66	1.72	1.60	0.59

## STATEMENT OF CASH FLOW AS RESTATED

## ANNEXURE-III

(Amount in Lakhs)

Particulars	For the period ended March 31, 2017	For the year ended March 31, 2016	For the year ended March 31, 2015	For the year ended March 31, 2014	For the year ended March 31, 2013
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>					
Restated Net profit Before Tax and Extraordinary Items	633.08	453.43	151.87	143.20	17.38
<b>Adjustments For:</b>					
Depreciation	31.61	28.70	24.82	8.74	1.81
Interest Received	(21.96)	(23.81)	(13.21)	(13.56)	(4.26)
Dividend Received	-	-	-	-	-
Net (gain) / loss on Sale Of Asset	-	-	-	-	-
Net (gain) / loss on Sale of Investments	-	-	-	-	-
Interest and Finance Charges	756.42	635.39	790.28	734.85	179.69
<b>Operating Profit before working capital changes</b>	<b>1399.15</b>	<b>1093.71</b>	<b>953.76</b>	<b>873.23</b>	<b>194.62</b>
<b>Adjustment For:</b>					
Decrease/(Increase) in Inventories	(1988.81)	(2676.01)	735.31	(744.66)	(2971.22)
Decrease/(Increase) in Trade receivables	(44.07)	(626.43)	(1158.29)	(1393.84)	(1641.61)
Decrease/(Increase) in Other Non-Current Assets	0.24	(1.08)	-	-	-
Decrease/(Increase) in Short-term loans and advances	(1079.82)	26.05	(40.85)	(2.93)	(0.28)
Decrease/(Increase) in Long Term Loans and Advances	(71.70)	18.49	(7.07)	(78.22)	(136.66)
(Decrease)/Increase in Trade Payables	(866.88)	1273.49	135.81	596.83	382.86
(Decrease)/Increase in Other Current Liabilities	963.47	294.66	80.31	14.41	44.39
(Decrease)/Increase in Short Term Provisions	(6.42)	3.96	(53.89)	53.03	7.55
(Decrease)/Increase in Other Non current Liabilities	3.58	4.12	2.99	2.05	0.64
<b>Cash Generated from Operations</b>	<b>(1691.26)</b>	<b>(589.03)</b>	<b>648.07</b>	<b>(680.10)</b>	<b>(4119.72)</b>
Taxes Paid	218.00	156.38	51.89	46.35	6.77
<b>Net Cash From /(Used In ) Operating Activities (A)</b>	<b>(1909.25)</b>	<b>(745.41)</b>	<b>596.18</b>	<b>(726.48)</b>	<b>(4126.49)</b>
<b>Cash Flow From Investing Activities</b>					
(Purchase)/Sale Of Fixed Assets/ Capital Work In Progress	(86.52)	(124.21)	(69.31)	(9.99)	(155.03)
Decrease/(Increase) in Non Current investments	-	-	(0.04)	-	(52.23)
Purchase Of Investment	-	-	-	-	-
Sale Of Investment	-	-	-	-	-
Net gain / loss on Sale of Investments	-	-	-	-	-
Interest Received	21.96	23.81	13.21	13.56	4.26
Dividend Received					
<b>Net Cash From /(Used In ) Investing Activities (B)</b>	<b>(64.55)</b>	<b>(100.41)</b>	<b>(56.15)</b>	<b>3.57</b>	<b>(203.01)</b>

Particulars	For the period ended March 31, 2017	For the year ended March 31, 2016	For the year ended March 31, 2015	For the year ended March 31, 2014	For the year ended March 31, 2013
<b>Cash Flow From Financing Activities</b>					
Proceeds from Issue of Shares	-	900.00	-	-	600.00
Security Premium	-	360.00	-	-	-
Proposed Dividend	-	-	34.64	(34.64)	-
Interest and Finance Charges	(756.42)	(635.39)	(790.28)	(734.85)	(179.69)
Dividend Paid					
<b>(Decrease)/Increase in Short Term Borrowing</b>	893.04	(165.56)	1426.63	347.33	2667.16
<b>(Decrease)/Increase in Long Term Borrowing</b>	1719.22	350.61	(980.88)	1081.89	1405.76
Net gain / loss on Foreign Exchanges	-	-	-	-	-
<b>Net Cash From Financing Activities (c)</b>	1855.83	809.66	(309.88)	659.74	4493.24
<b>Net Increase / (Decrease) in Cash (A)+(B)+(C)</b>	(117.97)	(36.15)	230.15	(63.14)	163.74
<b>Cash and Cash equivalents at the beginning of the year</b>	294.60	330.75	100.60	163.74	-
<b>Cash and Cash equivalents at the end of the year</b>	<b>176.63</b>	<b>294.60</b>	<b>330.75</b>	<b>100.60</b>	<b>163.74</b>

III. The Cash Flow statement has been prepared under Indirect method as per Accounting Standard-3 "Cash Flow Statements"

IV. Figures in Brackets represent outflows

V. The above statement should be read with the Restated Statement of Assets and Liabilities, Statement of Profit and loss, Significant Accounting Policies and Notes to Accounts as appearing in Annexure I,II, IV(A) respectively.

**(A) Corporate Information :**

Incorporated in 2012, primarily engaged in the business of trading of different types of paper in Gujarat and Rajasthan through distribution channel. Paper journey began with trading of variety of papers by our promoter Shrenikbhai Vimawala under the flagship of his proprietorship concern, "Shree Shyam Corporation". With gaining an insight of the industry coupled with an available opportunity, he converted his proprietorship concern into partnership firm "Shrenik Tradelink", which was subsequently converted into Company. In 2009 BILT Graphic Paper Products Limited ("BGPPL") offered its distributorship to our Company. The distributorship was specifically for a Chromo Paper Plant manufactured by BILT Graphic Paper Products Limited ("BGPPL") but subsequently included products like copier paper, notebook paper. The Company geared itself up for the accomplishment of the allocated project and ended up creating number of customers within a span of time. Our work has been honoured consecutively by "Performance Award", Category 'B' in the year 2009-2010 and "Performance Award" Category "AAA" for a continuous period of Four Years initiating from 2011 to 2014 by BILT Graphic Paper Products Limited ("BGPPL")

The Company serve our customers with variety of papers like copier, maplitho, coated paper, FBB board and a speciality paper commodity royal executive bond. Apart from being the wholesale distributors our Company has its own brand named "Shrenik". We believe and plan to include different varieties of paper products under the brand "Shrenik" like copier, sticker sheets, etc in near future

**(B) Basis of Preparation :**

The Restated Summary Statements of Assets and Liabilities of the Company as at March 31, 2017, March 31, 2016, March 31, 2015, March 31, 2014, March 31, 2013 and the related Restated Summary Statements of Profits and Losses and Cash Flows Statement for the period / years ended March 31, 2017, March 31, 2016, March 31, 2015, March 31, 2014, March 31, 2013, have been complied by management from the financial statements of the company for the period ended on March 31, 2017, March 31, 2016, March 31, 2015, March 31, 2014, March 31, 2013.

"The financial statements are prepared and presented under the historical cost convention and evaluated on a going-concern basis using the accrual system of accounting in accordance with the accounting principles generally accepted in India (Indian GAAP) and the requirements of the Companies Act, 1956 (up to March 31, 2014), and notified sections, schedules and rules of the Companies Act 2013 (with effect from April 01, 2014), including the Accounting Standards as prescribed by the Companies (Accounting Standards) Rules, 2006 as per section 211(3C) of the Companies Act, 1956 (which are deemed to be applicable as Section 133 of the Companies Act, 2013 ("the Act") read with Rule 7 of Companies (Accounts) Rules, 2014).

The presentation of financial statements requires estimates and assumption to be made that affect the reported amount of assets & Liabilities on the date of financial statements and the reported amount of revenue and expenses during the reporting period. Difference between the actual result and estimates are recognized in the period in which results are known/materialized."

**(C) Significant Accounting Policies :****(a) Use of Estimates :**

The preparation of financial statements in conformity with Indian GAAP requires management to make judgments, estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities on the date of financial statements and the reported amounts of revenue and expenses during the reported period. Although these estimates are based on management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the Carrying amounts of Assets or Liabilities in future periods.

**(b) Fixed Assets :**

Fixed Assets are stated at their acquisition cost less accumulated depreciation and impairment losses. Cost comprises of all costs incurred to bring the assets to their location and working condition up to the date the assets are put to use where applicable together with any incidental expenses of acquisition/installation. Cost of acquisition includes borrowing costs that are directly attributable to the acquisition/construction of qualifying assets.

**(c) Depreciation:**

Up to March 31st, 2014 depreciation on fixed assets is provided on written down value method (WDV) at the rate and manner prescribed in schedule XIV of the Companies Act, 1956 over their useful life. w.e.f April 1st, 2014 depreciation is provided based on useful life of asset as prescribed in schedule II of Companies Act 2013 except non charging of 100% depreciation on assets costing below Rs. 5000/-. The carrying amount as on April 1st, 2014 is depreciated over the balance useful life of asset.

Depreciation on additions to the assets and the assets sold or disposed off, during the year is provided on prorata basis, at their respective useful life or rate of depreciation as prescribed with reference to the date of acquisition / installation or date of sale / disposal.

Depreciation on the Building has not been taken into consideration as per the company policy and the same has been treated as Loan Term Asset eligible for Indexation Benefit as per the Income Tax Act, whenever sold.

**(d) Revenue Recognition:**

Revenue is recognized when it is earned and no significant uncertainty exists as to its realization or collection. Revenue from sale of goods is recognized on delivery of the products, when all significant contractual obligations have been satisfied, the property in the goods is transferred for price, significant risk and rewards of ownership are transferred to the customers and no effective ownership is retained. Sales comprises sale of goods and services, net of trade discounts and include exchange differences arising on sales transactions.

**(D) Foreign Currency Transactions :**

Foreign currency transactions are recorded at the exchange rates prevailing on the date of the transaction. Monetary foreign currency assets and liabilities are translated into Rupees at the exchange rate prevailing at the Balance Sheet Date. All exchange differences are dealt with in Profit and Loss Account.

**(E) Investments:**

Investments, which are readily realizable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long-term investments.

On initial recognition, all investments are measured at cost. The cost comprises price and directly attributable acquisition charges such as brokerage, fees and duties.

Current investments are carried in the financial statements at lower of cost and fair value determined on an individual investment basis. Long term investments are carried at cost. However, provision for diminution in value is made to recognize a decline other than temporary in the value of Investments.

On disposal of investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the statement of profit and loss.

**(F) Employee Benefits:**

Retirement benefit in the form of provident fund is a defined contribution scheme. The contribution to the provident fund is charged to the statement of profit and loss for the year when an employee renders the related services. The company has no obligations, other than the contribution payable to the provident fund.

**(G) Taxation :**

Tax expenses comprises of current and deferred tax. Current income tax is measured at the amount expected to be paid to the Tax Authorities in accordance with the Income Tax Act'1961 enacted or substantively enacted at the reporting date.

Deferred Tax Assets or Deferred Tax Liability is recognized on timing difference being the difference between taxable income and accounting income. Deferred Tax Assets or Differed Tax Liability is measured using the tax rates and tax laws that have been enacted or substantively enacted at the Balance Sheet date. Deferred Tax Assets arising from timing differences are recognized to the extent there is a reasonable certainty that the assets can be realized in future.

**(H) Borrowing Cost :**

Borrowing Cost includes interest and amortization of ancillary costs incurred in connection with the arrangement of borrowings. Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the period they occur.

**(I) Segment Reporting :**

The Company is engaged in trading activity of Paper. Considering the nature of Business and Financial Reporting of the Company, the Company is operating in only one Segment. And hence segment reporting is not applicable.

**(J) Provisions and Contigent Liabilities :**

A provision is recognized when the company has a present obligation as a result of past event; it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

Contingent Liabilities are not recognized but are disclosed in the notes. Contingent Assets are neither recognized nor disclosed in the financial statements.

**(K) Earnings per share :**

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

**RECONCILIATION OF RESTATED PROFIT****ANNEXURE IV (B)****(Amount in Lakhs)**

<b>Adjustments for</b>	<b>As at March 31, 2017</b>	<b>As at March 31, 2016</b>	<b>As at March 31, 2015</b>	<b>As at March 31, 2014</b>	<b>As at March 31, 2013</b>
Net profit/(loss) after tax as per audited statement of profit & loss	418.45	311.04	101.87	95.37	19.58
<b><u>Adjustments for:</u></b>					
Preliminary Expenses (Refer Note 1 )	(14.88)	(13.77)	0.72	0.72	(6.48)
Gratuity Provision	(3.17)	(4.53)	(2.99)	(2.05)	(0.64)
Prior Period Adjustments (Refer Note 2 )	7.30	1.45	-	-	(3.86)
Tax Adjusted In Current Period (Refer Note 3 )	7.00	3.62	1.94	2.90	0.73
Differed Tax Liability / Assets Adjustments (Refer Note 4)	4.15	(3.51)	1.42	(0.86)	0.54
<b>Net profit/ (loss) after tax as restated</b>	<b>418.85</b>	<b>294.30</b>	<b>102.96</b>	<b>96.08</b>	<b>9.87</b>

**Explanatory Notes to the above restatements made in Audited Financial Statements of the Company for the respective years / period.**

**Adjustments having impact on Profit:****Note: 1**

The Company has amortized preliminary and pre operative expenses in 5 consecutive year in the audited balance sheet while in the restated financial statements, the company has amortized total amount of preliminary and pre operative expenses in the financial year in which it has been incurred.

**Note: 2**

Amounts relating to the Prior Period have been adjusted in the Year to with the same related to.

**Note: 3**

The company has provided Excess or Short Provision in the year in which the income tax return has been filled. But in restated account, the company has provided Excess or Short Provision in the year to which it relates.

**Note: 4**

There is change in Deffered Tax Assets / Liabilities as per Audited Books of Accounts and as per Restated Books and the same has been given effect in the year to which the same relates.

**To give Explanatory Notes regarding Adjustments**

Appropriate adjustments have been made in the restated financial statements, wherever required, by reclassification of the corresponding items of income, expenses, assets and liabilities, in order to bring them in line with the groupings as per the audited financials of the Company for all the years and the requirements of the Securities and Exchange Board of India (Issue of Capital & Disclosure Requirements) Regulations 2009.

**DETAILS OF SHARE CAPITAL AS RESTATED**

**ANNEXURE-V**  
**(Amount in Lakhs)**

**1. Statement of Share Capital**

Particulars	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013
<b>Authorised</b>					
Equity shares of Rs. 10/- each	2500.00	2500.00	600.00	600.00	600.00
<b>Issued , Subscribed and Fully paid up Capital</b>	<b>1500.00</b>	<b>1500.00</b>	<b>600.00</b>	<b>600.00</b>	<b>600.00</b>

**Terms/rights attached to equity shares :**

1. During the Financial Year 2015-16 the Company has increased its Authorised Share Capital from Rs. 600.00 Lakhs to Rs. 2500.00 Lakhs by passing an Special Resolution in the Extra Ordinary General Meeting on 13th July, 2015.
2. During the Financial Year 2015-16 the Company has issued and allotted 20,00,000 Equity Shares of Rs. 10 each under Rights Issue at a price of Rs. 14.00 per equity share on 08th October, 2015.
3. During the Financial Year 2015-16 the Company has issued and allotted 20,00,000 Equity Shares of Rs. 10 each under Rights Issue at a price of Rs. 14.00 per equity share on 26th December, 2015.
4. During the Financial Year 2015-16 the Company has issued and allotted 20,00,000 Equity Shares of Rs. 10 each under Rights Issue at a price of Rs. 14.00 per equity share on 30th January, 2016.
5. During the Financial Year 2015-16 the Company has issued and allotted 30,00,000 Equity Shares of Rs. 10 each under Rights Issue at a price of Rs. 14.00 per equity share on 8th March, 2016.

**Terms/rights attached to equity shares :**

1. The company was having only one class of Equity Shares with par value of Rs. 10.00 per share. Each holder of Equity shares was entitled to one Vote per share.
2. In the Liquidation of the company, the holders of Equity Shares shall be entitled to receive any of the remaining assets of the Company, after distribution of all preferential amounts. The amount distributed will be in proportion to the number of equity shares held by the shareholders.

**2. Reconciliation of Shares outstanding at the beginning and at the end of the Period**

Particulars	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013
At the beginning of the period	150,000,000	6,000,000	6,000,000	6,000,000	-
Issued during the year	-	9,000,000	-	-	6,000,000
Redeemed or bought back during the period	-	-	-	-	-
Outstanding at the end of the Period	150,000,000	150,000,000	6,000,000	6,000,000	6,000,000



**3. For the period of five years immediately preceding the date as at which the Balance Sheet is prepared:**

Particulars	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013
Aggregate number and class of shares allotted as fully paid up pursuant to contract(s) without payment being received in cash.	-	-	-	-	-
Aggregate number and class of shares allotted as fully paid up by way of bonus shares.	-	-	-	-	-
Aggregate number and class of shares bought back.	-	-	-	-	-

**a. Details of Shareholders holding more than 5% shares in the company (In terms of No. of Shares Holding)**

Particulars	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013
Name of Shareholders	No. of Shares	No. of Shares	No. of Shares	No. of Shares	No. of Shares
Shrenik Sudhir Vimawala	12,999,300	12,999,300	5,999,400	5,999,400	5,999,400
Rishit Shrenik Vimawala	1,000,100	1,000,100	100.00	100.00	100.00
Kaivan Shrenik Vimawala	1,000,100	1,000,100	-	-	-
Total	14,999,500	14,999,500	5,999,500	5,999,500	5,999,500

**4b. Details of Shareholders holding more than 5% shares in the company (In terms of % Holding)**

Particulars	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013
Name of Shareholders	% holding	% holding	% holding	% holding	% holding
Shrenik Sudhir Vimawala	86.66%	86.66%	99.99%	99.99%	99.99%
Rishit Shrenik Vimawala	6.67%	6.67%	0.01%	0.01%	0.01%
Kaivan Shrenik Vimawala	6.67%	6.67%	-	-	-
Total	100.00%	100.00%	100.00%	100.00%	100.00%

**DETAILS OF RESERVES AND SURPLUS AS RESTATED**
**ANNEXURE-VI**
**(Amount in Lakhs)**

Particulars	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013
<b>A. Security premium account</b>					
Opening Balance	360.00	-	-	-	-
Add: Securities premium accounts credited on account of share issue	-	360.00	-	-	-
Less : Deletion for issue of Bonus Shares	-	-	-	-	-
Closing Balance	360.00	360.00	-	-	-
<b>B. Profit loss account</b>					
Opening Balance	503.20	208.90	71.31	9.87	-
Add: Net Profit/(Loss) for the year	418.85	294.30	102.96	96.08	9.87
Add: Transfer from Reserves					
Less: Proposed Dividend	-	-	(34.64)	34.64	-
Less: Interim Dividend	-	-	-	-	-
Less: Transfer to Reserves	-	-	-	-	-
Less: Tax On Dividend	-	-	-	-	-
Less: Other Adjustment	-	-	-	-	-
Closing Balance	<b>922.05</b>	<b>503.20</b>	<b>208.90</b>	<b>71.31</b>	<b>9.87</b>
<b>C. Capital Redemption reserve</b>					
Opening Balance	-	-	-	-	-
Add: Transfer from P & L Statement	-	-	-	-	-
Closing Balance	-	-	-	-	-
<b>D.General Reserve</b>					
Opening Balance	-	-	-	-	-
Add: Transfer from P & L Statement	-	-	-	-	-
Closing Balance	-	-	-	-	-
<b>Total(A+B+C+D)</b>	<b>1282.05</b>	<b>863.20</b>	<b>208.90</b>	<b>71.31</b>	<b>9.87</b>

**Notes:**

1. The figures disclosed above are based on the Unconsolidated restated summary statement of assets and liabilities of the Company
2. The above statement should be read with the notes to Unconsolidated restated summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexure I,II and III.
3. Pursuant to the Enactment of the Companies Act, 2013, the Company has applied the estimated useful lives as specified in the Schedule II. The Written Down Value of the Fixed Assets whose lives have expired as at 01st April, 2015 have been adjusted, in the Opening balance of Profit and Loss Account.

**DETAILS OF LONG TERM BORROWINGS AS RESTATED**

**ANNEXURE-VII**

**(Amount in Lakhs)**

<b>Particulars</b>	<b>As at March 31, 2017</b>	<b>As at March 31, 2016</b>	<b>As at March 31, 2015</b>	<b>As at March 31, 2014</b>	<b>As at March 31, 2013</b>
<b>A1. From Banks (Secured)</b>					
Union Bank Of India Car Loan-1	-	-	-	0.25	1.45
Union Bank Of India Car Loan-2	-	-	-	2.19	5.31
Union Bank Of India Car Loan-3	-	28.54	29.18	-	-
<b>A2. From NBFC(Secured)</b>					
Kotak Mahindra Prime LTD (Jaguar)	53.35	69.50	-	-	-
Kotak Mahindra Prime LTD-(Fortuner)	3.76	12.73	-	-	-
Kotak Mahindra Prime LTD-(Toyota)	2.99	-	-	-	-
Kotak Mahindra Prime LTD-(Jaguar)	4.71	-	-	-	-
Daimler Financial Service India Pvt Ltd	37.85	-	-	-	-
<b>Total(A1+A2)</b>	<b>102.66</b>	<b>110.77</b>	<b>29.18</b>	<b>2.45</b>	<b>6.76</b>
<b>B. From Other Parties (Unsecured)</b>					
<b>B1. From Promoter Group</b>					
<b><u>Loan From Promoters</u></b>					
Shrenik Sudhirbhai Vimawala	1654.00	291.62	502.40	616.69	208.00
Rishit Shrenikbhai Vimawala	600.00	731.39	227.56	243.23	123.67
Kaivan Shrenik Vimawala	400.00	39.99	137.62	130.30	59.12
<b><u>Loan From Share Holders</u></b>					
Himaben S. Vimawala	-	-	-	12.96	10.14
<b>B2. From Financial Institutions</b>					
TATA Capital Financial Services LTD	-	5.39	-	-	-
Edelwetss Retail Finance LTD	3.56	-	-	-	-
Fullerton India Credit Co. LTD	13.39	-	-	-	-
<b>B3. From Others</b>					
<b><u>Inter Corporate Deposits</u></b>					
Jeenee Solutions Private Limited	190.00	140.00	140.00	140.00	140.00
Rochak Distributors Private Limited	281.69	276.64	245.10	260.56	104.16
Kala Holdings Private Limited	118.22	110.12	110.96	108.84	106.95
Sun Flower Industries Pvt Ltd	-	-	-	-	31.88
Sancheti Polytex Pvt. Ltd.	66.31	43.80	-	-	-
Vee Point Commerce Pvt. Ltd.	71.78	107.67	113.96	-	-
Passion Comtrade Pvt. Ltd.	75.00	-	-	-	-
<b><u>Loan From Others</u></b>					
Ashokbhai Patel	-	-	-	-	2.51
Ketan H Modi	-	-	-	-	0.50
Dilipkumar Atmaram	-	-	-	458.79	243.06
Jayesh Balchand Shah Huf	-	-	-	19.16	-
Kalidas Bhajibhai	-	-	-	138.81	116.27
Atmaram Kalidas	-	-	-	349.23	172.70
N C Patel	-	-	-	-	0.32
Nayanben A Patel	-	-	-	-	1.94
S A Patel	-	-	-	-	1.28
Monik Jatin Shah	-	-	-	6.65	6.65
Bluewave Indisutries	-	-	-	-	3.00
Giriraj Trading Co.	-	-	-	-	7.00
B K Comodities	-	-	-	-	24.87
K Parikh and Co	-	-	-	-	35.00
<b>Total(B)</b>	<b>3473.95</b>	<b>1746.62</b>	<b>1477.61</b>	<b>2485.21</b>	<b>1399.01</b>
<b>Total A+B</b>	<b>3576.61</b>	<b>1857.39</b>	<b>1506.78</b>	<b>2487.66</b>	<b>1405.76</b>

## ANNEXURE VIII

## NATURE OF SECURITY AND TERMS OF REPAYMENT FOR LONG TERM BORROWINGS INCLUDING CURRENT MATURITIES

Sr. No.	Lender	Nature of facility	Amount outstanding as at March 31, 2017	Rate of interest (%)	Repayment terms	Security/Principal terms and conditions
1	Kotak Mahindra Prime Ltd	Vehicle Loan of Rs. 25.00 Lakhs	Rs.3.76 Lacs	10.10%	Repayable in 36 Monthly Installment Of Rs.80,675/- Each	Hypothecation of Fortune Car Having Registered Number GJ-01-RM-8165
2	Kotak Mahindra Prime Ltd	Car Finance Loan of Rs. 19.64 Lakhs	Rs.2.99 Lacs	18.00%	Repayable in 18 Monthly Installment , out of which 12 installment of Rs. 1,58,000/- Each and 6 Installment of 52,400/- Each , Starting From April 2017	Hypothecation of Toyota Kriloskar-Fortuner Having Registration Number GJ-01-RM-8165
3	Kotak Mahindra Prime Ltd	Vehicle Loan of Rs. 31.34 Lakhs	Rs.4.71 Lacs	18.00%	Repayable in 18 Monthly Installment , out of which 12 installment of Rs. 252,000/- Each and 6 Installment of 83,600/- Each , starting From April 2017	Hypothecation of Jaguar XJL 3.0 V6 Portfolio Having Registration Number GJ-01-RP-8165
4	Kotak Mahindra Prime Ltd	Car Finance Loan of Rs. 84.65 Lakhs	Rs.53.35 Lacs	9.25%	Repayable in 60 Monthly Installment ,Of Rs.1,76,885.00 Each Starting From March 2016	Hypothecation of Jaguar XJL 3.0 V6 Portfolio Having Registration Number GJ-01-RP-8165

Sr. No.	Lender	Nature of facility	Amount outstanding as at March 31, 2017	Rate of interest (%)	Repayment terms	Security/Principal terms and conditions
5	Daimlere Financial Services India Pvt Ltd	Vehicle Loan of Rs. 48.00 Lakhs	Rs.37.85 Lacs	9.10%	Repayable in 60 Monthly Installment OF Rs.99,875/- Each	Hypothecation of Mercedez Car-Benz E 250 CDI Advantgarde Having Registered Number GJ-01-RW-8165

RBL Bank			
Particulars	As at		
	31st March, 2017	31st March, 2016	31st March, 2015
Rate of Interest	16.50%	NIL	NIL
Opening Balance Cr/(Dr)	-	-	-
Amount Received / Credited	35.00	-	-
Interest on Loan	2.74	-	-
Amount Repaid / Adjusted	22.46	-	-
Outstanding Amount	15.28	-	-
<b>Terms of Repayment: Repayable in 13 Installments Out Which 1st Installment Is Of Rs.17,357 &amp; Remaining Installments are Of Rs. 3,18,387 Each</b>			

(Amount in Lakhs)

HDFC Bank			
Particulars	As at		
	31st March, 2017	31st March, 2016	31st March, 2015
Rate of Interest	15.50%	NIL	NIL
Opening Balance Cr/(Dr)	-	-	-
Amount Received / Credited	50.00	-	-
Interest on Loan	0.65	-	-
Amount Repaid / Adjusted	4.52	-	-
Outstanding Amount	46.12	-	-
<b>Terms of Repayment: Repayable In 12 monthly Installments Rs. 4,52,457.00 Each</b>			

(Amount in Lakhs)

Kotak mahindra Bank			
Particulars	As at		
	31st March, 2017	31st March, 2016	31st March, 2015
Rate of Interest	18.30%	NIL	NIL
Opening Balance Cr/(Dr)	-	-	-
Amount Received / Credited	40.00	-	-
Interest on Loan	0.55	-	-
Amount Repaid / Adjusted	4.06	-	-
Outstanding Amount	36.49	-	-
<b>Terms of Repayment: Repayable In 12 monthly Installments Out Of Which</b>			

Kotak mahindra Bank			
Particulars	As at		
	31st March, 2017	31st March, 2016	31st March, 2015
Rate of Interest	18.30%	NIL	NIL
<b>First 9 Installments are Of Rs. 4,06,150 Each &amp; Remaining Installments Are Of Rs.2,37,285 Each</b>			

(Amount in Lakhs)

Edelweiss			
Particulars	As at		
	31st March, 2017	31st March, 2016	31st March, 2015
Rate of Interest	16.50%	NIL	NIL
Opening Balance Cr/(Dr)	-	-	-
Amount Received / Credited	39.98	-	-
Interest on Loan	3.10	-	-
Amount Repaid / Adjusted	43.08	-	-
Outstanding Amount	-	-	-
<b>Terms of Repayment: Repayable in 13 Installments Out Which 1st Installment Is Of Rs.14,667 &amp; 11 Installments are Of Rs. 363871 Rs. Each &amp; Last Installment Is OF Rs.363,873</b>			

(Amount in Lakhs)

Edelweiss			
Particulars	As at		
	31st March, 2017	31st March, 2016	31st March, 2015
Rate of Interest	16.50%	NIL	NIL
Opening Balance Cr/(Dr)	-	-	-
Amount Received / Credited	40.00	-	-
Interest on Loan	-	-	-
Amount Repaid / Adjusted	0.07	-	-
Outstanding Amount	39.93	-	-
<b>Terms of Repayment: Repayable in 13 Installments Out Which 1st Installment Is Of Rs.9,167 &amp; Remaining Installments Are Of Rs.363,871/- Each</b>			

(Amount in Lakhs)

Fullerton India Credit Co Ltd			
Particulars	As at		
	31st March, 2017	31st March, 2016	31st March, 2015
Rate of Interest	16.50%	NIL	NIL
Opening Balance Cr/(Dr)	-	-	-
Amount Received / Credited	40.00	-	-
Interest on Loan	0.90	-	-
Amount Repaid / Adjusted	2.88	-	-
Outstanding Amount	42.04	-	-
<b>Terms of Repayment: Repayable in 19 Monthly Installments Out Which 1st Installment Is Of Rs.8,109 &amp; 17 Installments are Of Rs. 279,053 Each &amp; Last Installment Is OF Rs.279,049</b>			

(Amount in Lakhs)

<b>Jeenec Solution Pvt Ltd</b>			
<b>Particulars</b>	<b>As at</b>		
	<b>31st March, 2017</b>	<b>31st March, 2016</b>	<b>31st March, 2015</b>
<b>Rate of Interest</b>	<b>18.00%</b>	<b>18.00%</b>	<b>18.00%</b>
Opening Balance Cr/(Dr)	140.00	140.00	140.00
Amount Received / Credited	50.00	-	-
Interest on Loan	27.35	25.20	25.20
Amount Repaid / Adjusted	27.35	25.20	25.20
Outstanding Amount	190.00	140.00	140.00
<b>Terms of Repayment: Repayable on Demand</b>			

(Amount in Lakhs)

<b>Rochak Distributors Pvt Ltd</b>			
<b>Particulars</b>	<b>As at</b>		
	<b>31st March, 2017</b>	<b>31st March, 2016</b>	<b>31st March, 2015</b>
<b>Rate of Interest</b>	<b>12.00%</b>	<b>12.00%</b>	<b>12.00%</b>
Opening Balance Cr/(Dr)	276.64	245.10	260.56
Amount Received / Credited	1925.08	2160.85	2272.69
Interest on Loan	30.79	31.42	29.92
Amount Repaid / Adjusted	1950.82	2160.73	2318.07
Outstanding Amount	281.69	276.64	245.10
<b>Terms of Repayment: Repayable on Demand</b>			

(Amount in Lakhs)

<b>Kala Holdings Pvt Ltd</b>			
<b>Particulars</b>	<b>As at</b>		
	<b>31st March, 2017</b>	<b>31st March, 2016</b>	<b>31st March, 2015</b>
<b>Rate of Interest</b>	<b>12.00%</b>	<b>12.00%</b>	<b>12.00%</b>
Opening Balance Cr/(Dr)	110.12	110.96	108.84
Amount Received / Credited	898.57	971.86	1054.47
Interest on Loan	13.60	12.98	12.96
Amount Repaid / Adjusted	904.07	985.68	1065.31
Outstanding Amount	118.22	110.12	110.96
<b>Terms of Repayment: Repayable on Demand</b>			

(Amount in Lakhs)

<b>Sancheti Polytext Pvt Ltd</b>			
<b>Particulars</b>	<b>As at</b>		
	<b>31st March, 2017</b>	<b>31st March, 2016</b>	<b>31st March, 2015</b>
<b>Rate of Interest</b>	<b>12.00%</b>	<b>12.00%</b>	<b>12.00%</b>
Opening Balance Cr/(Dr)	43.80	-	-
Amount Received / Credited	286.52	286.49	-
Interest on Loan	7.90	5.54	-
Amount Repaid / Adjusted	271.91	248.23	-
Outstanding Amount	66.31	43.80	-
<b>Terms of Repayment: Repayable on Demand</b>			

(Amount in Lakhs)

Vee Point Commerce Pvt Ltd			
Particulars	As at		
	31st March, 2017	31st March, 2016	31st March, 2015
Rate of Interest	12.00%	12.00%	12.00%
Opening Balance Cr/(Dr)	107.67	113.96	-
Amount Received / Credited	407.85	646.45	163.62
Interest on Loan	10.08	12.82	2.05
Amount Repaid / Adjusted	453.81	665.57	51.71
Outstanding Amount	71.78	107.67	113.96
<b>Terms of Repayment: Repayable on Demand</b>			

(Amount in Lakhs)

Shrenik S Vimawala			
Particulars	As at		
	31st March, 2017	31st March, 2016	31st March, 2015
Rate of Interest	Nil	Nil	Nil
Opening Balance Cr/(Dr)	291.62	502.40	616.69
Amount Received / Credited	2360.64	1483.21	380.29
Interest on Loan	-	-	-
Amount Repaid / Adjusted	998.26	1693.99	494.58
Outstanding Amount	1654.00	291.62	502.40
<b>Terms of Repayment: Repayable on Demand</b>			

(Amount in Lakhs)

Rishit Vimawala			
Particulars	As at		
	31st March, 2017	31st March, 2016	31st March, 2015
Rate of Interest	Nil	Nil	Nil
Opening Balance Cr/(Dr)	731.39	227.56	243.23
Amount Received / Credited	70.94	720.74	50.94
Interest on Loan	-	-	-
Amount Repaid / Adjusted	202.33	216.91	66.61
Outstanding Amount	600.00	731.99	227.56
<b>Terms of Repayment: Repayable on Demand</b>			

(Amount in Lakhs)

Kaivan Vimawala			
Particulars	As at		
	31st March, 2017	31st March, 2016	31st March, 2015
Rate of Interest	Nil	Nil	Nil
Opening Balance Cr/(Dr)	39.99	133.86	124.32
Amount Received / Credited	360.01	5.58	9.54
Interest on Loan	-	-	-
Amount Repaid / Adjusted	-	99.45	-
Outstanding Amount	400.00	39.99	133.86
<b>Terms of Repayment: Repayable on Demand</b>			



(Amount in Lakhs)

Capital First(2015-16)			
Particulars	As at		
	31st March, 2017	31st March, 2016	31st March, 2015
<b>Rate of Interest</b>	<b>19.00%</b>	<b>19.00%</b>	<b>19.00%</b>
Opening Balance Cr/(Dr)	5.26	-	-
Amount Received / Credited	-	60.79	-
Interest on Loan	0.09	5.79	-
Amount Repaid / Adjusted	5.35	61.33	-
Outstanding Amount	-	5.26	-
<b>Terms of Repayment: Repayable in 12 Monthly Installment Of Rs.6,06,158/- Each</b>			

(Amount in Lakhs)

Capital First(2016-17)			
Particulars	As at		
	31st March, 2017	31st March, 2016	31st March, 2015
<b>Rate of Interest</b>	<b>19.00%</b>	<b>Nil</b>	<b>Nil</b>
Opening Balance Cr/(Dr)	-	-	-
Amount Received / Credited	49.96	-	-
Interest on Loan	4.95	-	-
Amount Repaid / Adjusted	39.92	-	-
Outstanding Amount	14.99	-	-
<b>Terms of Repayment: Repayable in 18 monthly Installments of 4,68,820.00 each</b>			

(Amount in Lakhs)

Shri Ram City Union Finance Ltd(2015-16)			
Particulars	As at		
	31st March, 2017	31st March, 2016	31st March, 2015
<b>Rate of Interest</b>	<b>18.80%</b>	<b>18.80%</b>	<b>18.80%</b>
Opening Balance Cr/(Dr)	11.85	-	-
Amount Received / Credited	-	31.62	-
Interest on Loan	0.85	2.82	-
Amount Repaid / Adjusted	12.70	22.59	-
Outstanding Amount	-	11.85	-
<b>Terms of Repayment: Repayable in 11 monthly installments of Rs. 3,17,558 Each</b>			

(Amount in Lakhs)

Shri Ram City Union Finance Ltd(2017-18)			
Particulars	As at		
	31st March, 2017	31st March, 2016	31st March, 2015
<b>Rate of Interest</b>	<b>18.00%</b>	<b>Nil</b>	<b>Nil</b>
Opening Balance Cr/(Dr)	-	-	-
Amount Received / Credited	32.16	-	-
Interest on Loan	-	-	-
Amount Repaid / Adjusted	3.35	-	-
Outstanding Amount	28.81	-	-
<b>Terms of Repayment: Repayable in 12 monthly Installments Out Of Which 9 Installments are of Rs.3,35,073/- Each &amp; Remainig Installments are of Rs.1,95,760/- Each</b>			

(Amount in Lakhs)

Shri Ram City Union Finance Ltd(2016-17)			
Particulars	As at		
	31st March, 2017	31st March, 2016	31st March, 2015
<b>Rate of Interest</b>	<b>18.00%</b>	<b>Nil</b>	<b>Nil</b>
Opening Balance Cr/(Dr)	-	-	-
Amount Received / Credited	49.88	-	-
Interest on Loan	4.32	-	-
Amount Repaid / Adjusted	48.07	-	-
Outstanding Amount	6.14	-	-
<b>Terms of Repayment: Repayable in 12 monthly Installments Out Of Which First 9 Installments are of Rs.5,26,229/- Each &amp; Remaining Installments are of Rs.2,35,896/- Each</b>			

(Amount in Lakhs)

Bajaj Finance Ltd (2015-16)			
Particulars	As at		
	31st March, 2017	31st March, 2016	31st March, 2015
<b>Rate of Interest</b>	<b>18.80%</b>	<b>18.80%</b>	<b>18.80%</b>
Opening Balance Cr/(Dr)	13.44	-	-
Amount Received / Credited	-	44.93	-
Interest on Loan	0.97	3.57	-
Amount Repaid / Adjusted	14.41	35.06	-
Outstanding Amount	-	13.44	-
<b>Terms of Repayment: Repayable in 12 monthly Installments of Rs.4,94,882/- Each</b>			

(Amount in Lakhs)

Bajaj Finance Ltd (2016-17)			
Particulars	As at		
	31st March, 2017	31st March, 2016	31st March, 2015
<b>Rate of Interest</b>	<b>18.80%</b>	<b>Nil</b>	<b>Nil</b>
Opening Balance Cr/(Dr)	-	-	-
Amount Received / Credited	41.92	-	-
Interest on Loan	3.90	-	-
Amount Repaid / Adjusted	37.38	-	-
Outstanding Amount	8.44	-	-
<b>Terms of Repayment: Repayable in 12 monthly Installments Out Of Which First 9 Installments are of Rs.4,61,890/- Each &amp; Remaining Installments are of Rs.1,38,719/- Each</b>			

(Amount in Lakhs)

Bajaj Finance Ltd (2017-18)			
Particulars	As at		
	31st March, 2017	31st March, 2016	31st March, 2015
<b>Rate of Interest</b>	<b>18.50%</b>	<b>Nil</b>	<b>Nil</b>
Opening Balance Cr/(Dr)	-	-	-
Amount Received / Credited	27.38	-	-
Interest on Loan	0.43	-	-
Amount Repaid / Adjusted	2.95	-	-

Bajaj Finance Ltd (2017-18)			
Particulars	As at		
	31st March, 2017	31st March, 2016	31st March, 2015
Rate of Interest	18.50%	Nil	Nil
Outstanding Amount	24.86	-	-
<b>Terms of Repayment: Repayable in 12 monthly Installments Out Of Which First 9 Installments are of Rs.2,90,721/- Each &amp; Remaining Installments are of Rs.1,36,118/- Each</b>			

(Amount in Lakhs)

Tata Capital Financial Services(2015-16)			
Particulars	As at		
	31st March, 2017	31st March, 2016	31st March, 2015
Rate of Interest	17.20%	17.20%	Nil
Opening Balance Cr/(Dr)	(0.51)	-	-
Amount Received / Credited	0.51	49.89	-
Interest on Loan	-	4.17	-
Amount Repaid / Adjusted	-	54.57	-
Outstanding Amount	-	(0.51)	-
<b>Terms of Repayment: Repayable in 12 Monthly Installments Out Of Which First 9 Installments Are Of Rs.5,44,425 Each &amp; Remaining Installments Are Of Rs.1,81,475 Each</b>			

(Amount in Lakhs)

Tata Capital Financial Services(2017-18)			
Particulars	As at		
	31st March, 2017	31st March, 2016	31st March, 2015
Rate of Interest	18.30%	Nil	Nil
Opening Balance Cr/(Dr)	-	-	-
Amount Received / Credited	59.48	-	-
Interest on Loan	0.92	-	-
Amount Repaid / Adjusted	6.22	-	-
Outstanding Amount	54.19	-	-
<b>Terms of Repayment: Repayable in 12 Monthly Installments Out Of Which First 9 Installments Are Of Rs.6,11,520 Each &amp; Remaining Installments Are Of Rs.3,49,440 Each</b>			

(Amount in Lakhs)

Capital First(2017-18)			
Particulars	As at		
	31st March, 2017	31st March, 2016	31st March, 2015
Rate of Interest	18.60%	Nil	Nil
Opening Balance Cr/(Dr)	-	-	-
Amount Received / Credited	36.44	-	-
Interest on Loan	-	-	-
Amount Repaid / Adjusted	-	-	-
Outstanding Amount	36.44	-	-
<b>Terms of Repayment: Repayable in 12 monthly Installments Out Of Which First 4 Installments are of Rs.5,01,135/- Each, Next 4 Installments Are Of Rs.3,00,681 Each &amp; Remaining Installments are of Rs.2,00,454/- Each</b>			

(Amount in Lakhs)

Religare(2016-17)			
Particulars	As at		
	31st March, 2017	31st March, 2016	31st March, 2015
Rate of Interest	19.00%	Nil	Nil
Opening Balance Cr/(Dr)	-	-	-
Amount Received / Credited	74.80	-	-
Interest on Loan	6.43	-	-
Amount Repaid / Adjusted	67.46	-	-
Outstanding Amount	13.76	-	-
<b>Terms of Repayment: Repayable in 12 monthly Installments Out Of Which First 9 Instllments are of Rs.8,34,708/- Each &amp; Remainig Installments are of Rs.2,17,750/- Each</b>			

(Amount in Lakhs)

Zen Lefin Pvt Ltd.			
Particulars	As at		
	31st March, 2017	31st March, 2016	31st March, 2015
Rate of Interest	16.50%	Nil	Nil
Opening Balance Cr/(Dr)	-	-	-
Amount Received / Credited	45.00	-	-
Interest on Loan	3.30	-	-
Amount Repaid / Adjusted	29.01	-	-
Outstanding Amount	19.29	-	-
<b>Terms of Repayment: Repayable in 12 monthly Installments of Rs.4,09,354/- Each</b>			

(Amount in Lakhs)

Zen Lefin Pvt Ltd.-2			
Particulars	As at		
	31st March, 2017	31st March, 2016	31st March, 2015
Rate of Interest	16.50%	Nil	Nil
Opening Balance Cr/(Dr)	-	-	-
Amount Received / Credited	49.95	-	-
Interest on Loan	-	-	-
Amount Repaid / Adjusted	-	-	-
Outstanding Amount	49.95	-	-
<b>Terms of Repayment: Repayable in 12 monthly Installments of Rs.4,54,838/- Each</b>			

(Amount in Lakhs)

Diwan Housing Finance Limited			
Particulars	As at		
	31st March, 2017	31st March, 2016	31st March, 2015
Rate of Interest	17.00%	Nil	Nil
Opening Balance Cr/(Dr)	-	-	-
Amount Received / Credited	29.68	-	-
Interest on Loan	2.90	-	-
Amount Repaid / Adjusted	22.28	-	-
Outstanding Amount	10.30	-	-
<b>Terms of Repayment: Repayable in 12 monthly Installments of Rs.2,74,190/- Each</b>			

(Amount in Lakhs)

Passion Comtrade Pvt Ltd.			
Particulars	As at		
	31st March, 2017	31st March, 2016	31st March, 2015
Rate of Interest	9.00%	Nil	Nil
Opening Balance Cr/(Dr)	-	-	-
Amount Received / Credited	125.00	-	-
Interest on Loan	4.96	-	-
Amount Repaid / Adjusted	54.96	-	-
Outstanding Amount	75.00	-	-
<b>Terms of Repayment: Repayable on Demand</b>			

(Amount in Lakhs)

Megma FinCorp			
Particulars	As at		
	31st March, 2017	31st March, 2016	31st March, 2015
Rate of Interest	14.00%	14.00%	Nil
Opening Balance Cr/(Dr)	5.93	-	-
Amount Received / Credited	-	68.25	-
Interest on Loan	0.61	12.32	-
Amount Repaid / Adjusted	6.54	74.64	-
Outstanding Amount	-	5.93	-
<b>Terms of Repayment: Repayable in 12 monthly Installments of Rs.6,73,404/- Each</b>			

(Amount in Lakhs)

Megma FinCorp			
Particulars	As at		
	31st March, 2017	31st March, 2016	31st March, 2015
Rate of Interest	16.50%	Nil	Nil
Opening Balance Cr/(Dr)	-	-	-
Amount Received / Credited	65.00	-	-
Interest on Loan	3.16	-	-
Amount Repaid / Adjusted	23.97	-	-
Outstanding Amount	44.19	-	-
<b>Terms of Repayment: Repayable in 12 monthly Installments of Rs.5,91,290/- Each</b>			

**DETAILS OF DEFERRED TAX LIABILITIES (NET) AS RESTATED ANNEXURE IX**

(Amount in Lakhs)

Particulars	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013
Total Timing Difference	(7.50)	3.98	(4.52)	1.26	(3.44)
Tax Rate as per Income Tax	33.06	32.45	32.45	32.45	30.90
(DTA) / DTL	(2.48)	1.29	(1.47)	1.51	0.74
<b>Net deferred tax liability</b>	<b>(2.48)</b>	<b>1.29</b>	<b>(1.47)</b>	<b>1.51</b>	<b>0.74</b>

**Deferred Tax Assets & Liabilities Summary**

Particulars	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013
Opening Balance of (DTA) / DTL	1.29	(1.47)	1.51	0.74	-
Add: Provision for the Year	(3.77)	2.76	(2.98)	0.77	0.74
<b>Closing Balance of (DTA) / DTL</b>	<b>(2.48)</b>	<b>1.29</b>	<b>(1.47)</b>	<b>1.51</b>	<b>0.74</b>

**DETAILS OF SHORT TERM BORROWINGS AS RESTATED**

**ANNEXURE X**  
(Amount in Lakhs)

Particulars	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013
<b>A.Repayable On Demand</b>					
<b>From Bank</b>					
ICICI Bank Loan -	-	-	-	6.05	1557.50
ING Vysya LTD	-	3115.83	3084.50	2401.66	-
Punjab National Bank	3970.10	-	-	-	-
Deutsche Bank	278.84	-	-	-	-
ICICI Bank Loan-Chanel Finance Form	417.83	505.79	606.57	606.78	1109.66
Icici Bank-TOD	-	-	750.06	-	-
<b>Total (A)</b>	<b>4666.77</b>	<b>3621.62</b>	<b>4441.12</b>	<b>3014.49</b>	<b>2667.16</b>
<b>B. Loans and advances from related parties</b>					
Aditya Birla Finance LTD	501.83	653.94	-	-	-
<b>Total (B)</b>	<b>501.83</b>	<b>653.94</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total A+B</b>	<b>5168.60</b>	<b>4275.57</b>	<b>4441.12</b>	<b>3014.49</b>	<b>2667.16</b>

**NATURE OF SECURITY AND TERMS OF REPAYMENT FOR SHORT TERM BORROWINGS**

**ANNEXURE XI**

Sr. No.	Lender	Nature of facility	Loan	Amount outstanding as at March 31, 2017	Rate of interest (%)	Repayment Terms	Security / Principal terms and conditions
1	Punjab National Bank	Cash Credit Facilities of Rs. 4000.00 Lacs With Sublimit Of Rs.2000.00 Lacs	Working Capital Finance	3970.10Lakhs	MCLR+2.65%	Repayable On Demand	(i) Exclusive 1st Charge Over Entire Current Assets Of The Company Cosisting Of Book Debts Receivables & Other Current Assets (ii) Hypothication / Mortgage Of Godown Situated At D 87 Naya Anaj Bazar,Khokhra,Ahmedabad. (iii) Hypothication / Mortgage Of Godown Situated At D 96 Naya Anaj Bazar,Khokhra,Ahmedabad. (iv) Hypothication / Mortgage Of Godown Situated At D/62 Ramkrishna Industrial Estate , Near Kalidas Mill,Gomtipur,Ahmedabad. (iv) Hypothication / Mortgage Of Godown Situated At 26,Anaj Bazar Co-Operative Shops & Warehousing Society ,Khokhra,Ahmedabad. (v) Hypothication / Mortgage Of Residential Plot Situated At 39 Surbhi Vatika,Nr Nandan Baug Bunglow, Taluka sanand, Dist: Ahmedabad. (Vi)Hypothication / Mortgage Of Residential Property Situated At 001 Shiromani Apartment ,Satellite, Ahmedabad. (Vii)Hypothication / Mortgage Of Residential Property Situated At A-2 2nd Floor, Rivira Antilia , Nr Ashwraj Bunglow ,Prahladnagar,Ahmedabad. (Viii)Hypothication / Mortgage Of Residential

Sr. No.	Lender	Nature of facility	Loan	Amount outstanding as at March 31, 2017	Rate of interest (%)	Repayment Terms	Security / Principal terms and conditions
							<p>Plot Situated At 37 Surdhara Residential Plots , Manipur, ahmedabad.</p> <p>(ix)Hypothication / Mortgage Of Residential Property Situated At 10 Sudhasagar bungalow ,Villeg Shela ,Taluka Sanand,Dist:ahmedabad.</p> <p>(x) Hypothication / Mortgage Of Residential Property Situated At B1003 10th Floor Ambiencke Behind Lavanya Society , Vasna ,Ahmedabad.</p> <p>(xi)Hypothication / Mortgage Of Residential Property Situated At B1004 10th Floor Ambiencke Behind Lavanya Society , Vasna ,Ahmedabad.</p> <p>(xii) Personal Gurantee Of Shreenik Vimawala,Rishit Vimawala,Kaivan Vimawala &amp; Himaben Vimawala</p>
2	Deutch Bank	Overdraft Facility Of Rs.279.00 Lacs	Working Capital Finance	Rs. 3278.84Lakhs	MCLR+2.40%	Repayable On Demand	<p>(i) Mortgage by Deposit Of title Deeds Pertaining To Commercial Property Bearing unit No 505,Ten-11 Complex,Ellisbridge,Ahmedabad.</p> <p>(ii)Mortgage by Deposit Of title Deeds Pertaining To Commercial Property Bearing unit No 608,Ten-11 Complex,Ellisbridge,Ahmedabad.</p> <p>(iii)Mortgage by Deposit Of title Deeds Pertaining To Commercial Property Bearing unit No 508,Ten-11 Complex,Ellisbridge,Ahmedabad.</p> <p>(iv)Mortgage by Deposit Of title Deeds Pertaining To Commercial Property Bearing unit No 507,Ten-11 Complex,Ellisbridge,Ahmedabad.</p> <p>(v)Mortgage by Deposit Of title Deeds Pertaining To Commercial Property Bearing unit No</p>



Sr. No.	Lender	Nature of facility	Loan	Amount outstanding as at March 31, 2017	Rate of interest (%)	Repayment Terms	Security / Principal terms and conditions
							506,Ten-11 Complex,Ellisbridge,Ahmedabad.
3	Aditya Birla Finance	Channel finance Facility of Rs. 500.00 Lacs	Working Capital Finance	501.83 Lakhs	12.00% Of Short term reference Rate Of ABFL(STRR)+/- Spread).	The tenure of Channel Finance loan is 365 days Subject to Payable on Demand / Annual Review.	(i)Personal Gurantee Of Mr.shrenik Vimawala & Mr. Rishit Vimawala. (ii) 5 PDCs OF Rs. 100 Lakh Each

Sr. No.	Lender	Nature of facility	Loan	Amount outstanding as at March 31, 2017	Rate of interest (%)	Repayment Terms	Security / Principal terms and conditions
4	ICICI Bank	Over Draft Facility of Rs. 500.00 Lacs	Working Capital Finance	417.83 Lakhs	4.35% on MCLR	The Amount Drawn Shall Be Repaid Within 90 Days Of Amount drawn	Unsecured

**DETAILS OF TRADE PAYABLES AS RESTATED**  
**ANNEXURE XII**

(Amount in Lakhs)

Particulars	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013
<b>From Micro, Small &amp; Midium</b>					
Sundry Creditors for Goods	-	-	-	-	-
Sundry Creditors for Expenses	-	-	-	-	-
Sundry Creditors for Capital Goods/Fixed Assets	-	-	-	-	-
<b>Others</b>					
Sundry Creditors for Goods	1442.02	2340.58	1096.63	947.29	367.28
Sundry Creditors for Expenses	63.41	48.42	18.87	32.40	15.58
Sundry Creditors for Capital Goods/Fixed Assets	16.68	-	-	-	-
<b>Total</b>	<b>1522.12</b>	<b>2389.00</b>	<b>1115.50</b>	<b>979.69</b>	<b>382.86</b>

**Notes**

- Outstanding against Purchase / Acquisition of Capital Goods / Assets have been shown under "Sundry Creditors for Capital Goods / Fixed Assets"
- Trade Payables as on March 31, 2017 has been taken as certified by the management of the company

**DETAILS OF OTHER CURRENT LIABILITIES AS RESTATED**  
**ANNEXURE XIII**

(Amount in Lakhs)

Particulars	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013
<b>Current Maturities of Term Liabilities</b>					
Union Bank Of India Car Loan-1	-	-	0.47	1.17	0.94
Union Bank Of India Car Loan-2	-	0.01	2.78	3.05	2.24
Union Bank Of India Car Loan-3	-	4.41	8.15	-	-
MEGMA FINCORP LIMITED	44.19	75.91	-	-	12.44
RBL Bank	15.28	-	-	-	-
HDFC Bank	46.12	-	-	-	-
Kotak Mahindra Bank	36.49	-	-	-	-
Capital First	-	5.26	-	-	-
Deutsche Bank	-	29.08	-	-	-
Shri Ram City Union Finance Limited	-	11.85	-	-	-
Bajaj Finance Limited	-	13.44	-	-	-
Tata Capital	54.19	54.58	-	-	-
BAJAJ FINANCE LTD = 17-18	24.86	-	-	-	-
SHRIRAM CITY UNION FINANCE -17-18	28.81	-	-	-	-
ZEN LEFINE PRIVATE LIMITED 2017-18	49.95	-	-	-	-

Particulars	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013
CAPITAL FIRST LTD = 17-18	36.44	-	-	-	-
SHRIRAM CITY UNION FINANCE LTD 16-17	6.14	-	-	-	-
RELIGARE FINVEST LTD 16-17	13.76	-	-	-	-
BAJAJ FINANCE LTD=2016-17	8.44	-	-	-	-
CAPITAL FIRST LTD=16-17	14.99	-	-	-	-
ZEN LEFIN PRIVATE LIMITED (CAPITAL FLOAT) 2016-17	19.29	-	-	-	-
DHFL-2016-17	10.30	-	-	-	-
Kotak Mahindra Prime LTD(Jaguar)	15.43	13.98	-	-	-
Kotak Mahindra Prime LTD (Fortuner)	8.79	7.81	-	-	-
Kotak Mahindra Prime LTD (Toyoto)	16.66	-	-	-	-
Kotak Mahindra Prime LTD(jaguar-2)	26.58	-	-	-	-
Daimler Financial Service India PVT LTD	8.12	-	-	-	-
Edelwetss Retail Finance LTD	36.37	-	-	-	-
Fullerton India Credit Co. LTD	28.65	-	-	-	-
<b><u>Other Payables</u></b>					
Advances from Customers	515.20	92.23	-	9.50	-
Other Current Lianilities	332.18	125.2 2	127.7 1	45.07	28.77
<b>Total</b>	<b>1397.2 4</b>	<b>433.7 7</b>	<b>139.1 1</b>	<b>58.80</b>	<b>44.39</b>

**Notes:**

-Advances Received from Customers have been taken as certified by the management of the company and no security has been offered by the company against the same.

**DETAILS OF SHORT TERM PROVISIONS AS RESTATED**

**ANNEXURE XIV**

**(Amount in Lakhs)**

<b>Particulars</b>	<b>As at March 31, 2017</b>	<b>As at March 31, 2016</b>	<b>As at March 31, 2015</b>	<b>As at March 31, 2014</b>	<b>As at March 31, 2013</b>
Provision For Indirect Tax	-	3.86	3.86	3.86	3.86
Provision for Taxation	-	2.60	-	23.43	2.94
Provision for Dividend	-	-	-	30.00	-
Provision For Others	4.23	4.19	2.83	3.29	0.75
<b>Total</b>	<b>4.23</b>	<b>10.65</b>	<b>6.68</b>	<b>60.58</b>	<b>7.55</b>

**Notes:**

- Provision for Direct Tax have been adjusted against the Advance Tax and TDS Receivables, if any
- Provision for Audit Fees for the Period ended on March 31, 2017 have not been made

**DETAILS OF FIXED ASSETS AS RESTATED**

**ANNEXURE XV  
(Amount in Lakhs)**

<b>Particulars</b>	<b>Building</b>	<b>Land</b>	<b>Capital WIP</b>	<b>Plant &amp; Machinery</b>	<b>Furniture &amp; Fixtures</b>	<b>Motor Vehicles</b>	<b>Computer</b>	<b>Intangible</b>	<b>Total</b>
Gross Block :									
As at April 1, 2012	-	-	-	-	-	-	-	-	-
Additions / (Deletion)	96.51	-	-	0.30	17.01	36.60	4.61	-	155.03
<b>As at March 31, 2013</b>	<b>96.51</b>	<b>-</b>	<b>-</b>	<b>0.30</b>	<b>17.01</b>	<b>36.60</b>	<b>4.61</b>	<b>-</b>	<b>155.03</b>
As at April 1, 2013	96.51	-	-	0.30	17.01	36.60	4.61	-	155.03
Additions / (Deletion)	-	-	-	2.55	3.41	-	2.67	1.37	9.99
<b>As at March 31, 2014</b>	<b>96.51</b>	<b>-</b>	<b>-</b>	<b>2.85</b>	<b>20.42</b>	<b>36.60</b>	<b>7.28</b>	<b>1.37</b>	<b>165.03</b>
As at April 1, 2014	96.51	-	-	2.85	20.42	36.60	7.28	1.37	165.03
Additions / (Deletion)	2.25	-	-	-	2.51	59.38	4.40	0.77	69.31
<b>As at March 31, 2015</b>	<b>98.76</b>	<b>-</b>	<b>-</b>	<b>2.85</b>	<b>22.93</b>	<b>95.98</b>	<b>11.68</b>	<b>2.14</b>	<b>234.34</b>
As at April 1, 2015	98.76	-	-	2.85	22.93	95.98	11.68	2.14	234.34
Additions / (Deletion)	-	-	-	-	3.22	113.04	1.57	0.33	118.16
<b>As at March 31, 2016</b>	<b>98.76</b>	<b>-</b>	<b>-</b>	<b>2.85</b>	<b>26.14</b>	<b>209.02</b>	<b>13.25</b>	<b>2.47</b>	<b>352.50</b>
As at April 1, 2016	98.76	-	-	2.85	26.14	209.02	13.25	2.47	352.50
Additions / (Deletion)	-	-	59.39	4.46	3.58	2.89	4.84	0.37	75.33
<b>As at March 31, 2017</b>	<b>98.76</b>	<b>-</b>	<b>59.39</b>	<b>7.31</b>	<b>29.72</b>	<b>211.92</b>	<b>18.09</b>	<b>2.84</b>	<b>428.03</b>
<b>Accumulated Depreciation :</b>									

Particulars	Building	Land	Capital WIP	Plant & Machinery	Furniture & Fixtures	Motor Vehicles	Computer	Intangible	Total
As at April 1, 2012	-	-	-	-	-	-	-	-	-
Charge for the year	0.44	-	-	0.00	0.25	0.96	0.15	-	1.81
<b>As at March 31, 2013</b>	<b>0.44</b>	-	-	<b>0.00</b>	<b>0.25</b>	<b>0.96</b>	<b>0.15</b>	-	<b>1.81</b>
As at April 1, 2013	0.44	-	-	0.00	0.25	0.96	0.15	-	1.81
Charge for the year	3.22	-	-	0.05	1.01	3.48	0.73	0.24	8.74
<b>As at March 31, 2014</b>	<b>3.66</b>	-	-	<b>0.06</b>	<b>1.27</b>	<b>4.44</b>	<b>0.88</b>	<b>0.24</b>	<b>10.54</b>
As at April 1, 2014	3.66	-	-	0.06	1.27	4.44	0.88	0.24	10.54
Charge for the year	3.21	-	-	0.19	4.58	11.08	5.43	0.34	24.82
<b>As at March 31, 2015</b>	<b>6.87</b>	-	-	<b>0.25</b>	<b>5.85</b>	<b>15.52</b>	<b>6.31</b>	<b>0.58</b>	<b>35.37</b>
As at April 1, 2015	6.87	-	-	0.25	5.85	15.52	6.31	0.58	35.37
Charge for the year	3.22	-	-	0.19	5.11	16.84	2.79	0.55	28.70
<b>Adjustments in Depreciation under the Companies Act ' 2013</b>	-	-	-	-	-	(6.05)	-	-	(6.05)
<b>As at March 31, 2016</b>	<b>10.08</b>	-	-	<b>0.44</b>	<b>10.96</b>	<b>32.36</b>	<b>9.10</b>	<b>1.12</b>	<b>58.01</b>
As at April 1, 2016	10.08	-	-	0.44	10.96	32.36	9.10	1.12	58.01
Charge for the period	3.13	-	-	0.33	4.47	20.67	2.69	0.33	31.61
Additions / (Deletion)	-	-	-	-	-	(10.99)	-	-	(10.99)
<b>As at March 31, 2017</b>	<b>13.21</b>	-	-	<b>0.77</b>	<b>15.43</b>	<b>42.04</b>	<b>11.79</b>	<b>1.45</b>	<b>78.64</b>
Net Block :									
<b>As at March 31, 2013</b>	<b>96.08</b>	-	-	<b>0.29</b>	<b>16.76</b>	<b>35.64</b>	<b>4.46</b>	-	<b>153.23</b>

Particulars	Building	Land	Capital WIP	Plant & Machinery	Furniture & Fixtures	Motor Vehicles	Computer	Intangible	Total
As at March 31, 2014	92.85	-	-	2.79	19.15	32.16	6.40	1.13	154.48
As at March 31, 2015	91.89	-	-	2.60	17.08	80.46	5.37	1.56	198.97
As at March 31, 2016	88.68	-	-	2.41	15.18	176.66	4.15	1.35	294.49
As at March 31, 2017	85.55	-	59.39	6.54	14.30	169.88	6.30	1.39	349.39



**DETAILS OF NON-CURRENT INVESTMENTS AS RESTATED**

**ANNEXURE XVI**

(Amount in Lakhs)

Particulars	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013
(a) Investment in Equity instruments	-	-	-	-	-
(b) Investments in preference shares	-	-	-	-	-
(c) Investments in Government or Trust securities	-	-	-	-	-
(d) Investments in Debentures or Bonds	-	-	-	-	-
(e) Investments in Mutual Funds	-	-	-	-	-
(f) Investments in partnership firms*	-	-	-	-	-
(g) Other non-current investments	-	-	-	-	-
-New Grain Market Share Fund	0.04	0.04	0.04	-	-
-Plot OF Land	52.23	52.23	52.23	52.23	52.23
<b>Aggregate Amount of Unquoted Investments</b>	<b>52.27</b>	<b>52.27</b>	<b>52.27</b>	<b>52.23</b>	<b>52.23</b>
<b>Aggregate Cost of Quoted Investments</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Aggregate Market Value of Quoted Investments</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**DETAILS OF LONG TERM LOANS & ADVANCES AS RESTATED**

**ANNEXURE XVII**

(Amount in Lakhs)

Particulars	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013
<b>Unsecured &amp; Considered Good</b>					
Capital Advances					
<b>Security Deposits</b>					
-DEPOSIT WITH BALARPUR INDUSTRIES	190.64	190.64	185.78	184.00	124.50
-DEPOSIT WITH MUNICIPALITY	0.50	0.50	0.50	0.50	0.50
-DEPOSIT WITH TELEPHONE CO	0.18	0.18	0.18	0.18	0.18
-DEPOSIT WITH WHARE HOUSE	4.35	4.35	3.77	3.77	4.37

Particulars	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013
-DEPOSIT WITH CSPO	-	-	-	-	0.01
-DEPOSIT WITH IIM Ahmedabad	-	0.03	0.03	-	-
-DEPOSIT WITH REGISTRAR SVP UNIVERSITY	-	-	-	0.03	-
-DEPOSIT WITH Panchvati Auto	0.20	0.20	0.20	-	-
-SHAH MEHTA & CO	-	-	-	0.20	-
-DEPOSIT WITH RAJEEVKUMAR VIKASHKUMAR	-	-	1.05	1.05	-
-DEPOSIT WITH JAIN TEXTILE	-	-	1.05	1.05	-
-DEPOSIT WITH RIYA TEXTILE	-	-	1.05	1.05	-
-DEPOSIT WITH GMDC	-	0.20	-	-	-
-DEPOSITE WITH NIKESH BHAGWATBHAI PATE-HUF	0.54	-	-	-	-
-DEPOSITE WITH SAROJBEN BHAGWATBAHI PATEL	0.54	-	-	-	-
-DEPOSIT WITH TNPL UNIT 2	13.25	-	-	-	-
-DEPOSIT WITH TNPL UNIT 3	0.25	-	-	-	-
-DEPOSIT WITH TNPL UNIT 1	52.00	-	-	-	-
-DEPOSIT WITH KASHIRAM TRILOKCHAND	1.32	-	-	-	-
-DEPOSIT WITH DIVYANGBHAI CHANDULAL GANDHI	1.20	-	-	-	-
-ADVANCE FOR POLO GT	-	-	-	1.00	-
-SUDHIR MARFATIA HUF	0.53	0.53	-	-	-
-DHWANI MARFATIA	0.53	0.53	-	-	-
-YOGESH SHAH	0.53	0.53	-	-	-
-BINOLI SHAH	0.53	0.53	-	-	-
-CHINUBHAI C PATEL	0.26	0.53	-	-	-

Particulars	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013
-CHINUBHAI C PATEL HUF	0.53	0.26	-	-	-
-GARGI C PATEL	0.26	0.26	-	-	-
-DEVENDRA POPATLAL PATEL	0.26	0.26	-	-	-
-GHANSHYAM POPATLAL PATEL	0.26	0.26	-	-	-
-BABUBHAI JIVABHAI PATEL	0.26	0.26	-	-	-
-MAHESHBHAI JIVABHAI PATEL	0.26	0.26	-	-	-
<b>Loans &amp; Advances To Other Parties</b>	5.99	3.16	28.34	22.05	7.10
<b>Total</b>	<b>275.16</b>	<b>203.46</b>	<b>221.95</b>	<b>214.88</b>	<b>136.66</b>

**DETAILS OF INVENTORIES AS RESTATED**

**ANNEXURE XIII**

(Amount in Lakhs)

Particlaurs	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013
a. Raw Materials and components (Valued at Cost or NRV unless otherwise stated)					
Goods-in transit					
b. Work-in-progress (Valued at Cost or NRV unless otherwise stated)					
Goods-in transit					
c. Finished goods (Valued at Cost or NRV unless otherwise stated)					
Goods-in transit					
d. Stock-in-trade (Valued at Cost or NRV unless otherwise stated)	7645.39	5656.58	2980.57	3715.87	2971.22
Goods-in transit					
	7645.39	5656.58	2980.57	3715.87	2971.22
<b>Total</b>	<b>7645.39</b>	<b>5656.58</b>	<b>2980.57</b>	<b>3715.87</b>	<b>2971.22</b>

**Notes:** Value of Inventories as on 31st March, 2017 has been taken as certified by the management of the company

**DETAILS OF TRADE RECEIVABLES AS RESTATED**
**ANNEXURE XIX**

(Amount in Lakhs)

Particlaurs	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013
<b>Unsecured &amp; Considered Good</b>					
<b>a. From Director / Promoters / Promoter Group / Associates / Relatives of Directors / Group Companies</b>					
Over Six Months	-	-	-	-	-
Less than Six Months	-	-	-	96.94	6.54
<b>b. From Others</b>					
Over Six Months	51.97	48.31	198.63	91.51	-
Less than Six Months	4812.27	4771.86	3995.11	2847.00	1635.08
<b>Total</b>	<b>4864.24</b>	<b>4820.17</b>	<b>4193.74</b>	<b>3035.45</b>	<b>1641.61</b>

**Notes:**

- Trade Receivables as on 31st March, 2017 has been taken as certified by the management of the company
- As per the view of the management of the company there is no doubtful debt and hence provision for doubtful debts have not been made

**DETAILS OF CASH AND CASH EQUIVALENTS AS RESTATED**
**ANNEXURE XX**

(Amount in Lakhs)

Particulars	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013
Balances with banks	147.65	200.80	268.17	38.40	108.92
Cash on hand	1.22	68.13	38.84	8.49	5.24
Other Cash Equivalents	27.76	25.67	23.74	53.71	49.59
<b>Total</b>	<b>176.63</b>	<b>294.60</b>	<b>330.75</b>	<b>100.60</b>	<b>163.74</b>

**DETAILS OF SHORT TERM LOANS & ADVANCES AS RESTATED**
**ANNEXURE XXI**

(Amount in Lakhs)

Particulars	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013
A. Loans and advances given To Employee					
B Inter Corporate Deposits					
C. Balances with government authorities					
TDS / TCS Receivables	10.88	-	9.47	-	-

Particulars	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013
Advance / Self Assessment Tax	77.74	-	31.18	-	-
SAD Receivable	105.53	-	-	-	-
D. Others (specify nature)					
- Prepaid Expanses					
- Advance to Suppliers	721.73	10.12	-	-	-
- Other Prepaid Exp	5.18	2.75	2.99	3.17	0.14
- Interest Receivable	13.41	-	-	-	-
- Other Receivable	163.37	5.15	0.42	0.05	0.15
<b>Total A+B+C+D</b>	<b>1097.83</b>	<b>18.02</b>	<b>44.07</b>	<b>3.22</b>	<b>0.28</b>

**Notes:**

- Advances Given to Suppliers have been taken as certified by the management of the company.
- No Securities have been taken by the company against the advances given to the suppliers
- Advance Tax and TDS Receivables have been adjusted against the Provision for Direct Tax

**DETAILS OF REVENUE FROM OPERATIONS AS RESTATED**

**ANNEXURE XXII**

Particulars	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013
<b>Sale of products</b>					
Export Sales	-	-	-	-	-
Local Sales	42634.33	32481.99	25937.43	20520.08	5262.01
<b>Revenue from sale of products</b>	<b>42634.33</b>	<b>32481.99</b>	<b>25937.43</b>	<b>20520.08</b>	<b>5262.01</b>
<b>Sale of Services</b>	-	7.50	20.87	-	-
<b>Other operating revenues</b>					
EP of BILT & TNPL	68.30	106.68	113.03	128.52	23.48
Discounts	62.77	326.53	500.82	660.05	135.14
	<b>131.07</b>	<b>433.21</b>	<b>613.86</b>	<b>788.57</b>	<b>158.62</b>
<b>Revenue from operations</b>	<b>42765.41</b>	<b>32922.70</b>	<b>26572.15</b>	<b>21308.65</b>	<b>5420.63</b>

**DETAILS OF OTHER INCOME AS RESTATED**

**ANNEXURE XXIII**

**(Amount in Lakhs)**

<b>Particulars</b>	<b>As at March 31, 2017</b>	<b>As at March 31, 2016</b>	<b>As at March 31, 2015</b>	<b>As at March 31, 2014</b>	<b>As at March 31, 2013</b>	<b>Nature of Income</b>
Interest Income	21.97	23.80	13.21	13.56	4.25	Recurring & Not Related to Business Activity
Foreign Exchange & Currency Trading Income	19.29	-	-	-		Non Recurring &Not Related to Business Activities
<b><u>Other non-operating income</u></b>	2.04	-	0.70	5.62	-	Non Recurring and Not Related to Business Activities
<b>Total</b>	<b>43.30</b>	<b>23.80</b>	<b>13.90</b>	<b>19.19</b>	<b>4.25</b>	

**DETAILS OF RELATED PARTIES TRANSACTIONS AS RESTATED**

**ANNEXURE XXIV**

Name of the Party	Nature Of Relation	Nature of Transaction	Amount of Transaction Debited in 2012-13	Amount of Transaction Credited in 2012-13	Amount Outstanding as on 31.03.13(Payable)/Receivable	Amount of Transaction Debited in 2013-14	Amount of Transaction Credited in 2013-14	Amount Outstanding as on 31.03.14(Payable) / Receivable	Amount of Transaction Debited in 2014-15	Amount of Transaction Credited in 2014-15	Amount Outstanding as on 31.03.15(Payable) / Receivable	Amount of Transaction Debited in 2015-16	Amount of Transaction Credited in 2015-16	Amount Outstanding as on 31.03.16(Payable) / Receivable	Amount of Transaction Debited in 2016-17	Amount of Transaction Credited in 2016-17	Amount Outstanding as on 31.03.17(Payable)/Receivable
Shrenik S . Vimawala	Promoter/director	Unsecured Loan	28.86	152.87	(208)	351.52	760.22	(616.69)	494.58	380.29	(502.40)	1693.99	1483.21	(292.62)	998.26	2360.64	(1654.00)
Shrenik S . Vimawala	Promoter/director	Interest On Unsecured Loan	-	-	-	18.72	18.72	-	-	-	-	-	-	-	-	-	-
Shrenik S . Vimawala	Promoter/director	Remuneration Paid	-	-	-	21.20	24.00	(2.80)	26.80	24.00	-	24.00	24.00	-	24.00	24.00	-
Shrenik S . Vimawala	Promoter/director	Shares Purchased	0.01	-	(599.93)	-	-	(599.93)	-	-	(599.93)	560.00	1260.00	(1299.93)	-	-	(1299.93)
Rishit Vimawala	Promoter/director	Remuneration Paid	-	-	-	5.66	10.80	(5.14)	15.94	10.80	-	10.80	10.80	-	11.70	11.70	-
Rishit Vimawala	Promoter/director	Interest On Unsecured Loan	0.19	1.85	(1.67)	1.06	10.64	(11.24)	9.58	-	(1.67)	-	-	(1.67)	-	-	(1.67)

Rishit Vimawala	Promoter/director	Unsecured Loan	0.16	119.40	(122)	-	109.99	(231.99)	(57.03)	50.94	(225.90)	216.91	720.74	(729.73)	202.33	70.94	(598.34)
Rishit Vimawala	Promoter/director	Shares Purchased	-	-	(0.01)	-	-	(0.01)	-	-	(0.01)	-	100	(100.01)	-	-	(100.01)
Himaben S Vimawala	Wife Of Director	Shares Purchased	-	-	(0.01)	-	-	(0.01)	-	-	(0.01)	-	-	(0.01)	-	-	(0.01)
Himaben S Vimawala	Wife Of Director	Unsecured Loan	-	0.75	(10.14)	2.00	4.82	(12.96)	19.23	6.27	-	-	-	-	-	-	-
Himaben S Vimawala	Wife Of Director	Interest On Unsecured Loan	0.32	0.32	-	0.96	0.96	-	0.96	0.96	-	-	-	-	-	-	-
Kaivan S. Vimawala	Promoter/director	Shares Purchased	-	0.01	(0.01)	-	-	(0.01)	-	100	(100.01)	-	-	(100.01)	-	-	(100.01)
Kaivan S. Vimawala	Promoter/director	Unsecured Loan	-	58.33	(58.33)	0.77	65.96	(123.53)	-	9.54	(133.07)	99.45	5.58	(39.20)	-	360.01	(399.21)
Kaivan S. Vimawala	Promoter/director	Interest On Unsecured Loan	0.09	0.88	(0.79)	0.66	6.64	(6.77)	2.22	-	(4.55)	3.76	-	(0.79)	-	-	(0.79)
Kaivan S. Vimawala	Promoter/director	Remuneration Paid	-	-	-	2.40	6.00	(3.60)	9.60	6.00	-	6.00	6.00	-	6.00	6.00	-
Hetalben A Adarpriya	Sister OF Director	Salary Paid	0.40	0.40	-	-	-	-	2.11	2.11	-	2.38	2.38	-	2.80	2.80	-



Himaben S Vimawala	Wife Of Director	Rent Paid	-	-	-	-	-	-	3.00	3.00	-	-	-	-	-	-	-
Shreenath Trading Co.	Directors Firm	Purchase	680.31	680.31	-	961.52	961.52	-	110.99	110.99	-	-	-	-	-	-	-
Shreenath Trading Co.	Directors Firm	Sale	154.77	154.77	-	840.41	840.41	-	-	-	-	169.97	169.97	-	434.78	434.78	-
Shree Krishna Trading CO.	HUF Of Director	Sales	6.54	-	6.54	191.38	100.98	96.94	-	96.94	-	-	-	-	-	-	-
Shree Krishna Trading CO.	HUF Of Director	Purchase	-	-	-	285.90	285.90	-	104.55	104.55	-	-	-	-	-	-	-

**DETAILS OF SUMMARY OF ACCOUNTING RATIOS AS RESTATED ANNEXURE XXV**

(Amount in Lakhs)

Ratio	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013
Restated PAT as per statement of profit and loss (A)	418.85	294.30	102.96	96.08	9.87
Weighted average number of equity shares at the end of the year/ period After Adjusting For Bonus Issue(B)	150,000,000	8,027,322	6,000,000	6,000,000	1,676,712
No. of Equity Shares at the end of the year / period (C)	150,000,000	150,000,000	6,000,000	6,000,000	6,000,000
Net Worth , as Restated (D)	2782.05	2363.20	808.90	671.31	609.87
<b>Earnings Per Share</b>					
Basic & Diluted (Rs)-After Adjusting For Bonus & Right Issue* (A/B)	<b>2.79</b>	<b>3.66</b>	<b>1.72</b>	<b>1.60</b>	<b>0.59</b>
Return on net worth (%) (A/D)	<b>15.06%</b>	<b>12.45%</b>	<b>12.73%</b>	<b>14.31%</b>	<b>1.62%</b>
Net Asset value per Equity Share –After Bonus & Right Issue(A/C)	<b>18.55</b>	<b>15.75</b>	<b>13.48</b>	<b>11.19</b>	<b>10.16</b>
Nominal value per equity share (Rs.)	10.00	10.00	10.00	10.00	10.00

**Notes:**

2. The ratios have been Computed as per the following formulas

(i) Basic Earning per Share

$$\frac{\text{Restated Profit after Tax available to equity shareholders}}{\text{Weighted average number of equity shares outstanding at the end of the year / period}}$$

(ii) Net Asset Value (NAV) per Equity Share

$$\frac{\text{Restated Network of Equity Share Holders}}{\text{Number of equity shares outstanding at the end of the year / period}}$$

(iii) Return on Net Worth (%)

$$\frac{\text{Restated Profit after Tax available to equity shareholders}}{\text{Restated Network of Equity Share Holders}}$$

3. Net Profit as restated, as appearing in the statement of profit and losses, has been considered for the purpose of computing the above ratios. These ratios are computed on the basis of the restated financial information of the Company.

4. Earning per share calculations are done in accordance with Accounting Standard 20 "Earning Per Share", issued by the Institute of Chartered Accountants of India.

5. Prior to March 31, 2017, the company has made the following changes in its capital structure, the effects of which have been considered in computing the above accounting ratios

- a. During the Financial Year 2015-16 the Company has increased its Authorised Share Capital from Rs. 600.00 Lakhs to Rs. 2500.00 Lakhs by passing an Special Resolution in the Extra Ordinary General Meeting on 13th July, 2015.
- b. During the Financial Year 2015-16 the Company has issued and allotted 20,00,000 Equity Shares of Rs. 10 each under Rights Issue at a price of Rs. 14.00 per equity share on 08th October, 2015.
- c. During the Financial Year 2015-16 the Company has issued and allotted 20,00,000 Equity Shares of Rs. 10 each under Rights Issue at a price of Rs. 14.00 per equity share on 26th December, 2015.
- d. During the Financial Year 2015-16 the Company has issued and allotted 20,00,000 Equity Shares of Rs. 10 each under Rights Issue at a price of Rs. 14.00 per equity share on 30th January, 2016.
- e. During the Financial Year 2015-16 the Company has issued and allotted 30,00,000 Equity Shares of Rs. 10 each under Rights Issue at a price of Rs. 14.00 per equity share on 8th March, 2016.

**CAPITALIZATION STATEMENT AS RESTATED AS AT 31<sup>st</sup> March 2017**

**ANNEXURE XXVI**

**(Amount in Lakhs)**

Particulars	Pre Issue	Post Issue
<b>Borrowings:</b>		
Short-term Debt (A)	5168.60	5168.60
Long-term Debt (B)	3576.61	3576.61
<b>Total debts (C)</b>	<b>8745.21</b>	<b>8745.21</b>
<b>Shareholders' funds</b>		
Share capital	1500.00	<b>2040.00</b>
Reserve and surplus	1282.05	<b>2902.05</b>
<b>Total shareholders' funds (D)</b>	<b>2782.05</b>	<b>4942.05</b>
<b>Long term debt / shareholders' funds (B/D)</b>	<b>1.29</b>	<b>0.72</b>
<b>Total debt / shareholders' funds (C/D)</b>	<b>3.14</b>	<b>1.77</b>

1. Short term debts represent debts which are due within 12 months from March 31, 2017.
2. Long term debts represent debts other than short term debts, as defined above but includes current maturities of long term debt.
3. The figures disclosed above are based on restated statement of Assets and Liabilities of the Company as at March 31, 2017

## STATEMENT OF TAX SHELTERS AS RESTATED

## ANNEXURE XXVII

(Amount in Lakhs)

Particulars	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013
Profit before tax, as restated (A)	633.08	453.43	151.87	143.20	17.38
Normal Corporate Tax Rate (%)	33.06	32.45	32.45	32.45	30.90
Minimum Alternative Tax Rate (%)	20.39	20.39	20.01	20.01	19.06
<b>Adjustments :</b>					
<b>Permanent differences</b>					
Expenses disallowed under Income Tax Act, 1961	7.03	5.93	0.02	-	0.10
Donation Expense	1.52	-	0.75	-	-
<b>Total permanent differences (B)</b>	<b>8.55</b>	<b>5.93</b>	<b>0.77</b>	<b>-</b>	<b>0.10</b>
<b>Income considered separately (C.)</b>					
<b>Timing differences</b>					
Depreciation as per Books	<b>31.61</b>	<b>28.70</b>	<b>24.82</b>	<b>8.74</b>	<b>1.81</b>
Depreciation as per IT Act	32.72	28.24	19.79	10.41	4.49
Disallowance u/s 43B	15.65	17.63	(0.72)	(0.72)	6.48
Gratuity	3.17	4.53	2.99	2.05	0.64
<b>Total timing differences (D)</b>	<b>17.72</b>	<b>22.62</b>	<b>7.30</b>	<b>(0.35)</b>	<b>4.43</b>
<b>Net adjustments E = (B+C+D)</b>	<b>26.26</b>	<b>28.55</b>	<b>8.07</b>	<b>(0.35)</b>	<b>4.53</b>
<b>Tax expense / (saving) thereon</b>	<b>8.68</b>	<b>9.26</b>	<b>2.62</b>	<b>(0.11)</b>	<b>1.40</b>
<b>Income from other sources (F)</b>					
<b>Exempt Income (G)</b>					
<b>Taxable income/(loss) (A+E+F-G)</b>	<b>659.34</b>	<b>481.99</b>	<b>159.95</b>	<b>142.85</b>	<b>21.90</b>
<b>Tax as per Normal Provision</b>	<b>218.00</b>	<b>156.38</b>	<b>51.89</b>	<b>46.35</b>	<b>6.77</b>
<b>Taxable income/(loss) as per MAT</b>	<b>633.08</b>	<b>453.43</b>	<b>151.87</b>	<b>143.20</b>	<b>17.38</b>
<b>Income tax as per MAT</b>	<b>129.08</b>	<b>92.45</b>	<b>30.39</b>	<b>27.29</b>	<b>3.31</b>
Tax paid as per "MAT" or "Normal Provisions"	Normal Provision	Normal Provision	Normal Provision	Normal Provision	Normal Provision

## MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATION

The following discussion of our financial condition and results of operations should be read in conjunction with our restated financial statements for the financial year ended March 31 2017, 2016 and 2015 prepared in accordance with the Companies Act and Indian GAAP and restated in accordance with the SEBI ICDR Regulations, including the schedules, annexure and notes thereto and the reports thereon, included in the section titled "*Financial Statements*" on pages 157 of this Prospectus.

Indian GAAP differs in certain material aspects from U.S. GAAP and IFRS. We have not attempted to quantify the impact of IFRS or U.S. GAAP on the financial data included in this Prospectus, nor do we provide reconciliation of our financial statements to those under U.S. GAAP or IFRS. 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 the Companies Act, Indian GAAP and SEBI ICDR Regulations.

This discussion contains forward-looking statements and reflects our current views with respect to future events and financial performance. Actual results may differ materially from those anticipated in these forward-looking statements as a result of certain factors such as those set forth in "*Risk Factors*" and "*Forward-Looking Statements*" on pages 16 and 15, of this Prospectus beginning respectively.

The Management's Discussion and Analysis of Financial Condition and Results of Operations, reflects the analysis and discussion of our financial condition and results of operations for financial year ended March 31, 2017, 2016 and 2015.

### OVERVIEW

Incorporated in 2012, we are primarily engaged in the business of trading of different types of paper in Gujarat and Rajasthan through distribution channel. Our paper journey began with trading of variety of papers by our promoter Shrenikbhai Vimawala under the flagship of his proprietorship concern, "Shree Shyam Corporation". With gaining an insight of the industry coupled with an available opportunity, he converted his proprietorship concern into partnership firm "Shrenik Tradelink", which was subsequently converted into Company. In 2009 BILT Graphic Paper Products Limited ("BGPPL") offered its distributorship to our Company. The distributorship was specifically for a Chromo Paper Plant manufactured by ("BGPPL") and but later other products like copier paper, notebook paper were also included. The Company geared itself up for the accomplishment of the allocated project and ended up creating number of customers within a span of time. Our work has been honoured consecutively by "Performance Award", Category 'B' in the year 2009-2010 and "Performance Award" Category "AAA" for a continuous period of Four Years initiating from 2011 to 2014 by ("BGPPL").

We serve our customers with variety of papers like copier, maplitho, coated paper, FBB board and a speciality paper commodity royal executive bond. Apart from being the wholesale distributors our Company has its own brand named "Shrenik". We believe and plan to include different varieties of paper products under the brand "Shrenik" like copier, sticker sheets, etc in near future.

### SIGNIFICANT DEVELOPMENTS SUBSEQUENT TO THE LAST FINANCIAL YEAR

1. The Company got converted into a public limited Company vide a fresh Certificate of Incorporation dated April 03, 2017.
2. The Board of Directors passed a resolution for an Initial Public Offer in their meeting held on April 24, 2017 and the Shareholders of the Company passed a special resolution for Initial Public Offer in their meeting held on May 10, 2017
3. The Board of directors passed a resolution on June 14, 2017 for changing the corporate office of the Company within local limits of State from 201, 2nd Floor, "637", Panchvati Second Lane, Gulbai Tekra, Ellisbridge, Ahmedabad- 380 006 to 505-508, 10/11 Beside Mardia Plaza CG Road Ahmedabad-380009, Gujarat.

## FACTORS AFFECTING OUR RESULTS OF OPERATIONS

Our business is subjected to various risks and uncertainties, including those discussed in the section titled “Risk Factor” beginning on page 16 of this Prospectus. Our results of operations and financial conditions are affected by numerous factors including the following:

- Competition and price cutting from existing and new entrants
- Credit availability
- Rate of interest policies
- Economic and Demographic conditions

## DISCUSSION ON RESULT OF OPERATION

The following discussion on results of operations should be read in conjunction with the audited financial results of our Company for financial year ended March 31, 2017, 2016 and 2015.

## OVERVIEW OF REVENUE AND EXPENDITURE

### Revenues

Our total revenue comprises of our operating turnover and other income. Our operating turnover includes our revenue from sale of different types of paper like copier, maplitho, coated paper, FBB board.

*Amount (Rs. In Lakhs)*

Particulars	For the Year Ended March 31,		
	2017	2016	2015
<b>INCOME</b>			
Revenue from operations/ Operating income	42765.41	32922.70	26572.15
As a % of Total Revenue	99.90%	99.93%	99.95%
Other income	43.30	23.80	13.90
As a % of Total Revenue	0.10%	0.07%	0.05%
Total Revenue (A)	42,808.71	32,946.50	26,586.05

### Expenditure

Our total expenditure primarily consists of (i) Purchases of Stock-in-Trade, (ii) finance cost, (iii) employee benefit expenses, (iv) depreciation and amortization and (v) other expenses.

The following table sets forth our expenditure in Rupees and as a percentage of our total revenue for the periods indicated:

*Amount (Rs. In Lakhs)*

Particular	Financial year ended March 31,		
	2017	2016	2015
<b>Expenditure</b>			
Purchases of Stock-in-Trade	42,671.12	33,947.37	24,469.27
% of Total Revenue	99.68%	103.04%	92.04%
Changes in inventories traded goods	(1,988.81)	(2,676.01)	735.31
% of Total Revenue	(4.65%)	(8.12%)	2.77%
Employee benefit expenses	95.06	85.46	77.52
% of Total Revenue	0.22%	0.26%	0.29%
Finance costs	756.42	635.39	790.28
% of Total Revenue	1.77%	1.93%	2.97%
Depreciation and amortisation expense	31.61	28.70	24.82
% of Total Revenue	0.07%	0.09%	0.09%
Other Expenses	610.23	472.16	321.17

% of Total Revenue	1.43%	1.43%	1.21%
<b>Total Expenses</b>	<b>42175.63</b>	<b>32493.07</b>	<b>26418.36</b>

### Purchases of Stock-in-Trade

Purchases of Stock-in-Trade comprise primarily of costs of purchase of various types of paper. Purchases of Stock-in-Trade accounted for 92.04%, 103.04% and 99.68% of our total revenue for the financial year ended on March 31, 2015, 2016 and 2017 respectively.

### Changes in inventories

Our changes in inventories of traded goods include (i) changes in the opening stock and the closing stock of our goods which include various type of paper.

### Employee benefits expense

Our employee benefit expenses comprise employee salaries and bonuses, director remuneration, contribution to employee's provident fund and other funds and staff welfare expenses. Employee benefit expenses accounted for 0.29%, 0.26% and 0.22% of our total revenue for the financial year ended as on March 31, 2015, 2016 and 2017 respectively.

### Finance Costs

Our finance costs comprise interest paid on our term loans, interest on working capital loans, interest on deposits, bank commission, processing charges and other charges. Our finance costs accounted for 2.97%, 1.93% and 1.77% of our total revenue for the financial year ended as on March 31, 2015, 2016 and 2017 respectively.

### Depreciation

Depreciation on fixed tangible assets like plant and machinery, intangible, furniture & fixtures, and computers an is provided using the straight line method as per the useful lives of assets estimated by the management or at the rates as per the useful life prescribed under Schedule II of the Companies Act, 2013.

Our depreciation and amortization expense accounted for 0.09%, 0.09%, and 0.07% of our total revenue for the financial year ended as on March 31, 2015, 2016 and 2017 respectively.

### Other Expenses

Our other expenses include costs of rent, freight Expenses, Discount, roll cutting, commission, legal charges, audit charges, insurance, warehouse charges and other misc. charges. Other expenses accounted for 1.21%, 1.43% and 1.43% of our total revenue for the financial year ended as on March 31, 2015, 2016 and 2017 respectively.

### Statement of profits and loss

The following table sets forth, for the fiscal years indicated, certain items derived from our Company's audited restated financial statements, in each case stated in absolute terms and as a percentage of total sales and/or total revenue:

*Amount (Rs. In Lakhs)*

Particulars	For the Year Ended March 31,		
	2017	2016	2015
<b>INCOME</b>			
Revenue from operations/ Operating income	42765.41	32922.70	26572.15
As a % of Total Revenue	99.90%	99.93%	99.95%
Other income	43.30	23.80	13.90
As a % of Total Revenue	0.10%	0.07%	0.05%
Total Revenue (A)	42,808.71	32,946.50	26,586.05

Particulars	For the Year Ended March 31,		
	2017	2016	2015
<b>EXPENDITURE</b>			
Purchases of Stock-in-Trade	42,671.12	33,947.37	24,469.27
As a % of Total Revenue	99.68%	103.04%	92.04%
Changes in inventories traded goods	(1,988.81)	(2,676.01)	735.31
As a % of Total Revenue	(4.65%)	(8.12%)	2.77%
Employee benefit expenses	95.06	85.46	77.52
As a % of Total Revenue	0.22%	0.26%	0.29%
Finance costs	756.42	635.39	790.28
As a % of Total Revenue	1.77%	1.93%	2.97%
Depreciation and amortization expense	31.61	28.70	24.82
As a % of Total Revenue	0.07%	0.09%	0.09%
Other expenses	610.23	472.16	321.17
As a % of Total Revenue	1.43%	1.43%	1.21%
<b>Total Expenses (B)</b>	42175.63	32493.07	26418.36
As a % of Total Revenue	98.52%	98.62%	99.37%
Profit before exceptional, extraordinary items and tax	633.08	453.43	167.69
As a % of Total Revenue	1.48%	1.38%	0.63%
Exceptional items	-	-	15.82
Profit before extraordinary items and tax	633.08	453.43	151.87
As a % of Total Revenue	1.48%	1.38%	0.57%
Extraordinary items	-	-	-
Profit before tax	633.08	453.43	151.87
<b>PBT Margin</b>	1.48%	1.38%	0.57%
Tax expense :			
(i) Current tax	218.00	156.38	51.89
(ii) Deferred tax	(3.77)	2.76	(2.98)
(iii) MAT Credit	-	-	-
Total Tax Expense	214.23	159.14	48.92
% of total income	0.50%	0.48%	0.18%
Profit for the year/ period	418.85	294.30	102.96
<b>PAT Margin</b>	0.98%	0.89%	0.39%

## COMPARISON OF FINANCIAL YEAR ENDED MARCH 31, 2017 WITH FINANCIAL YEAR ENDED MARCH 31, 2016

### INCOME

#### Income from Operations

(Rs. In lakhs)

	2016-17	2015-16	Variance in %
Operating Income	42765.41	32922.70	29.90%

The Revenue from operation of the Company for the year ending March 31, 2017 is Rs. 42765.41 lakhs as compared to Rs. 32922.70 lakhs for the year ending March 31, 2016, showing a decrease of 29.90%. This increase was due to increase in market demand of the goods traded.

#### Other Income

Our other income increased by 81.92% to Rs. 43.30 lakhs in FY 2016-17 from Rs. 23.80 lakhs in FY 2015-16. The increase was mainly due to increase in interest income and favourable foreign currency fluctuation.



## EXPENDITURE

### Purchases of Stock-in-Trade

(Rs. In lakhs)

Particulars	2016-17	2015-16	Variance in %
Purchases of Stock-in-Trade	42,671.12	31,271.36	25.70%
<b>Total</b>	<b>42,671.12</b>	<b>31,271.36</b>	<b>25.70%</b>

Our direct expenditure has increased to Rs. 42,671.12 lakhs in Financial Year 2016-17 from Rs. 31,271.36 lakhs in Financial Year 2015-16 showing an increase of 25.70% over the previous year. The increase was much in lines of revenue.

### Increase and Decrease in inventory

Particulars	2016-17	2015-16	Variance in %
Opening Stock	5,656.58	2,980.57	-
Closing Stock	7,645.39	5,656.58	-
Changes in inventories traded goods	(1,988.81)	(2,676.01)	(25.68%)

Our change in inventory decreased to Rs. (1,988.81) lakhs in FY 2016-17 from Rs. (2,676.01) lakhs in FY 2015-16. There is (25.68%) decrease in change in inventories of traded goods.

### Administrative and Employee Costs

(Rs. In lakhs)

Particulars	2016-17	2015-16	Variance in %
Employee Benefit Expenses	95.06	85.46	11.23%
Other Expenses	610.23	472.16	29.24%

Employee benefit expenses increased from Rs. 85.46 lakhs in financial year 2015-16 to Rs. 95.06 lakhs in financial year 2016-17 due to increase in business operation and expansion of business.

Our other income increased by 81.92% to Rs. 43.30 lakhs in FY 2016-17 from Rs. 23.80 lakhs in FY 2015-16. The increase was mainly due to increase in freight expenses, discount, and custom clearing charges.

### Finance Charges

Our finance charges have increased to Rs 756.42 lakhs in financial year 2016-17 from Rs. 635.39 lakhs in financial year 2015-16. The increase in finance cost is due to increase in interest on loan from other and other borrowing cost however effect of the same was reduced by decrease in the short term bank loan.

### Depreciation

Depreciation expenses for the Financial Year 2016-17 have increased to Rs. 31.61 lakhs as compared to Rs. 28.70 lakhs for the Financial Year 2015-16 showing an increase of 10.17%. The increase was mainly due to addition of plant and machinery, motor vehicle, furniture & fixtures, intangible and computers.

## Profit before Tax

(Rs. In lakhs)

Particulars	2016-17	2015-16	Variance in %
Profit Before Tax	633.08	453.43	39.62%

Profit before tax increased from Rs. 453.43 lakhs in financial year 2015-16 to Rs. 633.08 lakhs in financial year 2016-17. The increase was mainly due to increase in operation of the organisation and other income.

## Provision for Tax and Net Profit

(Rs. In lakhs)

Particulars	2016-17	2015-16	Variance in %
Current Tax Expenses	218.00	156.38	39.40%
Deferred tax	(3.77)	2.76	236.75%
<b>Total Taxation Expenses</b>	<b>214.23</b>	<b>159.14</b>	<b>34.62%</b>
Profit after Tax	418.85	294.30	42.32%

Current tax expenses increased from Rs. 156.38 lakhs in financial year 2015-16 to Rs. 218.00 lakhs in financial year 2016-17. The increase was mainly due to increase in profit margin of the company.

Deferred tax expenses decreased from Rs. 2.76 lakhs in financial year 2015-16 to Rs. (3.77) lakhs in financial year 2016-17. The increase was mainly due to difference between depreciation and provision for gratuity in income tax & accounting.

Profit after tax increased from Rs. 294.30 lakhs in financial year 2015-16 to Rs. 418.85 lakhs in financial year 788.38. The increase mainly due to increase in profit margin and sales turnover.

## COMPARISON OF FINANCIAL YEAR ENDED MARCH 31, 2016 WITH FINANCIAL YEAR ENDED MARCH 31, 2015

### INCOME

#### Revenue from Operations

(Rs. in lakhs)

Particulars	2015-16	2014-15	Variance in %
Operating Income	32,922.70	26,572.15	23.90%

The operating income of the Company for the financial year 2015-2016 was Rs. 32,922.70 lakhs as compared to Rs. 26,572.15 lakhs for the financial year 2014-2015. There is increase in operating revenue because demand of the product was increased.

#### Other Income

Other Income of the Company for the financial year 2015-16 was Rs. 23.80 lakhs compared to Rs. 13.90 For the financial year 2014-15. The increase was mainly due to increase in interest income.

### EXPENDITURE

#### Purchase of Stock in trade

(Rs. in lakhs)

Particulars	2015-16	2014-15	Variance in %
Purchase of Stock in trade	33,947.37	24,469.27	38.73%

The Purchase cost of Stock in trade increased to Rs. 33,947.37 lakhs in financial year 2015-16 from Rs. 24,469.27 lakhs in financial year 2014-15 showing a decrease of 38.73% over the previous year. The increase in purchase of stock in trade was due to increase in business operation of organisation.

**Increase and Decrease in inventory***Amount (Rs. In Lakhs)*

Particulars	2015-16	2014-15	Variance in %
Opening Stock	2,980.57	3,715.87	-
Closing Stock	5,656.58	2,980.56	-
Changes in inventories traded goods	(2,676.01)	735.31	(463.93%)

Our change in inventory decreased to Rs. (2,676.01) lakhs in FY 2016-17 from Rs.735.31 lakhs in FY 2015-16. There is (463.93%) decrease in change in inventories of traded goods.

**Administrative and Employee Costs***(Rs. in lakhs)*

Particulars	2015-16	2014-15	Variance in %
Employee Benefit Expenses	85.46	77.52	10.24%
Other expenses	472.16	321.17	47.01%

Employee Benefit Expenses in financial year 2015-2016 have increased to Rs. 85.46 lakhs from Rs. 77.52 lakhs as against in financial year 2014-15. The increase was due to increase in salaries of employees and staff welfare expenses, contribution to provident and other funds and gratuity provision.

Other expenses increased from Rs. 321.17 lakhs in financial year 2014-15 to Rs. 472.16 lakhs in financial year 2015-16 showing a increase of 47.01 % over the previous financial year. The increase was mainly due to increase in rent, freight, discount, rate & taxes and other misc. expenses.

**Finance Charges**

The finance charges for the Financial Year 2015-2016 decreased to Rs. 635.39 lakhs from Rs. 790.28 lakhs during the financial year 2014-15. The decrease was primarily due to decrease in interest on the loan from other party.

**Depreciation**

Depreciation for the year financial year 2015-16 has increased to Rs. 28.70 lakhs as compared from Rs. 24.82 for the financial year 2014-15. The increase was mainly due to addition of furniture & fixtures, motor vehicle, intangible and computers.

**Profit before Tax, Provision for Tax and Net Profit***(Rs. in lakhs)*

Particulars	2015-16	2014-15	Variance in %
Profit Before Exceptional item	453.43	167.69	-
Exceptional item	-	15.82	-
Profit before tax	453.43	151.87	198.57%
Current tax expenses	156.38	51.89	201.34%
Deferred tax expenses	2.76	(2.98)	(192.59%)
<b>Total Taxation Expenses</b>	<b>159.14</b>	<b>48.92</b>	<b>225.33%</b>
Profit after Tax	294.30	102.96	185.85%

Profit before Tax Expenses increased by 198.57% during the financial year 2015-16 compared with the financial year 2014-15.

Taxation Expenses increased by 225.33% during the financial year 2015-16 compared with the financial year 2014-15. Taxation expenses for the year Financial Year 2015-16 comprehend current tax Rs. 156.38 and deferred tax Rs. 2.76 and for the year Financial Year 2014-15 comprehend current tax Rs. 51.89 and deferred tax Rs. (2.98) deferred tax predominantly arise due to depreciation, gratuity provision and other disallowance under income tax.

Profit after tax increased to Rs. 294.30 lakhs in the financial year 2015-16 as compared to Rs. 102.96 lakhs in the financial year 2014-15. there was 185.85% increase in profit after tax due to increase in sales revenue.

## **OTHER MATTERS**

### **1. Unusual or infrequent events or transactions**

Except as described in this Prospectus, during the periods under review there have been no transactions or events, which in our best judgment, would be considered unusual or infrequent.

### **2. Significant economic changes that materially affected or are likely to affect income from continuing operations**

Other than as described in the section titled "*Risk Factors*" beginning on page 16 of this Prospectus to our knowledge there are no significant economic changes that materially affected or are 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**

Other than as disclosed in the section titled "*Risk Factors*" beginning on page 16 of this Prospectus to our knowledge there are no known trends or uncertainties that have or had or are expected to have a material adverse impact on revenues or income of our Company from continuing operations.

### **4. Future relationship between Costs and Income.**

Our Company's future costs and revenues will be determined by demand/supply situation, government policies, global market situation and prices of traded material.

### **5. The extent to which material increases in net sales or revenue are due to increased sales volume, introduction of new products or services or increased prices.**

Except as described in "Risk Factors", "Our Business", "Management's Discussion and Analysis of Financial Condition and Results of Operations" on pages 16, 106 and 206, respectively, to the best of our knowledge, there is no future relationship between expenditure and income that will have a material adverse impact on the operations and finances of our Company.

### **6. Total turnover of each major industry segment in which the issuer company operates.**

The Company is operating in trading of paper and chemical industry. Relevant industry data, as available, has been included in the chapter titled "*Our Industry*" beginning on page 94 of this Prospectus.

### **7. Status of any publicly announced new products/projects or business segments**

Our Company has not announced any new projects or business segments, other than disclosed in the Prospectus.

### **8. The extent to which the business is seasonal**

Our Company's business is not seasonal in nature.

### 9. Any significant dependence on a single or few suppliers or customers

Significant proportion of our revenues have historically been derived from a limited number of customers. The % of Contribution of our Company's customer and supplier vis a vis the total revenue from operations respectively as March 31, 2017 is as follows:

	Customers	Suppliers
Top 5 (%)	22.77	36.92
Top 10 (%)	32.97	41.56

### 10. Competitive Conditions

We face competition from existing and potential organised and unorganized competitors which is common for any business. We have, over a period of time, developed certain competitive strengths which have been discussed in section titled "*Our Business*" on page 106 of this Prospectus.

## FINANCIAL INDEBTEDNESS

Our Company utilizes various credit facilities from banks, and others for conducting its business. Set forth below is a brief summary of our Company's secured and unsecured borrowings together with a brief description of certain significant terms of such financing arrangements.

### Secured Loans

**1. Loan from Kotak Mahindra Prime Ltd. as per latest Sanction letter dated March 04, 2017**

Particulars	Fund based (Rs. In Lakhs)
Nature of Facility	Car Finance
Amount	19.64
Tenure	18 Months
Amount of EMI	1.58 for first 12 months & 0.52 for next 6 months
Security	Secured by hypothecation of vehicle under Hire Purchase
Outstanding as on March 31, 2017	2.99

**2. Loan from Daimler Financial Services India Private Limited as per agreement dated December 15, 2016**

Particulars	Fund based (Rs. In Lakhs)
Nature of Facility	Car Finance
Amount	48.00
Tenure	60 Months
Amount of EMI	1.00
Security	Secured by hypothecation of vehicle under Hire Purchase
Interest Rate	9.10%
Outstanding as on March 31, 2017	37.85

**3. Loan from Kotak Mahindra Prime Ltd. as per latest Sanction letter dated February 24, 2016.**

Particulars	Fund based (Rs. In Lakhs)
Nature of Facility	Car Finance
Amount	84.65
Tenure	60 Months
Amount of EMI	1.77
Security	Secured by hypothecation of vehicle under Hire Purchase
Outstanding as on March 31, 2017	53.35

**4. Loan from Kotak Mahindra Prime Ltd. as per Sanction letter dated September 08, 2015.**

Particulars	Fund based (Rs. In Lakhs)
Nature of Facility	Car Finance
Amount	25.00
Tenure	36 Months
Amount of EMI	0.81
Security	Secured by hypothecation of vehicle under Hire Purchase
Outstanding as on March 31, 2017	3.76

**5. Loan from Kotak Mahindra Prime Ltd. as per latest Sanction letter dated March 04, 2017**

<b>Particulars</b>	<b>Fund based (Rs. In Lakhs)</b>
<b>Nature of Facility</b>	Car Finance
<b>Amount (in Rs.) as per latest Agreement</b>	31.34
<b>Tenure</b>	18 Months
<b>Amount of EMI</b>	2.52 for first 12 Months & 0.84 for next 6 Months
<b>Security</b>	Secured by hypothecation of vehicle under Hire Purchase
<b>Outstanding as on March 31, 2017</b>	4.71

**6. Working Capital Loan from Punjab National Bank as per sanction letter dated September 27, 2016**

<b>Particulars</b>	<b>Fund based (Rs. In Lakhs)</b>
<b>Nature of Facility</b>	Cash Credit
<b>Amount</b>	Rs. 4000.00 Lakhs Sublimit (Book Debts) Limit of Rs.20.00 Crore with ceiling of Rs. 1.00 Crores against each debtor/party.
<b>Interest</b>	MCLR + 2.65% i.e. 12.00% pa on monthly rest.
<b>Primary Security</b>	Exclusive Charge by way of hypothecation on entire current assets (present & future) of the company including stocks of raw materials , stocks in process, finished goods, receivables, stores, spares, consumables etc and other current assets.
<b>Outstanding as on March 31, 2017</b>	3970.10

**SECURITY**

**Collateral**

**Hypothecation/ Mortgage of Block Assets Immovable Properties**

1.	Godown D 87 Naya Anaj Bazar, Opp.. Anupam Cinema, Khokhra, Ahmedabad
2.	Godown D 96, Naya Anaj Bazar , Opp. Anupam Cinema, Khokhra, Ahmedabad
3.	Gowdown D/62, Ramkrishna Industrial Estate, Near Kalidas Mill, Opp. Shaital Cinema, Gomtipur, Ahmedabad
4.	Godown No 26, Anaj Bazar Cooperative Shops & warehousing Society Ltd. Near Gayatri Dairy, Kokhra, Ahmedabad
5.	Residential Plot No. 39, Surbhit Vatika, Bh Apple Woods, Near Nandan Baug Bunglows, Near Sardar Patel Ring Road, Village- Shela, Taluka- Sanand, Dis- Ahmedabad
6.	Flat No—001 Shiromani Apartment, Opp. Ocean Park, Satellite, Ahmedabad
7.	FlatNo-A-2, 2 <sup>nd</sup> Floor, Riveria Antilia, Near Ashwraj Bunglows, Corporate Road, Prahladnagar, Ahmedabad
8.	Residential Plot No- 37, Surdhara Residential Plots, Manipur, Ahmedabad
9.	Bungalow No 10, Sudhasagar Bungalow, Village –Shela, Taluka- Sanand, Dist- Ahmedabad
10.	Flat No. B1003 10 <sup>th</sup> Floor, Ambiencke behind Lavanya society Vasna, Dist- Ahmedabad

11.	Flat No. B1004 10 <sup>th</sup> Floor, Ambiencke behind Lavanya society Vasna, Dist- Ahmedabad
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**Personal/ Corporate Guarantee**

**Name of Guarantor**

- Shrenikbhai Vimawala
- Rishit Vimawala
- Kaivan Vimawala
- Himaben Vimawala

**Key Restrictive Covenants**

**Company shall not without prior written permission of bank:**

- Effect any adverse changes in company's capital structure
- Formulate any scheme of amalgamation or merger or reconstruction
- Implement any scheme of expansion on diversification or capital expenditure except normal replacements indicated in funds flow statement submitted to and approved by the bank
- Enter into any borrowing or non borrowing arrangements either secured or unsecured with any other bank, Financial Institution, company, firm or otherwise or accept deposits in excess of the limits laid down by RBI
- Invest by way of share capital, or lent or advance funds to or place deposits with any other company/firm, concern including group companies/ associates/persons. Normal trade credit or security deposit in the normal course of business or advance to employees can , however, be extended.
- Undertake guarantee obligations on behalf of any other company/ firm/ person.
- Declare dividend for any year except out of profits relating to that year after meeting all the financial commitments to the bank and making all due and necessary provisions
- Make any drastic change(s) in the management set up.
- Approach capital market for mobilizing additional resources either in the form of debts or equity
- Sell or dispose off or create security or encumbrances on the assets charged to the bank in favour of any other bank, Financial institutions, company, firm, individual
- Repay moneys brought in by the promoters, partners, directors, shareholders, their relatives and friends in the business of the company/ firm by way of deposits/ loans/ share application money etc
- Avail credit facilities/ loan from outside the bank/ consortium arrangement without their knowledge and permission.

**7. Working Capital Loan from Deutsche Bank as per sanction letter dated February 09, 2017**

Particulars	Fund based (Rs. In Lakhs)
<b>Nature of Facility</b>	Cash Credit/ Working Capital Finance
<b>Amount</b>	279.00
<b>Facility Tenor</b>	12 months from date of issuance of sanction letter
<b>Rate of interest</b>	MCLR*plus 2.40% pa applied on daily outstanding and charged monthly as advised from time to time.



Particulars	Fund based (Rs. In Lakhs)
	Applicable MCLR will be the overnight MCLR
<b>Purpose</b>	To meet working capital requirements
<b>Outstanding as on March 31, 2017</b>	278.84

#### Security

**Collateral- Mortgage by deposit of title deeds pertaining to following commercial properties of Shrenikbhai Vimawala**

1.	Unit No 505, Ten-11 Complex, Ellisbridge, Ahmedabad-380009
2.	Unit No 608, Ten-11 Complex, Ellisbridge, Ahmedabad-380009
3.	Unit No 508, Ten-11 Complex, Ellisbridge, Ahmedabad-380009
4.	Unit No 507, Ten-11 Complex, Ellisbridge, Ahmedabad-380009
5.	Unit No 506, Ten-11 Complex, Ellisbridge, Ahmedabad-380009

#### Personal Guarantee:

Shrenikbhai Vimawala

Rishit Vimawala

### UNSECURED BORROWING FROM NBFC/ FINANCIAL INSTITUTIONS

#### 1. Loan from RBL Bank as per sanction letter dated August 11, 2016

Particulars	Fund based (Rs. In Lakhs)
<b>Loan account Number</b>	809000719116
<b>Amount</b>	35.00
<b>Tenure</b>	12 Months
<b>Rate of Interest</b>	16.50%
<b>EMI</b>	3.18
<b>Outstanding as on March 31, 2017</b>	15.28

#### 2. Loan from HDFC Bank as per sanction letter dated February 01, 2017

Particulars	Fund based (Rs. In Lakhs)
<b>Loan Facility</b>	Business Loan
<b>Amount</b>	50.00
<b>Tenure</b>	12 Months
<b>Rate of Interest</b>	15.50%
<b>EMI</b>	4.52
<b>Outstanding as on March 31, 2017</b>	46.12

#### 3. Loan from Kotak Mahindra Bank Ltd. as per sanction letter dated March 01, 2017 and agreement dated February 08, 2017

Particulars	Fund based (Rs. In Lakhs)
<b>Loan Facility</b>	Personal Finance
<b>Amount</b>	40.00
<b>Tenure</b>	12 Months
<b>Finance Charges</b>	3.67
<b>EMI</b>	4.06 for first 9 months and 2.37 for next 3 months
<b>Outstanding as on March 31, 2017</b>	36.49

**4. Loan from Edelweiss Retail Finance Limited as per sanction letter dated July 28, 2016**

Particulars	Fund based (Rs. In Lakhs)
Loan account Number	LAHMSBL0000016964
Amount	40.00
Tenure	12 Months
Rate of Interest	16.50%
EMI	0.15 for first month and 3.64 for next 11 months
Outstanding as on March 31, 2017	3.56

**5. Loan from Fullerton India Credit Co. Ltd. as per sanction letter dated March 07, 2017**

Particulars	Fund based (Rs. In Lakhs)
Amount	44.23
Tenure	18 Months
Rate of Interest	16.50%
EMI	0.81 for first month and 2.79 for next 11 months
Outstanding as on March 31, 2017	13.39

**6. Overdraft Facility of Rs. 50.00 Million from ICICI Bank Limited as per latest sanction letter dated January 11, 2017**

Particulars	Fund based (Rs. In Lakhs)
Channel Finance	500.00
Rate of Interest	1 MCLR 6M + 4.35% spread 0 to 90 days
Outstanding as on March 31, 2017	417.83

**7. Overdraft Facility of Rs. 50.00 Million Aditya Birla Finance as per latest sanction letter dated December 14, 2016**

Particulars	Fund based (Rs. In Lakhs)
Channel Finance	500.00
Purpose	To meet working capital requirements , in order to make purchases from Bilt Graphic Paper Products Ltd.
Rate of Interest	12.00% ( Short Term Reference Rate of ABFL +/- Spread
Credit Period	90 Days from date of Invoice
Personal Guarantee	Shrenikbhai Vimawala and Rishit Vimawala
Amount Outstanding as on March 31, 2017	501.83

**8. Loan from Capital First Ltd. As per agreement dated June 06, 2016 and agreement dated may 18, 2016**

Particulars	Fund based (Rs. In Lakhs)
Amount (in Rs.)	50.00
Tenure	18 Months
Outstanding as on March 31, 2017	14.99

**9. Loan from Shriram City Union Finance as per sanction letter dated June 16, 2016**

Particulars	Fund based (Rs. In Lakhs)
Amount (in Rs.) as per sanction letter	Upto and not exceeding Rs50.00 lacs

Particulars	Fund based (Rs. In Lakhs)
Term	12 Months
Rate of Interest	18.02%
Outstanding as on March 31, 2017	6.14

**10. Loan from Shriram City Union Finance as per sanction letter dated January 31, 2017**

Particulars	Fund based (Rs. In Lakhs)
Amount (in Rs.) as per sanction letter	Upto and not exceeding Rs33.00 lacs
Term	12 Months
Rate of Interest	18%
Outstanding as on March 31, 2017	28.81

**11. Loan from Bajaj Finance Ltd. As per agreement dated June 17, 2016**

Particulars	Fund based (Rs. In Lakhs)
Amount (in Rs.)	42.00
Tenure	12 Months
Loan Interest Rate	18.80%
EMI	4.62
Outstanding as on March 31, 2017	36.44

**12. Loan from Religare Finvest Ltd. As per sanction letter dated June 28, 2016**

Particulars	Fund based (Rs. In Lakhs)
Amount (in Rs.)	75.00
Tenure	12 Months
Loan Interest Rate	19.00%
EMI	8.35 for first 9 months and 2.18 for next 3 months
Outstanding as on March 31, 2017	13.76

**13. Loan from Zen Lefine Private Limited as per sanction letter dated August 01, 2016**

Particulars	Fund based (Rs. In Lakhs)
Loan account Number	AHM16R00827
Amount (in Rs.) as per sanction letter	45.00
Rate of Interest	16.50%
EMI	4.09
Outstanding as on March 31, 2017	19.29

**14. Loan from Zen Lefine Private Limited as per sanction letter dated March 09, 2017**

Particulars	Fund based (Rs. In Lakhs)
Loan account Number	AHM16R06808
Amount (in Rs.) as per sanction letter	50.00
Rate of Interest	16.50%
EMI	4.55
Outstanding as on March 31, 2017	50.00

**15. Loan from DHFL. as per sanction letter dated July 07, 2016**

Particulars	Fund based (Rs. In Lakhs)
Amount (in Rs.)	30.06
Tenure	12 Months
Loan Interest Rate	17.00%
EMI	2.74
Outstanding as on March 31, 2017	10.30

**16. Loan from Magma Fincorp Ltd as per sanction letter dated December 12, 2016**

Particulars	Fund based (Rs. In Lakhs)
Amount (in Rs.)	65.00
Tenure	12 Months
Loan Interest Rate	16.50%
	5.91
Outstanding as on March 31, 2017	44.19

**UNSECURED BORROWING FROM OTHERS**

Sr. No	Name of Lender	Amount Outstanding
<b>1.</b>	<b>Loan from Director</b>	
	Shrenik Vimawala	1654.00
	Rishit Vimawala	600.00
	Kaivan Vimawala	400.00
<b>2.</b>	<b>Inter Corporate Deposits</b>	
	Jeenec Solutions Pvt. Ltd	190.00
	Rochak Distributors Pvt. Ltd	281.69
	Kala Holdings Pvt. Ltd	118.21
	Sancheti Polytex Pvt. Ltd	66.31
	Vee Point Commerce Pvt. Ltd	71.78
	Passion Commtrade Pvt. Ltd	75.00

## **SECTION VI – LEGAL AND OTHER INFORMATION OUTSTANDING LITIGATION AND MATERIAL DEVELOPMENTS**

Except, as stated in this section and mentioned elsewhere in this Prospectus there are no litigations including, but not limited to suits, criminal proceedings, civil proceedings, actions taken by regulatory or statutory authorities or legal proceedings, including those for economic offences, tax liabilities, show cause notice or legal notices pending against our Company, Directors, Promoters, or against any other company or person/s whose outcomes could have a material adverse effect on the business, operations or financial position of the Company and there are no proceedings initiated for economic, civil or any other offences (including past cases where penalties may or may not have been awarded and irrespective of whether they are specified under paragraph (a) of Part I of Schedule V of the Companies Act, 2013) other than unclaimed liabilities of our Company, and no disciplinary action has been taken by SEBI or any stock exchange against the Company, Directors, Promoters..

Except as disclosed below there are no i) litigation or legal actions, pending or taken, by any Ministry or department of the Government or a statutory authority against our Promoters during the last five years; (ii) direction issued by such Ministry or Department or statutory authority upon conclusion of such litigation or legal action; (iii) pending proceedings initiated against our Company for economic offences; (iv) default and non-payment of statutory dues by our Company; (v) inquiries, inspections or investigations initiated or conducted under the Companies Act, 2013 or any previous companies law in the last five years against our Company and Subsidiaries including fines imposed or compounding of offences done in those five years; or (vi) material frauds committed against our Company in the last five years.

Except as stated below there are no Outstanding Material Dues (as defined below) to creditors; or (ii) outstanding dues to small scale undertakings and other creditors.

Our Board, in its meeting held on May 11, 2017 determined that outstanding dues to creditors in excess of Rs. 5.00 lakhs as per last audited financial statements shall be considered as material dues (“Material Dues”).

Pursuant to SEBI ICDR Regulations, all other pending litigations except criminal proceedings, statutory or regulatory actions and taxation matters involving our Company, Promoters, Directors and Group Companies, would be considered ‘material’ for the purposes of disclosure if the monetary amount of claim by or against the entity or person in any such pending matter exceeds 5.00 lakhs as determined by our Board, in its meeting held on May 11, 2017.

Accordingly, we have disclosed all outstanding litigations involving our Company, Promoters, Directors which are considered to be material. In case of pending civil litigation proceedings wherein the monetary amount involved is not quantifiable, such litigation has been considered ‘material’ only in the event that the outcome of such litigation has an adverse effect on the operations or performance of our Company.

Unless otherwise stated to contrary, the information provided is as of date of this Prospectus.

### **LITIGATIONS INVOLVING OUR COMPANY**

#### **LITIGATIONS AGAINST OUR COMPANY**

##### **Criminal Litigations**

Nil

##### **Civil Proceedings**

Nil

## **Taxation Matters**

### **INCOME TAX PROCEEDINGS**

#### **1. FOR AY 2013-14**

The Income Tax Authority (hereinafter referred to as “**Assessing Authority**”) has raised a notice of demand dated March 15, 2015 under Section 245 read with Section 143(1)(a) of the Income Tax Act, 1961 (hereinafter referred to as “**the Act**”) for an outstanding demand of **Rs. 47,920/-** against Shrenik Private Limited (hereinafter referred to as “**the Assessee**”). The demand is currently outstanding.

#### **2. FOR AY 2016-17**

Income Tax Authority (hereinafter referred to as “**Assessing Authority**”) has issued a notice of demand dated January 11, 2017 under Section 245 read with Section 143(1)(a) of the Income Tax Act, 1961 (hereinafter referred to as “**the Act**”) for an outstanding demand of **Rs. 28,940/-** against Shrenik Private Limited (hereinafter referred to as the “**Assessee**”). The demand is currently outstanding.

### **Recent Development/Proceeding under Finance Act, 2016 in respect of Income Declaration Scheme, 2016 and The Income Declaration Scheme Rules, 2016**

Nil

### **Proceedings against Our Company for economic offences/securities laws/ or any other law**

Nil

### **Penalties in Last Five Years**

#### **1. SHRENIK TRADELINK PRIVATE LIMITED V. THE REGISTRAR OF COMPANIES, AHMEDABAD**

Shrenik Tradelink Private Limited (hereinafter referred to as “**Petitioner**”) has filed a Petition bearing no. RD(NWR)/87/(445)2014/4172 for condonation of delay and extension of time for filing the particular of satisfaction of charge made on April 22, 2014 against the Registrar of Companies, Ahmedabad (hereinafter referred to as “**Respondent**”) before the Regional Director (NWR), Ahmedabad. The charge was created in favour of ICICI Bank Limited, Vadodara for Rs. 20,00,00,000/- vide Charge ID No. 10396053 on December 28, 2012. The particulars of the said satisfaction should have been filed with the Respondent in terms of Section 82 of the Companies Act, 2013 on or before May 21, 2014 whereas the same was filed on May 23, 2014 with delay of 2 days. The delay of 2 days was condoned by the Regional Director (NWR), Ahmedabad vide its order dated January 30, 2015 and extension was given up to May 23, 2014 subject to payment of **Rs.2000/-**. The same was paid by the Petitioner vide SRN no. C04037693 dated February 07, 2015.

#### **2. SHRENIK TRADELINK PRIVATE LIMITED V. THE REGISTRAR OF COMPANIES, AHMEDABAD**

Shrenik Tradelink Private Limited (hereinafter referred to as “**Petitioner**”) has filed a Petition bearing no. RD(NWR)/87/(444)2014/4171 for condonation of delay and extension of time for filing the particular of satisfaction of charge made on April 22, 2014 against the Registrar of Companies, Ahmedabad (hereinafter referred to as “**Respondent**”) before the Regional Director (NWR), Ahmedabad. The charge was created in favour of ICICI Bank Limited, Vadodara for Rs. 2,20,00,000/- vide Charge ID No. 10466233 on October 25, 2013. The particulars of the said satisfaction should have been filed with the Respondent in terms of Section 82 of the Companies Act, 2013 on or before May 21, 2014 whereas the same was filed on May 23, 2014 with delay of

2 days. The delay of 2 days was condoned by the Regional Director (NWR), Ahmedabad vide its order dated January 30, 2015 and extension was given up to May 23, 2014 subject to payment of **Rs.2000/-**. The same was paid by the Petitioner vide SRN no. C04032801 dated February 07, 2015.

### **3. PENALTY IMPOSED BY SUPERITENDENT OF STAMPS**

Shrenik Tradelink Private Limited (hereinafter referred to as the “**Company**”) had made five applications to the Office of Superintendent of Stamps, Gujarat (hereinafter referred to as “**Stamp Authority**”) for payment of consolidated Stamp Duty of Rs. 1,86,000/- on account of:

- Allotment of 60,00,000 Equity Shares of Rs. 10/- each, amounting to Rs. 6,00,00,000/- at the time of incorporation of the Company on which Stamp duty of Rs. 60,000/- was due.
- Allotment of 20,00,000 Equity Shares of Rs. 10/- at a premium of Rs. 4/- by way of Right issue amounting to Rs. 2,80,00,000/- accomplished in October 2015 on which Stamp duty of Rs. 28,000/- was due.
- Allotment of 20,00,000 Equity Shares of Rs. 10/- at a premium of Rs. 4/- by way of Right issue amounting to Rs. 2,80,00,000/- accomplished in December 2015 on which Stamp duty of Rs. 28,000/- was due.
- Allotment of 20,00,000 Equity Shares of Rs. 10/- at a premium of Rs. 4/- by way of Right issue amounting to Rs. 2,80,00,000/- accomplished in January 2016 on which Stamp duty of Rs. 28,000/- was due.
- Allotment of 30,00,000 Equity Shares of Rs. 10/- at a premium of Rs. 4/- by way of Right issue amounting to Rs. 4,20,00,000/- accomplished in March 2016 on which Stamp duty of Rs. 42,000/- was due.

The Stamp Authority vide letter dated May 15, 2017 bearing reference no. Stamp/Nirikshan/Con/191/2016/8090 passed an order addressing the Company to pay a sum of Rs. 1,20,028/- out of which Rs. 60,000/- was Stamp duty and Rs. 60,028/- was penalty/-. Rs. 60,000/- was paid DD bearing no. 510900 dated March 09, 2016 and Rs. 60,028/- was paid by cash acknowledged by Challan No. 203 dated May 16, 2017.

#### **Pending Notices against our Company**

Nil

#### **Past Notices to our Company**

Nil

#### **Disciplinary Actions taken by SEBI or stock exchanges against Our Company**

Nil

#### **Defaults including non-payment or statutory dues to banks or financial institutions**

Nil

#### **Details of material frauds against the Company in last five years and action taken by the Companies.**

Nil

### **LITIGATIONS FILED BY OUR COMPANY**

#### **Criminal Litigations**

Nil

**Civil Proceedings**

**Taxation Matters**

Nil

**Recent Development/Proceeding under Finance Act, 2016 in respect of Income Declaration Scheme, 2016 and The Income Declaration Scheme Rules, 2016**

Nil

**Details of any enquiry, inspection or investigation initiated under Companies Act, 2013 or any previous Company Law**

Nil

**LITIGATIONS INVOLVING DIRECTOR/S OF OUR COMPANY**

**LITIGATIONS AGAINST DIRECTOR/S OF OUR COMPANY**

Shrenikbhai Vimawala and Rishit Vimawala are the Promoters as well as Directors of our Company. For litigations pertaining to them, please refer ‘**LITIGATIONS INVOLVING PROMOTER/S OF OUR COMPANY**’

**Criminal Litigations**

Nil

**Civil Proceedings**

Nil

**Taxation Matters**

**1. INCOME TAX PROCEEDINGS FOR AY 2014-15 AGAINST KAIVAN VIMAWALA**

Income Tax Authority (hereinafter referred to as “**Assessing Authority**”) has issued a notice of demand dated December 20, 2014 under Section 245 read with Section 143(1)(a) of the Income Tax Act, 1961 (hereinafter referred to as “**the Act**”) against Kaivan Shrenik Vimawala (hereinafter referred to as the “**Assessee**”) for an outstanding demand amounting to **Rs. 4,020/-**. The demand is currently outstanding.

**Recent Development/Proceeding under Finance Act, 2016 in respect of Income Declaration Scheme, 2016 and The Income Declaration Scheme Rules, 2016**

Nil

**Past Penalties imposed on our Directors**

Nil

**Proceedings initiated against our directors for Economic Offences/securities laws/ or any other law**

Nil

**Directors on list of wilful defaulters of RBI**

Nil

**LITIGATIONS FILED BY DIRECTOR/S OF OUR COMPANY**

**Criminal Litigations**

Nil



**Civil Proceedings**

Nil

**Taxation Matters**

Nil

**Recent Development/Proceeding under Finance Act, 2016 in respect of Income Declaration Scheme, 2016 and The Income Declaration Scheme Rules, 2016**

Nil

**LITIGATIONS INVOLVING PROMOTER/S OF OUR COMPANY****LITIGATIONS AGAINST OUR PROMOTER/S****Criminal Litigations**

Nil

**Civil Proceedings**

Nil

**Taxation Matters****1. INCOME TAX PROCEEDINGS FOR AY 2013-14 AGAINST SHRENIKBHAI VIMAWALA**

The Income Tax Department (hereinafter referred to as “**Assessing Authority**”) has issued a notice of demand dated June 22, 2016 under Section 245 read with Section 220(2) of the Income Tax Act, 1961 (hereinafter referred to as “**the Act**”) to Shrenikbhai Vimawala (hereinafter referred to as “**the Assessee**”) for an outstanding demand of **Rs. 1,792/-**. The demand is currently outstanding.

**2. INCOME TAX PROCEEDINGS FOR AY 2014-15 AGAINST SHRENIKBHAI SUDHIRBHAI VIMAWALA**

The Income Tax Authority (hereinafter referred to as “**Assessing Authority**”) has issued a notice of demand dated July 15, 2016 under Section 245 read with Section 143(3) of the Income Tax Act, 1961 (hereinafter referred to as “**the Act**”) against Shrenikbhai Vimawala (hereinafter referred to as the “**Assessee**”) mentioning the outstanding demand of **Rs. 2,030/-**. The demand is currently outstanding.

**Recent Development/Proceeding under Finance Act, 2016 in respect of Income Declaration Scheme, 2016 and The Income Declaration Scheme Rules, 2016**

Nil

**Past Penalties imposed on our Promoters**

Nil

**Proceedings initiated against our Promoters for Economic Offences/securities laws/ or any other law**

Nil

**Litigation /Legal Action pending or taken by Any Ministry or any statutory authority against any Promoter in last five years**

Nil

**Penalties in Last Five Years**

Nil

**Litigation /defaults in respect of the companies/Firms/ventures/ with which our promoter was associated in Past.**

Nil

**Adverse finding against Promoter for violation of Securities laws or any other laws**

Nil

**LITIGATIONS FILED BY OUR PROMOTER/S**

**Criminal Litigations**

Nil

**Civil Proceedings**

Nil

**Taxation Matters**

Nil

**Recent Development/Proceeding under Finance Act, 2016 in respect of Income Declaration Scheme, 2016 and The Income Declaration Scheme Rules, 2016**

Nil

**LITIGATIONS INVOLVING OUR GROUP COMPANIES**

As on date of this Prospectus, our Company does not have any Group Company.

**LITIGATIONS INVOLVING OUR SUBSIDIARY COMPANIES**

As on date of this Prospectus, our Company does not have any Subsidiary Company.

**OTHER MATTERS**

Nil

**DETAILS OF ANY INQUIRY, INSPECTION OR INVESTIGATION INITIATED UNDER PRESENT OR PREVIOUS COMPANIES LAWS IN LAST FIVE YEARS AGAINST THE COMPANY OR ITS SUBSIDIARIES**

Nil

**OUTSTANDING LITIGATION AGAINST OTHER COMPANIES OR ANY OTHER PERSON WHOSE OUTCOME COULD HAVE AN ADVERSE EFFECT ON OUR COMPANY**

Nil

**MATERIAL DEVELOPMENTS SINCE THE LAST BALANCE SHEET**

Except as mentioned under the chapter — “Management Discussion and Analysis of Financial Condition and Result of Operation” on page 206 of this Prospectus, there have been no material developments, since the date of the last audited balance sheet.

**OUTSTANDING DUES TO SMALL SCALE UNDERTAKINGS OR ANY OTHER CREDITORS**

As of March 31, 2017, our Company had 12] creditors, to whom a total amount of Rs. 1440.94 lakhs was outstanding. As per the requirements of SEBI Regulations, our Company, pursuant to a resolution

of our Board dated May 11, 2017, considered creditors to whom the amount due exceeds Rs.5.00 lakhs as per our Company's restated financials for the purpose of identification of material creditors. Based on the above, the following are the material creditors of our Company.

Creditors	Amount (Rs. in Lakhs)
Tamilnadu Newsprint and Papers Ltd.	489.49
Paper Trading Corporation	423.65
Ballarpur Industries Ltd.	304.96
Desai Trading Company	51.00
Rahul Traders	40.86
Magnum Commercial Ltd.	40.16
Shivam Traders	31.64
Mangal papers Pvt. Ltd.	26.06
Shree Ram Trading Co.	23.63
Pt. Pindo deli pulp and paper mills	9.49

Further, none of our creditors have been identified as micro enterprises and small scale undertakings by our Company based on available information. For complete details about outstanding dues to creditors of our Company, please see website of our Company [www.shrenik.co.in](http://www.shrenik.co.in). Information provided on the website of our Company is not a part of this Prospectus and should not be deemed to be incorporated by reference. Anyone placing reliance on any other source of information, including our Company's website, [www.shrenik.co.in](http://www.shrenik.co.in), would be doing so at their own risk.

## GOVERNMENT AND OTHER STATUTORY APPROVALS

Our Company has received the necessary consents, licenses, permissions, registrations and approvals from the Government/RBI, various Government agencies and other statutory and/ or regulatory authorities required for carrying on our present business activities and except as mentioned under this heading, no further material approvals are required for carrying on our present business activities. Our Company undertakes to obtain all material approvals and licenses and permissions required to operate our present business activities. Unless otherwise stated, these approvals or licenses are valid as of the date of this Prospectus and in case of licenses and approvals which have expired; we have either made an application for renewal or are in the process of making an application for renewal. In order to operate our business of paper trading, we require various approvals and/ or licenses under various laws, rules and regulations. For further details in connection with the applicable regulatory and legal framework, please refer chapter “Key Industry Regulations and Policies” on page 118 of this Prospectus.

The Company has its business located at:

**Registered Office:** D/87, Nava Anaj Bazar, Opp. Anupam Cinema, Khokhara, Ahmedabad - 380008, Gujarat India

**Corporate Office:** 505-508, 10/11 Beside Mardia Plaza CG Road Ahmedabad-380009, Gujarat

### Warehouse:

1. No 26, Godown, New Anaj Bazar Coop-Warehouses, Nr Gayatri Dairy, Opp. Anupam Cinema, Khokhara, Ahmedabad – 380008, Gujarat, India
2. 96, Grain Market, Opp Anupam Cinema, Khokhara, Ahmedabad – 380008, Gujarat, India
3. 113, Nr Gayatri Dairy, Bhalakiya Mill Compound, Khokhara, Ahmedabad– 380008, Gujarat, India
4. D-95, Nr Gayatri Dairy, Bhalakiya Mill Compound, Khokhara, Ahmedabad– 380008, Gujarat, India
5. Godown No - 27, AnajbazarCo-Op Shops, Warehouses, Behind Bhalakiya Mill, Khokhara, Ahmedabad– 380008, Gujarat, India
6. D-94, Nr Gayatri Dairy, Bhalakiya Mill Compound, Khokhara, Ahmedabad– 380008, Gujarat, India
7. 79, Nr Gayatri Dairy, Bhalakiya Mill Compound, Khokhara, Ahmedabad– 380008, Gujarat, India
8. 115, Nr Gayatri Dairy, Bhalakiya Mill Compound, Khokhara, Ahmedabad– 380008, Gujarat, India
9. 119, Nr Gayatri Dairy, Bhalakiya Mill Compound, Khokhara, Ahmedabad– 380008, Gujarat, India
10. D-62, Ramkrushna Ind. Estate, Ramkrushna Mill Compound, Opp. Shital Cinema, Nr. Sarangpur Bridge, Rakhial, Ahmedabad , Gujarat, India
11. D-86, Nr Gayatri Dairy, Bhalakiya Mill Compound, Khokhara, Ahmedabad– 380008, Gujarat, India
12. 780/800 & 2525 Cadila Estate, Aslali, Ahmedabad , Gujarat, India

The objects clause of the Memorandum of Association enables our Company to undertake its present business activities. The approvals required to be obtained by our Company include the following:

## **APPROVALS FOR THE ISSUE**

### **Corporate Approvals:**

1. The Board of Directors have, pursuant to Section 62(1)(c) of the Companies Act 2013, by a resolution passed at its meeting held on April 24, 2017, authorized the Issue, subject to the approval of the shareholders and such other authorities as may be necessary.
2. The shareholders of the Company have, pursuant to Section 62(1)(c) of the Companies Act 2013, by a special resolution passed in the Annual General Meeting held on May 10, 2017 authorized the Issue.

### **In- principle approval from the Stock Exchange**

We have received in-principle approvals from the stock exchange for the listing of our Equity Shares pursuant to letter dated June 9, 2017 bearing reference no. NSE/LIST/8951

### **Agreements with NSDL and CDSL**

1. The Company has entered into an agreement dated May 20, 2017 with the Central Depository Services (India) Limited (“CDSL”) and the Registrar and Transfer Agent, who in this case is, Link In-time Private limited for the dematerialization of its shares.
2. Similarly, the Company has also entered into an agreement dated June 7, 2017 with the National Securities Depository Limited (“NSDL”) and the Registrar and Transfer Agent, who in this case is Link In-time Private limited for the dematerialization of its shares.
3. The Company's International Securities Identification Number (“ISIN”) is INE632X01014.

## **INCORPORATION AND OTHER DETAILS**

1. A proprietorship firm of Shrenik Vimawala named “SHRI SHYAM CORPORATION” was converted into a partnership firm “SHRENIK TRADELINK” vide a Partnership deed dated November 1, 2012.
2. “SHRENIK TRADELINK” a Partnership firm was converted into a Company named “SHRENIK TRADELINK PRIVATE LIMITED”. The Certificate of Incorporation dated December 20, 2012 under Part IX of the Companies Act, 1956 was issued by the Registrar of Companies, Gujarat, Dadra and Nagar Haveli in the name of “SHRENIK TRADELINK PRIVATE LIMITED”.
3. Fresh Certificate of Incorporation consequent upon change of name of the Company dated December 19, 2016 was issued by the Registrar of Companies, Ahmedabad, in the name of “SHRENIK PRIVATE LIMITED”.
4. Fresh Certificate of Incorporation Consequent upon Conversion from Private Company to Public company was issued on April 03, 2017 by the Registrar of Companies, Ahmedabad in the name of “SHRENIKLIMITED”.
5. The Corporate Identification Number (CIN) of the Company is U51396GJ2012PLC073061.

## **APPROVALS/LICENSES RELATED TO OUR BUSINESS ACTIVITIES**

We require various approvals and/ or licenses under various rules and regulations to conduct our business. Some of the material approvals required by us to undertake our business activities are set out below:

<b>Sr. No.</b>	<b>Description</b>	<b>Authority</b>	<b>Registration No./Reference No./ License No.</b>	<b>Date of Issue</b>	<b>Date of Expiry</b>
1	Certificate of Importer-	Office of Joint Director General of	IEC No. - 0815022671	March 16, 2016	NA

Sr. No.	Description	Authority	Registration No./Reference No./ License No.	Date of Issue	Date of Expiry
	Exporter Code (IEC)	Foreign Trade, Ahmedabad, Government of India, Ministry of Commerce and Industry			
2	Registration Certificate of Establishment  (under Section 6 and Section 8 of Bombay Shops and Establishments Act, 1948 and rules made thereunder)	Ahmedabad Municipal Corporation	Registration Number: PII/KHMHDG/2900027/0156065	January 31, 2017	December 31, 2017

**TAX RELATED APPROVALS/LICENSES/REGISTRATIONS**

Sr. No.	Authorisation granted	Issuing Authority	Registration No./ Reference No./ License No.	Date of Issue	Validity
1	Permanent Account Number (PAN)	Income Tax Department, Government of India	AASCS4384C	December 20, 2012	Perpetual
2	Tax Deduction Account Number (TAN)	Income Tax Department, Government of India	AHMS23369D	Original: February 2, 2013 Amended on: April 6, 2017	Perpetual
3	Certificate of Registration  (under Gujarat Value Added Tax Act, 2003 read with Rule 6 of the Gujarat Value Added Tax Rules, 2006)	Commercial Taxes Department, Government of Gujarat	24070901241	Original: October 10, 2016 Valid from: July 01, 2002 Amended on: April	Perpetual

Sr. No.	Authorisation granted	Issuing Authority	Registration No./ Reference No./ License No.	Date of Issue	Validity
				14, 2017	
4	Certificate of Registration of Service Tax  (under Chapter V of the Finance Act, 1994 read with the Service Tax Rules, 1994)	Central Board of Excise and Customs, Ministry of Finance, Department of Revenue	AASCS4384CSD001	Original: February 23, 2013 Amended on: April 21, 2017	Until cancelled
5	Certificate of Registration Central Sales Tax  (Under Rule 5(1) of Central Sales Tax (Registration and Turnover) Rules, 1957)	Gujarat Commercial Tax Department,	24570901241	Date of original issue: October 10, 2016 Valid from: October 10, 1995 Amended on: April 14, 2017	Until cancelled
6	Professional Tax Enrollment Certificate (PTEC)  (under section 5 (2) of Gujarat State Tax on Professions, Trade, Callings and Employments Act, 1976 and rules made thereunder)	Amdavad Municipal Corporation, Profession Tax Department	PEC013331336	May 30, 2017	NA
7	Professional Tax Registration Certificate (PTRC)  (under section 5 (1) of Gujarat State Tax on	Amdavad Municipal Corporation, Profession Tax Department	PRC013330111	May 30, 2017	NA



Sr. No.	Authorisation granted	Issuing Authority	Registration No./ Reference No./ License No.	Date of Issue	Validity
	Professions, Trade, Callings and Employments Act, 1976 and rules made thereunder)				

### **EMPLOYEE/LABOUR RELATED REGISTRATIONS**

The Certificate of Registration of Employees State Insurance having registration number 37001040620001002 and Certificate of Registration of Employees Provident Fund having registration number GJ/70761 are currently not traceable.

### **INTELLECTUAL PROPERTY RELATED APPROVALS/REGISTRATIONS**

#### **TRADEMARKS**

Sr. No.	Trademark	Trademark Type	Classes	Applicant	Application No.	Date of Application	Validity/ Renewal	Registration status
1.	<b>SHRENİK</b>	Device	16	Shrenik Tradelin k Private Limited	2663635	January 22, 2014	January 22, 2024	Registered
2.	<b>SHRENİK</b>	Device	35	Shrenik Tradelin k Private Limited	2663636	January 22, 2014	January 22, 2024	Registered
3.		Device	35	Shrenik Tradelin k Private Limited	2663637	January 22, 2014	January 22, 2024	Registered
4.		Device	16	Shrenik Tradelin k Private Limited	2663638	January 22, 2014	January 22, 2024	Registered

**Company has confirmed that no other applications have been made by the Company nor has it registered any type of intellectual property including trademarks/copyrights/patents etc.**

#### **PENDING APPROVALS:**

1. An application having acknowledgment number N – 033629700639382 is made for PAN and it is currently pending.



2. Change of name of 'Applicant' of Trademarks 2663635 to 2663638 (as mentioned above) from "Shrenik Tradelink Private Limited" to "Shrenik Limited"

**MATERIAL LICENSES / APPROVALS FOR WHICH THE COMPANY IS YET TO APPLY**

1. Registration Certificate of Establishment under Bombay Shops and Establishment Act, 1948 for its Corporate Office
2. Udyog Aadhar Memorandum/ Entrepreneurs Memorandum for setting micro, small and medium Enterprises Unit
3. Change of name from "Shrenik Private Limited" to "Shrenik Limited" has not been applied for the approvals like –
  - TAN,
  - Registration Certificate of an Establishment under Bombay Shops and Establishment Act, 1948 and rules made thereunder,
  - Certificate of Importer Exporter Code (IEC),
  - Certificate of Registration under Employees State Insurance Act, 1948
  - Certificate of Registration under Employees' Provident Fund and Miscellaneous Provisions Act, 1952

## OTHER REGULATORY AND STATUTORY DISCLOSURES

### AUTHORITY FOR THE ISSUE

The Issue has been authorized by a resolution passed by our Board of Directors at its meeting held on April 24, 2017 and by the shareholders of our Company by a special resolution, pursuant to Section 62(1) (c) of the Companies Act, 2013 passed at the AGM of our Company held on May 10, 2017 at registered office of the Company.

### PROHIBITION BY SEBI, RBI OR OTHER GOVERNMENTAL AUTHORITIES

Neither Company, nor our Directors, our Promoters or the relatives (as defined under the Companies Act) of Promoters, our Promoter Group, and our Group Companies have been declared as willful defaulter(s) by the RBI or any other governmental authority. Further, there has been no violation of any securities law committed by any of them in the past and no such proceedings are currently pending against any of them.

We confirm that our Company, Promoters, Promoter Group, Directors or Group Companies have not been prohibited from accessing or operating in the capital markets under any order or direction passed by SEBI or any other regulatory or Governmental Authority.

Neither our Promoters, nor any of our Directors or persons in control of our Company are / were associated as promoter, directors or persons in control of any other company which is debarred from accessing or operating in the capital markets under any order or directions made by the SEBI or any other regulatory or Governmental Authorities.

None of our Directors are in any manner associated with the securities market. There has been no action taken by SEBI against any of our Directors or any entity our Directors are associated with as directors.

### ELIGIBILITY FOR THIS ISSUE

Our Company is eligible for the Issue in accordance with Regulation 106(M) (2) and other provisions of Chapter XB of the SEBI (ICDR) Regulations, as we are an Issuer whose post-issue face value capital is more than ten crore and upto twenty five crore and we shall hence issue shares to the public and propose to list the same on the Small and Medium Enterprise Exchange (in this case being the “EMERGE Platform of the National Stock Exchange of India Limited”)

We confirm that:

1. In accordance with Regulation 106(P) of the SEBI (ICDR) Regulations, this Issue will be hundred per cent underwritten and that the Lead Manager to the Issue will underwrite at least 15% of the total issue size. For further details pertaining to underwriting please refer to chapter titled “*General Information*” beginning on page 60 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 is greater than or equal to fifty, otherwise, the entire application money will be refunded forthwith. If such money is not repaid within eight working days from the date our Company becomes liable to repay it, then our Company and every officer in default shall, on and from expiry of eight days, be liable to repay such application money, with interest as prescribed under SEBI (ICDR) Regulations, the Companies Act, 2013 and applicable laws. Further, in accordance with Section 40 of the Companies Act, 2013, the Company and each officer in default may be punishable with fine and/or imprisonment in such a case.
3. In accordance with Regulation 106(O) the SEBI (ICDR) Regulations, we have not filed any Offer Document with SEBI nor has SEBI issued any observations on our Offer Document. Also, we shall ensure that our Lead Manager submits 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.

4. In accordance with Regulation 106(V) of the SEBI (ICDR) Regulations, we have entered into an agreement with the Lead Manager and Market Maker to ensure compulsory Market Making for a minimum period of three years from the date of listing of equity shares offered in this Issue. For further details of the arrangement of market making please refer to the chapter titled “*General Information*” beginning on page 60 of this Prospectus.
5. The Company has track record of 3 Years and positive cash accruals (earnings before depreciation and tax) from operations for at least 2 financial years preceding the application and
6. Net worth of the Company is positive.
7. The Company has not been referred to Board for Industrial and Financial Reconstruction.
8. No petition for winding up is admitted by a court of competent jurisdiction against the Company.
9. No material regulatory or disciplinary action has been taken by any stock exchange or regulatory authority in the past three years against the Company.
10. The Company has a website [www.shrenik.co.in](http://www.shrenik.co.in)

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, 2009, the provisions of Regulations 6(1), 6(2), 6(3), Regulation 7, Regulation 8, Regulation 9, Regulation 10, Regulation 25, Regulation 26, Regulation 27 and Sub-regulation (1) of Regulation 49 of SEBI (ICDR) Regulations, 2009 shall not apply to us in this Issue.

#### **DISCLAIMER CLAUSE OF SEBI**

**IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF THE OFFER DOCUMENT TO SEBI SHOULD NOT, IN ANY WAY, BE DEEMED OR CONSTRUED TO MEAN THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THIS ISSUE IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE OFFER DOCUMENT. THE LEAD MANAGER, PANTOMATH CAPITAL ADVISORS PRIVATE LIMITED HAS CERTIFIED THAT THE DISCLOSURES MADE IN THE OFFER DOCUMENT ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE SEBI (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, AS FOR THE TIME BEING IN FORCE. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING AN INVESTMENT IN THE PROPOSED ISSUE.**

**IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE COMPANY IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THIS PROSPECTUS, THE LEAD MANAGER, PANTOMATH CAPITAL ADVISORS PRIVATE LIMITED, IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE COMPANY DISCHARGES ITS RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE LEAD MANAGER, PANTOMATH CAPITAL ADVISORS PRIVATE LIMITED, SHALL FURNISHED TO STOCK EXCHANGE/SEBI A DUE DILIGENCE CERTIFICATE IN ACCORDANCE WITH THE SEBI (MERCHANT BANKERS) REGULATIONS, 1992 AFTER FILING OF PROSPECTUS WITH ROC AND BEFORE OPENING OF ISSUE.**

**“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, CIVIL LITIGATIONS, DISPUTES WITH COLLABORATORS, CRIMINAL LITIGATIONS 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, 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 EXCHANGE / BOARD IS IN CONFORMITY WITH THE DOCUMENTS, MATERIALS AND PAPERS RELEVANT TO THE ISSUE;**
  - B. ALL THE LEGAL REQUIREMENTS RELATING TO THE ISSUE AS ALSO THE REGULATIONS GUIDELINES, INSTRUCTIONS, ETC. FRAMED/ISSUED BY THE BOARD, THE CENTRAL GOVERNMENT AND ANY OTHER COMPETENT AUTHORITY IN THIS BEHALF HAVE BEEN DULY COMPLIED WITH; AND**
  - C. THE DISCLOSURES MADE IN THE PROSPECTUS ARE TRUE, FAIR AND ADEQUATE TO ENABLE THE INVESTORS TO MAKE A WELL INFORMED DECISION AS TO THE INVESTMENT IN THE PROPOSED ISSUE AND SUCH DISCLOSURES ARE IN ACCORDANCE WITH THE REQUIREMENTS OF COMPANIES ACT, 1956, APPLICABLE PROVISIONS OF THE COMPANIES ACT, 2013, THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 AND OTHER APPLICABLE LEGAL REQUIREMENTS.**
- 3. WE CONFIRM THAT BESIDES OURSELVES, ALL THE INTERMEDIARIES NAMED IN THE PROSPECTUS ARE REGISTERED WITH THE BOARD AND THAT TILL DATE SUCH REGISTRATION IS VALID.**
- 4. WE HAVE SATISFIED OURSELVES ABOUT THE CAPABILITY OF THE UNDERWRITERS TO FULFILL THEIR UNDERWRITING COMMITMENTS.- NOTED FOR COMPLIANCE**
- 5. WE CERTIFY THAT WRITTEN CONSENTS FROM PROMOTERS HAVE BEEN OBTAINED FOR INCLUSION OF HIS SPECIFIED SECURITIES AS PART OF PROMOTERS’ CONTRIBUTION SUBJECT TO LOCK-IN AND THE SPECIFIED SECURITIES PROPOSED TO FORM PART OF PROMOTERS’ CONTRIBUTION SUBJECT TO LOCK-IN SHALL NOT BE DISPOSED / SOLD / TRANSFERRED BY THE PROMOTERS DURING THE PERIOD STARTING FROM THE DATE OF FILING THE DRAFT 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 DRAFT PROSPECTUS.**

- 7. WE UNDERTAKE THAT SUB-REGULATION (4) OF REGULATION 32 AND CLAUSE (C) AND (D) OF SUB-REGULATION (2) OF REGULATION 8 OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 SHALL BE COMPLIED WITH. WE CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT PROMOTERS' CONTRIBUTION SHALL BE RECEIVED AT LEAST ONE DAY BEFORE THE OPENING OF THE ISSUE. WE UNDERTAKE THAT AUDITORS' CERTIFICATE TO THIS EFFECT SHALL BE DULY SUBMITTED TO THE BOARD. WE FURTHER CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT PROMOTERS' CONTRIBUTION SHALL BE KEPT IN AN ESCROW ACCOUNT WITH A SCHEDULED COMMERCIAL BANK AND SHALL BE RELEASED TO THE ISSUER ALONG WITH THE PROCEEDS OF THE PUBLIC ISSUE. – NOT APPLICABLE**
- 8. WE CERTIFY THAT THE PROPOSED ACTIVITIES OF THE ISSUER FOR WHICH THE FUNDS ARE BEING RAISED IN THE PRESENT ISSUE FALL WITHIN THE 'MAIN OBJECTS' LISTED IN THE OBJECT CLAUSE OF THE MEMORANDUM OF ASSOCIATION OR OTHER CHARTER OF THE ISSUER AND THAT THE ACTIVITIES WHICH HAVE BEEN CARRIED OUT UNTIL NOW ARE VALID IN TERMS OF THE OBJECT CLAUSE OF ITS MEMORANDUM OF ASSOCIATION. – COMPLIED TO THE EXTENT APPLICABLE**
- 9. WE CONFIRM THAT NECESSARY ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT THE MONEYS RECEIVED PURSUANT TO THE ISSUE ARE KEPT IN A SEPARATE BANK ACCOUNT AS PER THE PROVISIONS OF SUB-SECTION (3) OF SECTION 40 OF THE COMPANIES ACT, 2013 AND THAT SUCH MONEYS SHALL BE RELEASED BY THE SAID BANK ONLY AFTER PERMISSION IS OBTAINED FROM ALL THE STOCK EXCHANGES MENTIONED IN THE 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 EQUITY SHARES IN THE ISSUE WILL BE ISSUED IN DEMATERIALIZED FORM ONLY.**
- 11. WE CERTIFY THAT ALL THE APPLICABLE DISCLOSURES MANDATED IN THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 HAVE BEEN MADE IN ADDITION TO DISCLOSURES WHICH, IN OUR VIEW, ARE FAIR AND ADEQUATE TO ENABLE THE INVESTOR TO MAKE A WELL INFORMED DECISION.**
- 12. WE CERTIFY THAT THE FOLLOWING DISCLOSURES HAVE BEEN MADE IN THE PROSPECTUS:**
  - A. AN UNDERTAKING FROM THE ISSUER THAT AT ANY GIVEN TIME, THERE SHALL BE ONLY ONE DENOMINATION FOR THE EQUITY SHARES OF THE ISSUER AND**
  - B. AN UNDERTAKING FROM THE ISSUER THAT IT SHALL COMPLY WITH SUCH DISCLOSURE AND ACCOUNTING NORMS SPECIFIED BY THE BOARD FROM TIME TO TIME.**
- 13. WE UNDERTAKE TO COMPLY WITH THE REGULATIONS PERTAINING TO ADVERTISEMENT IN TERMS OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS,**

**2009 WHILE MAKING THE ISSUE. – NOTED FOR COMPLIANCE**

- 14. WE ENCLOSE A NOTE EXPLAINING HOW THE PROCESS OF DUE DILIGENCE THAT HAS BEEN EXERCISED BY US IN VIEW OF THE NATURE OF CURRENT BUSINESS BACKGROUND OF THE ISSUER, SITUATION AT WHICH THE PROPOSED BUSINESS STANDS, THE RISK FACTORS, PROMOTERS EXPERIENCE, ETC.**
- 15. WE ENCLOSE A CHECKLIST CONFIRMING REGULATION-WISE COMPLIANCE WITH THE APPLICABLE PROVISIONS OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, CONTAINING DETAILS SUCH AS THE REGULATION NUMBER, ITS TEXT, THE STATUS OF COMPLIANCE, PAGE NUMBER OF THE PROSPECTUS WHERE THE REGULATION HAS BEEN COMPLIED WITH AND OUR COMMENTS, IF ANY. – NOTED FOR COMPLIANCE**
- 16. WE ENCLOSE STATEMENT ON PRICE INFORMATION OF PAST ISSUES HANDLED BY MERCHANT BANKERS AS PER FORMAT SPECIFIED BY THE BOARD (SEBI) THROUGH CIRCULAR – DETAILS ARE ENCLOSED IN “ANNEXURE A”**
- 17. WE CERTIFY THAT PROFITS FROM RELATED PARTY TRANSACTION HAVE ARISEN FROM LEGITIMATE BUSINESS TRANSACTIONS.”- COMPLIED WITH TO THE EXTENT OF THE RELATED PARTY TRANSACTIONS REPORTED IN ACCORDANCE WITH ACCOUNTING STANDARD 18 IN THE FINANCIAL STATEMENTS OF THE COMPANY INCLUDED IN THE 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 ISSUER HAVE BEEN MADE IN PROSPECTUS AND CERTIFY THAT ANY MATERIAL DEVELOPMENT IN THE ISSUER OR RELATING TO THE ISSUE UP TO THE COMMENCEMENT OF LISTING AND TRADING OF THE SPECIFIED SECURITIES OFFERED THROUGH THIS ISSUE SHALL BE INFORMED THROUGH PUBLIC NOTICES/ ADVERTISEMENTS IN ALL THOSE NEWSPAPERS IN WHICH PRE-ISSUE ADVERTISEMENT AND ADVERTISEMENT FOR OPENING OR CLOSURE OF THE ISSUE HAVE BEEN GIVEN.**
- (3) WE CONFIRM THAT THE ABRIDGED PROSPECTUS CONTAINS ALL THE DISCLOSURES AS SPECIFIED IN THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009. – NOTED FOR COMPLIANCE**
- (4) WE CONFIRM THAT AGREEMENTS HAVE BEEN ENTERED INTO WITH THE DEPOSITORIES FOR 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.**

**(6) WE CONFIRM THAT UNDERWRITING ARRANGEMENTS AS PER REQUIREMENTS OF REGULATION 106P AND 106V OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 HAVE BEEN MADE.**

**(7) WE CONFIRM THAT MARKET MAKING ARRANGEMENTS AS PER REQUIREMENTS OF REGULATION 106P AND 106V OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 HAVE BEEN MADE.**

**Note:**

The filing of this Prospectus does not, however, absolve our Company from any liabilities under section 34, 35 and 36(1) of the Companies Act, 2013 or from the requirement of obtaining such statutory and other clearances as may be required for the purpose of the proposed Issue. SEBI further reserves the right to take up at any point of time, with the Lead Manager any irregularities or lapses in the 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, Ahmedabad, in terms of Section 26, 30, 32 and 33 of the Companies Act, 2013.

**DISCLAIMER STATEMENT FROM OUR COMPANY AND THE LEAD MANAGER**

Our Company, our Directors and the Lead Manager accept no responsibility for statements made otherwise than in this Prospectus or in the advertisements or any other material issued by or at instance of our Company and anyone placing reliance on any other source of information, including our website [www.shrenik.co.in](http://www.shrenik.co.in) would be doing so at his or her own risk.

**Caution**

The Lead Manager accepts no responsibility, save to the limited extent as provided in the Agreement for Issue Management entered into among the Lead Manager and our Company dated May 12, 2017, the Underwriting Agreement dated May 12, 2017, entered into among the Underwriter and our Company and the Market Making Agreement dated May 12, 2017, entered into among the Market Maker, Lead Manager and our Company.

Our Company and the Lead Manager shall make all information available to the public and investors at large and no selective or additional information would be available for a section of the investors in any manner whatsoever including at road show presentations, in research or sales reports or at collection centres, etc.

The Lead Manager and its associates and affiliates may engage in transactions with and perform services for, our Company and associates of our Company in the ordinary course of business and may in future engage in the provision of services for which they may in future receive compensation. Pantomath Capital Advisors Private Limited is not an 'associate' of the Company and is eligible to Lead Manager this Issue, under the SEBI (Merchant Bankers) Regulations, 1992.

**Investors who apply in this Issue will be required to confirm and will be deemed to have represented to our Company and the Underwriter and their respective directors, officers, agents, affiliates and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares and will not offer, sell, pledge or transfer the Equity Shares to any person who is not eligible under applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares. Our Company and the Lead Manager and their respective directors, officers, agents, affiliates and representatives accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire Equity Shares.**

## **PRICE INFORMATION AND THE TRACK RECORD OF THE PAST ISSUES HANDLED BY THE LEAD MANAGER**

For details regarding the price information and track record of the past issue handled by M/s. Pantomath Capital Advisors Private Limited, as specified in Circular reference CIR/CFD/DIL/7/2015 dated October 30, 2015 issued by SEBI, please refer “Annexure A” to this Prospectus and the website of the Lead Manager at [www.pantomathgroup.com](http://www.pantomathgroup.com)

### **DISCLAIMER IN RESPECT OF JURISDICTION**

This Issue is being made in India to persons resident in India (including Indian nationals resident in India who are not minors, HUFs, companies, corporate bodies and societies registered under the applicable laws in India and authorized to invest in shares, Indian Mutual Funds registered with SEBI, Indian financial institutions, commercial banks, regional rural banks, co-operative banks (subject to RBI permission), or trusts under applicable trust law and who are authorized under their constitution to hold and invest in shares, public financial institutions as specified in Section 2(72) of the Companies Act, 2013, VCFs, state industrial development corporations, insurance companies registered with Insurance Regulatory and Development Authority, provident funds (subject to applicable law) with minimum corpus of Rs. 2,500 Lakhs, pension funds with minimum corpus of Rs. 2,500 Lakhs and the National Investment Fund, and permitted non-residents including FPIs, Eligible NRIs, multilateral and bilateral development financial institutions, FVCIs and eligible foreign investors, provided that they are eligible under all applicable laws and regulations to hold Equity Shares of the Company. The Prospectus does not, however, constitute an invitation to purchase shares offered hereby in any jurisdiction other than India to any person to whom it is unlawful to make an offer or invitation in such jurisdiction. Any person into whose possession this Prospectus comes is required to inform him or herself about, and to observe, any such restrictions. Any dispute arising out of this Issue will be subject to the jurisdiction of appropriate court(s) in Mumbai only.

No action has been, or will be, taken to permit a public offering in any jurisdiction where action would be required for that purpose, except that the Prospectus has been filed with EMERGE Platform of the National Stock Exchange of India Limited for its observations and NSE will give its observations in due course. 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 since the date hereof or that the information contained herein is correct as of any time subsequent to this date.

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

Further, each applicant where required agrees that such applicant will not sell or transfer any Equity Shares or create any economic interest therein, including any off-shore derivative instruments, such as participatory notes, issued against the Equity Shares or any similar security, other than pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and in compliance with applicable laws, legislations and Prospectus in each jurisdiction, including India.

## **DISCLAIMER CLAUSE OF THE EMERGE PLATFORM OF NATIONAL STOCK EXCHANGE OF INDIA LIMITED**

As required, a copy of this Offer Document has been submitted to National Stock Exchange of India Limited (hereinafter referred to as NSE). NSE has given vide its letter NSE/LIST/8951 dated June 9, 2017 permission to the Issuer to use the Exchange’s name in this Offer Document as one of the stock exchanges on which this Issuer’s securities are proposed to be listed. The Exchange has scrutinized this 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 promoters, its management or any scheme or project of this Issuer.

Every person who desires to apply for or otherwise acquire any securities of this Issuer may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the Exchange whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription /acquisition whether by reason of anything stated or omitted to be stated herein or any other reason whatsoever.”

## **FILING**

The Draft Prospectus has not been filed with SEBI, nor has SEBI issued any observation on the Offer Document in terms of Regulation 106(M) (3). However, a copy of the Prospectus has been filed with SEBI at SEBI Regional Office, Western Regional Office, Unit No 002, Ground Floor SAKAR-I, Near Gandhigram Railway Station opposite Nehru Bridge Ashram Road, Ahmedabad- 380009, Gujarat, India. A copy of the Prospectus along with the documents required to be filed under Section 26 of the Companies Act, 2013 has been delivered to the RoC situated at ROC Bhavan, Opp Rupal Park Society, Behind Ankur Bus Stop, Naranpura, Ahmedabad-380013, Gujarat, India.

## **LISTING**

In terms of Chapter XB of the SEBI (ICDR) Regulations, there is no requirement of obtaining in principle approval from EMERGE Platform of the National Stock Exchange of India Limited. However application has been made to the EMERGE Platform of the National Stock Exchange of India Limited for obtaining permission to deal in and for an official quotation of our Equity Shares. EMERGE Platform of the National Stock Exchange of India Limited is the Designated Stock Exchange, with which the Basis of Allotment will be finalized.

The EMERGE Platform of the National Stock Exchange of India Limited has given its in-principal approval for using its name in our Draft Prospectus and Prospectus vide its letter dated June 9, 2017

If the permissions to deal in and for an official quotation of our Equity Shares are not granted by the EMERGE Platform of the National Stock Exchange of India Limited, our Company will forthwith repay, without interest, all moneys received from the bidders in pursuance of the Prospectus. If such money is not repaid within 8 days after our Company becomes liable to repay it (i.e. from the date of refusal or within 15 working days from the Issue Closing Date), then our Company and every Director of our Company who is an officer in default shall, on and from such expiry of 8 working days, be liable to repay the money, with interest at the rate of 15% per annum on application money, as prescribed under section 40 of the Companies Act, 2013 and SEBI (ICDR) Regulations.

Our Company shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at the EMERGE Platform of the National Stock Exchange of India Limited mentioned above are taken within six Working Days from the Issue Closing Date

## **CONSENTS**

Consents in writing of: (a) the Directors, the Promoters, the Company Secretary & Compliance Officer, Chief Financial Officer, the Statutory Auditor, the Peer Reviewed Auditor, the Banker(s) to the Company; and (b) Lead Manager, Underwriters, Market Maker, Registrar to the Issue, Public Issue Banker/ Refund Banker, Legal Advisor to the Issue to act in their respective capacities have been obtained and is filed along with a copy of the Draft Prospectus/ Prospectus with the RoC, as required under Sections 26 of the Companies Act, 2013 and such consents shall not be withdrawn up to the time of delivery of the Prospectus for registration with the RoC. Our Peer Reviewed Auditor have given their written consent to the inclusion of their report in the form and context in which it appears in this Draft Prospectus and such consent and report shall not be withdrawn up to the time of delivery of the Prospectus for filing with the RoC.

## **EXPERT TO THE ISSUE**

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

- Report of the Peer Reviewed Auditor on Statement of Tax Benefits.
- Report of the Peer Reviewed Auditor on the Restated Financial Statements for the financial year ended on March 31, 2017, 2016, 2015, 2014 and 2013 of our Company.

## **EXPENSES OF THE ISSUE**

The expenses of this Issue include, among others, underwriting and management fees, printing and distribution expenses, legal fees, statutory advertisement expenses and listing fees. For details of total expenses of the Issue, refer to chapter “*Objects of the Issue*” beginning on page 84 of this Prospectus.

## **DETAILS OF FEES PAYABLE**

### **Fees Payable to the Lead Manager**

The total fees payable to the Lead Manager will be as per the Mandate Letter issued by our Company to the Lead Manager, the copy of which is available for inspection at our Registered Office.

### **Fees Payable to the Registrar to the Issue**

The fees payable to the Registrar to the Issue will be as per the Agreement signed by our Company and the Registrar to the Issue dated May 12, 2017 a copy of which is available for inspection at our Registered Office. The Registrar to the Issue will be reimbursed for all out-of-pocket expenses including cost of stationery, postage, stamp duty and communication expenses. Adequate funds will be provided by the Company to the Registrar to the Issue to enable them to send refund orders or allotment advice by registered post/ speed post/ under certificate of posting.

### **Fees Payable to Others**

The total fees payable to the Legal Advisor, Auditor and Advertiser, etc. will be as per the terms of their respective engagement letters if any.

## **UNDERWRITING COMMISSION, BROKERAGE AND SELLING COMMISSION**

The underwriting commission and selling commission for this Offer is as set out in the Underwriting Agreement entered into between our Company and the Lead Manager. Payment of underwriting commission, brokerage and selling commission would be in accordance with Section 40 of Companies Act, 2013 and the Companies (Prospectus and Allotment of Securities) Rule, 2014

## **PREVIOUS RIGHTS AND PUBLIC ISSUES SINCE THE INCORPORATION**

We have not made any previous rights and/or public issues since incorporation, and are an “Unlisted Issuer” in terms of the SEBI (ICDR) Regulations and this Issue is an “Initial Public Offering” in terms of the SEBI (ICDR) Regulations.

## **PREVIOUS ISSUES OF SHARES OTHERWISE THAN FOR CASH**

Except as stated in the chapter titled “*Capital Structure*” beginning on page 69 of this Prospectus, our Company has not issued any Equity Shares for consideration otherwise than for cash.

## **COMMISSION AND BROKERAGE ON PREVIOUS ISSUES**

Since this is the initial public offer of the Equity Shares by our Company, no sum has been paid or has been payable as commission or brokerage for subscribing to or procuring or agreeing to procure subscription for any of our Equity Shares since our inception.

## **PARTICULARS IN REGARD TO OUR COMPANY AND OTHER LISTED COMPANIES UNDER THE SAME MANAGEMENT WITHIN THE MEANING OF SECTION 370 (1B) OF THE COMPANIES ACT, 1956 WHICH MADE ANY CAPITAL ISSUE DURING THE LAST THREE YEARS:**

None of the equity shares of our Group Companies are listed on any recognized stock exchange. None of the above companies have raised any capital during the past 3 years.

#### **PROMISE VERSUS PERFORMANCE FOR OUR COMPANY**

Our Company is an “Unlisted Issuer” in terms of the SEBI (ICDR) Regulations, and this Issue is an “Initial Public Offering” in terms of the SEBI (ICDR) Regulations. Therefore, data regarding promise versus performance is not applicable to us.

#### **OUTSTANDING DEBENTURES, BONDS, REDEEMABLE PREFERENCE SHARES AND OTHER INSTRUMENTS ISSUED BY OUR COMPANY**

As on the date of this Prospectus, our Company has no outstanding debentures, bonds or redeemable preference shares.

#### **STOCK MARKET DATA FOR OUR EQUITY SHARES**

Our Company is an “Unlisted Issuer” in terms of the SEBI (ICDR) Regulations, and this Issue is an “Initial Public Offering” in terms of the SEBI (ICDR) Regulations. Thus there is no stock market data available for the Equity Shares of our Company.

#### **MECHANISM FOR REDRESSAL OF INVESTOR GRIEVANCES**

The Agreement between the Registrar and Our Company provides for retention of records with the Registrar for a period of at least three years from the last date of dispatch of the letters of allotment, demat credit and unblocking of funds to enable the investors to approach the Registrar to this Issue for redressal of their grievances. All grievances relating to this Issue may be addressed to the Registrar with a copy to the Compliance Officer, giving full details such as the name, address of the applicant, number of Equity Shares applied for, amount paid on application and the bank branch or collection center where the application was submitted.

All grievances relating to the ASBA process may be addressed to the SCSB, giving full details such as name, address of the applicant, number of Equity Shares applied for, amount paid on application and the Designated Branch or the collection centre of the SCSB where the Application Form was submitted by the ASBA applicants.

#### **DISPOSAL OF INVESTOR GRIEVANCES BY OUR COMPANY**

Our Company or the Registrar to the Issue or the SCSB in case of ASBA Bidders shall redress routine investor grievances within 15 working days from the date of receipt of the complaint. In case of non-routine complaints and complaints where external agencies are involved, our Company will seek to redress these complaints as expeditiously as possible.

We have constituted the Stakeholders Relationship Committee of the Board *vide* resolution passed at the Board Meeting held on April 11, 2017. For further details, please refer to the chapter titled “*Our Management*” beginning on page 131 of this Prospectus.

Our Company has appointed Madhulika Mishra as Company Secretary and Compliance Officer and she may be contacted at the following address:

**Madhulika Mishra**

**Shrenik Limited**

505-508, 10/11 Beside Mardia Plaza CG Road

Ahmedabad-380009, Gujarat

**Tel:** 079-26440303-505, 079-48990505-606

**Fax:** 079-26406810

**Email:** [cs@shrenik.co.in](mailto:cs@shrenik.co.in)

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

Investors can contact the Company Secretary and Compliance Officer or the Registrar in case of any pre-Issue or post-Issue related problems such as non-receipt of letters of allocation, credit of allotted Equity Shares in the respective beneficiary account or unblocking of funds, *etc.*

#### **CHANGES IN AUDITORS DURING THE LAST THREE FINANCIAL YEARS**

There has been no change in auditors of the Company during the last three financial years

#### **CAPITALISATION OF RESERVES OR PROFITS**

Save and except as stated in the chapter titled “*Capital Structure*” beginning on page 69 of this Prospectus, our Company has not capitalized its reserves or profits during the last five years.

#### **REVALUATION OF ASSETS**

Our Company has not revalued its assets since incorporation.

#### **PURCHASE OF PROPERTY**

Other than as disclosed in 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 this Prospectus.

Except as stated elsewhere in this Prospectus, our Company has not purchased any property in which the Promoters and/or Directors have any direct or indirect interest in any payment made there under.

#### **SERVICING BEHAVIOR**

There has been no default in payment of statutory dues or of interest or principal in respect of our borrowings or deposits.

## **SECTION VII – ISSUE INFORMATION TERMS OF THE ISSUE**

*The Equity Shares being issued and transferred are subject to the provisions of the Companies Act, 2013, SEBI ICDR Regulations, our Memorandum and Articles of Association, the SEBI Listing Regulations, the terms of the Draft Prospectus, the Prospectus, Application Form, ASBA Application form, the Revision Form, the Confirmation of Allocation Note and other terms and conditions as may be incorporated in the allotment advices and other documents / certificates that may be executed in respect of the Issue. The Equity Shares shall also be subject to laws as applicable, guidelines, notifications and regulations relating to the issue of capital and listing and trading of securities issued from time to time by SEBI, the Government of India, the Stock Exchange, the RBI, RoC and / or other authorities, as in force 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 10, 2015 All the investors applying in a public issue shall use only Application Supported by Blocked Amount (ASBA) facility for making payment.*

*Further vide the said circular Registrar to the Issue and Depository Participants have been also authorised to collect the Application forms. Investors may visit the official websites of the concerned stock exchanges for any information on operationalization of this facility of form collection by Registrar to the Issue and DPs as and when the same is made available.*

### **RANKING OF EQUITY SHARES**

The Equity Shares being issued in the Issue shall be subject to the provisions of the Companies Act, 2013 and the Memorandum and Articles of Association and shall rank *pari-passu* with the existing Equity Shares of our Company including rights in respect of dividend. The Allottees in receipt of Allotment of Equity Shares under this Issue will be entitled to dividends and other corporate benefits, if any, declared by our Company after the date of Allotment in accordance with Companies Act, 1956 and Companies Act, 2013 and the Articles. For further details, please refer to the section titled “*Main Provisions of Articles of Association*” beginning on page number 299 of this Prospectus.

### **MODE OF PAYMENT OF DIVIDEND**

The declaration and payment of dividend will be as per the provisions of Companies Act, SEBI Listing Regulations and recommended by the Board of Directors at their discretion and approved by the shareholders and will depend on a number of factors, including but not limited to earnings, capital requirements and overall financial condition of our Company. Our Company shall pay dividend, if declared, to our Shareholders as per the provisions of the Companies Act, SEBI Listing Regulations and our Articles of Association. For further details, please refer to the chapter titled “*Dividend Policy*” on page 156 of this Prospectus.

### **FACE VALUE AND ISSUE PRICE PER SHARE**

The face value of the Equity Shares is Rs. 10 each and the Issue Price is Rs. 40 per Equity Share.

The Issue Price is determined by our Company in consultation with the Lead Manager and is justified under the chapter titled “*Basis for Issue Price*” beginning on page 90 of this Prospectus. At any given point of time there shall be only one denomination for the Equity Shares.

### **COMPLIANCE WITH SEBI ICDR REGULATIONS**

Our Company shall comply with all requirements of the SEBI (ICDR) Regulations. Our Company shall comply with all disclosure and accounting norms as specified by SEBI from time to time.

### **RIGHTS OF THE EQUITY SHAREHOLDERS**

Subject to applicable laws, rules, regulations and guidelines and the Articles of Association, the Equity shareholders shall have the following rights:

- Right to receive dividend, if declared;

- Right to receive Annual Reports & notices to members;
- Right to attend general meetings and exercise voting rights, unless prohibited by law;
- Right to vote on a poll either in person or by proxy;
- Right to receive offer for rights shares and be allotted bonus shares, if announced;
- Right to receive surplus on liquidation subject to any statutory and preferential claim being satisfied;
- Right of free transferability subject to applicable law, including any RBI rules and regulations; and
- Such other rights, as may be available to a shareholder of a listed public limited company under the Companies Act, 2013, the terms of the SEBI Listing Regulations and the Memorandum and Articles of Association of our Company.

For a detailed description of the main provisions of the Articles of Association relating to voting rights, dividend, forfeiture and lien and/or consolidation / splitting, please refer to the section titled “*Main Provisions of Articles of Association*” beginning on page number 299 of this Prospectus.

#### **MINIMUM APPLICATION VALUE, MARKET LOT AND TRADING LOT**

In terms of Section 29 of the Companies Act, 2013, the Equity Shares shall be allotted only in dematerialised form. As per the existing SEBI ICDR Regulations, the trading of the Equity Shares shall only be in dematerialised form for all investors.

The trading of the Equity Shares will happen in the minimum contract size of 3000 Equity Shares and the same may be modified by NSE from time to time by giving prior notice to investors at large. Allocation and allotment of Equity Shares through this Issue will be done in multiples of 3000 Equity Shares 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.

Allocation and allotment of Equity Shares through this issue will be done in multiples of 3000 Equity Share subject to a minimum allotment of 3000 Equity Shares to the successful applicants.

#### **MINIMUM NUMBER OF ALLOTTEES**

Further in accordance with the Regulation 106R of SEBI (ICDR) Regulations, the minimum number of allottees in this Issue shall be 50 shareholders. In case the minimum number of prospective allottees is less than 50, no allotment will be made pursuant to this Issue and the monies blocked by the SCSBs shall be unblocked within 4 working days of closure of issue.

#### **JURISDICTION**

Exclusive jurisdiction for the purpose of this Issue is with the competent courts / authorities in Mumbai, Maharashtra, India.

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

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



Where two or more persons are registered as the holders of any Equity Shares, they shall be deemed to hold the same as joint - tenants with benefits of survivorship.

#### **NOMINATION FACILITY TO INVESTOR**

In accordance with Section 72 of the Companies Act, 2013 the sole applicant, or the first applicant along with other joint applicant, may nominate any one person in whom, in the event of the death of sole applicant or in case of joint applicant, death of all the Applicant, as the case may be, the Equity Shares Allotted, if any, shall vest. A person, being a nominee, entitled to the Equity Shares by reason of the death of the original holder(s), shall be entitled to the same advantages to which he or she would be entitled if he or she were the registered holder of the Equity Share(s). Where the nominee is a minor, the holder(s) may make a nomination to appoint, in the prescribed manner, any person to become entitled to equity share(s) in the event of his or her death during the minority. A nomination shall stand rescinded upon a sale of equity share(s) by the person nominating. A buyer will be entitled to make a fresh nomination in the manner prescribed. Fresh nomination can be made only on the prescribed form available on request at our Registered Office or with the registrar and transfer agents of our Company.

Any person who becomes a nominee by virtue of the provisions of Section 72 of the Companies Act, 2013 shall upon the production of such evidence as may be required by the Board, elect either:

- a. to register himself or herself as the holder of the Equity Shares; or
- b. to make such transfer of the Equity Shares, as the deceased holder could have made.

Further, the Board may at any time give notice requiring any nominee to choose either to be registered himself or herself or to transfer the Equity Shares, and if the notice is not complied with within a period of ninety days, the Board may thereafter withhold payment of all dividends, bonuses or other moneys payable in respect of the Equity Shares, until the requirements of the notice have been complied with.

Since the Allotment of Equity Shares in the Issue will be made only in dematerialized mode there is no need to make a separate nomination with our Company. Nominations registered with respective depository participant of the applicant would prevail. If the investor wants to change the nomination, they are requested to inform their respective depository participant.

#### **PERIOD OF OPERATION OF SUBSCRIPTION LIST OF PUBLIC ISSUE**

<b>ISSUE OPENS ON</b>	July 06, 2017
<b>ISSUE CLOSES ON</b>	July 10, 2017

#### **MINIMUM SUBSCRIPTION**

This Issue is not restricted to any minimum subscription level. This Issue is 100% underwritten.

As per Section 39 of the Companies Act, 2013, if the “stated minimum amount” has not be subscribed and the sum payable on application is not received within a period of 30 days from the date of the Prospectus, the application money has to be returned within such period as may be prescribed. If our Company does not receive the 100% subscription of the Issue through the Offer Document including devolvement of Underwriters, if any, within sixty (60) days from the date of closure of the issue, our Company shall forthwith refund the entire subscription amount received. If there is a delay beyond eight days after our Company becomes liable to pay the amount, our Company and every officer in default will, on and from the expiry of this period, be jointly and severally liable to repay the money, with interest or other penalty as prescribed under the SEBI Regulations, the Companies Act 2013 and applicable law.

The minimum number of allottees in this Issue shall be 50 shareholders. In case the minimum number of prospective allottees is less than 50, no allotment will be made pursuant to this Issue and the monies blocked by the SCSBs shall be unblocked within 6 working days of closure of issue.

Further, in accordance with Regulation 106(Q) of the SEBI (ICDR) Regulations, our Company shall ensure that the minimum application size in terms of number of specified securities shall not be less than Rs.1,00,000/- (Rupees One Lakh) per application.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be 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.

#### **MIGRATION TO MAIN BOARD**

Our company may migrate to the Main board of NSE from NSE EMERGE on a later date subject to the following:

- a. *If the Paid up Capital of our Company is likely to increase above Rs. 2,500 lakhs by virtue of any further issue of capital by way of rights issue, preferential issue, bonus issue etc. (which has been approved by a special resolution through postal ballot wherein the votes cast by the shareholders other than the Promoter in favour of the proposal amount to at least two times the number of votes cast by shareholders other than promoter shareholders against the proposal and for which the company has obtained in-principal approval from the Main Board), our Company shall apply to NSE for listing of its shares on its Main Board subject to the fulfilment of the eligibility criteria for listing of specified securities laid down by the Main Board.*

OR

- b. *If the Paid up Capital of our company is more than Rs. 1,000 lakhs but below Rs. 2,500 lakhs, our Company may still apply for migration to the Main Board and if the Company fulfils the eligible criteria for listing laid by the Main Board and if the same has been approved by a special resolution through postal ballot wherein the votes cast by the shareholders other than the Promoter in favour of the proposal amount to at least two times the number of votes cast by shareholders other than promoter shareholders against the proposal.*

#### **MARKET MAKING**

The shares offered through this Issue are proposed to be listed on the EMERGE Platform of NSE (SME Exchange) with compulsory market making through the registered Market Maker of the SME Exchange for a minimum period of three years or such other time as may be prescribed by the Stock Exchange, from the date of listing of shares offered through the Prospectus. For further details of the market making arrangement please refer to chapter titled “General Information” beginning on page 60 of this Prospectus.

#### **ARRANGEMENT FOR DISPOSAL OF ODD LOT**

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 EMERGE Platform of NSE.

#### **AS PER THE EXTANT POLICY OF THE GOVERNMENT OF INDIA, OCBs CANNOT PARTICIPATE IN THIS ISSUE.**

The current provisions of the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000, provides a general permission for the NRIs, FIIs and foreign venture capital investors registered with SEBI to invest in shares of Indian companies by way of subscription in an IPO. However, such investments would be subject to other investment restrictions under the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000, RBI and / or SEBI regulations as may be applicable to such investors. The Allotment of the Equity Shares to Non-Residents shall be subject to the conditions, if any, as may be prescribed by the Government of India/RBI while granting such approvals.



## **OPTION TO RECEIVE SECURITIES IN DEMATERIALIZED FORM**

In accordance with the SEBI ICDR Regulations, Allotment of Equity Shares to successful applicants will only be in the dematerialized form. Applicants will not have the option of Allotment of the Equity Shares in physical form. The Equity Shares on Allotment will be traded only on the dematerialized segment of the Stock Exchange. Allottees shall have the option to re-materialise the Equity Shares, if they so desire, as per the provisions of the Companies Act and the Depositories Act.

## **NEW FINANCIAL INSTRUMENTS**

The Issuer Company is not issuing any new financial instruments through this Issue.

## **APPLICATION BY ELIGIBLE NRIs, FPI'S REGISTERED WITH SEBI, VCF'S, AIF'S REGISTERED WITH SEBI AND QFI**

It is to be understood that there is no reservation for Eligible NRIs or FPIs or VCFs or AIFs registered with SEBI. Such Eligible NRIs, QFIs, FPIs, VCFs or AIFs registered with SEBI will be treated on the same basis with other categories for the purpose of Allocation.

## **RESTRICTIONS, IF ANY ON TRANSFER AND TRANSMISSION OF EQUITY SHARES**

Except for lock-in of the pre issue Equity Shares and Promoter's minimum contribution in the Issue as detailed in the chapter "*Capital Structure*" beginning on page 69 of this Prospectus, and except as provided in the Articles of Association, there are no restrictions on transfers of Equity Shares. There are no restrictions on transmission of shares and on their consolidation / splitting except as provided in the Articles of Association. For details please refer to the section titled "Main Provisions of the Articles of Association" beginning on page 299 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 Manager do not accept any responsibility for the completeness and accuracy of the information stated hereinabove. Our Company and the Lead Manager are not liable to inform the investors of any amendments or modifications or changes in applicable laws or regulations, which may occur after the date of the Prospectus. Applicants are advised to make their independent investigations and ensure that the number of Equity Shares Applied for do not exceed the applicable limits under laws or regulations.*

## 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 face value capital exceeds ten crores rupees, shall issue specified securities to the public and propose to list the same on the Small and Medium Enterprise Exchange ("NSE Emerge", 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 246 and 253 of this Prospectus.

### Following is the issue structure:

Public Issue aggregating 54,00,000 Equity Shares of face value of Rs. 10/- each fully paid (the 'Equity Shares') for cash at a price of Rs. 40/- per Equity Share (including a premium of Rs. 30/- per Equity Share) aggregating Rs. 2160.00 lakhs ('the Issue') by our Company.

The Issue comprises a Net Issue to Public aggregating 51,12,000 Equity Shares ('the Net Issue'), a reservation of 2,88,000/- Equity Shares for subscription by the designated Market Maker ('the Market Maker Reservation Portion')

Particulars	Net Issue to Public*	Market Maker Reservation Portion
<b>Number of Equity Shares</b>	Aggregating 51,12,000 Equity Shares	Aggregating 2,88,000 Equity Shares
<b>Percentage of Issue Size available for allocation</b>	94.67 % of the Issue Size	5.33% of Issue Size
<b>Basis of Allotment / Allocation if respective category is oversubscribed</b>	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 the chapter titled " <i>Issue Procedure–Basis of Allotment</i> " on page 253 of this Prospectus.	Firm allotment
<b>Mode of Application</b>	All the applicants shall make the application (Online or Physical) through the ASBA Process only	Through ASBA Process only
<b>Minimum Application</b>	<b><u>For QIB and NII:</u></b> Such number of Equity Shares in multiples of 3000 Equity Shares such that the Application Value exceeds Rs. 2,00,000/- <b><u>For Retail Individuals</u></b> 3000 Equity shares	3000 Equity Shares of Face Value of Rs. 10/- each
<b>Maximum Application Size</b>	<b><u>For Other than Retail Individual Investors</u></b> For all other investors the maximum application size is the Net Issue to public subject to limits the investor has to adhere under the relevant laws and regulations as applicable.  <b><u>For Retail Individuals:</u></b> 3000 Equity Shares	3000 Equity Shares of Face Value of Rs. 10/- each

Particulars	Net Issue to Public*	Market Maker Reservation Portion
<b>Mode of Allotment</b>	Compulsorily in dematerialized mode.	Compulsorily in dematerialized mode.
<b>Trading Lot</b>	3000 Equity Shares	3000 Equity Shares, however the Market Maker may accept odd lots if any in the market as required under the SEBI ICDR Regulations
<b>Terms of payment</b>	The Applicant shall have sufficient balance in the ASBA account at the time of submitting application and the amount will be blocked anytime within two day of the closure of the Issue.	

\* As per Regulation 43(4) of the SEBI (ICDR) Regulations, in an issue made other than through the book building process, allocation in the net offer to public category shall be made as follows:

- a. Minimum fifty percent to retail individual investors; and
- b. Remaining to:
  - a. Individual applicants other than retail individual investors; and
  - b. 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 clauses (a) or (b) may be allocated to applicants in the other category.

*Explanation: for the purpose of sub-regulation (4), if the retail individual investor category is entitled to more than fifty per cent on proportionate basis, the retail individual investors shall be allocated that higher percentage.*

## WITHDRAWAL OF THE ISSUE

In accordance with the SEBI ICDR Regulations, our Company, in consultation with Lead Manager, reserves the right not to proceed with this Issue at any time after the Issue Opening Date, but before our Board meeting for Allotment, without assigning reasons thereof. However, if our Company withdraws the Issue after the Issue Closing Date, we will give reason thereof within two days by way of a public notice which shall be published in the same newspapers where the pre-Issue advertisements were published. Further, the Stock Exchange shall be informed promptly in this regard and the Lead Manager, through the Registrar to the Issue, shall notify the SCSBs to unblock the Bank Accounts of the Applicants within one Working Day from the date of receipt of such notification. In case our Company withdraws the Issue after the Issue Closing Date and subsequently decides to undertake a public offering of Equity Shares, our Company will file a fresh offer document with the stock exchange where the Equity Shares may be proposed to be listed. Notwithstanding the foregoing, the Issue is also subject to obtaining the final listing and trading approvals of the Stock Exchange, which the Company shall apply for after Allotment. In terms of the SEBI Regulations, the retail individual investors may either withdraw or revise their bids until closure of the issue and investors other than retail individual investors shall not be allowed to withdraw nor lower the size of their Application after the Issue Closing Date.

## ISSUE PROGRAMME

<b>ISSUE OPENS ON</b>	July 6, 2017
<b>ISSUE CLOSES ON</b>	July 10, 2017

Applications and any revisions to the same will be accepted only between 10.00 a.m. and 5.00 p.m. (Indian Standard Time) during the Issue Period at the Application Centres mentioned in the Application Form, or in the case of ASBA Applicants, at the Designated Bank Branches except that on the Issue Closing Date applications will be accepted only between 10.00 a.m. and 3.00 p.m. (Indian Standard Time). Applications will be accepted only on Working Days, i.e., 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 (the “General Information Document”) included below under section “**Part B – General Information Document**”, which highlights the key rules, processes and procedures applicable to public issues in general in accordance with the provisions of the Companies Act, 1956, the Securities Contracts (Regulation) Act, 1956, the Securities Contracts (Regulation) Rules, 1957 and the SEBI Regulations. 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 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 Exchange and the Lead Manager. Please refer to the relevant provisions of the General Information Document which are applicable to the Issue.

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. Our Company and the Lead Manager would not be liable for any amendment, modification or change in applicable law, which may occur after the date of this Prospectus. 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 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.

### 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 via Fixed Price Process.

Applicants are required to submit their Applications to the Application Collecting Intermediaries. In case of QIB Applicants, the 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 the Equity Shares will be allotted to all successful Applicants only in dematerialized form. Applicants will not have the option of being Allotted Equity Shares in physical form.

Further the Equity shares on allotment shall be traded only in the dematerialized segment of the Stock Exchange, as mandated by SEBI.

### APPLICATION FORM

Pursuant to SEBI Circular dated January 01, 2016 and bearing No. CIR/CFD/DIL/1/2016, the Application Form has been standardized. Also please note that pursuant to SEBI Circular CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 investors in public issues can only invest through ASBA Mode. The prescribed colours of the Application Form for various investors applying in the Issue are as follows:

Category	Colour of Application Form
Resident Indians and Eligible NRIs applying on a non-repatriation basis	White
Eligible NRIs, FVCIs, FIIs, their Sub-Accounts (other than Sub-	Blue

Accounts which are foreign corporates or foreign individuals bidding under the QIB Portion), applying on a repatriation basis (ASBA )	
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Applicants shall only use the specified Application Form for the purpose of making an application in terms of the 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. ASBA Bidders are required to ensure that the ASBA Account has sufficient credit balance as an amount equivalent to the full Bid Amount can be blocked by the SCSB at the time of submitting the Bid.

Applicants are required to submit their applications only through any of the following Application Collecting Intermediaries

- i)* an SCSB, with whom the bank account to be blocked, is maintained
- ii)* a syndicate member (or sub-syndicate member)
- iii)* a stock broker registered with a recognised stock exchange (and whose name is mentioned on the website of the stock exchange as eligible for this activity) ('broker')
- iv)* a depository participant ('DP') (whose name is mentioned on the website of the stock exchange as eligible for this activity)
- v)* 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)
- vi)* Closure time of the Stock Exchange bidding platform for entry of applications.
- vii)* Applications not uploaded by bank, would be rejected.
- viii)* In case of discrepancy in the data entered in the electronic book viz. a viz. 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.
- ix)* Standardization of cut-off time for uploading of application on the issue closing date.
- x)* A standard cut-off time of 3.00 PM for acceptance of applications.
- xi)* A standard cut-off time of 4.00 PM for uploading of applications received from non retail applicants i.e. QIBs, HNIs and employees (if any).
- xii)* A standard cut-off time of 5.00 PM for uploading of applications received from only retail applicants, which may be extended up to such time as deemed fit by Stock Exchanges after taking into account the total number of applications received up to the closure of timings and reported by LM to the Exchange within half an hour of such closure

The aforesaid intermediaries shall, at the time of receipt of application, give an acknowledgement to investor, by giving the counter foil or specifying the application number to the investor, as a proof of having accepted the application form, in physical or electronic mode, respectively.

The upload of the details in the electronic bidding system of stock exchange will be done by:

For applications submitted by investors to SCSB:	After accepting the form, SCSB shall capture and upload the relevant details in the electronic bidding system as specified by the stock exchange(s) and may begin blocking funds available in the bank account specified in the form, to the extent of the application money specified.
For applications submitted by investors to intermediaries	After accepting the application form, respective intermediary shall capture and upload the relevant details in the electronic bidding system of stock exchange(s). Post uploading, they shall forward a schedule as per prescribed format along with the application forms to designated branches of the respective

other than SCSBs:	SCSBs for blocking of funds within one day of closure of Issue.
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Upon completion and submission of the Application Form to Application Collecting intermediaries, the Applicants are deemed to have authorised our Company to make the necessary changes in the Prospectus, without prior or subsequent notice of such changes to the 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, and offices of 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 National Stock Exchange of India Limited i.e. [www.nseindia.com](http://www.nseindia.com).

#### **WHO CAN APPLY?**

In addition to the category of Applicants set forth under “*General Information Document for Investing in Public Issues – Category of Investors Eligible to participate in an Issue*”, the following persons are also eligible to invest in the Equity Shares under all applicable laws, regulations and guidelines, including:

- FPIs and sub-accounts registered with SEBI other than Category III foreign portfolio investor;
- Category III foreign portfolio investors, which are foreign corporates or foreign individuals only under the Non Institutional Investors (NIIs) category;
- Scientific and / or industrial research organisations authorised in India to invest in the Equity Shares.

#### **OPTION TO SUBSCRIBE IN THE ISSUE**

- a. As per Section 29(1) of the Companies Act, 2013 allotment of Equity Shares shall be in dematerialised form only.
- b. The Equity Shares, on allotment, shall be traded on the Stock Exchange in demat segment only.
- c. A single application from any investor shall not exceed the investment limit/minimum number of specified securities that can be held by him / her / it under the relevant regulations / statutory guidelines and applicable law.

#### **PARTICIPATION BY ASSOCIATED / AFFILIATES OF LEAD MANAGER AND SYNDICATE MEMBERS**

The Lead Manager and the Syndicate Members, if any, shall not be allowed to purchase in this Issue in any manner, except towards fulfilling their underwriting obligations. However, the associates and affiliates of the Lead Manager and the Syndicate Members, if any, may purchase the Equity Shares in the Issue, either in the QIB Category or in the Non-Institutional Category as may be applicable to such Applicants, where the allocation is on a proportionate basis and such subscription may be on their own account or on behalf of their clients.

#### **APPLICATION BY INDIAN PUBLIC INCLUDING ELIGIBLE NRI'S APPLYING ON NON REPATRIATION**

Application must be made only in the names of individuals, limited companies or statutory corporations / institutions and not in the names of minors (other than minor having valid depository accounts as per demographic details provided by the depository), foreign nationals, non residents (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 (HUF), 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 may make payments by inward remittance in foreign exchange through normal banking channels or by debits to NRE / FCNR accounts as well as NRO accounts.



## APPLICATIONS BY ELIGIBLE NRI'S / RFPI's ON REPATRIATION BASIS

Application Forms have been made available for eligible NRIs at our Registered Office and at the Registered Office of the Lead manager. Eligible NRI Applicants may please note that only such applications as are accompanied by payment in free foreign exchange shall be considered for Allotment under the reserved category. The eligible NRIs who intend to make payment through Non Resident Ordinary (NRO) accounts shall use the Forms meant for Resident Indians and should not use the forms meant for the 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 days from the date of issue of shares for 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 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. 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 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' (IFCs) by the Reserve Bank of India; (l) 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 these regulations, holds 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 for 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:
    - i. Any transactions in derivatives on a recognized stock exchange;
    - ii. Short selling transactions in accordance with the framework specified by the Board;
    - iii. 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;
    - iv. 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:
- i. 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;
  - ii. 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;
  - iii. 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;
  - iv. Sale of securities, in accordance with the Securities and Exchange Board of India (Buy-back of securities) Regulations, 1998;
  - v. divestment of securities in response to an offer by Indian Companies in accordance with Operative Guidelines for Disinvestment of Shares by 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;
  - vi. 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;
  - vii. Any transaction in securities pursuant to an agreement entered into with 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;
  - viii. Any other transaction specified by the 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 regulations, can be held in non-dematerialized form, if such shares cannot be dematerialized.

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.

4. 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.
5. 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.
6. 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.
7. 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 derivative 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 (Foreign Institutional Investors) Regulations, 1995 before commencement of SEBI (Foreign Portfolio Investors) Regulations, 2014 shall be deemed to have been issued under the corresponding provisions of SEBI (Foreign Portfolio Investors) Regulations, 2014.

The purchase of equity shares of each company by a single foreign portfolio investor or an investor group shall be below 10% of the total issued capital of the company.

A FII or its subaccount which holds a valid certificate of registration shall, subject to 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.

A qualified foreign investor may continue to buy, sell or otherwise deal in securities subject to the provisions of the SEBI (Foreign Portfolio Investors) Regulations, 2014, for a period of one year from the date of commencement of the aforesaid regulations, or until it obtains a certificate of registration as foreign portfolio investor, whichever is earlier.

#### **APPLICATIONS BY MUTUAL FUNDS**

No Mutual Fund scheme shall invest more than 10% of its net asset value in equity shares or equity related instruments of any single company provided that the limit of 10% shall not be applicable for investments in index funds or sector or industry specific funds. No Mutual Fund under all its schemes should own more than 10% of any company's paid-up share capital carrying voting rights.

With respect to Applications by Mutual Funds, a certified copy of their SEBI registration certificate must be lodged with the Application Form. Failing this, our Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason thereof.

In case of a mutual fund, a separate Application can be made in respect of each scheme of the mutual fund registered with SEBI and such Applications in respect of more than one scheme of the mutual fund will not be treated as multiple applications provided that the Applications clearly indicate the scheme concerned for which the Application has been made.

The Applications made by the asset management companies or custodians of Mutual Funds shall specifically state the names of the concerned schemes for which the Applications are made.

#### **APPLICATIONS BY LIMITED LIABILITY PARTNERSHIPS**

In case of Applications made by limited liability partnerships registered under the Limited Liability Partnership Act, 2008, a certified copy of certificate of registration issued under the Limited Liability

Partnership Act, 2008, must be attached to the Application Form. Failing this, our Company reserves the right to reject any Application without assigning any reason thereof. Limited liability partnerships can participate in the Issue only through the ASBA process.

#### **APPLICATIONS BY INSURANCE COMPANIES**

In case of Applications made by insurance companies registered with the IRDA, a certified copy of certificate of registration issued by IRDA must be attached to the Application Form. Failing this, our Company reserves the right to reject any Application without assigning any reasons thereof.

The exposure norms for insurers, prescribed under the Insurance Regulatory and Development Authority (Investment) Regulations, 2000 (the 'IRDA Investment Regulations'), are broadly set forth below:

1. *Equity shares of a company*: The least of 10% of the investee company's subscribed capital (face value) or 10% of the respective fund in case of life insurer or 10% of investment assets in case of general insurer or reinsurer;
2. *The entire group of the investee company*: not more than 15% of the respective funds in case of life insurer or 15% of investment assets in case of general insurer or re-insurer or 15% of the investment assets in all companies belonging to the group, whichever is lower; and
3. *The industry sector in which the investee company operates*: not more than 15% of the fund of a life insurer or a general insurer or a re-insurer or 15% of the investment asset, whichever is lower.

The maximum exposure limit, in case of investment in equity shares, cannot exceed the lower of an amount of 10% of the investment assets of a life insurer or a general insurer and the amount calculated under points (1), (2) and (3) above, as the case may be.

#### **APPLICATIONS UNDER POWER OF ATTORNEY**

In case of Applications made pursuant to a power of attorney or by limited companies, corporate bodies, registered societies, FPI's, Mutual Funds, insurance companies and provident funds with minimum corpus of Rs. 2500 Lakhs (subject to applicable law) and pension funds with a minimum corpus of Rs. 2500 Lakhs, a certified copy of the power of attorney or the relevant resolution or authority, as the case may be, along with a certified copy of the Memorandum of Association and Articles of Association and/ or bye laws must be lodged along with the 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.

With respect to 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, the Company reserves the right to accept or reject any application, in whole or in part, in either case without assigning any reasons thereof.

In case of Applications made pursuant to a power of attorney by Mutual Funds, a certified copy of the power of attorney or the relevant resolution or authority, as the case may be, along with the certified copy of their SEBI registration certificate must be lodged along with the Application Form. Failing this, the Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason thereof.

In case of Applications made by insurance companies registered with the Insurance Regulatory and Development Authority, a certified copy of certificate of registration issued by Insurance Regulatory and Development Authority must be lodged along with the Application Form. Failing this, the Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason thereof.

In case of Applications made pursuant to a power of attorney by FIIs, 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 their

SEBI registration certificate must be lodged along with the Application Form. Failing this, the Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason thereof.

In case of Applications made by provident funds with minimum corpus of Rs. 25 crore (subject to applicable law) and pension funds with minimum corpus of Rs. 25 crore, a certified copy of certificate from a Chartered Accountant certifying the corpus of the provident fund/ pension fund must be lodged along with the Application Form. Failing this, the Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason thereof.

#### **APPLICATIONS BY PROVIDENT FUNDS/PENSION FUNDS**

In case of Applications made by provident funds with minimum corpus of Rs. 25 Crore (subject to applicable law) and pension funds with minimum corpus of Rs. 25 Crore, a certified copy of certificate from a chartered accountant certifying the corpus of the provident fund/ pension fund must be lodged along with the 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.

The above information is given for the benefit of the Applicants. Our Company and Lead Manager 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 any single application from them does not exceed the applicable investment limits or maximum number of the Equity Shares that can be held by them under applicable law or regulation or as specified in the Prospectus.

#### **INFORMATION FOR THE APPLICANTS**

1. Our Company 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 one regional newspaper with wide circulation. This advertisement shall be in the prescribed format.
2. Our Company will file the Prospectus with the RoC at least three days before the Issue Opening Date.
3. Any Applicant who would like to obtain the Prospectus and/or the Application Form can obtain the same from our Registered Office.
4. Applicants who are interested in subscribing to the Equity Shares should approach any of the Application Collecting Intermediaries or their authorised agent(s).
5. Applications should be submitted in the prescribed Application Form only. Application Forms submitted to the SCSBs should bear the stamp of the respective intermediary to whom the application form is submitted. Application Forms submitted directly to the SCSBs should bear the stamp of the SCSBs and/or the Designated Branch. Application Forms submitted by Applicants whose beneficiary account is inactive shall be rejected.
6. The Application Form can be submitted either in physical or electronic mode, to the Application Collecting Intermediaries. Further Application Collecting Intermediary may provide the electronic mode of collecting either through an internet enabled collecting and banking facility or such other secured, electronically enabled mechanism for applying and blocking funds in the ASBA Account.
7. 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 participants 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.

8. The Applicants may note that in case the PAN, the DP ID and Client ID mentioned in the Application Form and entered into the electronic collecting system of the Stock Exchange by the Bankers to the Issue or the SCSBs do not match with PAN, the DP ID and Client ID available in the Depository database, the Application Form is liable to be rejected.

## METHOD AND PROCESS OF APPLICATIONS

1. Applicants are required to submit their applications during the Issue Period only through the following Application Collecting intermediary
  - i) an SCSB, with whom the bank account to be blocked, is maintained
  - ii) a syndicate member (or sub-syndicate member), if any
  - iii) a stock broker registered with a recognised stock exchange (and whose name is mentioned on the website of the stock exchange as eligible for this activity) (‘broker’)
  - iv) a depository participant (‘DP’) (whose name is mentioned on the website of the stock exchange as eligible for this activity)
  - v) 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 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.

The Intermediaries shall accept applications from all Applicants and they shall have the right to vet the applications during the Issue Period in accordance with the terms of the Prospectus.

The Applicant cannot apply on another Application Form after one Application Form has been submitted to Application Collecting intermediaries. Submission of a second Application Form to either the same or to another Application Collecting Intermediary 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 of time prior to the allocation or Allotment of Equity Shares in this Issue.

2. The 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.
3. The upload of the details in the electronic bidding system of stock exchange and post that blocking of funds will be done by as given below

For applications submitted by investors to SCSB:	After accepting the form, SCSB shall capture and upload the relevant details in the electronic bidding system as specified by the stock exchange(s) and may begin blocking funds available in the bank account specified in the form, to the extent of the application money specified.
For applications submitted by investors to intermediaries other than SCSBs:	After accepting the application form, respective intermediary shall capture and upload the relevant details in the electronic bidding system of stock exchange(s). 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.

4. Upon receipt of the Application Form directly or through other intermediary, submitted whether in physical or electronic mode, the Designated Branch of the SCSB shall verify if sufficient funds equal to the Application Amount are available in the ASBA Account, as mentioned in the

Application Form, and If sufficient funds are not available in the ASBA Account the application will be rejected.

5. 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 ASBA Applicant on request.
6. 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.

### **APPLICATIONS BY BANKING COMPANIES**

The investment limit for banking companies in non-financial services companies as per the Banking Regulation Act, 1949, as amended (the “Banking Regulation Act”), and the Master Circular dated July 1, 2015 – Para-banking Activities, 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.

### **APPLICATIONS BY SCSBs**

SCSBs participating in the Issue are required to comply with the terms of the SEBI circulars dated September 13, 2012 and January 2, 2013. Such SCSBs are required to ensure that for making applications on their own account using ASBA, they should have a separate account in their own name with any other SEBI registered SCSBs. Further, such account shall be used solely for the purpose of making application in public issues and clear demarcated funds should be available in such account for such applications.

### **ISSUANCE OF A CONFIRMATION NOTE (“CAN”) AND ALLOTMENT IN THE OFFER**

1. Upon approval of the basis of allotment by the Designated Stock Exchange, the Lead Manager or Registrar to the Issue shall send to the SCSBs a list of their Applicants who have been allocated Equity Shares in the Issue.
2. The Registrar will then dispatch a CAN to their Applicants who have been allocated Equity Shares in the Issue. The dispatch of a CAN shall be deemed a valid, binding and irrevocable contract for the Applicant

### **TERMS OF PAYMENT**

#### **Terms of Payment**

The entire Issue price of Rs. 40/- per share is payable on application. In case of allotment of lesser number of Equity Shares than the number applied, The Registrar to the Issue shall instruct the SCSBs to unblock the excess amount blocked.



SCSBs will transfer the amount as per the instruction received by the Registrar to the Public Issue Bank Account post finalisation of Basis of Allotment. The balance amount after transfer to the Public Issue Account shall be unblocked by the SCSBs.

The 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, the Bankers to the Issue and the Registrar to the Issue to facilitate collections from the Applicants.

### **Payment mechanism for Applicants**

The Applicants shall specify the bank account number in the Application Form and the SCSBs shall block an amount equivalent to the Application Amount in the bank account specified in the Application Form. The SCSB shall keep the Application Amount in the relevant bank account blocked until withdrawal / rejection of the application or receipt of instructions from the Registrar to unblock the Application Amount. However, 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 finalisation of the Basis of Allotment in the Issue and consequent transfer of the Application Amount to the Public Issue Account, or until withdrawal / failure of the Issue or until rejection of the application by the ASBA Applicant, as the case may be.

Please note that pursuant to the applicability of the directions issued by SEBI vide its circular bearing number CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015, all Investors are applying in this Issue shall mandatorily make use of ASBA facility.

### **ELECTRONIC REGISTRATION OF APPLICATIONS**

1. The Application Collecting Intermediary will register the applications using the on-line facilities of the Stock Exchange.
2. The Application Collecting Intermediary will undertake modification of selected fields in the application details already uploaded before 1.00 p.m of the next Working day from the Issue Closing Date.
3. The Application collecting Intermediary shall be responsible for any acts, mistakes or errors or omission and commissions in relation to, (i) the applications accepted by them, (ii) the applications uploaded by them, (iii) the applications accepted but not uploaded by them or (iv) In case the applications accepted and uploaded by any Application Collecting Intermediary other than SCSBs, the Application form along with relevant schedules shall be sent to the SCSBs or the Designated Branch of the relevant SCSBs for blocking of funds and they will be responsible for blocking the necessary amounts in the ASBA Accounts. In case of Application accepted and Uploaded by SCSBs, the SCSBs or the Designated Branch of the relevant SCSBs will be re will be responsible for blocking the necessary amounts in the ASBA Accounts (v) Application accepted and uploaded but not sent to SCSBs for blocking of funds.
4. Neither the Lead Managers nor our Company, shall be responsible for any acts, mistakes or errors or omission and commissions in relation to, (i) the applications accepted by any Application Collecting Intermediaries, (ii) the applications uploaded by any Application Collecting Intermediaries or (iii) the applications accepted but not uploaded by the Application Collecting Intermediaries.
5. The Stock Exchange will offer an electronic facility for registering applications for the Issue. This facility will be available at the terminals of the Application Collecting Intermediaries and their authorized agents during the Issue Period. The Designated Branches or the Agents of the Application Collecting 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 Application Collecting

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 Application Collecting Intermediaries shall enter the following information pertaining to the Applicants into in the on-line system:
  - Name of the Applicant;
  - IPO Name;
  - Application Form number;
  - Investor Category;
  - PAN (of First Applicant, if more than one Applicant);
  - DP ID of the demat account of the Applicant;
  - Client Identification Number of the demat account of the Applicant;
  - Numbers of Equity Shares Applied for;
  - Bank account number.
7. In case of submission of the Application by an Applicant through the Electronic Mode, the Applicant shall complete the above-mentioned details and mention the bank account number, except the Electronic Application Form number which shall be system generated.
8. The aforesaid intermediaries shall, at the time of receipt of application, give an acknowledgement to investor, by giving the counter foil or specifying the application number to the investor, as a proof of having accepted the application form, in physical or electronic mode, respectively. The registration of the Application by the Application Collecting Intermediaries does not guarantee that the Equity Shares shall be allocated / allotted either by our Company.
9. Such acknowledgment will be non-negotiable and by itself will not create any obligation of any kind.
10. 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 Application Collecting Intermediaries shall have no right to reject applications, except on technical grounds.
11. 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.
12. The Application Collecting Intermediaries will be given time till 1.00 P.M on the next working day after the Issue Closing Date to verify the PAN No, DP ID and Client ID uploaded in the online IPO system during the Issue Period, after which the Registrar to the Issue will receive this data from the Stock Exchange and will validate the electronic application details with Depository's records. In case no corresponding record is available with Depositories, which matches the three parameters, namely DP ID, Client ID and PAN, then such applications are liable to be rejected.
13. The details uploaded in the online IPO system shall be considered as final and Allotment will be based on such details for ASBA applications.

## **ALLOCATION OF EQUITY SHARES**

1. The Issue is being made through the Fixed Price Process wherein 2,88,000 Equity Shares shall be reserved for Market Maker 51,12,000 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 a proportionate basis to Non Retail Applicants.

2. Under-subscription, if any, in any category, would be allowed to be met with spill-over from any other category or combination of categories at the discretion of our Company in consultation with the Lead Managers and the Stock Exchange.
3. Allocation to Non-Residents, including Eligible NRIs, Eligible OFIs, 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 the 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 has entered into an Underwriting agreement dated May 12, 2017
- b) A copy of the Prospectus will be filed with the RoC in terms of Section 26 of the Companies Act.

#### **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.

#### **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 Depository Participant and 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 your bank account maintained with the SCSB before submitting the Application Form to the respective Designated Branch of the SCSB;
- 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 you have requested for and receive a acknowledgement;
- All applicants should submit their applications through the ASBA process only.

##### ***Dont's:***



- Do not apply for lower than the minimum Application size;
- Do not apply at 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 Banker to of the Issue.
- 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 same to the Application Collecting Intermediaries. Do not fill in 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 colour prescribed for another category of Applicant
- Do not submit more than five Application Forms per ASBA Account.

Do not make Applications if you are not competent to contract under the Indian Contract Act, 1872, as amended.

### **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 Application Collecting Intermediaries. Application Forms, which do not bear the stamp of the Application Collecting 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 NSE i.e. [www.nseindia.com](http://www.nseindia.com) With a view to broadbase the reach of Investors by substantially 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 from January 01, 2016. The List of RTA and DPs centres for collecting the application shall be disclosed is available on the websites of 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 Nos, 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 from 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 Application Collecting 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 Application Collecting Intermediary where the Application was submitted thereof and a copy of the acknowledgement slip.

Investors can contact the Compliance Officer or the Registrar to the Issue in case of any pre Issue or post Issue related problems such as non-receipt of letters of allotment, credit of allotted shares in the respective beneficiary accounts, etc.

#### **DISPOSAL OF APPLICATIONS 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 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 EMERGE Platform of NSE where the Equity Shares are proposed to be listed are taken within 6 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 4 (four) and 6 (Six) days respectively of the Issue Closing Date;
2. The Company will provide adequate funds required for dispatch of Allotment Advice to the Registrar to the Issue.

#### **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.”*

#### **UNDERTAKINGS BY THE COMPANY**

Our Company undertake as follows:

1. That the complaints received in respect of the Issue shall be attended expeditiously and satisfactorily;
2. That all steps will be taken for the completion of the necessary formalities for listing and commencement of trading at all the stock exchanges where the Equity Shares are proposed to be listed on sixth working day from issue closure date;
3. That the funds required for making refunds as per the modes disclosed or dispatch of allotment advice by registered post or speed post shall be made available to the Registrar to the Issue by us;
4. That our Promoter's 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 refunded on account of non-listing, under-subscription etc.; and
6. That adequate arrangement shall be made to collect all Applications Supported by Blocked Amount while finalizing the Basis of Allotment.

#### **UTILIZATION OF THE ISSUE PROCEEDS**

The Board of Directors of our Company certifies that:

1. all monies received out of the Issue shall be transferred to a separate Bank Account other than the bank account referred to in Sub-Section (3) of Section 40 of the Companies Act, 2013;
2. details of all monies utilized out of the Issue referred above shall be disclosed and continue to be disclosed till the time any part of the Issue Proceeds remains unutilised, under an appropriate separate head in the balance sheet of our Company indicating the purpose for which such monies have been utilized;
3. details of all unutilized monies out of the Issue, if any, shall be disclosed under an appropriate separate head in the balance sheet of our Company indicating the form in which such unutilized monies have been invested; and
4. Our Company shall comply with the requirements of the SEBI Listing Regulations in relation to the disclosure and monitoring of the utilisation of the proceeds of the Issue.

Our Company shall not have recourse to the Issue Proceeds until the approval for listing and trading of the Equity Shares from all the Stock Exchanges where listing is sought has been received.

The Lead manager undertakes that the complaints or comments received in respect of the Issue shall be attended by our Company expeditiously and satisfactory.

#### **EQUITY SHARES IN DEMATERIALISED FORM WITH NSDL OR CDSL**

To enable all shareholders of the Company to have their shareholding in electronic form, the Company has entered into the following tripartite agreements with the Depositories and the Registrar and Share Transfer Agent:

- a. Agreement dated June 7, 2017 among NSDL, the Company and the Registrar to the Issue;
- b. Agreement dated May 20, 2017 among CDSL, the Company and the Registrar to the Issue;

The Company's shares bear ISIN no INE632X01014 .

## PART B

### GENERAL INFORMATION DOCUMENT FOR INVESTING IN PUBLIC ISSUES

*This General Information Document highlights the key rules, processes and procedures applicable to public issues in accordance with the provisions of the Companies Act, 2013 (to the extent notified and in effect), the Companies Act, 1956 (without reference to the provisions thereof that have ceased to have effect upon the notification of the Companies Act, 2013), the Securities Contracts (Regulation) Act, 1956, the Securities Contracts (Regulation) Rules, 1957 and the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009. Bidders/Applicants should not construe the contents of this General Information Document as legal advice and should consult their own legal counsel and other advisors in relation to the legal matters concerning the Issue. For taking an investment decision, the Bidders/Applicants should rely on their own examination of the Issuer and the Issue, and should carefully read the 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 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**”).

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 the SEBI (ICDR) Regulations, wherein as per:

- Regulation 106M (1): An issuer whose post-issue face value Capital does not exceed ten crore rupees shall issue its specified securities in accordance with provisions of this Chapter.
- Regulation 106M (2): An issuer, whose post issue face value capital, is more than ten crore rupees and upto twenty five crore rupees, may also issue 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 (the “Companies Act”), The Securities Contracts (Regulation) Rules, 1957 (the “SCRR”), industry-specific regulations, if any, and other applicable laws for the time being in force. Following are the eligibility requirements for making an SME IPO under Regulation 106M (2) of Chapter XB of SEBI (ICDR) Regulation:

- (a) In accordance with regulation 106(P) of the SEBI (ICDR) Regulations, Issue has to be 100% underwritten and the LM has to underwrite at least 15% of the total issue size.
- (b) In accordance with Regulation 106(R) of the SEBI (ICDR) Regulations, total number of proposed allottees in the Issue shall be greater than or equal to fifty, otherwise, the entire application money will be refunded forthwith. If such money is not repaid within eight days from the date the company becomes liable to repay it, than the Company and every officer in default shall, on and from expiry of eight days, be liable to repay such application money, with interest as prescribed under section 73 of the Companies Act, 1956
- (c) In accordance with Regulation 106(O) the SEBI (ICDR) Regulations, Company is not required to file any Offer Document with SEBI nor has SEBI issued any observations on the Offer Document. The Lead Managers 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 Regulations, 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 Company has track record of distributable profits in terms of section 123 of Companies Act, 2013 for at least two years out of immediately preceding three financial years and each financial year has to be a period of at least 12 months. Extraordinary income will not be considered for the purpose of calculating distributable profits. The net worth of the Company is positive.
- (f) The Post-issue paid up capital of the Company shall not be more than Rs. 25 Crore
- (g) The Issuer shall mandatorily facilitate trading in demat securities.
- (h) The Issuer should not been referred to Board for Industrial and Financial Reconstruction.
- (i) No petition for winding up is admitted by a court or a liquidator has not been appointed of competent jurisdiction against the Company.
- (j) No material regulatory or disciplinary action should have been taken by any stock exchange or regulatory authority in the past three years against the Issuer.
- (k) The Company should have a website.
- (l) Issuer shall also comply with all the other requirements as laid down for such an Issue under Chapter XB of SEBI (ICDR) Regulations and subsequent circulars and guidelines issued by SEBI and the Stock Exchange.

As per Regulation 106(M)(3) of SEBI (ICDR) Regulations, 2009, the provisions of Regulations 6(1), 6(2), 6(3), Regulation 8, Regulation 9, Regulation 10, Regulation 25, Regulation 26, Regulation 27 and Sub regulation (1) of Regulation 49 of SEBI (ICDR) Regulations, 2009 shall not apply to this Issue.

Thus Company is eligible for the Issue in accordance with regulation 106M (2) and other provisions of chapter XB of the SEBI (ICDR) Regulations as the post issue face value capital

does not exceed Rs. 1,000 lakhs. Company also complies with the eligibility conditions laid by the SME Platform of NSE for listing of our Equity Shares As per Regulation 106(M)(3) of SEBI (ICDR) Regulations, 2009, 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 this Issue.

Thus Company is eligible for the Issue in accordance with regulation 106M(2) and other provisions of chapter XB of the SEBI (ICDR) Regulations as the post issue face value capital exceeds Rs. 1,000 lakhs but does not exceed Rs 2,500 lakhs. Company also complies with the eligibility conditions laid by the EMERGE 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 the Draft Prospectus (in case of a fixed price Issue) and determine the price at a later date before registering the Prospectus with the Registrar of Companies.

The cap on the Price Band should be less than or equal to 120% of the Floor Price. The Issuer shall announce the Price or the Floor Price or the Price Band through advertisement in all newspapers in which the pre-issue advertisement was given at least five Working Days before the 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 shall 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(s).

### **2.5 MIGRATION TO MAIN BOARD**

Our company may migrate to the Main board of NSE from NSE EMERGE on a later date subject to the following:

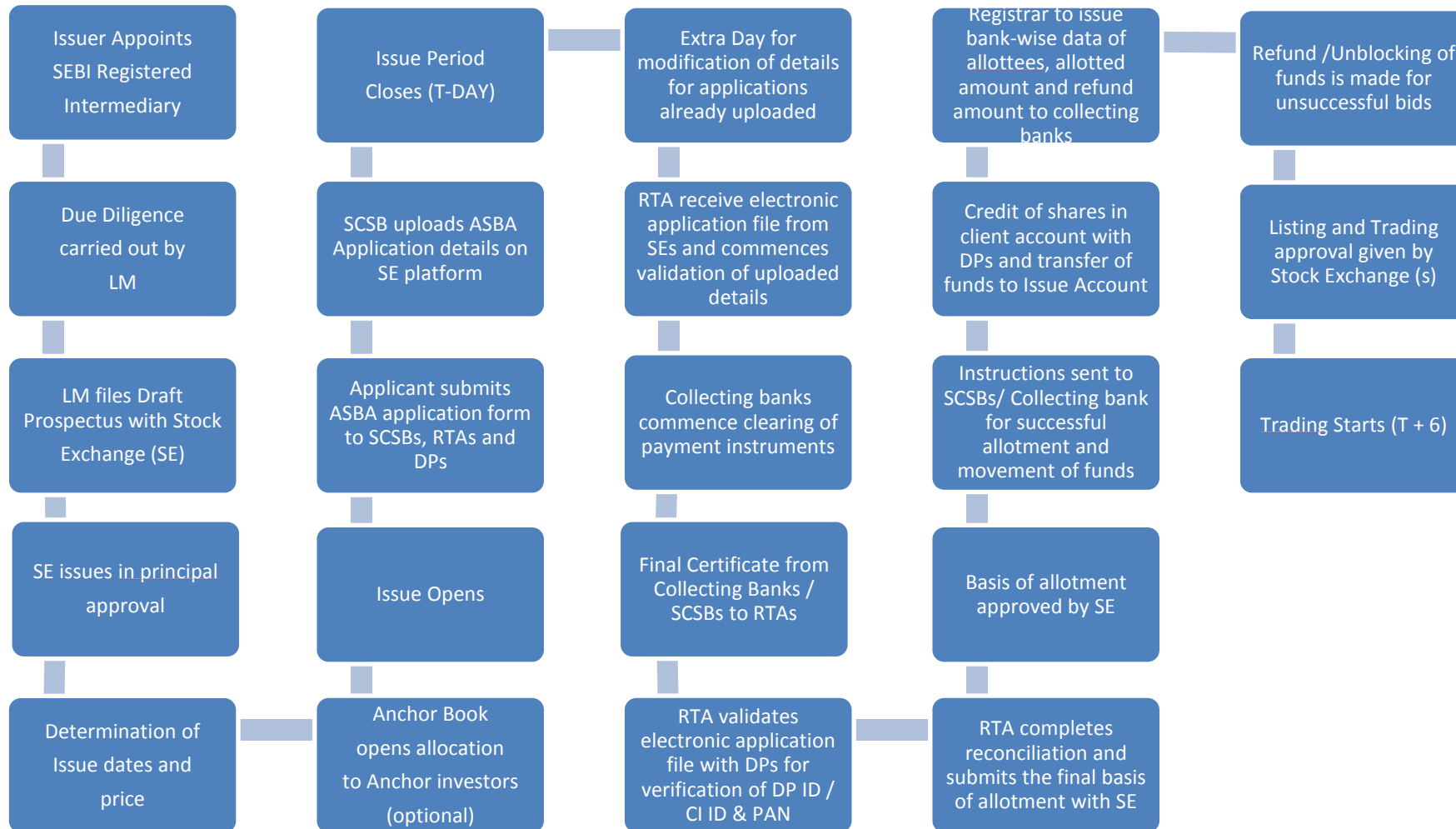
- a. *If the Paid up Capital of our Company is likely to increase above Rs. 2,500 lakhs by virtue of any further issue of capital by way of rights issue, preferential issue, bonus issue etc. (which has been approved by a special resolution through postal ballot wherein the votes cast by the shareholders other than the Promoter in favour of the proposal amount to at least two times the number of votes cast by shareholders other than promoter shareholders against the proposal and for which the company has obtained in-principal approval from the Main Board), our Company shall apply to NSE for listing of its shares on its Main Board subject to the fulfilment of the eligibility criteria for listing of specified securities laid down by the Main Board.*

*OR*

- b. *If the Paid up Capital of our company is more than Rs. 1,000 lakhs but below Rs. 2,500 lakhs, our Company may still apply for migration to the Main Board and if the Company fulfils the eligible criteria for listing laid by the Main Board and if the same has been approved by a special resolution through postal ballot wherein the votes cast by the shareholders other than the Promoter in favour of the proposal amount to at least two times the number of votes cast by shareholders other than promoter shareholders against the proposal*

## 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 Applicants, such as NRIs, FPIs and FVCIs may not be allowed to apply in the Issue or to hold Equity Shares, in excess of certain limits specified under applicable law. Applicants are requested to refer to the Prospectus for more details.

Subject to the above, an illustrative list of Applicants is as follows:

1. Indian nationals resident in India who are not incompetent to contract in single or joint names (not more than three) or in the names of minors through natural/legal guardian;
2. Hindu Undivided Families or HUFs, in the individual name of the Karta. The Applicant should specify that the application is being made in the name of the HUF in the Application Form as follows: Name of Sole or First applicant: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the Karta. Applications by HUFs would be considered at par with those from individuals;
3. Companies, Corporate Bodies and Societies registered under the applicable laws in India and authorized to invest in the Equity Shares under their respective constitutional and charter documents;
4. Mutual Funds registered with SEBI;
5. Eligible NRIs on a repatriation basis or on a non-repatriation basis, subject to applicable laws. NRIs other than Eligible NRIs are not eligible to participate in this Issue;
6. Indian Financial Institutions, scheduled commercial banks, regional rural banks, co-operative banks (subject to RBI permission, and the SEBI Regulations and other laws, as applicable);
7. FPIs other than Category III FPI; VCFs and FVCIs registered with SEBI
8. Limited Liability Partnerships (LLPs) registered in India and authorized to invest in equity shares;
9. State Industrial Development Corporations;
10. Trusts/societies registered under the Societies Registration Act, 1860, as amended, or under any other law relating to Trusts and who are authorized under their constitution to hold and invest in equity shares;
11. Scientific and/or Industrial Research Organizations authorized to invest in equity shares;
12. Insurance Companies registered with IRDA;
13. Provident Funds and Pension Funds with minimum corpus of Rs. 2,500 Lakhs and who are authorized under their constitution to hold and invest in equity shares;
14. Multilateral and Bilateral Development Financial Institutions;
15. National Investment Fund set up by resolution no. F. No. 2/3/2005-DDII dated November 23, 2005 of Government of India published in the Gazette of India;
16. Insurance funds set up and managed by army, navy or air force of the Union of India or by Department of Posts, India;
17. Any other person eligible to apply in this Issue, under the laws, rules, regulations, guidelines and policies applicable to them and under Indian laws

As per the existing regulations, OCBs cannot participate in this Issue.

### **SECTION 4: APPLYING IN THE ISSUE**

**Fixed Price Issue:** Applicants should only use the specified Application Form either bearing the stamp of Application Collecting Intermediaries as available or downloaded from the websites of the Stock Exchanges. Application Forms are available Designated Branches of the SCSBs, at the



registered office of the Issuer and at the registered office of 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 colour of the Application Form for various categories of Applicants is as follows:

Category	Colour of the Application
Resident Indian, Eligible NRIs applying on a non-repatriation basis	White
NRIs, FVCIs, FPIs, their Sub-Accounts (other than Sub-Accounts which are foreign corporate(s) or foreign individuals applying under the QIB), on a repatriation basis	Blue
Anchor Investors (where applicable) & Applicants applying in the reserved category	Not Applicable

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 rematerialised subsequent to allotment.

#### **4.1 INSTRUCTIONS FOR FILING THE 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 the Application Form are liable to be rejected.

Instructions to fill each field of the Application Form can be found on the reverse side of the Application Form. Specific instructions for filling various fields of the Resident Application Form and Non-Resident Application Form and samples are provided below.

The samples of the Application Form for resident Applicants and the Application Form for non-resident Applicants are reproduced below:

# R Application Form

<b>COMMON APPLICATION FORM</b>	<b>SHRENİK LIMITED - INITIAL PUBLIC ISSUE - R</b> <small>Registered Office: D-87, Nava Anaj Bazar Opp. Anupam Cinema, Khokhura, Ahmedabad 380008 Gujarat. Tel. No.: 079-22931502; Fax No.: Not Available.                  Corporate Office: 505-508, 10/11, Beside Maridia Plaza, CG Road, Ahmedabad-380009, Gujarat, Tel. No.: 079-48990505, 079-26440505, Fax: 079-26400810                  Email: info@shrenik.co.in; Website: www.shrenik.co.in; CIN: U51396GJ2012PLC073061.</small>	<b>FOR RESIDENT INDIANS INCLUDING RESIDENT QIBs, ELIGIBLE NRIs APPLYING ON A NON-REPATRIATION BASIS</b>
	To, The Board of Directors SHRENİK LIMITED	<b>FIXED PRICE SME ISSUE</b> <b>ISIN - INE632X01014</b>
		Date: _____ Application Form No. _____
BROKER'S / SCSB / DP / RTA STAMP & CODE   SCSB / BANK BRANCH STAMP & CODE	SUB-BROKER'S / SUB-AGENT'S STAMP & CODE   SCSB / BANK BRANCH SERIAL NO.	<b>1. NAME &amp; CONTACT DETAILS OF SOLE/FIRST APPLICANT</b> Mr. / Ms. _____ Age _____ Address _____ Email _____ Tel. No (with STD code) / Mobile _____
		<b>2. PAN OF SOLE/FIRST APPLICANT</b> _____
<b>3. INVESTOR'S DEPOSITORY ACCOUNT DETAILS</b> <input type="checkbox"/> NSDL <input type="checkbox"/> CDSL For NSDL enter 8 Digit DP ID followed by 8 Digit Client ID / For CDSL enter 16 Digit Client ID.		<b>6. INVESTOR STATUS</b> <input type="checkbox"/> Individual(s)    - IND <input type="checkbox"/> Hindu Undivided Family*    - HUF <input type="checkbox"/> Bodies Corporate    - CO <input type="checkbox"/> Banks & Financial Institutions    - FI <input type="checkbox"/> Mutual Funds    - MF <input type="checkbox"/> Non-Resident Indians (Non-Repatriation Basis)    - NRI <input type="checkbox"/> National Investment Funds    - NIF <input type="checkbox"/> Insurance Funds    - IF <input type="checkbox"/> Insurance Companies    - IC <input type="checkbox"/> Venture Capital Funds    - VCF <input type="checkbox"/> Alternative Investment Funds    - AIF <input type="checkbox"/> Others (Please Specify)    - OTH
<b>4. APPLICATION DETAILS</b> No. of Equity Shares of ₹ 10/- each applied at the Issue Price i.e. at ₹ 40/- per share <sup>1 &amp; 2</sup> (In Figures) _____ (In Words) _____		<b>5. CATEGORY</b> <input type="checkbox"/> Retail Individual <input type="checkbox"/> Non-Institutional <input type="checkbox"/> QIB
		<small>*HUF Should apply only through Karta (Application by HUF would be treated on par with Individual)</small>
<b>7. PAYMENT DETAILS</b> Amount Blocked (₹ in Figures) _____ (₹ in words) _____ ASBA Bank A/c No. _____ Bank Name & Branch _____		PAYMENT OPTION : Full Payment
<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 APPLICATION FORM AND THE ATTACHED ABRIDGED PROSPECTUS AND THE GENERAL INFORMATION DOCUMENT FOR INVESTING IN THE PUBLIC ISSUE ("GID") AND HEREBY AGREE AND CONFIRM THE "INVESTOR UNDERTAKING" AS GIVEN OVERLEAF. I/WE (ON BEHALF OF JOINT APPLICANTS, IF ANY) HEREBY CONFIRM THAT I/WE HAVE READ THE INSTRUCTIONS FOR FILLING UP THE APPLICATION FORM GIVEN OVERLEAF.</small>		
<b>8 A. SIGNATURE OF SOLE / FIRST APPLICANT</b>  Date: _____, 2017	<b>8 B. SIGNATURE OF ASBA BANK ACCOUNT HOLDER(S) (AS PER BANK RECORDS)</b> If I/we authorize the SCSB to do all acts as are necessary to make the Application in the issue 1) _____ 2) _____ 3) _____	<b>BROKER / SCSB / DP / RTA STAMP</b> (Acknowledging upload of Application in Stock Exchange System)
TEAR HERE		
	<b>SHRENİK LIMITED - INITIAL PUBLIC ISSUE - R</b>	Acknowledgement Slip for Broker/SCSB/DP/RTA    Application Form No. _____
		PAN of Sole/First Bidder _____
DPID / CLID _____	Amount Blocked (₹ in figures) _____ Bank & Branch _____ ASBA Bank A/c No. _____ Received from Mr./Ms. _____ Telephone / Mobile _____ Email _____	Stamp & Signature of SCSB Branch
TEAR HERE		
<b>SHRENİK LIMITED - INITIAL PUBLIC ISSUE - R</b>	In Figures    In Words No. of Equity Shares _____ Amount Blocked (₹) _____ ASBA Bank A/c No.: _____ Bank & Branch: _____	Stamp & Signature of Broker / SCSB / DP / RTA Name of Sole / First Applicant _____ <b>Acknowledgement Slip for Applicant</b> Application Form No. _____ <b>SHRENİK LIMITED 1</b>

TEAR HERE

PLEASE FILL IN BLOCK LETTERS

TEAR HERE

www.sapprints.com

# NR Application Form

<b>COMMON APPLICATION FORM</b>	<b>SHRENIK LIMITED - INITIAL PUBLIC ISSUE - NR</b> <small>Registered Office: D/87, Nava Anaj Bazar Opp. Annapam Cinema, Kholkhara, Ahmedabad 380008 Gujarat. Tel. No.: 079-22931502; Fax No.: Not Available. Corporate Office: 505-508, 10/11, Beside: Marula Plaza, CG Road, Ahmedabad-380009, Gujarat, Tel. No.: 079-48990505, 079-26440505, Fax: 079-26406810 Email: info@shrenik.co.in; Website: www.shrenik.co.in; CIN: U51396GZ012PLC073061.</small>	<b>FOR NON-RESIDENT INCLUDING ELIGIBLE NRIs, FPIs or FVCI's ETC. APPLYING ON A REPATRIATION BASIS</b>
	To, The Board of Directors SHRENIK LIMITED	Date: _____
	<b>FIXED PRICE SME ISSUE</b> <b>ISIN - INE632X01014</b>	Application Form No. _____
BROKER'S / SCSB / DP / RTA STAMP & CODE	SUB-BROKER'S / SUB-AGENT'S STAMP & CODE	<b>1. NAME &amp; CONTACT DETAILS OF SOLE/FIRST APPLICANT</b>
		Mr. / Ms. _____ Age _____
		Address _____
SCSB / BANK BRANCH STAMP & CODE	SCSB / BANK BRANCH SERIAL NO.	Email _____
		Tel. No (with STD code) / Mobile _____
		<b>2. PAN OF SOLE/FIRST APPLICANT</b>
		_____
<b>3. INVESTOR'S DEPOSITORY ACCOUNT DETAILS</b> <input type="checkbox"/> NSDL <input type="checkbox"/> CDSL		<b>6. INVESTOR STATUS</b>
For NSDL enter 8 Digit DP ID followed by 8 Digit Client ID / For CDSL enter 16 Digit Client ID.		<input type="checkbox"/> Non-Resident Indians (Repatriation basis)    NRI
<b>4. APPLICATION DETAILS</b>		<input type="checkbox"/> FII or Sub Account not a Corporate / Foreign Individual    FII
No. of Equity Shares of ₹ 10/- each applied at the Issue Price i.e. at ₹ 40/- per share <sup>1 &amp; 2</sup>		<input type="checkbox"/> FII Sub Account Corporate/ Individual    FII SA
(In Figures) _____	(In Words) _____	<input type="checkbox"/> Foreign Venture Capital Investor    FVCI
		<input type="checkbox"/> Foreign Portfolio Investors    FPI
<sup>1</sup> Please note that applications must be made in minimum of 3000 shares and further multiples of 3000 shares accordingly.		<input type="checkbox"/> Others (Please Specify)    OTH
<sup>2</sup> Please note that the trading of equity shares will be only in dematerialised mode on the NSE Emerge Platform.		
<b>7. PAYMENT DETAILS</b>		<b>PAYMENT OPTION : Full Payment</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 APPLICATION FORM AND THE ATTACHED ABRIDGED PROSPECTUS AND THE GENERAL INFORMATION DOCUMENT FOR INVESTING IN THE PUBLIC ISSUE ("GID") AND HEREBY AGREE AND CONFIRM THE "INVESTOR UNDERTAKING" AS GIVEN OVERLEAF. I/WE (ON BEHALF OF JOINT APPLICANTS, IF ANY) HEREBY CONFIRM THAT I/WE HAVE READ THE INSTRUCTIONS FOR FILLING UP THE APPLICATION FORM GIVEN OVERLEAF.</small>		
<b>8 A. SIGNATURE OF SOLE / FIRST APPLICANT</b>	<b>8 B. SIGNATURE OF ASBA BANK ACCOUNT HOLDER(S) (AS PER BANK RECORDS)</b>	<b>BROKER / SCSB / DP / RTA STAMP</b> (Acknowledging upload of Application in Stock Exchange System)
Date: _____, 2017	I/We authorize the SCSB to do all acts as are necessary to make the Application in the issue	
	1) _____	
	2) _____	
	3) _____	
TEAR HERE		
	<b>SHRENIK LIMITED - INITIAL PUBLIC ISSUE - NR</b>	Application Form No. _____
	Acknowledgement Slip for Broker/SCSB/DP/RTA	
DPID / CLID _____	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		
<b>SHRENIK LIMITED - INITIAL PUBLIC ISSUE - NR</b>	<b>Stamp &amp; Signature of Broker / SCSB / DP / RTA</b>	<b>Name of Sole / First Applicant</b>
No. of Equity Shares _____		_____
Amount Paid (₹) _____		_____
ASBA Bank A/c No.: _____		
Bank & Branch: _____		
	<b>Acknowledgement Slip for Applicant</b>	
	Application Form No. _____	
	<b>SHRENIK LIMITED</b>	<b>1</b>

#### **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 in case the communication sent to the address available with the Depositories are returned undelivered or are not available. The contact details provided in the Application Form may be used by the Issuer, the members of the Syndicate, the Registered Broker and the Registrar to the Issue only for correspondence(s) related to an Issue and for no other purposes.
- (b) **Joint Applications:** In the case of Joint Applications, the Applications should be made in the name of the Applicant whose name appears first in the Depository account. The name so entered should be the same as it appears in the Depository records. The signature of only such first Applicant would be required in the Application Form and such first Applicant would be deemed to have signed on behalf of the joint holders. All payments may be made out in favour of the Applicant whose name appears in the Application Form or the Revision Form and 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.
- (c) **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 of the said Act.

- (d) **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 sending allocation advice and for other correspondence(s) related to an Issue.
- (d) Applicants are, advised to update any changes to their Demographic Details as available in the records of the Depository Participant to ensure accuracy of records. Any delay resulting from failure to update the Demographic Details would be at the Applicants’ sole risk.

#### **4.1.4 FIELD NUMBER 4: APPLICATION DETAILS**

- (a) The Issuer may mention Price in the Draft Prospectus. However a prospectus registered with RoC contains one price.
- (b) Minimum And Maximum Application Size

##### **i. For Retail Individual Applicants**

The Application must be for a minimum of 3000 Equity Shares. As the Application Price payable by the Retail Individual Applicants cannot exceed Rs. 2,00,000, they can make Application for only minimum Application size i.e. for 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 Rs. 2,00,000 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 in Applications, the Non Institutional Applicants, who are individuals, have to ensure that the Application Amount is greater than Rs. 2,00,000 for being considered for allocation in the Non Institutional Portion. Applicants are advised to ensure that any single Application from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or regulation or as specified in the Prospectus.

- (c) **Multiple Applications:** An Applicant should submit only one Application Form. Submission of a second Application Form to either the same or to any other Application Collecting Intermediary and duplicate copies of Application Forms bearing the same application number shall be treated as multiple applications and are liable to be rejected.
- (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 FPI 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. Applications 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 Applications clearly indicate the scheme for which the Application has been made.
  - iii. Applications 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**

- i. The categories of applicants identified as per the SEBI ICDR Regulations, 2009 for the purpose of Application, allocation and allotment in the Issue are RIIs, individual applicants other than RII's and other investors (including corporate bodies or institutions, irrespective of the number of specified securities applied for).
- ii. An Issuer can make reservation for certain categories of Applicants permitted under the SEBI ICDR Regulations, 2009. For details of any reservations made in the Issue, applicants may refer to the Prospectus.
- iii. 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, 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 7: PAYMENT DETAILS**

- (a) Please note that, providing bank account details in the space provided in the Application Form is mandatory and Applications that do not contain such details are liable to be rejected.

##### **4.1.7.1 Payment instructions for Applicants**

- (a) Applicants may submit the Application Form in physical mode to the Application Collecting Intermediaries.
- (b) Applicants should specify the Bank Account number in the Application Form.
- (c) Applicants should ensure that the Application Form is also signed by the ASBA Account holder(s) if the Applicant is not the ASBA Account holder;
- (d) Applicants shall note that that for the purpose of blocking funds under ASBA facility clearly demarcated funds shall be available in the account.
- (e) From one Bank Account, a maximum of five Application Forms can be submitted.
- (f) Applicants 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. In case Applicant applying through Application Collecting Intermediary other than SCSB, after verification and upload, the Application Collecting Intermediary shall send to SCSB for blocking of fund.
- (g) Upon receipt of the Application Form, the Designated Branch of the SCSB may verify if sufficient funds equal to the Application Amount are available in the ASBA Account, as mentioned in the Application Form.
- (h) If sufficient funds are available in the ASBA Account, the SCSB may block an amount equivalent to the Application Amount mentioned in the Application Form and may upload the details on the Stock Exchange Platform.
- (i) 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.
- (j) Upon submission of a completed Application Form each ASBA 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.
- (k) The Application Amount may remain blocked in the aforesaid ASBA Account until finalisation of the Basis of allotment and subsequent transfer of the Application Amount against the Allotted Equity Shares, if any, 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.
- (l) SCSBs applying in the Issue must apply through an ASBA Account maintained with any other SCSB; else their Applications are liable to be rejected.

##### **4.1.8 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 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/ partial/ non allotment ASBA Applications, if any, along with reasons for rejection and details of withdrawn or unsuccessful Applications, if any, to

enable the SCSBs to unblock the respective bank accounts.

- (b) On the basis of instructions from the Registrar to the Issue, the SCSBs may transfer the requisite amount against each successful ASBA Application to the Public Issue Account and may unblock the excess amount, if any, in the ASBA Account.
- (c) In the event of withdrawal or rejection of the Application Form and for unsuccessful Applications, the Registrar to the Issue may give instructions to the SCSB to unblock the Application Amount in the relevant ASBA Account within 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) RIIs, Employees and Retail Individual Shareholders are only eligible for discount. For Discounts offered in the Issue, applicants may refer to the Prospectus.
- (c) The Applicants entitled to the applicable Discount in the Issue may make payment for an amount i.e. the Application Amount less Discount (if applicable).

#### **4.1.8.2 Additional Payment 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 applications by NRIs applying on a repatriation basis, payment shall not be accepted out of NRO Account.

#### **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 authorisation has to be provided to the SCSB via the electronic mode, for blocking funds in the ASBA Account equivalent to the application amount mentioned in the Application Form.
- (d) Applicants must note that Application Form without signature of Applicant and /or ASBA Account holder is liable to be rejected.

#### **4.1.10 ACKNOWLEDGEMENT AND FUTURE COMMUNICATION**

Applicants should ensure that they receive the acknowledgment duly signed and stamped by Application Collecting Intermediaries, 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, unblocking of funds, the Applicants should contact the Registrar to the Issue.
  - ii. In case of applications submitted to the Designated Branches of the SCSBs, the Applicants should contact the relevant Designated Branch of the SCSB.
  - 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 First Applicant, Application Form number, Applicants' DP ID, Client ID, PAN, number of Equity Shares applied for, amount blocked on application And ASBA



Account Number and Name.

- ii. 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 amount upwards) who has registered his or her interest in the Equity Shares for a particular number of shares is free to revise number of shares applied using revision forms available separately.
- (b) RII may revise/withdraw their applications till closure of the Issue period
- (c) Revisions can be made only in the desired number of Equity Shares 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 SCSB through which such Applicant had placed the original Application.

A sample Revision form is reproduced below:

Other than instructions already highlighted at paragraph 4.1 above, point wise instructions regarding filling up various fields of the Revision Form are provided below:

**Revision Form – R**

<b>COMMON APPLICATION FORM</b>	<b>SHRENIK LIMITED - INITIAL PUBLIC ISSUE - REVISION - R</b> Registered Office: D87, Nara Anaj Bazar Opp. Anupam Cinema, Khokhara, Ahmedabad 380008 Gujarat, Tel. No.: 079-22931502; Fax No.: Not Available. Corporate Office: 505-508, 10/11, Beside Marula Plaza, CG Road, Ahmedabad-380009, Gujarat, Tel. No.: 079-48990505, 079-26440505, Fax: 079-26440810 Email: info@shrenik.co.in; Website: www.shrenik.co.in; CIN: U51396GJ2012PLC073061.	<b>FOR RESIDENT INDIANS, INCLUDING RESIDENT QIBs AND ELIGIBLE NRIs APPLYING ON A NON-REPATRIATION BASIS</b>
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To, **The Board of Directors SHRENIK LIMITED**
**FIXED PRICE SME ISSUE**
**ISIN - INE632X01014**
Date: \_\_\_\_\_

**Application Form No.** \_\_\_\_\_

BROKER'S / SCSB / DP / RTA STAMP & CODE	SUB-BROKER'S / SUB-AGENT'S STAMP & CODE	<b>1. NAME &amp; CONTACT DETAILS OF SOLE/FIRST APPLICANT</b> Mr / Ms _____ _____ _____ Age _____ Td. No (with STD code) / Mobile _____
SCSB / BANK BRANCH STAMP & CODE	SCSB / BANK BRANCH SERIAL NO.	<b>2. PAN OF SOLE/FIRST APPLICANT</b> _____ <b>3. INVESTOR'S DEPOSITORY ACCOUNT DETAILS</b> <input type="checkbox"/> NSDL <input type="checkbox"/> CDSL _____ For NSDL enter 8 digit DP ID followed by 8 digit Client ID / For CDSL enter 16 digit Client ID

PLEASE CHANGE MY APPLICATION  PHYSICAL

**4. FROM (as per last Application or Revision)**

Options	No. of Equity Shares applied (Application must be in multiples of 3000 equity shares)								Price per Equity Share (₹) 40/- (In Figures)											
	(In Figures)								Issue Price				Discount, if any				Net Price			
	7	6	5	4	3	2	1	0	4	3	2	1	4	3	2	1	4	3	2	1
Option 1																				
(OR) Option 2																				
(OR) Option 3																				

**5. TO (Revised Application)**

Options	No. of Equity Shares applied (Application must be in multiples of 3000 equity shares)								Price per Equity Share (₹) 40/- (In Figures)											
	(In Figures)								Issue Price				Discount, if any				Net Price			
	7	6	5	4	3	2	1	0	4	3	2	1	4	3	2	1	4	3	2	1
Option 1																				
(OR) Option 2																				
(OR) Option 3																				

**7. PAYMENT DETAILS** **PAYMENT OPTION : Full Payment**

Amount Blocked (₹ in Figures) \_\_\_\_\_ (₹ in words) \_\_\_\_\_

ASBA Bank A/c No. \_\_\_\_\_

Bank Name & Branch \_\_\_\_\_

I/WE (ON BEHALF OF JOINT APPLICANTS, IF ANY), HEREBY CONFIRM THAT I/WE HAVE READ AND UNDERSTOOD THE TERMS AND CONDITIONS OF THIS APPLICATION FORM AND THE ATTACHED FORM 2A AND THE GENERAL INFORMATION DOCUMENT FOR INVESTING IN THE PUBLIC ISSUE ("GID") AND HEREBY AGREE AND CONFIRM THE "INVESTOR UNDERTAKING" AS GIVEN OVER LEAF I/WE (ON BEHALF OF JOINT APPLICANTS, IF ANY) HEREBY CONFIRM THAT I/WE HAVE READ THE INSTRUCTIONS FOR FILLING UP THE APPLICATION FORM GIVEN OVER LEAF.

<b>8 A. SIGNATURE OF SOLE / FIRST APPLICANT</b>  Date: _____, 2017	<b>8 B. SIGNATURE OF ASBA BANK ACCOUNT HOLDER(S) (AS PER BANK RECORDS)</b> I/We authorize the SCSB to do all acts as are necessary to make the Application in the issue 1) _____ 2) _____ 3) _____	<b>BROKER / SCSB / DP / RTA STAMP (Acknowledging upload of Application in Stock Exchange System)</b>  _____
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TEAR HERE

	<b>SHRENIK LIMITED - INITIAL PUBLIC ISSUE - REVISION - R</b>	<b>Acknowledgement Slip for Broker/SCSB/DP/RTA</b>	<b>Application Form No.</b> _____
DPID / CLID	_____	PAN	_____
Additional Amount Blocked (₹ in figures)	_____	Bank & Branch	_____
ASBA Bank A/c No.	_____	SCSB Branch Stamp & Signature	
Received from Mr./Ms.	_____		
Telephone / Mobile	_____		

TEAR HERE

<b>SHRENIK LIMITED - INITIAL PUBLIC ISSUE - REVISION - R</b>	<table border="1" style="width:100%; border-collapse: collapse;"> <tr> <th></th> <th>Option 1</th> <th>Option 2</th> <th>Option 3</th> </tr> <tr> <td>No. of Equity Shares</td> <td></td> <td></td> <td></td> </tr> <tr> <td>Issue Price</td> <td></td> <td></td> <td></td> </tr> <tr> <td>Additional Amount Paid (₹)</td> <td></td> <td></td> <td></td> </tr> </table>		Option 1	Option 2	Option 3	No. of Equity Shares				Issue Price				Additional Amount Paid (₹)				<b>Stamp &amp; Signature of Broker / SCSB / DP / RTA</b> _____	<b>Name of Sole / First Applicant</b> _____ _____
	Option 1	Option 2	Option 3																
No. of Equity Shares																			
Issue Price																			
Additional Amount Paid (₹)																			
ASBA Bank A/c No.: _____		<b>Acknowledgment Slip for Applicant</b>																	
Bank & Branch: _____		<b>Application Form No.</b> _____																	

**Revision Form – NR**

<b>COMMON APPLICATION FORM</b>	<b>SHRENIK LIMITED - INITIAL PUBLIC ISSUE - REVISION - NR</b> Registered Office: D-67, Nava Anaj Bazar Opp. Anupam Cinema, Khokhara, Ahmedabad 380006 Gujarat, Tel. No.: 079-22931502; Fax No.: Not Available. Corporate Office: 505-506, 1011, Beside Maruti Plaza, CG Road, Ahmedabad -380009, Gujarat, Tel. No.: 079-48996605, 079-26440905, Fax: 079-26406810 Email: info@shrenik.co.in; Website: www.shrenik.co.in; CIN: U51306GJ2012PLC073061.	<b>FOR NON-RESIDENT INCLUDING ELIGIBLE NRIs, FPIs or FVCIs ETC. APPLYING ON A REPATRIATION BASIS</b>
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To, The Board of Directors <b>SHRENIK LIMITED</b>	<b>FIXED PRICE SME ISSUE</b> <b>ISIN - INE632X01014</b>	Date: _____ Application Form No. _____
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BROKER'S / SCSB / DP / RTA STAMP & CODE	SUB-BROKER'S / SUB-AGENT'S STAMP & CODE	<b>1. NAME &amp; CONTACT DETAILS OF SOLE/FIRST APPLICANT</b> Mr / Ms _____ _____ Age _____ Td. No (with STD code) / Mobile _____
SCSB / BANK BRANCH STAMP & CODE	SCSB / BANK BRANCH SERIAL NO.	
		<b>2. PAN OF SOLE/FIRST APPLICANT</b> _____
		<b>3. INVESTOR'S DEPOSITORY ACCOUNT DETAILS</b> <input type="checkbox"/> NSDL <input type="checkbox"/> CDSL For NSDL enter 8 digit DP ID followed by 8 digit Client ID / For CDSL enter 16 digit Client ID

PLEASE CHANGE MY APPLICATION  PHYSICAL

4. FROM (as per last Application or Revision)																			
Options	No. of Equity Shares applied (Application must be in multiples of 3000 equity shares)									Price per Equity Share (₹) 40/- (In Figures)									
	(In Figures)									Issue Price			Discount, if any			Net Price			
	7	6	5	4	3	2	1	4	3	2	1	4	3	2	1	4	3	2	1
Option 1																			
(OR) Option 2				NOT APPLICABLE										NOT APPLICABLE					
(OR) Option 3				NOT APPLICABLE										NOT APPLICABLE					

5. TO (Revised Application)																			
Options	No. of Equity Shares applied (Application must be in multiples of 3000 equity shares)									Price per Equity Share (₹) 40/- (In Figures)									
	(In Figures)									Issue Price			Discount, if any			Net Price			
	7	6	5	4	3	2	1	4	3	2	1	4	3	2	1	4	3	2	1
Option 1																			
(OR) Option 2				NOT APPLICABLE										NOT APPLICABLE					
(OR) Option 3				NOT APPLICABLE										NOT APPLICABLE					

7. PAYMENT DETAILS																	
Amount Blocked (₹ in Figures) _____												PAYMENT OPTION : Full Payment					
₹ (in words) _____																	
ASBA Bank A/c No. _____																	
Bank Name & Branch _____																	

I/WE (ON BEHALF OF JOINT APPLICANTS, IF ANY), HEREBY CONFIRM THAT I/WE HAVE READ AND UNDERSTOOD THE TERMS AND CONDITIONS OF THIS APPLICATION FORM AND THE ATTACHED FORM 2A AND THE GENERAL INFORMATION DOCUMENT FOR INVESTING IN THE PUBLIC ISSUE ("GID") AND HEREBY AGREE AND CONFIRM THE "INVESTOR UNDERTAKING" AS GIVEN OVER LEAF I/WE (ON BEHALF OF JOINT APPLICANTS, IF ANY) HEREBY CONFIRM THAT I/WE HAVE READ THE INSTRUCTIONS FOR FILLING UP THE APPLICATION FORM GIVEN OVER LEAF.

<b>8 A. SIGNATURE OF SOLE / FIRST APPLICANT</b>  Date: _____, 2017	<b>8 B. SIGNATURE OF ASBA BANK ACCOUNT HOLDER(S) (AS PER BANK RECORDS)</b> I/We authorize the SCSB to do all acts as are necessary to make the Application in the issue 1) _____ 2) _____ 3) _____	<b>BROKER / SCSB / DP / RTA STAMP (Acknowledging upload of Application in Stock Exchange System)</b>  _____
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	<b>SHRENIK LIMITED - INITIAL PUBLIC ISSUE - REVISION - NR</b>	Application Form No. _____
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DPID / CLID	PAN	
Additional Amount Blocked (₹ in figures)		Bank & Branch
ASBA Bank A/c No.		SCSB Branch Stamp & Signature
Received from Mr./Ms.		
Telephone / Mobile	Email	

<b>SHRENIK LIMITED - INITIAL PUBLIC ISSUE - REVISION - NR</b>	Option 1    Option 2    Option 3 No. of Equity Shares Issue Price Additional Amount Blocked (₹)	Stamp & Signature of Broker / SCSB / DP / RTA	Name of Sole / First Applicant
		Acknowledgment Slip for Applicant	
		Application Form No. _____	

#### **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: APPLICATION REVISION ‘FROM’ AND ‘TO’**

- (a) Apart from mentioning the revised number of shares in the Revision Form, the Applicant must also mention the details of shares 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 exceed Rs. 2,00,000/- due to revision and the application may be considered, subject to eligibility, for allocation under the Non-Institutional Category.

#### **4.2.3 FIELD 6: PAYMENT DETAILS**

- (a) All Applicants are required to make payment of the full application amount along with the Revision Form.
- (b) Applicant may Issue instructions to block the revised amount in the ASBA Account, to 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**

#### **4.3.1 Applicants may submit completed application form / Revision Form in the following manner:-**

<b>Mode of Application</b>	<b>Submission of Application Form</b>
All Investors Application	To the Application Collecting Intermediaries as mentioned in the Prospectus/ Application Form

## **SECTION 5: ISSUE PROCEDURE IN FIXED PRICE ISSUE**

### **5 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 Application Collecting Intermediaries and apply only through ASBA facility.

ASBA Applicants may submit an Application Form either in physical/electronic form to the Application Collecting Intermediaries authorising blocking of funds that are available in the bank account specified in the Application Form only (“ASBA Account”). The Application Form is also made available on the websites of the 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.

## **6 GROUNDS OF REJECTIONS**

Applicants are advised to note that Applications are liable to be rejected inter alia on the following technical grounds:

- Amount blocked does not tally with the amount payable for the Equity Shares applied for;
- In case of partnership firms, Equity Shares may be registered in the names of the individual partners and no firm as such shall be entitled to apply;
- Application by persons not competent to contract under the Indian Contract Act, 1872 (other than minor having valid depository accounts as per demographic details provided by the depository);
- PAN not mentioned in the Application Form;
- GIR number furnished instead of PAN;
- Applications for lower number of Equity Shares than 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
- Category not ticked;
- Multiple Applications as defined in the Prospectus;
- In case of Application under power of attorney or by limited companies, corporate, trust etc., where relevant documents are not submitted;
- Applications accompanied by Stock invest/ money order/ postal order/ cash/ cheque/ demand draft/ pay order;
- Signature of sole Applicant is missing;
- Application Forms are not delivered by the Applicant within the time prescribed as per the Application Forms, Issue Opening Date advertisement and the Prospectus and as per the instructions in the Prospectus and the Application Forms;
- In case no corresponding record is available with the Depositories that matches three parameters namely, names of the Applicants (including the order of names of joint holders), the Depository Participant's identity (DP ID) and the beneficiary's account number;
- Applications for amounts greater than the maximum permissible amounts prescribed by the regulations;
- Applications by OCBs;
- Applications by US persons other than in reliance on Regulation S or "qualified institutional buyers" as defined in Rule 144A under the Securities Act;
- Applications not duly signed by the sole/ first Applicant;
- Applications by any persons outside India if not in compliance with applicable foreign and Indian laws;
- Applications 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;
- Applications by persons who are not eligible to acquire Equity Shares of the Company in terms of all applicable laws, rules, regulations, guidelines, and approvals;

- Applications or revisions thereof by QIB Applicants, Non Institutional Applicants where the Application Amount is in excess of Rs. 2,00,000, received after 3.00 pm on the Issue Closing Date, unless the extended time is permitted by NSE.
- Details of ASBA Account not provided in the Application form

For details of instructions in relation to the Application Form, Applicants may refer to the relevant section the GID.

**APPLICANTS 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 EXCHANGES BY THE APPLICATION COLLECTING 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.**

## **SECTION 6: ISSUE PROCEDURE IN BOOK BUILT ISSUE**

This being 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 the EMERGE 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 hereunder:

- The total number of Shares to be allocated to each category as a whole shall be arrived at on a proportionate basis i.e. the total number of Shares applied for in that category multiplied by the inverse of the over subscription ratio (number of Applicants in the category x number of Shares applied for).
- 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).
- For applications where the proportionate allotment works out to less than 3000 equity shares the allotment will be made as follows:
  - Each successful Applicant shall be allotted 3000 equity shares; and
  - The successful Applicants out of the total applicants for that category shall be determined by the drawl of lots in such a manner that the total number of Shares allotted in that category is equal to the number of Shares worked out as per (2) above.
- 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 nearest multiple of 3000 equity shares subject to a minimum allotment of 3000 equity shares.
- 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 or 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 Applicants applying for the minimum number of Shares. If as a result of the process of rounding off to the 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, up to 110% of the size of the offer specified under the Capital Structure mentioned in this 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 SEBI (ICDR), as the retail individual investor category is entitled to more than fifty per cent on proportionate basis, the retail individual investors shall be allocated that higher percentage.
  - ii. The balance net offer of shares to the public shall be made available for allotment to
    - individual applicants other than retails individual investors and
    - other investors, including corporate bodies/ institutions irrespective of number of shares applied for.
  - iii. The unsubscribed portion of the net offer to any one of the categories specified in a) or b) shall/may be made available for allocation to applicants in the other category, if so required.

'Retail Individual Investor' means an investor who applies for shares of value of not more than Rs. 2,00,000/-. Investors may note that in case of over subscription allotment shall be on proportionate basis and will be finalized in consultation with NSE.

The Executive Director / Managing Director of NSE - the Designated Stock Exchange in addition to Lead Manager and Registrar to the Public Issue shall be responsible to ensure that the basis of allotment is finalized in a fair and proper manner in accordance with the SEBI (ICDR) Regulations.

## **7.2 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 4 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 one Working Day from the date of Allotment, after the funds are transferred from the Public Issue Account on the Designated Date.

## **SECTION 8: INTEREST AND REFUNDS**

### **8.1 COMPLETION OF FORMALITIES FOR LISTING & COMMENCEMENT OF TRADING**

The Issuer may ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges are taken within 5 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 5 Working Days of the Issue Closing Date.

### **8.2 GROUNDS FOR REFUND**

### **8.2.1 NON RECEIPT OF LISTING PERMISSION**

An Issuer makes an application to 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 finalised.

If the permissions to deal in and for an official quotation of the Equity Shares are not granted by any of the Stock Exchange(s), the Issuer may forthwith repay, without interest, all moneys received from the Applicants in pursuance of the Prospectus.

If such money is not repaid within eight days after the Issuer becomes liable to repay it, then the Issuer and every director of the Issuer who is an officer in default may, on and from such expiry of eight days, be liable to repay the money, with interest at such rate, as prescribed under Section 73 of the Companies Act, and as 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 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 the Prospectus, the application money has to be returned within such period as may be prescribed. If the Issuer does not receive the subscription of 100% of the Issue through this offer document including devolvement of Underwriters within sixty days from the date of closure of the Issue, the Issuer shall forthwith refund the entire subscription amount received. If there is a delay beyond eight days after the Issuer becomes liable to pay the amount, the Issuer shall pay interest at a rate prescribed under section 73 of the Companies Act, 1956 (or the Company shall follow any other substitutional or additional provisions as has been or may be notified under the Companies Act, 2013).

### **8.2.3 MINIMUM NUMBER OF ALLOTTEES**

The Issuer may ensure that the number of prospective Allottees to whom Equity Shares may be allotted may not be less than 50 failing which the entire application monies may be refunded forthwith.

## **8.3 MODE OF REFUND**

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**

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 OR REFUND**

The Issuer may pay interest at the rate of 15% per annum /or demat credits are not made to Applicants or instructions for unblocking of funds in the ASBA Account are not done within the 4 Working days of the Issue Closing Date.

The Issuer may pay interest at 15% per annum for any delay beyond 6 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.*

Term	Description
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
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
Anchor Investor	A Qualified Institutional Buyer, applying under the Anchor Investor Portion in accordance with the requirements specified in SEBI ICDR Regulations, 2009.
Anchor Investor Portion	Up to 30% of the QIB Category which may be allocated by the Issuer in consultation with the Lead Manager, to Anchor Investors on a discretionary basis. One-third of the Anchor Investor Portion is reserved for domestic Mutual Funds, subject to valid bids being received from domestic Mutual Funds at or above the price at which allocation is being done to Anchor Investors
Application	An indication to make an offer during the Issue Period by a prospective pursuant to submission of Application Form or during the Anchor Investor Issue Period by the Anchor Investors, to subscribe for or purchase the Equity Shares of the Issuer at a price including all revisions and modifications thereto.
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 Intermediaries Collecting	<ul style="list-style-type: none"> <li><i>i)</i> an SCSB, with whom the bank account to be blocked, is maintained</li> <li><i>ii)</i> a syndicate member (or sub-syndicate member)</li> <li><i>iii)</i> a stock broker registered with a recognised stock exchange (and whose name is mentioned on the website of the stock exchange as eligible for this activity) ('broker')</li> <li><i>iv)</i> a depository participant ('DP') (whose name is mentioned on the website of the stock exchange as eligible for this activity)</li> <li><i>v)</i> 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)</li> </ul>
Application Supported by Blocked Amount/ (ASBA)/ ASBA	An application, whether physical or electronic, used by Bidders/Applicants to make a Bid authorising 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 Bid Amount of the ASBA Applicant
ASBA Application	An Application made by an ASBA Applicant
Application Amount	The value indicated in Application Form and payable by the Applicant upon submission of the Application, less discounts (if applicable).
Banker(s) to the Issue/ Public Issue Bank and Refund Banker	The banks which are clearing members and registered with SEBI as Banker to the Issue/ Public Issue Bank and Refund Banker with whom the Public Issue Account(s) may be opened, and as disclosed in the Draft Prospectus and Bid cum Application Form of the Issuer
Basis of Allotment	The basis on which the Equity Shares may be Allotted to successful

Term	Description
	Applicants under the Issue
Issue Closing Date	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
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/ bidders may refer to the Prospectus for the Issue Opening Date
Issue Period	The period between the Issue Opening Date and the Issue Closing Date inclusive of both days and during which prospective Applicants (can submit their 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
Book Building Process/ Book Building Method	The book building process as provided under SEBI ICDR Regulations, 2009
Lead Manager(s)/Lead Manager/ LM	The Lead Manager to the Issue as disclosed in the Draft Prospectus/ Prospectus and the Bid 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
Companies Act	The Companies Act, 1956 and The Companies Act, 2013 (to the extant notified)
DP	Depository Participant
DP ID	Depository Participant's Identification Number
Depositories	National Securities Depository Limited and Central Depository Services (India) Limited
Demographic Details	Details of the Bidders/Applicants including the Bidder/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 Bid cum Application Forms used by the ASBA Bidders/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 Date	The date on which the amounts blocked by the SCSBs are transferred from the ASBA Accounts, as the case may be, to the Public Issue Account, as appropriate, after the Prospectus is filed with the RoC, following which the board of directors may allot Equity Shares to successful Applicants in the Issue may give delivery instructions for the transfer of the Equity Shares constituting the Offer for Sale
Designated Stock Exchange	The designated stock exchange as disclosed in the Draft Prospectus/Prospectus of the Issuer

Term	Description
Discount	Discount to the Issue Price that may be provided to Bidders/Applicants in accordance with the SEBI ICDR Regulations, 2009.
Draft Prospectus	The draft prospectus filed with the Designated stock exchange in case of Fixed Price Issues and which may mention a price or a Price Band
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 promoter and immediate relatives of the promoter. For further details /Applicant may refer to the Draft Prospectus
Equity Shares	Equity shares of the Issuer
FCNR Account	Foreign Currency Non-Resident Account
Applicant	The Applicant whose name appears first in the Application Form or Revision Form
FPI(s)	Foreign Portfolio Investor
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
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
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 Market Maker Reservation Portion
Non-Institutional Investors or NIIs	All Applicants, including sub accounts of FPIs registered with SEBI which are foreign corporate or foreign individuals, that are not QIBs or RIBs and who have Bid for Equity Shares for an amount of more than Rs. 2,00,000 (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

Term	Description
Non-Resident	A person resident outside India, as defined under FEMA and includes Eligible NRIs, FPIs registered with SEBI and FVCIs registered with SEBI
OCB/Overseas Body	Corporate 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
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
Prospectus	The prospectus to be filed with the RoC in accordance with Section 60 of the Companies Act 1956 read with section 26 of Companies Act 2013, 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 Qualified Institutional Buyers or QIBs	The portion of the Issue being such number of Equity Shares to be Allotted to QIBs on a proportionate basis As defined under SEBI ICDR Regulations, 2009
RTGS	Real Time Gross Settlement
Refunds through electronic transfer of funds	Refunds through ASBA
Registrar to the Issue/RTI	The Registrar to the Issue as disclosed in the Draft Prospectus / Prospectus and Bid cum Application Form
Reserved Categories	Category/ 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 / RIIs	Investors who applies or for a value of not more than Rs. 2,00,000.
Retail Individual Shareholders	Shareholders of a listed Issuer who applies for a value of not more than Rs. 2,00,000.
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 in an 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>

<b>Term</b>	<b>Description</b>
SME IPO	Initial public offering as chapter XB of SEBI (ICDR) Regulation
SME Issuer	The Company making the Issue under chapter XB of SEBI (ICDR) Regulation
Stock Exchanges/SE	The stock exchanges as disclosed in the Draft Prospectus/ Prospectus of the Issuer where the Equity Shares Allotted pursuant to the Issue are proposed to be listed
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
Underwriters	The Lead Manager(s)
Underwriting Agreement	The agreement dated May 12, 2017 entered into between the Underwriter and our Company
Working Day	Till Application / Issue closing date: All days other than a Saturday Sunday or a public holiday. Post Application / Issue closing date and till the Listing of Equity Shares: All trading days, of stock exchanges excluding Sundays and public holidays, in accordance with the SEBI circular no. SEBI/HO/CFD/DIL/CIR/P/2016/26 dated January 21, 2016 India

## RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES

Foreign investment in Indian securities is regulated through the Industrial Policy, 1991 of the Government of India and Foreign Exchange Management Act, 1999 (“**FEMA**”). While the Industrial Policy, 1991 prescribes the limits and the conditions subject to which foreign investment can be made in different sectors of the Indian economy, FEMA regulates the precise manner in which such investment may be made. Under the Industrial Policy, unless specifically restricted, foreign investment is freely permitted in all sectors of Indian economy up to any extent and without any prior approvals, but the foreign investor is required to follow certain prescribed procedures for making such investment. The government bodies responsible for granting foreign investment approvals are Foreign Investment Promotion Board (“**FIPB**”) and the Reserve Bank of India (“**RBI**”).

The Government of India, from time to time, has made policy pronouncements on Foreign Direct Investment (“**FDI**”) through press notes and press releases. The Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India (“**DIPP**”), has issued consolidated FDI Policy Circular of 2016 (“**FDI Policy 2016**”), which with effect from June 7, 2016, consolidates and supersedes all previous press notes, press releases and clarifications on FDI Policy issued by the DIPP that were in force. Further, DIPP has issued Press note 5, dated June 24, 2016 which introduces few changes in FDI Policy 2016. The Government proposes to update the consolidated circular on FDI policy once every year and therefore, FDI Policy 2016 will be valid until the DIPP issues an updated circular.

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

Under the current FDI Policy of 2016, foreign direct investment in micro and small enterprises is subject to sectoral caps, entry routes and other sectoral regulations. At present 100 % foreign direct investment through automatic route is permitted in the sector in which our Company operates. Therefore applicable foreign investment up to 100% is permitted in our company under automatic route.

The transfer of shares between an Indian resident and a non-resident does not require the prior approval of the FIPB or the RBI, subject to fulfilment 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 FDI Policy and transfer does not attract the provisions of the Takeover Regulations; (ii) the non-resident shareholding is within the sectoral limits under the FDI Policy; and (iii) the pricing is in accordance with the guidelines prescribed by the SEBI/ RBI. As per the existing policy of the Government of India, OCBs cannot participate in this Issue and in accordance with the extant FDI guidelines on sectoral caps, pricing guidelines etc. as amended by Reserve bank of India, from time to time. Investors are advised to confirm their eligibility under the relevant laws before investing and / or subsequent purchase or sale transaction in the Equity Shares of Our Company. Investors will not offer, sell, pledge or transfer the Equity Shares of our Company to any person who is not eligible under applicable laws, rules, regulations, guidelines. Our Company, the Underwriters and their respective directors, officers, agents, affiliates and representatives, as

applicable, accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire Equity Shares of our Company.

### **Investment conditions/restrictions for overseas entities**

Under the current FDI Policy 2016, the maximum amount of Investment (sectoral cap) by foreign investor in an issuing entity is composite unless it is explicitly provided otherwise including all types of foreign investments, direct and indirect, regardless of whether it has been made for FDI, FII, FPI, NRI, FVCI, LLPs, DRs and Investment Vehicles under Schedule 1, 2, 2A, 3, 6, 9, 10 and 11 of FEMA (Transfer or Issue of Security by Persons Resident outside India) Regulations. Any equity holding by a person resident outside India resulting from conversion of any debt instrument under any arrangement shall be reckoned as foreign investment under the composite cap.

Portfolio Investment upto aggregate foreign investment level of 49% or sectoral/statutory cap, whichever is lower, will not be subject to either Government approval or compliance of sectoral conditions, if such investment does not result in transfer of ownership and/or control of Indian entities from resident Indian citizens to non-resident entities. Other foreign investments will be subject to conditions of Government approval and compliance of sectoral conditions as per FDI Policy. The total foreign investment, direct and indirect, in the issuing entity will not exceed the sectoral/statutory cap.

#### **i. Investment by FIIs under Portfolio Investment Scheme (PIS):**

With regards to purchase/sale of share/s convertible debentures by a registered FII under PIS the total holding by each FII/SEBI approved sub-account of FII shall not exceed 10 % of the total paid-up equity capital or 10% of the paid-up value of each series of convertible debentures issued by an Indian company and the total holdings of all FIIs/sub-accounts of FIIs put together shall not exceed 24 % of paid-up equity capital or paid-up value of each series of convertible debentures. However, this limit of 24 % may be increased up to sectoral cap/statutory ceiling, as applicable, by the Indian company concerned by passing a resolution by its Board of Directors followed by passing of a special resolution to that effect by its general body. For arriving at the ceiling on holdings of FIIs, shares/ convertible debentures acquired both through primary as well as secondary market will be included. However, the ceiling will not include investment made by FII through off-shore Funds, Global Depository receipts and Euro-Convertible Bonds. With regard to convertible debentures, these investments permitted to be made shall not exceed 5 % of the total paid-up equity capital or 5% of the paid-up value of each series of convertible debentures issued by an Indian Company, and shall also not exceed the over-all ceiling limit of 24 % of paid-up equity capital or paid up value of each series of convertible debentures.

#### **ii. Investment by Registered Foreign Portfolio Investor (RFPI) under Foreign Portfolio Investment (FPI) Scheme**

With respect to purchase/sale of shares or convertible debentures or warrants, a RFPI registered in accordance with SEBI (FPI) Regulations, 2014 as amended in regular intervals may purchase shares or convertible debentures or warrants of an Indian company under FPI scheme. The total holding by each RFPI shall be below 10 % of the total paid-up equity capital or 10 % of the paid-up value of each series of convertible debentures issued by an Indian company and the total holdings of all RFPI put together shall not exceed 24 % of paid-up equity capital or paid up value of each series of convertible debentures. The said limit of 24 % will be called aggregate limit. However, the aggregate limit of 24 % may be increased up to the sectoral cap/statutory ceiling, as applicable, by the Indian company concerned by passing a resolution by its Board of Directors followed by passing of a special resolution to that effect by its General Body. For arriving at the ceiling on holdings of RFPI, shares or convertible debentures or warrants acquired both through primary as well as secondary

market will be included. However, the ceiling will exclude investment made by RFPI through off-shore Funds, Global Depository Receipts and Euro-Convertible Bonds but include holding of RFPI and deemed RFPI in the investee company for computation of 24 % or enhanced limit.

**iii. Investment by NRI on repatriation and non-repatriation basis under PIS:**

With respect to purchase/sale of shares and/or convertible debentures by a NRI on a stock exchange in India on repatriation and/or non-repatriation basis under PIS is allowed subject to certain conditions under Schedule 3 of the FEMA (Transfer or Issue of security by a person resident outside India) Regulations, 2000. Further, with regard to limits:

- the paid-up value of shares of an Indian company, purchased by each NRI both on repatriation and on non-repatriation basis, does not exceed 5 % of the paid-up value of shares issued by the company concerned;
  - the paid-up value of each series of convertible debentures purchased by each NRI both on repatriation and non-repatriation basis does not exceed 5 % of the paid-up value of each series of convertible debentures issued by the company concerned;
  - the aggregate paid-up value of shares of any company purchased by all NRIs does not exceed 10 % of the paid up capital of the company and in the case of purchase of convertible debentures
  - the aggregate paid-up value of each series of debentures purchased by all NRIs does not exceed 10 % of the paid-up value of each series of convertible debentures;
- However, the aggregate ceiling of 10 % may be raised to 24 % if a special resolution to that effect is passed by the General Body of the Indian company concerned.

**iv. Investment by NRI on Non-repatriation basis**

As per current FDI Policy 2016, schedule 4 of FEMA (Transfer or Issue of Security by Persons Resident outside India) Regulations – Purchase and sale of shares and convertible debentures or warrants by a NRI on Non-repatriation basis – will be deemed to be domestic investment at par with the investment made by residents. This is further subject to remittance channel restrictions.

**The Equity Shares have not been and will not be registered under the U.S. Securities Act of 1933, as amended (“US Securities Act”) or any other state securities laws in the United States of America and may not be sold or offered within the United States of America, or to, or for the account or benefit of “US Persons” as defined in Regulation S of the U.S. Securities Act), except pursuant to exemption from, or in a transaction not subject to, the registration requirements of US Securities Act and applicable state securities laws.**

**Accordingly, the equity shares are being offered and sold only outside the United States of America in an offshore transaction in reliance upon Regulation S under the US Securities Act and the applicable laws of the jurisdiction where those offers and sale occur. Further, no offer to the public (as defined under Directive 2003/71/EC, together with any amendments) and implementing measures thereto, (the “Prospectus Directive”) has been or will be made in respect of the Issue in any member State of the European Economic Area which has implemented the Prospectus**

**Directive except for any such offer made under exemptions available under the Prospectus Directive, provided that no such offer shall result in a requirement to publish or supplement a prospectus pursuant to the Prospectus Directive, in respect of the Issue. Any forwarding, distribution or reproduction of this document in whole or in part may be unauthorised. Failure to comply with this directive may result in a violation of the Securities Act or the applicable laws of other jurisdictions. Any investment decision should be made on the basis of the final**



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

## SECTION VIII – MAIN PROVISIONS OF ARTICLES OF ASSOCIATION

**THE COMPANIES ACT, 2013  
ARTICLES OF ASSOCIATION  
OF**

**SHRENIK LIMITED**

**[Company Limited by Shares]**

**(Formerly known as SHRENIK PRIVATE LIMITED and  
SHRENIK TRADELINK PRIVATE LIMITED)**

**[A Joint Stock Company Incorporated under part IX of the Companies Act, 1956]**

### **I. PRELIMINARY**

1. The following regulations comprised in these Articles of Association were adopted in substitution for and to the entire exclusion of the earlier Articles of Association vide Special Resolution passed with requisite majority in the Annual General Meeting by the members of the Company dated 10<sup>th</sup> May, 2017

#### **i. APPLICABILITY OF TABLE “F”**

No regulation contained in Table “F” in the First Schedule to Companies Act, 2013 shall apply to this Company but the regulations for the Management of the Company and for the observance of the Members thereof and their representatives shall be as set out in the relevant provisions of the Companies Act, 2013 and subject to any exercise of the statutory powers of the Company with reference to the repeal or alteration of or addition to its regulations by Special Resolution as prescribed by the said Companies Act, 2013 be such as are contained in these Articles unless the same are repugnant or contrary to the provisions of the Companies Act, 2013 or any amendment thereto.

#### **ii. ASSETS TO VEST IN THE COMPANY ON ITS REGISTRATION**

The assets mentioned in the Balance Sheet of M/s Shrenik Tradelink as presented in the Memorandum of Association of this Company shall vest in the Company on its registration free from all claims by the parties hereto and pending the registration of the Company, the parties hereto shall hold the assets in trust for the Company.

#### **iii. COMPANY LIABLE FOR OBLIGATIONS OF SHRENIK TRADELINK**

The Company shall undertake to pay, observe, satisfy, perform and fulfill the agreements and the liabilities of the parties hereto or of the firm Shrenik Tradelink entered into or incurred in their separate or joint names or in the name of the firm in relation to the said business, land and buildings and assets brought in as aforesaid and shall indemnify them respectively and their respective executors, administrators, estates and effects from and against all actions, proceedings, damages, claims and demands in respect thereof.

#### **iv. BUSINESS DEEMED TO BE CARRIED ON COMPANY’S BEHALF**

- a. The business in respect of the said assets shall be deemed to be carried on from the date of these Articles on Company’s behalf and accordingly the parties hereto shall be allowed all payments made and expenses incurred and shall account for all moneys and other benefits received by them respectively in relation to such business as from that day.
- b. Shares to which parties hereto are entitled are deemed to be fully paid-up by means of the value of assets. The assets specified in the Balance Sheet of M/s Shrenik Tradelink as presented in Memorandum of Association of this Company shall become the property of the Company and having regard to the obligations imposed on the Company by these Articles shall be taken at their net book value.

### **II. INTERPRETATION**

2. In the interpretation of these Articles, the following words and expressions shall have the following meanings unless repugnant to the subject or context.

- (a) "Act" and any reference to any Section or provision thereof respectively means and includes the Companies Act, 2013 including any statutory amendments thereto, and the Rules made there under, as notified from time to time.
- (b) "Annual General Meeting" shall mean a General Meeting of the Shareholders in accordance with the applicable provisions of the Act;
- (c) "Articles" shall mean these Articles of Association as adopted or as from time to time altered in accordance with the provisions of these Articles and the Act.
- (d) "Associate Company", in relation to another company, means a company in which that other company has a significant influence, but which is not a subsidiary company of the company having such influence and includes a joint venture company.
- For the purposes of this clause, "significant influence" means control of at least twenty per cent of total share capital, or of business decisions under an agreement;
- (e) "Auditors" shall mean and include those persons appointed as such for the time being by the Company.
- (f) "Board" or "Board of Directors" shall mean the board of directors of the Company, as constituted from time to time, in accordance with Law and the provisions of these Articles.
- (g) "Board Meeting" shall mean any meeting of the Board, as convened from time to time and any adjournment thereof, in accordance with Law and the provisions of these Articles.
- (h) "Beneficial Owner" shall mean beneficial owner as defined in Clause (a) of Sub- Section (1) of Section 2 of the Depositories Act.
- (i) "Business Day" shall mean a day, not being Sunday or a public holiday.
- (j) "Capital" or "Share Capital" shall mean the share capital for the time being raised or authorised to be raised, for the purposes of the Company.
- (k) "Chairman" shall mean such person as is nominated or appointed in accordance with the provisions of these Articles.
- (l) "Chief Executive Officer" shall mean an officer of the Company, who has been designated as such by the Company.
- (m) "Chief Financial Officer" shall mean an officer of the Company, who has been designated as such by the Company.
- (n) "Companies Act, 1956" shall mean the Companies Act, 1956 (Act I of 1956) as may be in force for the time being.
- (o) "Chief Operating Officer" shall mean the chief operating officer of the Company providing timely operational information and assistance to the CEO, or any person of whatsoever designation performing the functions of a chief operating officer.
- (p) "Company" or "this Company" shall mean **SHRENİK LIMITED**.
- (q) "Control" shall include the right to appoint majority of the directors or to control the management or policy decisions exercisable by a person or persons acting individually or in concert, directly or indirectly, including by virtue of their shareholding or management rights or shareholders agreements or voting agreements or in any other manner.
- (r) "Debenture" shall include debenture stock, bonds and any other securities of the Company, whether constituting a charge on the assets of the Company or not.
- (s) "Depositories Act" shall mean The Depositories Act, 1996 and shall include any statutory modification or re-enactment thereof.
- (t) "Depository" shall mean a Depository as defined in Clause (e) of Sub-section (1) of Section 2 of the Depositories Act.
- (u) "Director" shall mean any director of the Company, including alternate directors, Independent Directors and nominee directors appointed in accordance with Law and the provisions of these Articles.

- (v) "Dividend" shall include interim dividends.
- (w) "Documents" includes summons, notice, requisition, order, declaration, form and register, whether issued, sent or kept in pursuance of this Act or under any other law for the time being in force or otherwise, maintained on paper or in electronic form.
- (x) "Employees' Stock Option" shall mean the option given to the directors except the Independent Directors, officers, or employees of a company or of its holding company or subsidiary company or companies, if any, which gives such directors, officers or employees, the benefit or right to purchase, or to subscribe for, the shares of the company at a future date at a pre-determined price, in accordance with the applicable valuation guidelines.
- (y) "E-voting" shall mean voting by electronic means as laid out in these Articles.
- (z) "Equity Share Capital" shall mean the total issued and paid-up equity share capital of the Company.
- (aa) "Equity Shares" shall mean fully paid-up equity shares of the Company.
- (bb) "Executor" or "Administrator" shall mean a person who has obtained probate or letters of administration, as the case may be, from a court of competent jurisdiction and shall include the holder of a succession certificate authorizing the holder thereof to negotiate or transfer the Equity Share or Equity Shares of the deceased Shareholder and shall also include the holder of a certificate granted by the Administrator-General appointed under the Administrators-General Act, 1963.
- (cc) "Extraordinary General Meeting" shall mean an extraordinary general meeting of the Shareholders duly called and constituted and any adjourned holding thereof in accordance with the Act;
- (dd) "Financial Year" shall mean any fiscal year of the Company, beginning on April 1 of each calendar year and ending on March 31 of the following calendar year and Year means the Calendar year.
- (ee) "GDRs" shall mean the registered Global Depository Receipts, representing Global Depository Shares (GDSs.)
- (ff) "GDSs" shall mean the Global Depository Shares, each of which represents a certain number of Equity Shares.
- (gg) "Gender": Words importing the masculine gender also include the feminine gender.
- (hh) "Independent Director" shall mean an independent director as defined under Section 149(6) of the Act.
- (ii) "India" shall mean the Republic of India.
- (jj) In Writing and Written: "In Writing" and "Written" includes printing lithography and other modes of representing or reproducing words in a visible form.
- (kk) Key Managerial Personnel in relation to a Company means
  - (i) The Chief Executive Officer or the Managing Director or the Manager;
  - (ii) The Company Secretary;
  - (iii) The Whole Time Director;
  - (iv) The Chief Financial Officer and
  - (v) Such other officer as may be prescribed
- (ll) "Law" shall mean all applicable provisions of all (i) constitutions, treaties, statutes, laws (including the common law), codes, rules, regulations, circulars, ordinances or orders of any governmental authority, (ii) governmental approvals, (iii) orders, decisions, injunctions, judgments, awards and decrees of or agreements with any governmental authority, (iv) Indian GAAP or any other generally accepted accounting principles.
- (mm) Legal Representative: "Legal Representative" means a person who in law represents the estate of a deceased Member.

- (nn) "Lien" shall mean any kind of security interest of whatsoever nature including any (i) mortgage, charge (whether fixed or floating), pledge, lien, hypothecation, assignment, deed of trust, title retention, security interest or other encumbrance of any kind securing or conferring any priority of payment in respect of, any obligation of any person.
- (oo) "Managing Director" shall have the meaning assigned to it under the Act.
- (pp) Marginal Notes: The marginal notes hereto shall not affect the construction thereof.
- (qq) "MCA" shall mean the Ministry of Corporate Affairs, Government of India;
- (rr) "Members" shall mean the duly registered holders, from time to time, of the Shares of this Company.
- (ss) "Memorandum" shall mean the memorandum of association of the Company, as amended from time to time.
- (tt) "Month" means a calendar Month.
- (uu) National Holiday: "National Holiday" means and includes a day declared as National Holiday by the Central Government.
- (vv) Non-retiring Directors: "Non-retiring Directors" means a director not subject to retirement by rotation.
- (ww) "Office" shall mean the Registered Office for the time being of the Company.
- (xx) "Officer" shall have the meaning assigned thereto by Section 2(59) of the Act.
- (yy) "Ordinary Resolution" shall have the meaning assigned thereto by Section 114 of the Act.
- (zz) "Paid up" shall include the amount credited as paid up.
- (aaa) "Person" shall mean any natural person, sole proprietorship, partnership, company, body corporate, governmental authority, joint venture, trust, association or other entity (whether registered or not and whether or not having separate legal personality).
- (bbb) "Promoter" means a person—
- (a) who has been named as such in a prospectus or is identified by the company in the annual return referred to in Section 92; or
  - (b) who has control over the affairs of the Company, directly or indirectly whether as a shareholder, director or otherwise; or
  - (c) in accordance with whose advice, directions or instructions the Board of Directors of the Company is accustomed to act:
- Provided that nothing in sub-clause (c) shall apply to a person who is acting merely in a professional capacity;
- (ccc) "Proxy" means an instrument whereby any person is authorized to vote for a member General Meeting or Poll and includes attorney duly constituted under the power of attorney.
- (ddd) "Register of Shareholders" shall mean the Register of Shareholders to be kept pursuant to Section 88 of the Act.
- (eee) "Registrar" shall mean the Registrar of Companies, from time to time having jurisdiction over the Company.
- (fff) "Rules" shall mean the rules made under the Act and notified from time to time.
- (ggg) "Seal" shall mean the Common Seal(s) for the time being of the Company.
- (hhh) "Secretary" shall mean a Company Secretary within the meaning of clause (c) of subsection (1) of Section 2 of the Company Secretaries Act, 1980 and includes any other individual possessing the prescribed qualifications and appointed to perform the duties which may be performed by a secretary under the Act and any other administrative duties.
- (iii) "Securities" shall mean any Equity Shares or any other securities, debentures, warrants, or options, whether or not, directly or indirectly convertible into, or exercisable or exchangeable into

or for Equity Shares.

- (jjj) "Share Equivalents" shall mean any Debentures, preference shares, foreign currency convertible bonds, options (including options to be approved by the Board (whether or not issued) pursuant to an employee stock option plan) or warrants or other Securities or rights which are by their terms convertible or exchangeable into Equity Shares;
- (kkk) "Shareholder" shall mean any equity shareholder of the Company, from time to time.
- (lll) "Shareholders' Meeting" shall mean any meeting of the Shareholders of the Company, including Annual General Meetings as well as Extraordinary General Meetings of the Shareholders of the Company, convened from time to time in accordance with Law and the provisions of these Articles.
- (mmm) Singular Number: Words importing the Singular number include where the context admits or requires the plural number and vice versa.
- (nnn) "Special Resolution" shall have the meaning assigned to it under Section 114 of the Act.
- (ooo) Statutes: "The Statutes" means the Companies Act, 2013 and every other Act for the time being in force affecting the Company.
- (ppp) "Transfer" shall mean (i) any, direct or indirect, transfer or other disposition of any shares, securities (including convertible securities), or voting interests or any interest therein, including, without limitation, by operation of Law, by court order, by judicial process, or by foreclosure, levy or attachment; (ii) any, direct or indirect, sale, assignment, gift, donation, redemption, conversion or other disposition of such shares, securities (including convertible securities) or voting interests or any interest therein, pursuant to an agreement, arrangement, instrument or understanding by which legal title to or beneficial ownership of such shares, securities (including convertible securities) or voting interests or any interest therein passes from one Person to another Person or to the same Person in a different legal capacity, whether or not for value; (iii) the granting of any security interest or encumbrance in, or extending or attaching to, such shares, securities (including convertible securities) or voting interests or any interest therein, and the word "Transferred" shall be construed accordingly.

### **III. PUBLIC COMPANY**

- 3. The Company is a Public Company within the meaning of Section 2 (71) of the Companies Act, 2013.

### **IV. SHARE CAPITAL AND VARIATION OF RIGHTS**

- 4. (a) Authorized Share Capital

The Authorized Share Capital of the Company shall be such amount and be divided into such shares as may from time to time, be provided in Clause V of Memorandum with power to reclassify, subdivide, consolidate and increase and with power from time to time, to issue any shares of the original capital or any new capital and upon the sub-division of shares to apportion the right to participate in profits, in any manner as between the shares resulting from subdivision.

- (b) Increase of Capital

The Company may in General Meeting from time to time by Ordinary Resolution increase its capital by creation of new Shares which may be unclassified and may be classified at the time of issue in one or more classes and of such amount or amounts as may be deemed expedient. The new Shares shall be issued upon such terms and conditions and with such rights and privileges annexed thereto as the resolution shall prescribe and in particular, such Shares may be issued with a preferential or qualified right to dividends and in the distribution of assets of the Company and with a right of voting at General Meeting of the Company in conformity with Section 47 of the Act. Whenever the capital of the Company has been increased under the provisions of this Article the Directors shall comply with the provisions of Section 64 of the Act.

- (c) New Capital same as existing capital

Except so far as otherwise provided by the conditions of issue or by these Presents, any capital raised by the creation of new Shares shall be considered as part of the existing capital, and shall be subject to the provisions herein contained, with reference to the payment of calls and installments,

forfeiture, lien, surrender, transfer and transmission, voting and otherwise.

(d) Non Voting Shares

The Board shall have the power to issue a part of authorized capital by way of non-voting Shares at price(s) premia, dividends, eligibility, volume, quantum, proportion and other terms and conditions as they deem fit, subject however to provisions of law, rules, regulations, notifications and enforceable guidelines for the time being in force.

(e) Differential Rights

The Share Capital of the Company may be classified into Shares with differential rights as to dividend, voting or otherwise in accordance with the applicable provisions of the Act, Rules, and Law, from time to time.

(f) Issuance of Redeemable Preference Shares

(1) Subject to the provisions of the Act and these Articles, the Board of Directors may issue redeemable preference shares to such persons, on such terms and conditions and at such times as Directors think fit either at premium or at par, and with full power to give any person the option to call for or be allotted shares of the company either at premium or at par, such option being exercisable at such times and for such consideration as the Board thinks fit.

(2) Voting rights of Preference Shares

The holder of Preference Shares shall have a right to vote only on Resolutions, which directly affect the rights attached to his Preference Shares.

(3) Provisions to apply on issue of Redeemable Preference Shares:

On the issue of redeemable preference, the following provisions shall take effect:

(i) No such Shares shall be redeemed except out of profits of which would otherwise be available for dividend or out of proceeds of a fresh issue of shares made for the purpose of the redemption;

(ii) No such Shares shall be redeemed unless they are fully paid;

(iii) Subject to section 55(2)(d)(i) the premium, if any payable on redemption shall have been provided for out of the profits of the Company or out of the Company's security premium account, before the Shares are redeemed;

(iv) 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 "the Capital Redemption Reserve Account", a sum equal to the nominal amount of the Shares redeemed, and the provisions of the Act relating to the reduction of the share capital of the Company shall, except as provided in Section 55 of the Act apply as if the Capital Redemption Reserve Account were paid-up share capital of the Company; and

(v) Subject to the provisions of Section 55 of the Act, the redemption of preference shares hereunder may be affected in accordance with the terms and conditions of their issue and in the absence of any specific terms and conditions in that behalf, in such manner as the Directors may think fit. The reduction of Preference Shares under the provisions by the Company shall not be taken as reducing the amount of its Authorized Share Capital.

## SHARES

5. (a) Shares at the Disposal of Directors

Subject to the provisions of Section 62 of the Act and these Articles, the shares in the capital of the company for the time being shall be under the control of the Directors who may issue, allot or otherwise dispose of the same or any of them to such persons, in such proportion and on such terms and conditions and either at a premium or at par and at such time as they may from time to time think fit and with the sanction of the company in the General Meeting to give to any person or persons the option or right to call for any shares either at par or premium during such time and

for such consideration as the Directors think fit, and may issue and allot shares in the capital of the company on payment in full or part of any property sold and transferred or for any services rendered to the company in the conduct of its business and any shares which may so be allotted may be issued as fully paid up shares and if so issued, shall be deemed to be fully paid shares.

Provided that, where at any time it is proposed to increase the subscribed capital of the Company by the allotment of further shares, then the Board shall issue such shares subject to the provisions of Section 62 and other applicable provisions of the Act and rules there-under. Provided that option or right to call of any share shall not be given to any person except with the sanction of the Company in general meeting.

- (b) “Notwithstanding anything contained in any other provision of the Articles or the Act, the offer of right shares under Section 61 and other applicable provisions of the Act and rules there-under on Shares in respect of which instrument of transfer of shares has been delivered to the company for registration and the transfer of shares has not been registered by the company shall be kept in abeyance pending transfer.”
- (c) As regards all allotments made from time to time the Company shall duly comply with Section 39 and other applicable provisions of the Act and rules there-under.
- (d) If the Company shall offer any of its shares to the public for subscription:
  - (1) no allotment thereof shall be made, unless the amount stated in the prospectus as the minimum subscription has been subscribed, and the sum payable on application thereof has been paid to and received by the Company;
  - (2) the amount on application on such shares shall not be lower than such amount as may be prescribed under companies Act, or the rules framed there-under of the nominal amount of the shares.
- (e) The Company may exercise the powers of paying commission conferred by Section 40 and other applicable provisions of the Act and rules there under, provided that the rate percent, or the amount of the commission paid or agreed to be paid shall be disclosed in the manner required by the said Section and the rules made there under and the rate or amount of commission shall not exceed the rate or amount prescribed in rules made under Section 40 and other applicable provisions of the Act and rules there under. Such commission may be satisfied by the payment in cash or the allotment of fully or partly paid shares or partly in one way and partly in the other.

The Company may also on any issue of shares or debentures pay such brokerage as may be lawful.
- (f) If, by the conditions of allotment of any share, the whole or part of the amount or issue price there of shall be payable by installment, every such installment shall, when due, be paid to the Company by the person who for the time being and from time to time, shall be the registered holder of the share or by his executor or a administrator or legal representative.
- (g) The rights conferred upon the holders of the shares of any class issued with preferred or other rights shall not, unless otherwise expressly provided by the terms of issue of the shares of that class, be deemed to be varied by the creation or issue of further shares ranking pari passu therewith
- (h) The joint holders of a share shall be severally as well as jointly liable for the payment of all installments, and calls due in respect of such share. The joint-holders shall be deemed to hold the same as joint tenants with benefit of survivorship subject to the provisions of these articles.
- (i) Save as herein otherwise provided, the Company shall be entitled to treat the registered holder of any share as the absolute owner thereof and accordingly shall not, except as ordered by a Court of competent jurisdiction, or a by statute required, be bound to recognize any equitable or other claim to or interest in such share on the part of any other person.
- (j) Shares may be registered in the name of any person, company or other body corporate. Not more than three persons shall be registered as joint holders of any share. Shares may also at the discretion of the Directors, be registered in the name of a minor provided the said shares are fully paid up.



### **KINDS OF SHARE CAPITAL**

6. The Company may issue the following kinds of shares in accordance with these Articles, the Act, the Rules and other applicable laws:
- (a) Equity share capital:
    - (i) with voting rights; and / or
    - (ii) with differential rights as to dividend, voting or otherwise in accordance with the Rules; and
  - (b) Preference share capital

### **ALTERATION OF CAPITAL**

7. The Company in general meeting may from time to time subject to the provisions of the Act:
- (a) increase its authorized share capital by such amount as it thinks expedient;
  - (b) consolidate and divide all or any of its share capital into shares of larger amount than its existing shares:
  - (c) sub-divide its existing shares of any of them into shares of smaller amount than is fixed by the memorandum, so however that in the sub-division the proportion between the amount paid and the amount, if any, unpaid on each reduced shares shall be the same as it was in the case of the share from which the reduced share is derived:
  - (d) cancel any share which at the date of the passing of the resolution 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.
  - (e) convert all or any of its fully paid up shares into stock and reconvert that stock into fully paid up shares of any denomination.

### **REDUCTION OF SHARE CAPITAL**

8. The company may, by resolution as prescribed by the Act, reduce in any manner and in accordance with provisions of the act and the rules-
- (a) its share capital; and/or
  - (b) any capital redemption reserve account; and/or
  - (c) any securities premium account and/or
  - (d) any other reserve in the nature of share capital.

In any manner for the time being, authorized by law and in particular capital may be paid off on the footing that it may be called up again or otherwise. This Article is not to derogate from any power the Company would have, if it were omitted.

9. 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 shares shall have some preference or special advantage as regards dividend, capital, voting or otherwise over or as compared with the others or other, subject nevertheless, to the provisions of Sections 43, 47 and 48 and other applicable provisions of the Act and rules there under.
10. Subject to the provisions of Sections 66 and other applicable provisions of the Act and rules there-under, the Board may accept from any member the surrender, on such terms and conditions as shall be agreed, of all or any of his shares.
11. Debentures
- Any debentures, debenture-stock or other securities may be issued at a discount, premium or otherwise and may be issued on condition that they shall be convertible into shares of any denomination and with any privileges and conditions as to redemption, surrender, drawing, allotment of shares, attending (but not voting) at the General Meeting, appointment of Directors and otherwise. Debentures with the right to conversion into or allotment of shares shall be issued only with the consent of the Company in the

General Meeting by a Special Resolution.

12. Issue of Sweat Equity Shares

The Company may exercise the powers of issuing sweat equity shares conferred by Section 54 of the Act of a class of shares already issued subject to such conditions as may be specified in that sections and rules framed there-under.

13. Issue of Depository Receipts

Subject to compliance with applicable provision of the Act and rules framed there-under the company shall have power to issue depository receipts in any foreign country.

14. Issue of Securities

Subject to compliance with applicable provision of the Act and rules framed there-under the company shall have power to issue any kind of securities as permitted to be issued under the Act and rules framed there-under.

### **MODIFICATION OF RIGHTS**

15. (i) Modification of Rights

If at any time the share capital is divided into different classes of share the rights attached to any class (unless otherwise provided by the terms of issue of the share of that class) may, whether or not the Company is being wound up, be varied with the consent in writing of the holders of three-fourth of the issued shares of that class, or with the sanction of a Special Resolution passed at a separate general meeting of the holders of the shares of that class. To every such separate general meeting of the provisions of these Articles relating to general meetings shall apply, but so that necessary quorum shall be two persons at least holding or representing by proxy one-fifth of the issued shares of the class but so that if at any adjourned meeting of such holders a quorum as above defined is not present, those members who are present shall be a quorum and that any holder of shares of the class present in person or by proxy may demand a poll and on a poll, shall have one vote for each share the class of which he is the holder. The Company shall comply with the provisions of Section 117 and other applicable provisions of the Act and rules there under, as to forwarding a copy of any such agreement or resolution to the Registrar.

(ii) New Issue of Shares not to affect rights attached to existing shares of that class.

(b) The rights conferred upon the holders of the Shares including Preference Share, if any of any class issued with preferred or other rights or privileges shall, unless otherwise expressly provided by the terms of the issue of shares of that class, be deemed not to be modified, commuted, affected, abrogated, dealt with or varied by the creation or issue of further shares ranking *pari passu* therewith.

(iii) Power to issue shares on preferential basis.-probable duplication

The Company may issue shares or other securities in any manner whatsoever including by way of a preferential offer, to any persons whether or not those persons include the persons referred to in clause (a) or clause (b) of sub-section (1) of section 62 subject to compliance with section 42 and 62 of the Act and rules framed there-under.

(iv) Acceptance of Shares

An application signed by or on behalf of an applicant for shares in the Company, followed by an allotment of any shares therein, shall be an acceptance of shares within the meaning of these Articles, and every person who thus or otherwise accepts any shares and whose name is on the Register shall for the purposes of these Articles, be a shareholder.

(v) Directors may allot shares as full paid-up

Subject to the provisions of the Act and these Articles, the Directors may allot and issue shares in the Capital of the Company as payment or part payment for any property (including goodwill of any business) transferred, goods or machinery supplied or for services rendered to the Company either in or about the formation or promotion of the Company or the conduct of its business and any shares which

may be so allotted may be issued as fully paid-up or partly paid-up otherwise than in cash, and if so issued, shall be deemed to be fully paid-up or partly paid-up shares as aforesaid.

(vi) Deposit and call etc to be a debt payable immediately.

The money (if any) which the Board shall on the allotment of any shares being made by them, require or direct to be paid by way of deposit, call or otherwise, in respect of any shares allotted by them shall become a debt due to and recoverable by the Company from the allottee thereof, and shall be paid by him, accordingly.

(vii) Liability of Members

Every Member, or his heirs, executors, administrators, or legal representatives, shall pay to the Company the portion of the Capital represented by his share or shares which may, for the time being, remain unpaid thereon, in such amounts at such time or times, and in such manner as the Board shall, from time to time in accordance with the Company's regulations, require on date fixed for the payment thereof.

(viii) Registration of Shares

Shares may be registered in the name of any person, limited company or other corporate body but not in the name of a firm, an insolvent person or a person of unsound mind.

(ix) Return on Allotments to be made or Restrictions on Allotment

The Board shall observe the restrictions as regards allotment of shares to the public, and as regards return on allotments contained in Sections 39 of the Act.

#### **POWER OF COMPANY TO PURCHASE ITS OWN SECURITIES**

16. Pursuant to a resolution of the Board, the Company may purchase its own Equity Shares or other Securities, by way of a buy-back arrangement, in accordance with Sections 68, 69 and 70 of the Act, the Rules made there under and subject to compliance with Law.

#### **SHARE CERTIFICATES**

17. a) The Company shall issue, re-issue and issue duplicate share certificates in accordance with the provisions of the Act and in the form and manner prescribed under the Companies (Share Capital and Debentures) Rules, 2014.
- b) Every person whose name is entered as a member in the register of members shall be entitled to receive within two months after incorporation, in case of subscribers to the Memorandum or after allotment or within one month after the application for the registration of transfer, transmission, sub-division, consolidation or renewal of any of its shares as the case may be or within such other period as the conditions of issue shall provide,-
- (i) One certificate for all his shares without payment of any charges; or
  - (ii) Several certificates, each for one or more of his shares, upon payment of twenty rupees for each certificate after the first.
- Every certificate shall be under the seal and shall specify the shares to which it relates and the amount paid-up thereon.
- In respect of any share or shares held jointly by several persons, the Company shall not be bound to issue more than one certificate, and delivery of a certificate for share to one of several joint holders shall be sufficient delivery to all such holders.
- c) The Company shall permit the shareholders for sub-division/consolidation of share certificates.
- d) If any share certificate be worn out, defaced, mutilated or torn or if there be no further space on the back for endorsement of transfer, then upon production and surrender thereof to the Company, a new certificate may be issued in lieu thereof, and if any certificate is lost or destroyed then upon proof thereof to the satisfaction of the Company and on execution of such indemnity as the Company deem adequate, a new certificate in lieu thereof shall be given. Every certificate under

this Article shall be issued on payment of twenty rupees for each certificate.

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.

The provisions of this Article shall mutatis mutandis apply to debentures of the Company.

- e) Except as required by law or ordered by a Court of competent jurisdiction, no person shall be recognized by the Company as holding any share upon any trust, and the Company shall not be bound by, or be compelled in any way to recognize (even when having notice thereof) any equitable, contingent, future or partial interest in any share, or any interest in any fractional part of a share, or (except only as by these regulations or by law otherwise provided) any other rights in respect of any share except an absolute right to the entirety thereof in the registered holder.
- f) In respect of any share or shares held jointly by several persons, the Company shall not be bound to issue more than one certificate, and delivery of a certificate for a share to one of several joint holders shall be sufficient delivery to all such holders. The provisions of 14(a) and 14(b) shall mutatis mutandis apply to debentures of the Company.
- g) In accordance with Section 46 and other applicable provisions of the Act and the Rules:

- (i) Every Shareholder or allottee of shares shall be entitled without payment, to receive one or more certificates specifying the name of the Person in whose favour it is issued, the shares to which it relates and the amount paid up thereon. Such certificates shall be issued only in pursuance of a resolution passed by the Board and on surrender to the Company of its letter of allotment or its fractional coupon of requisite value, save in cases of issue of share certificates against letters of acceptance or of renunciation, or in cases of issue of bonus shares. Such share certificates shall also be issued in the event of consolidation or sub-division of shares of the Company. Every such certificate shall be issued under the Seal of the Company which shall be affixed in the presence of 2 (two) Directors or persons acting on behalf of the Board under a duly registered power of attorney and the Secretary or some other person appointed by the Board for the purpose and the 2 (two) Directors or their attorneys and the Secretary or other person shall sign the shares certificate(s), provided that if the composition of the Board permits, at least 1 (one) of the aforesaid 2 (two) Directors shall be a person other than a Managing Director(s) or an executive Director(s).

Particulars of every share certificate issued shall be entered in the Register of Shareholders against the name of the Person, to whom it has been issued, indicating the date of issue. For any further certificate, the Board shall be entitled, but shall not be bound to prescribe a charge not exceeding rupees two.

- (ii) Every Shareholder 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 2 (two) months from the date of allotment, or within 1 (one) month of the receipt of instrument of transfer, transmission, sub-division, consolidation or renewal of its shares as the case may be. Every certificate of shares shall be in the form and manner as specified in these Articles.
- (iii) The Board may, at their absolute discretion, refuse any applications for the sub-division of share certificates or Debenture certificates, into denominations less than marketable lots except where sub-division is required to be made to comply with any statutory provision or an order of a competent court of law or at a request from a Shareholder or to convert holding of odd lot into transferable/marketable lot.
- (iv) A Director may sign a share certificate by affixing his signature thereon by means of any machine, equipment or other mechanical means, such as engraving in metal or lithography, but not by means of a rubber stamp, provided that the Director shall be responsible for the safe custody of such machine, equipment or other material used for the purpose.

#### **COMMISSION FOR PLACING OF SHARES**

18. (a) Subject to the provisions of the Act, the Company may at any time pay a commission to any person for subscribing or agreeing to subscribe (whether absolutely or conditionally) for any shares, debentures or debenture-stock or other securities of the Company or procuring or agreeing to procure subscriptions (whether absolute or conditional) for shares, debentures or debenture-stock or other securities of the Company but so that the statutory conditions and requirements shall be observed and complied with. The amount of rate of commission shall not exceed the rate as may be fixed under the Companies Act, 2013 and the rules made there under.

**Rules**

- (b) The commission may be paid or satisfied (subject to the provisions of the Act and these Articles) in cash or in share, debentures or debenture stock of the Company, (whether fully paid or otherwise) or in any combination thereof.

**CALLS ON SHARES**

19. (a) The Board may, from time to time, subject to the terms on which any shares may have been issued and subject to the provisions of the Section 49 and other applicable provisions of the Act and rules there-under, make such calls as the Board thinks fit, upon the members in respect of all moneys unpaid on the shares (whether on account of nominal value of shares or by way of premium) and not by the conditions of allotment thereof, held by them respectively and each member shall pay the amount of every call so made on him to the persons and at the times and places appointed by the Board. A call may be made payable by installments and shall be deemed to have been made when the resolution of the Board authorising such call was passed. A call may be made payable by the members whose names appear on the Register of Members on such date or at the discretion of the Directors on such subsequent date as may be fixed by Directors.

- (b) No call shall exceed one fourth of the nominal value of the share or be payable at less than one month from the date fixed for the payment of the last preceding call and not less than 14 days notice of any call shall be given specifying the time and place of payment and to whom such call shall be paid.

- (c) Calls on Uniform Basis

Whenever any calls for further share capital are made on shares, such calls shall be made on uniform basis on all shares falling under the same class. For the purposes of this Article shares of the same nominal value of which different amounts have been paid up shall not be deemed to fall under the same class.

- (d) Directors may extend time.

The Board may, from time to time, at its discretion, extend the time fixed for the payment of any call and may extend such time as to all or any of the members who on account of the residence at a distance or other cause, which the Board may deem fairly entitled to such extension, but no member shall be entitled to such extension save as a matter of grace and favour.

- (e) If any member fails to pay any call(s) due from him on the day appointed for payment thereof or any such extension thereof so 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 21% per annum or at such lower rate as shall from time to time be fixed by the Board of Directors keeping in view the market rate of interest but nothing in this Article shall render it obligatory for the Board to demand or recover any interest from any such member.

- (f) The Board shall be at liberty to waive payment of any such interest either wholly or in part.

- (g) If by the terms of issue of any share or otherwise any amount is made payable on allotment or at any fixed time or by installments at fixed times, whether on account of the nominal value of the share or by way of premium every such amount or installment shall be payable as if it were a call duly made by the Board and of which due notice had been given, and all the provisions herein contained in respect of call shall relate to such amount or installment accordingly.

- (h) On the trial or hearing of any action or suit brought by the Company against any member or his representatives for the recovery of any money claimed to be due to the Company in respect of his shares, 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 to enter on the Register of Member as the holder, at or

subsequently to the date at which the money sought to be recovered is alleged to have become due on the shares in respect of which such money is sought to be recovered; that the resolution making the calls is duly recorded in the minute book and that notice of such call was duly given to the member or his representatives sued in pursuance of these Articles of Association; and that it shall not be necessary to prove the appointment of Directors who made such call, nor that a quorum of Directors was present at the Board Meeting at which any call was made, nor that the meeting at which any call was made was duly convened or constituted nor any other matters whatsoever, but the proof of the matters aforesaid shall be conclusive evidence of the debt.

- (i) Judgment, decree, partial payment motto proceed for forfeiture.

Neither a judgment nor a decree in favour of the Company for calls or other moneys due in respect of any shares nor any part payment or satisfaction there-under nor the receipt by the Company of a portion of any money which shall from time to time be due from any Member of the Company in respect of his shares, either by way of principal or interest, nor any indulgence granted by the Company in respect of the payment of any such money, shall preclude the Company from thereafter proceeding to enforce forfeiture of such shares as hereinafter provided.

- (j) Payments in Anticipation of calls may carry interest

(a) The Board may, if it thinks fit, receive from any Member willing to advance the same, all or any part of the amounts of his respective shares beyond the sums, actually called up and upon the moneys so paid in advance, or upon so much thereof, from time to time, and at any time thereafter as exceeds the amount of the calls then made upon and due in respect of the shares on account of which such advances are made the Board may pay or allow interest, at such rate as the member paying the sum in advance and the Board agree upon. The Board may agree to repay at any time any amount so advanced or may at any time repay the same upon giving to the Member three months' notice in writing: provided that moneys paid in advance of calls on shares may carry interest but shall not confer a right to dividend or to participate in profits.

(b) No Member paying any such sum in advance shall be entitled to voting rights in respect of the moneys so paid by him until the same would but for such payment become presently payable. The provisions of this Article shall mutatis mutandis apply to calls on debentures issued by the Company.

- (k) A call may be revoked or postponed at the discretion of the Board.

#### **FORFEITURE OF SHARES**

- 20 (a) If any Member fails to pay the whole or any part of any call or installment or any moneys due in respect of any shares either by way of principal or interest on or before the day appointed for the payment of the same, the Directors may, at any time thereafter, during such time as the call or installment or any part thereof or other moneys as aforesaid remains unpaid or a judgment or decree in respect thereof remains unsatisfied in whole or in part, serve a notice on such Member or on the person (if any) entitled to the shares by transmission, requiring him to pay such call or installment of such part thereof or other moneys as remain unpaid together with any interest that may have accrued and all reasonable expenses (legal or otherwise) that may have been accrued by the Company by reason of such non-payment. Provided that no such shares shall be forfeited if any moneys shall remain unpaid in respect of any call or installment or any part thereof as aforesaid by reason of the delay occasioned in payment due to the necessity of complying with the provisions contained in the relevant exchange control laws or other applicable laws of India, for the time being in force.

- (b) Terms of notice

The notice shall name a day (not being less than fourteen days from the date of notice) and a place or places on and at which such call or installment and such interest thereon as the Directors shall determine from the day on which such call or installment ought to have been paid and expenses as aforesaid are to be paid.

The notice shall also state that, in the event of the non-payment at or before the time and at the place or places appointed, the shares in respect of which the call was made or installment is payable will be liable to be forfeited.

- (c) If the requirements of any such notice as aforementioned are not complied with, any share in

respect of which the notice has been given, may at any time thereafter but before the payment required by the notice has been made, be forfeited by a resolution of the Board to that effect. Such forfeiture shall include all dividends declared in respect of the forfeited shares and not actually paid before the forfeiture.

- (d) 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 and the said entry shall not be in any manner invalidated by any omission or neglect to give such notice or to make such entry as aforesaid.

- (e) Forfeited shares to be property of the Company and maybe sold etc.

Any shares so forfeited, shall be deemed to be the property of the Company and may be sold, re-allotted, or otherwise disposed of, either to the original holder thereof or to any other person, upon such terms and in such manner as the Board in their absolute discretion shall think fit.

- (f) A person whose shares have been forfeited shall cease to be a member in respect of the forfeited shares but shall, notwithstanding such forfeiture, remain liable to pay and shall forthwith pay the Company all moneys and expenses, which at the date of forfeiture is payable by him to the Company in respect of the share, whether such claim be barred by limitation on the date of the forfeiture or not, but his liability shall cease if and when the Company received payment in full of all such moneys due in respect of the shares.

- (g) The forfeiture of a share shall involve in the extinction of all interest in and also of all claims and demands against the Company in respect of the shares and all other rights incidental to the share, except only such of these rights as by these Articles are expressly saved.

- (h) (i) A duly verified declaration in writing that the declarant is a director, the manager, or the Secretary, of the Company, and that a share in the Company has been duly forfeited on a date stated in the declaration, shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the share;

(ii) The Company may receive the consideration, if any, given for the share on any sale or disposal thereof and may execute a transfer of the share in favour of the person to whom the share is sold or disposed of;

(iii) The transferee shall thereupon be registered as the holder of the share; and

(iv)The transferee shall not be bound to see to the application of the purchase money, if any, nor shall his title to the share be affected by any irregularity or invalidity in the proceedings in reference to the forfeiture, sale or disposal of the share.

- (i) Cancellation of share certificate in respect of forfeited shares

Upon any sale, re-allotment or other disposal under the provisions of these 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.

- (j) Forfeiture may be remitted.

In the meantime and until any share so forfeited shall be sold, re-allotted, or otherwise dealt with as aforesaid, the forfeiture thereof may, at the discretion and by a resolution of the Directors, be remitted as a matter of grace and favour, and not as was owing thereon to the Company at the time of forfeiture being declared with interest for the same unto the time of the actual payment thereof if the Directors shall think fit to receive the same, or on any other terms which the Director may deem reasonable.

- (k) The provisions of these regulations as to forfeiture shall apply in the case of nonpayment of any sum which by terms of issue of a share, becomes payable at a fixed time, whether, on account of the amount of the share or by way of premium or otherwise as if the same had been payable by virtue of a call duly made and notified.

(l) Upon any sale after forfeiture or for enforcing a lien in purported exercise of the powers herein before given, the Directors may cause the purchaser's name to be entered in the register in respect of the shares sold and may issue fresh certificate in the name of such a purchaser. The purchaser shall not be bound to see to the regularity of the proceedings, nor to the application of the purchase money and after his name has been entered in the register in respect of such shares, the validity of the sale shall not be impeached by any person and the remedy of any person aggrieved by the sale shall be in damages only and against the Company exclusively.

(m) Surrender of shares.

The Directors may, subject to the provisions of the Act, accept a surrender of any share from or by any Member desirous of surrendering on such terms the Directors may think fit.

#### **LIEN**

##### **Fully paid Shares will be free from all liens**

21 (a) The fully paid Shares will be free from all liens, while in the case of partly paid Shares, the Company's lien, if any, will be restricted to moneys called or payable at a fixed time in respect of such Shares.

##### **First and paramount lien**

The Company shall have a first and paramount lien upon all the shares/debentures (other than fully paid-up shares/debentures) registered in the name of each member (whether solely or jointly with others) and upon the proceeds of sale thereof for all moneys (whether presently payable or not) called or payable at a fixed time in respect of such shares/debentures and no equitable interest in any share shall be created except upon the footing and condition that this Article will have full effect. And such lien shall extend to all dividends and bonuses from time to time declared in respect of such shares/debentures. Unless otherwise agreed the registration of a transfer of shares/debentures shall operate as a waiver of the Company's lien if any, on such shares/debentures. The Directors may at any time declare any shares/debentures wholly or in part to be exempt from the provisions of this clause.

##### **Powers of the Company to sell the Shares under lien**

(b) The Company may sell, in such manner as the Board of Directors think fit, any Shares on which the Company has a lien:

Provided that no sale shall be made-

- (i) unless a sum in respect of which the lien exists is presently payable; or
- (ii) until the expiration of 14 days after a notice in writing stating and demanding payment of such part of the amount in respect of which the lien exists as is presently payable, has been given to the registered holder for the time being of the Share or to the person entitled thereto by reason of his death or insolvency.

(c) To give effect to any such sale, the Board of Directors may authorise some person(s) to transfer the Shares sold to the purchaser thereof.

- (i) The purchaser shall be registered as the holder of the Shares comprised in any such transfer.
- (ii) The purchaser shall not be bound to see to the application of the purchase money, nor shall his title to the Shares be affected by any irregularity or invalidity in the proceedings in reference to the sale.

(d) The proceeds of the sale shall be received by the Company and applied in payment of such part of the amount in respect of which the lien exists as is presently payable.

(e) The residue, if any, shall, subject to a like lien for sums not presently payable as existed upon the Shares before the sale, be paid to the person entitled to the Shares at the date of the sale.

#### **SHARE WARRANTS**

22. (a) The Company may issue Share warrants subject to, and in accordance with, the provisions of the Act and the applicable rules/ regulations/ guidelines. The Board may in its discretion, with respect to any Share which is fully paid-up, on application in writing signed by the person registered as



holder of the Share, and authenticated by such evidence (if any) as the Board may from time to time, require as to the identity of the person signing the application, and on receiving the certificate (if any) with respect to the Share, and the amount of the stamp duty on the warrant and such fee as the Board may from time to time require, issue a Share warrant.

- (b) The bearer of a Share warrant may at any time deposit the warrant at the office of the Company, and so long as the warrant remains so deposited, the depositor shall have the same right of signing a requisition for calling a meeting of the Company, and of attending, and voting and exercising the other privileges of a Shareholder at any meeting held after the expiry of two (2) clear days from the time of deposit, as if the depositor's name were inserted in the Register of Members as the holder of the Shares included in the deposited warrant.
- (c) Not more than one person shall be recognised as the depositor of the Share warrant.
- (d) The Company shall, on two (2) days' written notice, return the deposited Share warrant to the depositor.
- (e) Except as herein otherwise expressly provided, no person shall, as bearer of a Share warrant, sign a requisition for calling a meeting of the Shareholders of the Company, or attend, or vote or exercise any other privilege of a Shareholder at a meeting of the Shareholders, or be entitled to receive any notices from the Company.
- (f) The bearer of a Share warrant shall be entitled in all other respects to the same privileges and advantages as if such person were named in the Register of Members as the holder of the Shares included in the warrant, and such person shall be a Shareholder.
- (g) The Board may, from time to time, make rules as to the terms on which (if it deems fit) a new Share warrant or coupon may be issued by way of renewal in case of defacement, loss or destruction.

### **CONVERSION OF SHARES INTO STOCK**

#### **i. Conversion of shares into stock or reconversion**

The Company may, by ordinary resolution in General Meeting.

- a) Convert any fully paid-up shares into stock; and
- b) Re-convert any stock into fully paid-up shares of any denomination.

#### **ii. Transfer of stock**

The holders of stock may transfer the same or any part thereof in the same manner as and subject to the same regulation under which the shares from which the stock arose might before the conversion have been transferred, or as near thereto as circumstances admit, provided that, the Board may, from time to time, fix the minimum amount of stock transferable so however that such minimum shall not exceed the nominal amount of the shares from which the stock arose.

#### **iii. Rights of stock-holders**

The holders of stock shall, according to the amount of stock held by them, have the same rights, privileges and advantages as regards dividends, participation in profits, voting at meetings of the Company, and other matters, as if they hold the shares for which the stock arose but no such privilege or advantage shall be conferred by an amount of stock which would not, if existing in shares, have conferred that privilege or advantage.

#### **iv. Regulations**

Such of the regulations of the Company (other than those relating to share warrants), as are applicable to paid up share shall apply to stock and the words "share" and "shareholders" in those regulations shall include "stock" and "stockholders" respectively.

### **FURTHER ISSUE OF SHARE CAPITAL**

24. (a) Where at any time, the Company proposes to increase its subscribed capital by the issue of further shares, such shares shall be offered-
- (i) to persons who, at the date of the offer, are holders of Equity Shares of the Company in proportion, as nearly as circumstances admit, to the Paid up Share Capital on those shares by sending a letter of offer subject to the following conditions, namely:-
    - (a) The offer shall be made by notice specifying the number of shares offered and limiting a time not being less than 15 (fifteen) days and not exceeding 30 (thirty) days from the date of the offer within which the offer, if not accepted, shall be deemed to have been declined;
    - (b) The offer aforesaid shall be deemed to include a right exercisable by the Person concerned to renounce the shares offered to him or any of them in favour of any other Person; and the notice referred to in clause 1 above shall contain a statement of this right;
    - (c) After the expiry of the time specified in the notice aforesaid, or on receipt of earlier intimation from the Person to whom such notice is given that he declines to accept the shares offered, the Board may dispose them off in such manner which is not disadvantageous to the Shareholders and the Company;
  - (ii) To employees including its Directors other than independent directors and such other persons as the rules may allow under a scheme of Employees' Stock Option or any other scheme, subject to Special Resolution passed by the Company and subject to the Rules and such other conditions, as may be prescribed under the Act; or
  - (iii) To any persons, if it is authorised by a Special Resolution, whether or not those Persons include the Persons referred to in (i) or (ii) above, 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 the Rules.
- (b) The notice referred in point a (i) (a) above shall be dispatched through registered post or speed post or through electronic mode to all the existing Shareholders at least 3 (three) days before the opening of the issue.
- (c) Nothing in this Article shall apply to the increase of the subscribed capital of the Company caused by the exercise of an option as a term attached to the Debentures issued or loan raised by the Company to convert such Debentures or loans into shares in the Company:
- Provided that the terms of issue of such Debentures or loan containing such an option have been approved before the issue of such Debentures or raising of loan by a Special Resolution duly passed by the Company in a General Meeting.
- The provisions contained in this Article shall be subject to the provisions of Section 42 and Section 62 of the Act, the Rules and the applicable provisions of the Companies Act, 2013.

#### **ISSUE OF SECURITIES AT PREMIUM**

25. The Company shall have power to issue Securities at a premium and shall duly comply with the provisions of Section 52 of the Act, Rules and subject to compliance with law.

#### **TRANSFER AND TRANSMISSION OF SHARES**

26. (a) Execution of the instrument of shares
- (i) The instrument of transfer of any share in or debenture of the Company shall be executed by or on behalf of both the transferor and transferee.
  - (ii) The transferor shall be deemed to remain a holder of the share or debenture until the name of the transferee is entered in the Register of Members or Register of Debenture holders in respect thereof.
- (b) Transfer Form.
- The instrument of transfer of any share or debenture shall be in writing and all the provisions of Section 56 and statutory modification thereof including other applicable provisions of the Act shall be duly complied with in respect of all transfers of shares or debenture and registration

thereof.

The instrument of transfer shall be in a common form approved by the Exchange;

(c) Transfer not to be registered except on production of instrument of transfer

(i) The Company shall not register a transfer in the Company other than the transfer between persons both of whose names are entered as holders of beneficial interest in the records of a depository, unless a proper instrument of transfer duly stamped and executed by or on behalf of the transferor and by or on behalf of the transferee and specifying the name, address and occupation if any, of the transferee, has been delivered to the Company along with the certificate relating to the shares or if no such share certificate is in existence along with the letter of allotment of the shares. Provided that where, on an application in writing made to the Company by the transferee and bearing the stamp, required for an instrument of transfer, it is proved to the satisfaction of the Board of Directors that the instrument of transfer signed by or on behalf of the transferor and by or on behalf of the transferee has been lost, the Company may register the transfer on such terms as to indemnity as the Board may think fit, provided further that nothing in this Article shall prejudice any power of the Company to register as shareholder any person to whom the right to any shares in the Company has been transmitted by operation of law. Every registered instrument of transfer shall remain in the custody of the Company until destroyed by order of the Board.

(ii) Where any instrument of transfer of shares has been received by the Company for registration and the transfer of such shares has not been registered by the Company for any reason whatsoever, the Company shall transfer the Dividends in relation to such shares to a special account unless the Company is authorized by the registered holder of such shares, in writing, to pay such Dividends to the transferee and shall keep in abeyance any offer of right shares and/or bonus shares in relation to such shares.

(iii) In case of transfer and transmission of shares or other marketable securities where the Company has not issued any certificates and where such shares or Securities are being held in any electronic and fungible form in a Depository, the provisions of the Depositories Act shall apply.

(iv) Before the registration of a transfer, the certificate or certificates of the share or shares to be transferred must be delivered to the Company along with a properly stamped and executed instrument of transfer in accordance with the provisions of Section 56 of the Act.

(d) Directors may refuse to register transfer

Subject to the provisions of Section 58 of the Act and Section 22A of the Securities Contracts (Regulation) Act, 1956, the Directors may, decline to register—

(i) Any transfer of shares on which the company has a lien.

That registration of transfer shall however not be refused on the ground of the transferor being either alone or jointly with any other person or persons indebted to the Company on any account whatsoever;

(e) Notice of refusal to be given to transferor and transferee

If the Company refuses to register the transfer of any share or transmission of any right therein, the Company shall within one month from the date on which the instrument of transfer or intimation of transmission was lodged with the Company, send notice of refusal to the transferee and transferor or to the person giving intimation of the transmission, as the case may be, and there upon the provisions of Section 56 of the Act or any statutory modification thereof for the time being in force shall apply.

(f) No fee on transfer.

No fee shall be payable to the Company, in respect of the registration of transfer or transmission of shares, or for registration of any power of attorney, probate, letters of administration and succession certificate, certificate of death or marriage or other similar documents, sub division and/or consolidation of shares and debentures and sub-divisions of letters of allotment, renounceable letters of right and split, consolidation, renewal and genuine transfer receipts into denomination corresponding to the market unit of trading.

(g) Closure of Register of Members or debenture holder or other security holders

The Board of Directors shall have power on giving not less than seven days previous notice in accordance with section 91 and rules made there-under close the Register of Members and/or the Register of debentures holders and/or other security holders at such time or times and for such period or periods, not exceeding thirty days at a time, and not exceeding in the aggregate forty five days at a time, and not exceeding in the aggregate forty five days in each year as it may seem expedient to the Board.

(h) Custody of transfer Deeds

The instrument of transfer shall after registration be retained by the Company and shall remain in its custody. All instruments of transfer which the Directors may decline to register shall on demand be returned to the persons depositing the same. The Directors may cause to be destroyed all the transfer deeds with the Company after such period as they may determine.

(i) Application for transfer of partly paid shares

Where an application of transfer relates to partly paid shares, the transfer shall not be registered unless the Company gives notice of the application to the transferee and the transferee makes no objection to the transfer within two weeks from the receipt of the notice.

(j) Notice to transferee.

For this purpose the notice to the transferee shall be deemed to have been duly given if it is dispatched by prepaid registered post/speed post/ courier to the transferee at the address given in the instrument of transfer and shall be deemed to have been duly delivered at the time at which it would have been delivered in the ordinary course of post.

(k) Recognition of legal representative

(i) On the death of a Member, the survivor or survivors, where the Member was a joint holder, and his nominee or nominees or legal representatives where he was a sole holder, shall be the only person recognized by the Company as having any title to his interest in the shares.

(ii) Before recognizing any executor or administrator or legal representative, the Board may require him to obtain a Grant of Probate or Letters Administration or other legal representation as the case may be, from some competent court in India.

Provided nevertheless that in any case where the Board in its absolute discretion thinks fit, it shall be lawful for the Board to dispense with the production of Probate or letter of Administration or such other legal representation upon such terms as to indemnity or otherwise, as the Board in its absolute discretion, may consider adequate

(iii) Nothing in clause (a) above shall release the estate of the deceased joint holder from any liability in respect of any share which had been jointly held by him with other persons.

(l) Titles of Shares of deceased Member

The Executors or Administrators of a deceased Member or holders of a Succession Certificate or the Legal Representatives in respect of the Shares of a deceased Member (not being one of two or more joint holders) shall be the only persons recognized by the Company as having any title to the Shares registered in the name of such Members, and the Company shall not be bound to recognize such Executors or Administrators or holders of Succession Certificate or the Legal Representative unless such Executors or Administrators or Legal Representative shall have first obtained Probate or Letters of Administration or Succession Certificate as the case may be from a duly constituted Court in the Union of India provided that in any case where the Board of Directors in its absolute discretion thinks fit, the Board upon such terms as to indemnity or otherwise as the Directors may deem proper dispense with production of Probate or Letters of Administration or Succession Certificate and register Shares standing in the name of a deceased Member, as a Member. However, provisions of this Article are subject to Sections 72 of the Companies Act.

(m) Notice of application when to be given

(i) Where, in case of partly paid Shares, an application for registration is made by the transferor, the Company shall give notice of the application to the transferee in accordance with the provisions of Section 56 of the Act.

(ii) Registration of persons entitled to share otherwise than by transfer. (Transmission Clause).

Subject to the provisions of the Act and these Articles, any person becoming entitled to any share in consequence of the death, lunacy, bankruptcy, insolvency of any member or by any lawful means other than by a transfer in accordance with these presents, may, with the consent of the Directors (which they shall not be under any obligation to give) upon producing such evidence that he sustains the character in respect of which he proposes to act under this Article or of this title as the Director shall require either be registered as member in respect of such shares or elect to have some person nominated by him and approved by the Directors registered as Member in respect of such shares; provided nevertheless that if such person shall elect to have his nominee registered he shall testify his election by executing in favour of his nominee an instrument of transfer in accordance so he shall not be freed from any liability in respect of such shares. This clause is hereinafter referred to as the 'Transmission Clause'.

(n) Refusal to register nominee

Subject to the provisions of the Act and these Articles, the Directors shall have the same right to refuse or suspend register a person entitled by the transmission to any shares or his nominee as if he were the transferee named in an ordinary transfer presented for registration.

(o) Board may require evidence of transmission

Every transmission of a share shall be verified in such manner as the Directors may require and the Company may refuse to register any such transmission until the same be so verified or until or unless an indemnity be given to the Company with regard to such registration which the Directors at their discretion shall consider sufficient, provided nevertheless that there shall not be any obligation on the Company or the Directors to accept any indemnity.

(p) Company not liable for disregard of a notice prohibiting registration of transfer

The Company shall incur no liability or responsibility whatsoever in consequence of its registering or giving effect to any transfer of shares made, or purporting to be made by any apparent legal owner thereof (as shown or appearing in the Register or Members) to the prejudice of persons having or claiming any equitable right, title or interest to or in the same shares notwithstanding that the Company may have had notice of such equitable right, title or interest or notice prohibiting registration of such transfer, and may have entered such notice or referred thereto in any book of the Company and the Company shall not be bound or required to regard or attend or give effect to any notice which may be given to them of any equitable right, title or interest, or be under any liability whatsoever for refusing or neglecting so to do though it may have been entered or referred to in some book of the Company but the Company shall nevertheless be at liberty to regard and attend to any such notice and give effect thereto, if the Directors shall so think fit.

(q) Form of transfer Outside India.

In the case of any share registered in any register maintained outside India the instrument of transfer shall be in a form recognized by the law of the place where the register is maintained but subject thereto shall be as near to the form prescribed in Form no. SH-4 hereof as circumstances permit

(r) No transfer to insolvent etc.

No transfer shall be made to any minor, insolvent or person of unsound mind.

#### **DEMATERIALIZATION/REMATERIALIZATION OF SECURITIES**

27. (a) De-materialization: Notwithstanding anything contained in these Articles, the Company shall be entitled to dematerialize or rematerialize its securities and to offer securities in a dematerialized form pursuant to the Depositories Act and the rules framed there under, if any.

(b) Subject to the applicable provisions of the Act, either the Company or the investor may exercise an option to issue, dematerialize, hold the securities (including shares) with a Depository in electronic form and the certificates in respect thereof shall be dematerialized, in which event the rights and obligations of the parties concerned and matters connected therewith or incidental thereto shall be governed by the provisions of the Depositories Act.

- (c) Notwithstanding anything contained in these Articles to the contrary, in the event the Securities of the Company are dematerialized, the Company shall issue appropriate instructions to the Depository not to Transfer the Securities of any Shareholder except in accordance with these Articles.
- (d) Options for investors  
 Subject to the provision of Section 29 of the Act, every person subscribing to securities offered by the Company shall have the option to receive security certificates, hold, or deal in 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 and the Company shall, in the manner and within the time prescribed, issue to the beneficial owner the required certificates of securities. If a person opts to hold his security with a depository, the Company shall intimate such depository the details of allotment of the security, and on receipt of the information, the depository shall enter in its record the name of the allottee as the beneficial owner of the security.
- (e) Securities in depositories to be in fungible form:  
 All securities held by a depository shall be in electronic form and the certificates in respect thereof shall be dematerialized and be in fungible form. Nothing contained in Section 89 of the Act shall apply to a depository in respect of the securities held by it on behalf of the beneficial owners.
- (f) Rights of depositories and beneficial owners:  
 (i) Notwithstanding anything to the contrary contained in the Act or these Articles, a depository shall be deemed to be the registered owner for the purposes of effecting transfer of ownership of security on behalf of the beneficial owner.  
 (ii) 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.
- (g) Every person holding securities of the Company and whose name is entered as the beneficial owner in the records of the depository shall be deemed to be a member of the Company. The beneficial owner of the 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.
- (h) Service of documents - Notwithstanding anything in the Act or these Articles to the contrary, where securities are held in a depository, the records of the beneficial ownership may be served by such depository on the Company by means of electronic mode or physical delivery.
- (i) Transfer of securities - Nothing contained in Section 56 of the Act or these Articles shall apply to transfer of securities affected by a transferor and transferee both of who are entered as beneficial owners in the records of a depository.
- (j) Allotment of securities dealt with in a depository - Notwithstanding anything in the Act or these Articles, where securities are dealt with in a depository, the Company shall intimate the details thereof to the depository immediately on allotment of such securities.
- (k) Distinctive numbers of securities held in a depository - Nothing contained in the Act or these Articles regarding the necessity of having distinctive numbers of securities issued by the Company shall apply to securities held in a depository.
- (l) Register and Index of Beneficial owners - The Register and Index of Beneficial Owners, maintained by a depository under the Depositories Act, shall be deemed to be the Register and Index of Members and Security Holders for the purposes of these Articles with details of shares held in physical and/or dematerialized forms in any medium as may be permitted by law including in any form of electronic medium.
- (m) Company to recognise the rights of registered holders as also the beneficial owners in the records of the depository.
- (n) Save as herein otherwise provided, the Company shall be entitled to treat the person whose name appears on the register of members as the holder of any share, as also the beneficial owner of the shares in records of the depository as the absolute owner thereof as regards receipt of dividends or bonus or services of notices and all or any other matters connected with the Company, and

accordingly, the Company shall not, except as ordered by a Court of competent jurisdiction or as by law required, be bound to recognise any benami trust or equity or equitable, contingent or other claim to or interest in such share on the part of any other person, whether or not it shall have express or implied notice thereof.

#### **NOMINATION BY SECURITIES HOLDERS**

28. (a) Every holder of Securities of the Company may, at any time, nominate, in the manner prescribed under Rule 19 of the Companies (Share Capital and Debentures) Rules, 2014, a Person as his nominee in whom the Securities of the Company held by him shall vest in the event of his death. The request for nomination shall be recorded by the Company within a period of 2 months from the date of receipt of the duly filled in and signed nomination form.
- (b) Where the Securities of the Company are held by more than one Person jointly, the joint holders may together nominate, in the manner prescribed under the Companies (Share Capital and Debentures) Rules, 2014, a Person as their nominee in whom all the rights in the Securities Company shall vest in the event of death of all the joint holders.
- (c) Notwithstanding anything contained in any other Law for the time being in force or in any disposition, whether testamentary or otherwise, in respect of the Securities of the Company, where a nomination made in the manner prescribed under the Companies (Share Capital and Debentures) Rules, 2014, purports to confer on any Person the right to vest the Securities of the Company, the nominee shall, on the death of the holder of Securities of the Company or, as the case may be, on the death of the joint holders become entitled to all the rights in Securities of the holder or, as the case may be, of all the joint holders, in relation to such Securities of the Company to the exclusion of all other Persons, unless the nomination is varied or cancelled in the prescribed manner under the Companies (Share Capital and Debentures) Rules, 2014.
- (d) Where the nominee is a minor, the holder of the Securities concerned, can make the nomination to appoint in prescribed manner under the Companies (Share Capital and Debentures) Rules, 2014, any Person to become entitled to the Securities of the Company in the event of his death, during the minority.
- (e) The transmission of Securities of the Company by the holders of such Securities and transfer in case of nomination shall be subject to and in accordance with the provisions of the Companies Act, 2013 including any statutory amendments or modifications made thereto.
- (f) Transmission of Securities by nominee
- A nominee, upon production of such evidence as may be required by the Board and subject as hereinafter provided, elect, either-
- (i) to be registered himself as holder of the security, as the case may be; or
  - (ii) to make such transfer of the security, as the case may be, as the deceased security holder, could have made;
  - (iii) if the nominee elects to be registered as holder of the security, himself, as the case may be, he shall deliver or send to the Company, a notice in writing signed by him stating that he so elects and such notice shall be accompanied with the death certificate of the deceased security holder as the case may be;
  - (iv) a nominee shall be entitled to the same dividends and other advantages to which he would be entitled to, if he were the registered holder of the security except that he shall not, before being registered as a member in respect of his security, be entitled in respect of it to exercise any right conferred by membership in relation to meetings of the Company.

Provided further that the Board may, at any time, give notice requiring any such person to elect either to be registered himself or to transfer the share or debenture, and if the notice is not complied with within ninety days, the Board may thereafter withhold payment of all dividends, bonuses or other moneys payable or rights accruing in respect of the share or debenture, until the requirements of the notice have been complied with.

#### **NOMINATION IN CERTAIN OTHER CASES**

29. Subject to the applicable provisions of the Act and these Articles, any person becoming entitled to Securities in consequence of the death, lunacy, bankruptcy or insolvency of any holder of Securities, or by any lawful means other than by a transfer in accordance with these Articles, 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 this Article or of such title as the Board think sufficient, either be registered himself as the holder of the Securities or elect to have some Person nominated by him and approved by the Board to be registered as such holder; provided nevertheless that, if such Person shall elect to have his nominee registered, he shall testify the election by executing in favour of his nominee an instrument of transfer in accordance with the provisions herein contained and until he does so, he shall not be freed from any liability in respect of the Securities.

#### **JOINT HOLDER**

30. (i) Where two or more persons are registered as the holders of any share they shall be deemed to hold the same as joint Shareholders with benefits of survivorship subject to the following and other provisions contained in these Articles.
- (ii) The first named joint holder deemed Sole holder:
- If any share stands in the names of two or more persons, the person first named in the Register shall as regard receipts of dividends or bonus or service of notices and all or any other matter connected with the Company except voting at meetings, and the transfer of the shares, be deemed sole holder thereof but the joint-holders of a share shall be severally as well as jointly liable for the payment of all calls and other payments due in respect of such share and for all incidentals thereof according to the Company's regulations.
- (iii) Joint and several liabilities for all payments in respect of shares
- The Joint holders of any share shall be liable severally as well as jointly for and in respect of all calls and other payments which ought to be made in respect of such share.
- (iv) Title of survivors
- On the death of any such joint holders the survivor or survivors shall be the only person recognized by the Company as having any title to the share but the Board may require such evidence of death as it may deem fit and nothing herein contained shall be taken to release the estate of a deceased joint holder from any liability of shares held by them jointly with any other person;
- (v) Receipts of one sufficient
- Any one of two or more joint holders of a share may give effectual receipts of any dividends or other moneys payable in respect of share; and
- (vi) Delivery of certificate and giving of notices to first named holders
- Only the person whose name stands first in the Register of Members as one of the joint holders of any share shall be entitled to delivery of the certificate relating to such share or to receive documents from the Company and any such document served on or sent to such person shall deemed to be service on all the holders.

#### **COPIES OF MEMORANDUM AND ARTICLES TO BE SENT TO MEMBERS**

31. 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 Shareholder at his request within 7 (seven) days of the request on payment of such sum as prescribed under the Companies (Incorporation) Rules, 2014.

#### **BORROWING POWERS**

32. (a) The Directors may from time to time at their discretion raise or borrow moneys subject to the provisions of Section 73, 74, 179, 180 and other applicable provisions of the Act and rules thereunder, and secure the payment of any sums of money of the purposes of the Company, and may themselves lend to the Company on security or otherwise.
- (b) The payment and/or repayment of moneys borrowed or raised as aforesaid or any moneys owing otherwise or debts due from the Company may be secured in such manner and upon such terms and conditions in all respects as the Board may think fit, and in particular by mortgage, charter, lien or any other security upon all or any of the assets or property (both present and future) or the



undertaking of the Company including its uncalled capital for the time being, or by a guarantee by any Director, Government or third party, and the bonds, debentures and debenture stocks and other securities may be made assignable, free from equities between the Company and the person to whom the same may be issued and also by a similar mortgage, charge or lien to secure and guarantee, the performance by the Company or any other person or company of any obligation undertaken by the Company or any person or Company as the case may be.

- (c) Any bonds, debentures, debenture-stock or their securities issued or to be issued by the Company shall be under the control of the Board who may issue them upon such terms and conditions, and in such manner and for such consideration as they shall consider to be for the benefit of the Company.
- (d) If any uncalled capital of the Company is included in or charged by any mortgage or other security the Directors shall subject to the provisions of the Act and these Articles make calls on the members in respect of such uncalled capital in trust for the person in whose favour such mortgage or security is executed.
- (e) Subject to the provisions of the Act and these Articles if the Directors or any of them or any other person shall incur or be about to incur any liability whether as principal or surety for the payment of any sum primarily due from the Company, the Directors may execute or cause to be executed any mortgage, charge or security over or affecting the whole or any part of the assets of the Company by way of indemnity to secure the Directors or person so becoming liable as aforesaid from any loss in respect of such liability.
- (f) The Directors shall also have the absolute power to borrow with a view to acquiring fixed assets of the Company such as land, building, plant and machinery etc. and also for providing working capital of the Company from financial institutions such as Gujarat Industrial Development Corporation, industrial Development Bank of India, Industrial Finance Corporation of India, any other Central or State Government financial institutions and from any Banks up to such sum or sums of money as may be decided by the Board from time to time.
- (g) The Managing Director and other Directors shall be entitled to receive such interest on loans made by them to the Company as may be agreed between the Company and the Directors. If so desired by the Directors, the Managing Director may guarantee any loan made to the Company and shall be entitled to receive such payment on account of his having given any such guarantee as may be determined by the Directors, and such payment shall not be remuneration in respect of his services as Managing Director.
- (h) The Directors shall cause a proper register to be kept in accordance with Section 85 and other applicable provisions of the Act and rules there-under, of all mortgages and charges specifically affecting the property of the Company, and shall duly comply with the requirements of Section 77 and 79 and other applicable provisions of the Act and rules there-under in regard to the registration of mortgages and charges therein specified or otherwise and shall also duly comply with the requirement of Section 85 and other applicable provisions of the Act and rules there-under, as to keeping a copy of every instrument creating any mortgage or charge by the Company at the office, and the requirements of Section 82 and other applicable provisions of the Act and rules there-under, as to giving intimation of the payment of satisfaction of any charge or mortgage created by the Company.
- (i) Subject to the provisions of Section 180 and other applicable provisions of the Act and rules there-under, if any uncalled capital of the Company be included in or charged by any mortgage or other security, the Directors may by instrument under the Company's Seal authorise the person in whose favour such mortgage or security is executed, or any other person in trust for him, to make calls on the members in respect of such uncalled capital, and the provisions hereinbefore contained in regard to calls shall, mutatis mutandis, apply the calls made under such authority, and such authority may be made exercisable either conditionally or unconditionally and either presently or contingently and either to the exclusion of the Directors powers or otherwise and shall be assignable if expressed so to be.
- (j) Subject to the provisions of the Act, any bonds, debentures, debenture-stock or other securities may be issued, whether on rights basis or on private placement, at par, premium or otherwise and may be issued on condition that they shall be convertible into shares of any denomination and with any privileges and conditions as to redemption, surrender, drawing, allotment of shares and

attending (but not voting) at General Meetings, appointment of Directors and otherwise. However, the bonds or Debentures with the right to conversion into or allotment of shares shall be issued only with the consent of the Company in General Meeting accorded by a Special Resolution.

#### **ANNUAL GENERAL MEETING**

33. In accordance with the provisions of the Act, the Company shall in each year hold a General Meeting specified as its Annual General Meeting and shall specify the meeting as such in the notices convening such meetings. Further, not more than 15 (fifteen) months gap shall exist between the date of one Annual General Meeting and the date of the next. All General Meetings other than Annual General Meetings shall be an Extraordinary General Meetings.

Nothing contained in the foregoing provisions shall be taken as affecting the right conferred upon the Registrar under the provisions of Section 96(1) of the Act to extend the time within which any Annual General Meeting may be held.

#### **VENUE, DAY AND TIME FOR HOLDING ANNUAL GENERAL MEETING**

34. (a) Every Annual General Meeting shall be called during business hours, that is, 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, town or village in which the Office of the Company is situated, as the Board may determine and the notices calling the Meeting shall specify it as the Annual General Meeting.
- (b) Every Shareholder of the Company shall be entitled to attend the Annual General Meeting either in person or by proxy and pursuant to Section 146 of the Act, the Auditor of the Company is mandated, unless otherwise exempted by the Company, to attend either by himself or his authorised representative, who shall also be a qualified auditor, any General Meeting of the Company and shall have the right to be heard at such General Meeting which he attends on any part of the business which concerns him as Auditor. At every Annual General Meeting of the Company there shall be laid on the table, the Directors' Report and Audited Statement of Accounts, Auditors' Report, (if not already incorporated in the Audited Statement of Accounts), the proxy Register with proxies and the Register of Directors' shareholdings which later shall remain open and accessible during the continuance of the Meeting. The Board shall cause to be prepared the Annual Return and forward the same to the concerned Registrar of Companies, in accordance with Sections 92 and 137 of the Act. The Directors are also entitled to attend the Annual General Meeting.

#### **NOTICE OF GENERAL MEETINGS**

35. (a) Notice of the Meeting:
- Pursuant to Section 101 of the Act, a General Meeting of the Company may be called by giving not less than 21 (twenty one) days clear notice in writing or in electronic mode, excluding the day on which notice is served or deemed to be served (i.e., on expiry of 48 (forty eight) hours after the letter containing the same is posted). However, a General Meeting may be called after giving shorter notice if consent is given in writing or by electronic mode by not less than 95 (ninety five) percent of the Shareholders entitled to vote at that meeting.
- The notice of every meeting shall be given to:
- (i) Every Shareholder, legal representative of any deceased Shareholder or the assignee of an insolvent member of the Company,
  - (ii) Auditor or Auditors of the Company, and
  - (iii) All Directors.
- (b) Statement to be annexed to the Notice:
- Notice of every meeting of the Company shall specify the place, date, day and hour of the meeting, and shall be appended with a statement of the business to be transacted there at and shall be given in the manner prescribed under Section 102 of the Act.
- (c) Contents and manner of service of notice and Persons on whom it is to be served:
- Every notice may be served by the Company on any Shareholder thereof either personally or by sending it by post to their registered address in India and if there is no registered address in India,

to the address supplied by the Shareholder to the Company for giving the notice to the Shareholder.

(d) Special business:

Subject to the applicable provisions of the Act, where any items of business to be transacted at the meeting are deemed to be special, there shall be annexed to the notice of the meeting a statement setting out all material facts concerning each item of business including any particular nature of the concern or interest if any therein of every Director or manager (as defined under the provisions of the Act), if any or key managerial personnel (as defined under the provisions of the Act) or the relatives of any of the aforesaid and where any item of special business relates to or affects any other company, the extent of shareholding interest in that other company of every Director or manager (as defined under the provisions of the Act), if any or key managerial personnel (as defined under the provisions of the Act) or the relatives of any of the aforesaid of the first mentioned company shall also be set out in the statement if the extent of such interest is not less than 2 per cent of the paid up share capital of that other company. All business transacted at any meeting of the Company shall be deemed to be special and all business transacted at the Annual General Meeting of the Company with the exception of the business specified in Section 102 of the Act shall be deemed to be special.

(e) Resolution requiring Special Notice:

With regard to resolutions in respect of which special notice is required to be given by the Act, a special notice shall be given as required by Section 115 of the Act.

(f) Notice of Adjourned Meeting:

When a meeting is adjourned for 30 (thirty) days or more, notice of the adjourned meeting shall be given as in the case of an original meeting in accordance with the applicable provisions of the Act.

(g) The notice of the General Meeting shall comply with the provisions of Companies (Management and Administration) Rules, 2014.

**REQUISITION OF EXTRAORDINARY GENERAL MEETING**

36. (a) The Directors may, whenever they think fit, convene an Extra- Ordinary General Meeting and they shall on requisition of Members made in compliance with Section 100 of the Act, forthwith proceed to convene Extra-Ordinary General Meeting of the members.
- (b) If at any time directors capable of acting who are sufficient in number to form a quorum are not within India, any director or any two members of the Company may call an Extraordinary General Meeting in the same manner, as nearly as possible as such a meeting may be called by the Board.
- (c) Any valid requisition so made by Shareholders 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 signed by one or more requisitionists.
- (d) If the Board does not, within twenty-one days from the date of receipt of a valid requisition in regard to any matter, proceed to call a meeting for the consideration of that matter on a day not later than forty-five days from the date of receipt of such requisition, the meeting may be called and held by the requisitionists themselves within a period of three months from the date of the requisition in the manner as provided under the Act as amended from time to time.
- (e) Any meeting called under the foregoing sub-articles by the requisitionists, shall be called in the same manner, as nearly as possible, as that in which a meeting is to be called by the Board.
- (f) The accidental omission to give any such notice as aforesaid to any of the Shareholders, or the non-receipt thereof, shall not invalidate any resolution passed at any such meeting.
- (g) No General Meeting, Annual or Extraordinary, shall be competent to enter into, discuss or transact any business which has not been mentioned in the notice or notices by which it was convened.
- (h) The Extraordinary General Meeting called under this article shall be subject to and in accordance with the provisions contained under the Companies (Management and Administration) Rules,

2014.

- (i) **NO BUSINESS TO BE TRANSACTED IN GENERAL MEETING IF QUORUM IS NOT PRESENT**

The quorum for the Shareholders' Meeting shall be in accordance with Section 103 of the Act. Subject to the provisions of Section 103(2) of the Act, if such a quorum is not present within half an hour from the time set for the Shareholders' Meeting, the Shareholders' Meeting shall be adjourned to the same time and place or to such other date and such other time and place as the Board may determine and the agenda for the adjourned Shareholders' Meeting shall remain the same. 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 the quorum, and they may transact the business for which the meeting was called.

#### **CHAIRMAN OF THE GENERAL MEETING**

37. i. The Chairman of the Board shall be entitled to take the Chair at every General Meeting, whether Annual or Extraordinary. If there is no such Chairman of the Board or if at any meeting he shall not be present within fifteen minutes of the time appointed for holding such meeting or if he is unable or unwilling to take the Chair, then the Directors present shall elect one of them as Chairman. If no Director be present or if all the Directors present decline to take the Chair, then the Shareholders present shall elect one of them to be the Chairman of the meeting. No business shall be discussed at any General Meeting except the election of a Chairman while the Chair is vacant.
- ii. The Chairman may, with the consent given in the meeting at which a quorum is present (and if so directed by the meeting) adjourn the General Meeting from time to time and from place to place within the city, town or village in which the Office of the Company is situated 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.

#### **VOTING RIGHTS**

38. (a) At any General Meeting, a resolution put to the vote, unless a poll is demanded, or voting is carried out electronically, be decided by a show of hands. Before or on the declaration of the result of the voting on any resolution by a show of hands, a poll may be carried out in accordance with the applicable provisions of the Act.
- Unless a poll is demanded, a declaration by the Chairman that a resolution has, on a show of hands, been carried or carried unanimously, or by a particular majority, or lost and an entry to that effect in the Minute Book of the Company shall be conclusive evidence of the fact, of passing of such resolution or otherwise.
- (b) In the case of equal votes, the Chairman shall both on a show of hands and at a poll, (if any), and e-voting have a casting vote in addition to the vote or votes to which he may be entitled as a Shareholder.
- (c) If a poll is demanded as aforesaid, the same shall be subject to anything stated in these Articles and be taken at such time, (not later than forty-eight hours from the time when the demand was made), and place within the City, Town or Village in which the Office of the Company is situated and either by a show of hands or by ballot or by postal 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 the decision of the meeting at which the poll was demanded. Any business other than that upon which a poll has been demanded may be proceeded with, pending the taking of the poll. The demand for a poll may be withdrawn at any time by the Person or Persons who made the demand.
- (d) Where a poll is to be taken, the Chairman of the meeting shall appoint two scrutinizers to scrutinize the votes given on the poll and to report thereon to him. One of the scrutinizers so appointed shall always be a Shareholder, (not being an officer or employee of the Company), present at the meeting provided such a Shareholder 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 scrutinizer from office and fill vacancies in the office of scrutinizer arising from such removal or from any other cause.

- (e) Any poll duly demanded on the election of a Chairman of a meeting or any question of adjournment, shall be taken at the meeting forthwith. A poll demanded on any other question shall be taken at such time not later than 48 hours from the time of demand, as the Chairman of the meeting directs.
- (f) The demand for a poll except on the question of the election of the Chairman and of an adjournment shall not prevent the continuance of a meeting for the transaction of any business other than the question on which the poll has been demanded.
- (g) No report of the proceedings of any General Meeting of the Company shall be circulated or advertised at the expense of the Company unless it includes the matters required by these Articles or Section 118 of the Act to be contained in the Minutes of the proceedings of such meeting.
- (h) The Shareholders will do nothing to prevent the taking of any action by the Company or act contrary to or with the intent to evade or defeat the terms as contained in these Articles.

#### **PASSING RESOLUTIONS BY POSTAL BALLOT**

39. (a) Notwithstanding any of the provisions of these Articles, the Company may, and in the case of resolutions relating to such business as notified under the Companies (Management and Administration) Rules, 2014, as amended, or other Law required to be passed by postal ballot, shall get any resolution passed by means of a postal ballot, instead of transacting the business in the General Meeting of the Company. Also, the Company may, in respect of any item of business other than ordinary business and any business in respect of which Directors or Auditors have a right to be heard at any meeting, transact the same by way of postal ballot.
- (b) Where the Company decides to pass any resolution by resorting to postal ballot, it shall follow the procedures as prescribed under Section 110 of the Act and the Companies (Management and Administration) Rules, 2014, as amended from time to time.

#### **VOTES OF MEMBERS**

40. (a) Subject to any rights or restrictions for the time being attached to any class or classes of shares,-
- (i) on a show of hands, every member present in person shall have one vote; and
  - (ii) on a poll, the voting rights of members shall be in proportion to his share in the paid-up equity Share Capital of the Company.
- (b) Number of votes each member entitled
- Subject to the provision of these Articles and without prejudice to any special privileges, or restrictions as to voting for the time being attached to any class of shares for the time being forming part of the capital of the company, every Member, not disqualified by the last preceding Article shall be entitled to be present, and to speak and to vote at such meeting, and on a show of hands every member present in person shall have one vote and upon a poll the voting right of every Member present in person or by proxy shall be in proportion to his share of the paid-up equity share capital of the Company, Provided, however, if any preference shareholder is present at any meeting of the Company, save as provided in sub-section (2) of Section 47 of the Act, he shall have a right to vote only on resolution placed before the meeting which directly affect the rights attached to his preference shares.
- (c) Casting of votes by a member entitled to more than one vote.
- 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.
- (d) A member may exercise his vote at a meeting by electronic means in accordance with Section 108 of the Act and the rules made there under and shall vote only once.
- (e) In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders. For this purpose, seniority shall be determined by the order in which the names stand in the register of members.
- (f) A member of unsound mind, or in respect of whom an order has been made by any court having

jurisdiction in lunacy, may vote, whether on a show of hands or on a poll, by his committee or other legal guardian, and any such committee or guardian may, on a poll, vote by proxy.

- (g) Any business other than that upon which a poll has been demanded may be proceeded with, pending the taking of the poll.
- (h) No Member shall be entitled to vote either personally or by proxy at any General Meeting or Meeting of a class of shareholders either upon a show of hands, upon a poll or electronically, or be reckoned in a quorum in respect of any shares registered in his name on which any calls or other sums presently payable by him have not been paid or in regard to which the Company has exercised, any right or lien.
- (i) Votes may be given either personally or by attorney or by proxy or in case of a company, by a representative duly Authorised as mentioned in Articles.
- (j) A body corporate (whether a company within the meaning of the Act or not) may, if it is member or creditor of the Company (including being a holder of debentures) authorise such person by resolution of its Board of Directors, as it thinks fit, in accordance with the provisions of Section 113 of the Act to act as its representative at any Meeting of the members or creditors of the Company or debentures holders of the Company. A person authorised by resolution as aforesaid shall be entitled to exercise the same rights and powers (including the right to vote by proxy) on behalf of the body corporate as if it were an individual member, creditor or holder of debentures of the Company.
- (k) Members paying money in advance
  - (i) A member paying the whole or a part of the amount remaining unpaid on any share held by him although no part of that amount has been called up, shall not be entitled to any voting rights in respect of the moneys paid until the same would, but for this payment, become presently payable.

Members not prohibited if shares not held for any specified period.

(ii) A member is not prohibited from exercising his voting rights on the ground that he has not held his shares or interest in the Company for any specified period preceding the date on which the vote was taken.

Votes in respect of shares of deceased or insolvent members

(iii) Any person entitled under these Articles to transfer any share may vote at any General Meeting in respect thereof in the same manner as if he were the registered holder of such shares, provided that at least forty-eight hours before the time of holding the meeting or adjourned meeting, as the case may be at which he proposes to vote he shall satisfy the Directors of his right to transfer such shares and give such indemnify (if any) as the Directors may require or the directors shall have previously admitted his right to vote at such meeting in respect thereof.

(iv) No votes by proxy on show of hands.

No Member shall be entitled to vote on a show of hands unless such member is present personally or by attorney or is a body Corporate present by a representative duly Authorised under the provisions of the Act in which case such members, attorney or representative may vote on a show of hands as if he were a Member of the Company. In the case of a Body Corporate the production at the meeting of a copy of such resolution duly signed by a Director or Secretary of such Body Corporate and certified by him as being a true copy of the resolution shall be accepted by the Company as sufficient evidence of the authority of the appointment.

(v) No objection shall be raised to the qualification of any voter except at the meeting or adjourned meeting at which the vote objected to is given or tendered, and every vote not disallowed at such meeting shall be valid for all purposes. Any such objection made in due time shall be referred to the Chairperson of the meeting, whose decision shall be final and conclusive and every vote not disallowed at such meeting shall be valid for all purposes.

### **PROXY**

41. (a) The instrument appointing a proxy and the power-of-attorney or other authority, if any, under which it is signed or a notarized copy of that power or authority, shall be deposited at the registered office of the Company not less than 48 hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote, or, in the case of a poll, not less than 24 hours before the time appointed for the taking of the poll; and in default the instrument of proxy shall not be treated as valid.
- (b) An instrument appointing a proxy shall be in the form as prescribed in the rules made under Section 105.
- (c) A vote given in accordance with the terms of an instrument of proxy shall be valid, notwithstanding the previous death or insanity of the principal or the revocation of the proxy or of the authority under which the proxy was executed, or the transfer of the shares in respect of which the proxy is given, provided that no intimation in writing of such death, insanity, revocation or transfer shall have been received by the Company at its office before the commencement of the meeting or adjourned meeting at which the proxy is used.

### **E-VOTING**

42. The Company shall also provide e-voting facility to the Shareholders of the Company in terms of the provisions of the Companies (Management and Administration) Rules, 2014, or any other Law, if applicable to the Company. Company will follow the following procedure namely:
- a. the notices of the meeting shall be sent to all the members, auditors of the company, or directors either
- i. by registered post or speed post ; or
  - ii. through electronic means like registered e-mail id; or
  - iii. through courier service
- b. the notice shall also be placed on the website of the company, if any and of the agency forthwith after it is sent to the members.
- c. the notice of the meeting shall clearly mention that:
- i. the business may be transacted through electronic voting system and the Company is providing facility for voting by electronic means;
  - ii. the facility of voting, either through electronic voting system of ballot or polling paper shall also be made available at the meeting and that the members attending the meeting who have not already cast their vote by remote e-voting shall be able to exercise their right at the meeting.
  - iii. that the members who have cast their vote by remote e-voting prior to the meeting may also attend the meeting but shall not be entitled to cast their vote again.
- d. the notice shall clearly indicate the process and manner for voting by electronic means and indicate the time schedule including the time period during which the votes may be cast by remote e-voting and shall also provide the login ID and specify the process and manner for generating or receiving password and casting of vote in a secure manner.
- e. the Company shall cause a public notice by way of an advertisement to be published, immediately on completion of dispatch of notices for the meeting but at least twenty one (21) days before the date of the general meeting, at least once in a vernacular newspaper in the principal vernacular language of the district in which the registered office of the company is situated, and having a wide circulation in that district, and at least once in English language in an English newspaper having a wide circulation in that district, about having sent the notice of the meeting and specifying therein, inter alia, the following matters, namely:-
- i. statement that the business may be transacted through voting by electronic means;
  - ii. the date and time of commencement of remote e-voting;

- iii. the date and time of end of remote e-voting;
- iv. a cut-off date;
- v. the manner in which persons who have acquired shares and become members of the company after the dispatch of notice may obtain login ID and password;
- vi. the statement that:
  - a. remote e-voting shall not be allowed beyond the said date and time, i.e.,
  - b. the manner in which the company shall provide for voting by members present at the meeting;
  - c. a member may participate in the general meeting even after exercising his right to vote through remote e-voting but shall not be allowed to vote again in the meeting; and
  - d. a person whose name is recorded in the register of members or the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting as well as voting in the general meeting.
- vii. website address of the Company and of the agency where notice of the meeting is displayed; and
- viii. name, designation, address, e-mail ID and phone number of the persons responsible to address the grievances connected with facility for voting by electronic means.
- f. the facility for remote e-voting shall remain open for not less than three days and shall close at 5:00 p.m. on the date preceding the date of the general meeting.
- g. during the period when facility for remote e-voting is provided, the Shareholders of the Company, holding shares in either the physical form or the dematerialized form, as on the cut-off date, may opt for remote e-voting.  
 Provided that once the vote on a resolution is cast by a Shareholder, he shall not be allowed to change it subsequently or cast the vote again. Provided further that a shareholder may participate in a general meeting even after exercising his right to vote, through remote e-voting, but shall not be allowed to vote again.
- h. at the end of the remote e-voting period, the facility shall forthwith be blocked. Provided that if the Company opts to provide the same electronic voting system as used during remote e-voting during the general meeting, the said facility shall be in operation till all the resolutions are considered and voted upon in the meeting and may be used for voting only by the Shareholders attending the meeting and who have not exercised their right to vote through remote e-voting.
- i. the Board shall appoint one scrutinizer, who may be chartered Accountant in practice, Cost Accountant in practice, or Company Secretary in practice or an Advocate, but not in employment of the Company and is a person of repute who, in the opinion of the Board can scrutinize the remote e-voting process in a fair and transparent manner. The scrutinizer is required to be willing, to be appointed and should also be available for the purpose of ascertaining the requisite majority.
- j. the Chairman shall at the general meeting, at the end of discussions on the resolutions on which voting is to be held, allow voting, as provided under this Article, with the assistance of the scrutinizer, by use of ballot or polling paper or by using an electronic voting system for all those members who are present at the general meeting but have not cast their votes by availing the remote e-voting facility.
- k. the scrutinizer shall, immediately after the conclusion of remote e-voting, first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and make, not later than three days of conclusion of the meeting, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, forthwith to the Chairman or a person authorised by the Chairman in writing who shall countersign the same.
- I. the scrutinizers shall maintain a register either manually or electronically to record the assent or dissent received, mentioning the particulars of name, address, folio number or client ID of the



Shareholders, numbers of shares held by them, nominal value of such shares and whether the shares have differential voting rights.

- m. the register and all other papers relating to voting by electronic means shall remain in the safe custody of the scrutinizers until the Chairman considers, approves and signs the minutes and thereafter, the scrutinizer shall hand over the register and other related papers to the Company.
- n. the result declared along with the report of the scrutinizer shall be placed on the website of the Company and on the website of the agency immediately after the result is declared by the Chairman.
- o. subject to the receipt of sufficient votes, the resolution shall be deemed to be passed on the date of the relevant general meeting of members.

#### **BOARD OF DIRECTORS**

43. (a) Until otherwise determined by a General Meeting of the Company and subject to the provisions of Section 149 of the Act, the number of Directors (including Debenture and Alternate Directors) shall not be less than three and not more than fifteen. Provided that a company may appoint more than fifteen directors after passing of special resolution.

- (b) Qualification Shares

A Director of the Company shall not be bound to hold any Qualification Shares in the Company.

- (c) Following shall be the present Directors of the Company:

1. **RISHIT SHRENIK VIMAWALA**
2. **SHRENIKBHAI SUDHIRBHAI VIMAWALA**
3. **KAIVAN SHRENIK VIMAWALA**

- (d) The Company in General Meeting may from time to time increase or reduce the number of Directors within the limits fixed under the Act and the rules made there under as amended from time to time.

- (e) The Company shall also comply with the provisions of the Companies (Appointment and Qualification of Directors) Rules, 2014 and the provisions made there under.

#### **ADDITIONAL DIRECTORS**

44. Subject to provisions of the Act, the Board may appoint any person other than a person who fails to get appointed as a director in a general meeting, as an additional director, who shall hold office only up to the earlier of the date of the next Annual General Meeting or at the last date on which the Annual General Meeting should have been held but shall be eligible for appointment by the Company as a Director at that meeting subject to the applicable provisions of the Act.

#### **ALTERNATE DIRECTORS**

45. The Board may appoint an Alternate Director to act for a Director (hereinafter called "The Original Director") during his absence for a period of not less than three months from India. An Alternate Director appointed under this Article shall not hold office for period longer than that permissible to the Original Director in whose place he has been appointed and shall vacate office if and when the Original Director returns to India. If the term of Office of the Original Director is determined before he so returns to India, any provision in the Act or in these Articles for the automatic re-appointment of retiring Director in default of another appointment shall apply to the Original Director and not to the Alternate Director.

#### **INDEPENDENT DIRECTORS**

46. The Company shall have such number of independent Directors on the Board of the Company, as may be required in terms of the provisions of Section 149 of the Act and the Companies (Appointment and Qualification of Directors) Rules, 2014 or any other Law, as may be applicable. Further, such appointment of such independent Directors shall be in terms of the aforesaid provisions of Law.

#### **NOMINEE DIRECTORS**

47. Whenever the Board enters into a contract with any lenders for borrowing any money or for providing any guarantee or security or for technical collaboration or assistance or enter into any other arrangement, the Board shall have, subject to the provisions of Section 152 and Section 161 of the Act the power to agree that such lenders shall have the right to appoint or nominate by a notice in writing addressed to the Company one or more Directors on the Board for such period and upon such conditions as may be mentioned in the common loan agreement/facility agreement. The nominee Director representing lenders shall not be required to hold qualification shares and not be liable to retire by rotation. The Directors may also agree that any such Director, or Directors may be removed from time to time by the lenders entitled to appoint or nominate them and such lenders may appoint another or other or others in his or their place and also fill in any vacancy which may occur as a result of any such Director, or Directors ceasing to hold that office for any reason whatever. The nominee Director shall hold office only so long as any monies remain owed by the Company to such lenders.

The nominee Director shall be entitled to all the rights and privileges of other Directors including sitting fees and expenses as payable to other Directors but, if any other fees, commission, monies or remuneration in any form are payable to the Directors, the fees, commission, monies and remuneration in relation to such nominee Director shall accrue to the lenders and the same shall accordingly be paid by the Company directly to the lenders.

Provided that if any such nominee Director is an officer of any of the lenders, the sittings fees in relation to such nominee Director shall also accrue to the lenders concerned and the same shall accordingly be paid by the Company directly to that lenders. The Financial Institution shall be entitled to depute observer to attend the meetings of the Board or any other Committee constituted by the Board.

The Nominee Director/s shall, notwithstanding anything to the Contrary contained in these Articles, be at liberty to disclose any information obtained by him/them to the Financial Institution appointing him/them as such Director/s.

Any expenditure that may be incurred by the lenders or the nominee Director in connection with the appointment or Directorship shall be borne by the Company.

The nominee Director so appointed shall be a member of the project management subcommittee, audit sub-committee and other sub-committees of the Board, if so desired by the lenders.

The nominee Director shall be entitled to receive all notices, agenda, etc. and to attend all general meetings and Board meetings and meetings of any committee(s) of the Board of which he is a member and to receive all notices, agenda and minutes, etc. of the said meeting.

If at any time, the nominee Director is not able to attend a meeting of Board or any of its committees, of which he is a member, the lenders may depute an observer to attend the meeting. The expenses incurred by the lenders in this connection shall be borne by the Company.

#### **CASUAL VACANCY**

48. Subject to the provisions of the Act, the Board shall have power at any time and from time to time to appoint a Director, if the office of any director appointed by the company in general meeting is vacated before his term of office expires in the normal course, who shall hold office only upto the date upto which the Director in whose place he is appointed would have held office if it had not been vacated by him.

#### **WOMAN DIRECTOR**

49. The Company shall have such number of Woman Director on the Board of the Company, as may be required in terms of the provisions of Section 149 of the Act and the Companies (Appointment and Qualification of Directors) Rules, 2014 or any other Law, as may be applicable.

#### **REMUNERATION OF DIRECTORS**

50. (a) Subject to the applicable provisions of the Act, the Rules, Law, the Managing Director, and any other Director/s who is/are in the whole time employment of the Company may be paid remuneration either by a way of monthly payment or at a specified percentage of the net profits of the Company or partly by one way and partly by the other, subject to the limits prescribed under the Act. The remuneration of the directors shall, in so far as it consists of a monthly payment, be deemed to accrue from day-to-day.

(b) In addition to the remuneration payable to them in pursuance of the Act, the directors may be paid

all travelling, hotel and other expenses properly incurred by them: (a) in attending and returning from meetings of the Board or any committee thereof or General Meetings of the Company; or (b) in connection with the business of the Company.

- (c) Subject to the applicable provisions of the Act, a Director (other than a Managing Director or an executive Director) may receive a sitting fee not exceeding such sum as may be prescribed by the Act or the central government from time to time for each meeting of the Board or any Committee thereof attended by him.
- (d) The remuneration payable to each Director for every meeting of the Board or Committee of the Board attended by them shall be such sum as may be determined by the Board from time to time within the maximum limits prescribed from time to time by the Central Government pursuant to the first proviso to Section 197 of the Act.
- (e) All fees/compensation to be paid to non-executive Directors including independent Directors shall be as fixed by the Board and shall require the prior approval of the Shareholders in a General meeting. Such approval shall also specify the limits for the maximum number of Employees' Stock Options that can be granted to a non-executive Director, in any financial year, and in aggregate. However, such prior approval of the Shareholders shall not be required in relation to the payment of sitting fees to non-executive and Independent Directors if the same is made within the prescribed limits under the Act for payment of sitting fees. Notwithstanding anything contained in this article, the independent Directors shall not be eligible to receive any Employees' Stock Options as specified in Section 197(7) of the Act.
- (f) Until otherwise determined by the Company in General Meeting, each Director other than the Managing/Whole-time Director (unless otherwise specifically provided for) shall be entitled to sitting fees not exceeding a sum prescribed in the Act (as may be amended from time to time) for attending meetings of the Board or Committees thereof.

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

51. The business of the Company shall be managed by the Board who may exercise all such powers of the Company and do all such acts and things as may be necessary, unless otherwise restricted by the Act, or by any other law or by the Memorandum or by the Articles required to be exercised by the Company in General Meeting. However no regulation made by the Company in General Meeting shall invalidate any prior act of the Board which would have been valid if that regulation had not been made.

(i) Certain powers of the Board

Without prejudice to the general powers conferred by the Articles and so as not in any way to limit or restrict these powers, and without prejudice to the other powers conferred by these Articles, but subject to the restrictions contained in the Articles, it is hereby, declared that the Directors shall have the following powers, that is to say:

(ii) To acquire any property, rights etc.

Subject to the provisions of the Act, to purchase or otherwise acquire any lands, buildings, machinery, premises, property, effects, assets, rights, creditors, royalties, business and goodwill of any person firm or company carrying on the business which this Company is authorised to carry on, in any part of India.

(iii) To take on Lease

Subject to the provisions of the Act to purchase, take on lease for any term or terms of years, or otherwise acquire any land or lands, with or without buildings and out-houses thereon, situate in any part of India, at such conditions as the Directors may think fit, and in any such purchase, lease or acquisition to accept such title as the Directors may believe, or may be advised to be reasonably satisfy.

(iv) To erect & construct

To erect and construct, on the said land or lands, buildings, houses, warehouses and sheds and to alter, extend and improve the same, to let or lease the property of the company, in part or in whole for such rent and subject to such conditions, as may be thought advisable; to sell such portions of the land or buildings of the Company as may not be required for the company; to mortgage the

whole or any portion of the property of the company for the purposes of the Company; to sell all or any portion of the machinery or stores belonging to the Company.

(v) To pay for property

At their discretion and subject to the provisions of the Act, the Directors may pay property rights or privileges acquired by, or services rendered to the Company, either wholly or partially in cash or in shares, bonds, debentures or other securities of the Company, and any such share may be issued either as fully paid up or with such amount credited as paid up thereon as may be agreed upon; and any such bonds, debentures or other securities may be either specifically charged upon all or any part of the property of the Company and its uncalled capital or not so charged.

(vi) To insure properties of the Company

To insure and keep insured against loss or damage by fire or otherwise for such period and to such extent as they may think proper all or any part of the buildings, machinery, goods, stores, produce and other moveable property of the Company either separately or co-jointly; also to insure all or any portion of the goods, produce, machinery and other articles imported or exported by the Company and to sell, assign, surrender or discontinue any policies of assurance effected in pursuance of this power.

(vii) To open Bank accounts.

To open accounts with any Bank or Bankers and to pay money into and draw money from any such account from time to time as the Directors may think fit.

(viii) To secure contracts by way of mortgage

To secure the fulfillment of any contracts or engagement entered into by the Company by mortgage or charge on all or any of the property of the Company including its whole or part of its undertaking as a going concern and its uncalled capital for the time being or in such manner as they think fit.

(ix) To accept surrender of shares

To accept from any member, so far as may be permissible by law, a surrender of the shares or any part thereof, on such terms and conditions as shall be agreed upon.

(x) To appoint trustees for the Company

To appoint any person to accept and hold in trust, for the Company property belonging to the Company, or in which it is interested or for any other purposes and to execute and to do all such deeds and things as may be required in relation to any such trust, and to provide for the remuneration of such trustee or trustees.

(xi) To conduct legal proceedings

To institute, conduct, defend, compound or abandon any legal proceeding by or against the Company or its Officer, or otherwise concerning the affairs and also to compound and allow time for payment or satisfaction of any debts, due, and of any claims or demands by or against the Company and to refer any difference to arbitration, either according to Indian or Foreign law and either in India or abroad and observe and perform or challenge any award thereon.

(xii) Bankruptcy & Insolvency

To act on behalf of the Company in all matters relating to bankruptcy insolvency

(xiii) To issue receipts & give discharge

To make and give receipts, release and give discharge for moneys payable to the Company and for the claims and demands of the Company.

(xiv) To invest and deal with money of the Company

Subject to the provisions of the Act, and these Articles to invest and deal with any moneys of the Company not immediately required for the purpose thereof, upon such authority (not being the shares of this Company) or without security and in such manner as they may think fit and from time to time to vary or realise such investments. Save as provided in Section 187 of the Act, all investments shall be made and held in the Company's own name.

(xv) To give Security by way of indemnity

To execute in the name and on behalf of the Company in favour of any Director or other person who may incur or be about to incur any personal liability whether as principal or as surety, for the benefit of the Company, such mortgage of the Company's property (present or future) as they think fit, and any such mortgage may contain a power of sale and other powers, provisions, covenants and agreements as shall be agreed upon;

(xvi) To determine signing powers

To determine from time to time persons who shall be entitled to sign on Company's behalf, bills, notes, receipts, acceptances, endorsements, cheques, dividend warrants, releases, contracts and documents and to give the necessary authority for such purpose, whether by way of a resolution of the Board or by way of a power of attorney or otherwise.

(xvii) Commission or share in profits.

To give to any Director, Officer, or other persons employed by the Company, a commission on the profits of any particular business or transaction, or a share in the general profits of the company; and such commission or share of profits shall be treated as part of the working expenses of the Company.

(xviii) Bonus etc. to employees

To give, award or allow any bonus, pension, gratuity or compensation to any employee of the Company, or his widow, children, dependents that may appear just or proper, whether such employee, his widow, children or dependents have or have not a legal claim on the Company.

(xix) Transfer to Reserve Funds

To set aside out of the profits of the Company such sums as they may think proper for depreciation or the depreciation funds or to insurance fund or to an export fund, or to a Reserve Fund, or Sinking Fund or any special fund to meet contingencies or repay debentures or debenture-stock or for equalizing dividends or for repairing, improving, extending and maintaining any of the properties of the Company and for such other purposes (including the purpose referred to in the preceding clause) as the Board may, in the absolute discretion think conducive to the interests of the Company, and subject to Section 179 of the Act, to invest the several sums so set aside or so much thereof as may be required to be invested, upon such investments (other than shares of this Company) as they may think fit and from time to time deal with and vary such investments and dispose of and apply and extend all or any part thereof for the benefit of the Company notwithstanding the matters to which the Board apply or upon which the capital moneys of the Company might rightly be applied or expended and divide the reserve fund into such special funds as the Board may think fit; with full powers to transfer the whole or any portion of a reserve fund or division of a reserve fund to another fund and with the full power to employ the assets constituting all or any of the above funds, including the deprecation fund, in the business of the company or in the purchase or repayment of debentures or debenture-stocks and without being bound to keep the same separate from the other assets and without being bound to pay interest on the same with the power to the Board at their discretion to pay or allow to the credit of such funds, interest at such rate as the Board may think proper.

(xx) To appoint and remove officers and other employees

To appoint, and at their discretion remove or suspend such general manager, managers, secretaries, assistants, supervisors, scientists, technicians, engineers, consultants, legal, medical or economic advisers, research workers, laborers, clerks, agents and servants, for permanent, temporary or special services as they may from time to time think fit, and to determine their powers and duties and to fix their salaries or emoluments or remuneration and to require security in such instances and for such amounts they may think fit and also from time to time to provide for the management and transaction of the affairs of the Company in any specified locality in India or elsewhere in such manner as they think fit.

(xxi) To appoint Attorneys

At any time and from time to time by power of attorney under the seal of the Company, to appoint any person or persons to be the Attorney or attorneys of the Company, for such purposes and with

such powers, authorities and discretions (not exceeding those vested in or exercisable by the Board under these presents and excluding the power to make calls and excluding also except in their limits authorised by the Board the power to make loans and borrow moneys) and for such period and subject to such conditions as the Board may from time to time think fit, and such appointments may (if the Board think fit) be made in favour of the members or any of the members of any local Board established as aforesaid or in favour of any Company, or the shareholders, directors, nominees or manager of any Company or firm or otherwise in favour of any fluctuating body of persons whether nominated directly or indirectly by the Board and any such powers of attorney may contain such powers for the protection or convenience for dealing with such Attorneys as the Board may think fit, and may contain powers enabling any such delegated Attorneys as aforesaid to sub-delegate all or any of the powers, authorities and discretion for the time being vested in them.

(xxii) To enter into contracts

Subject to Sections 188 of the Act, for or in relation to any of the matters aforesaid or otherwise for the purpose of the Company to enter into all such negotiations and contracts and rescind and vary all such contracts, and execute and do all such acts, deeds and things in the name and on behalf of the Company as they may consider expedient.

(xxiii) To make rules

From time to time to make, vary and repeal rules for the regulations of the business of the Company its Officers and employees.

(xxiv) To effect contracts etc.

To effect, make and enter into on behalf of the Company all transactions, agreements and other contracts within the scope of the business of the Company

(xxv) To apply & obtain concessions licenses etc.

To apply for, promote and obtain any act, charter, privilege, concession, license, authorization, if any, Government, State or municipality, provisional order or license of any authority for enabling the Company to carry any of this objects into effect, or for extending and any of the powers of the Company or for effecting any modification of the Company's constitution, or for any other purpose, which may seem expedient and to oppose any proceedings or applications which may seem calculated, directly or indirectly to prejudice the Company's interests.

(xxvi) To pay commissions or interest

To pay and charge to the capital account of the Company any commission or interest lawfully payable there out under the provisions of Sections 40 of the Act and of the provisions contained in these presents.

(xxvii) To redeem preference shares.

To redeem preference shares.

(xxviii) To assist charitable or benevolent institutions

To subscribe, incur expenditure or otherwise to assist or to guarantee money to charitable, benevolent, religious, scientific, national or any other institutions or subjects which shall have any moral or other claim to support or aid by the Company, either by reason of locality or operation or of public and general utility or otherwise.

- (1) To pay the cost, charges and expenses preliminary and incidental to the promotion, formation, establishment and registration of the Company.
- (2) To pay and charge to the capital account of the Company any commission or interest lawfully payable thereon under the provisions of Sections 40 of the Act.
- (3) To provide for the welfare of Directors or ex-Directors or employees or ex-employees of the Company and their wives, widows and families or the dependents or connections of such persons, by building or contributing to the building of houses, dwelling or chawls, or by grants of moneys, pension, gratuities, allowances, bonus or other payments, or by creating and from time to time subscribing or contributing, to provide other associations, institutions, funds or trusts and by providing or subscribing or contributing towards place

of instruction and recreation, hospitals and dispensaries, medical and other attendance and other assistance as the Board shall think fit and subject to the provision of Section 181 of the Act, to subscribe or contribute or otherwise to assist or to guarantee money to charitable, benevolent, religious, scientific, national or other institutions or object which shall have any moral or other claim to support or aid by the Company, either by reason of locality of operation, or of the public and general utility or otherwise.

- (4) To purchase or otherwise acquire or obtain license for the use of and to sell, exchange or grant license for the use of any trade mark, patent, invention or technical know-how.
- (5) To sell from time to time any Articles, materials, machinery, plants, stores and other Articles and thing belonging to the Company as the Board may think proper and to manufacture, prepare and sell waste and by-products.
- (6) From time to time to extend the business and undertaking of the Company by adding, altering or enlarging all or any of the buildings, factories, workshops, premises, plant and machinery, for the time being the property of or in the possession of the Company, or by erecting new or additional buildings, and to expend such sum of money for the purpose aforesaid or any of them as they be thought necessary or expedient.
- (7) To undertake on behalf of the Company any payment of rents and the performance of the covenants, conditions and agreements contained in or reserved by any lease that may be granted or assigned to or otherwise acquired by the Company and to purchase the reversion or reversions, and otherwise to acquire on free hold sample of all or any of the lands of the Company for the time being held under lease or for an estate less than freehold estate.
- (8) To improve, manage, develop, exchange, lease, sell, resell and re-purchase, dispose off, deal or otherwise turn to account, any property (movable or immovable) or any rights or privileges belonging to or at the disposal of the Company or in which the Company is interested.
- (9) To let, sell or otherwise dispose of subject to the provisions of Section 180 of the Act and of the other Articles any property of the Company, either absolutely or conditionally and in such manner and upon such terms and conditions in all respects as it thinks fit and to accept payment in satisfaction for the same in cash or otherwise as it thinks fit.
- (10) Generally subject to the provisions of the Act and these Articles, to delegate the powers/authorities and discretions vested in the Directors to any person(s), firm, company or fluctuating body of persons as aforesaid.
- (11) To comply with the requirements of any local law which in their opinion it shall in the interest of the Company be necessary or expedient to comply with.

#### **CONTINUING DIRECTORS**

52. The continuing Directors may act notwithstanding any vacancy in their body, but if, and so long as their number is reduced below the minimum number fixed under the Act, the continuing Directors not being less than two may act for the purpose of increasing the number of Directors to that number, or for summoning a General Meeting, but for no other purpose.

#### **COMPANY MAY INCREASE OR REDUCE THE NUMBER OF DIRECTORS.**

53. Subject to the provisions of the Act, the Company may, by Ordinary Resolution, from time to time, increase or reduce the number of Directors, subject to a minimum of three directors and maximum of fifteen directors, and by a Special Resolution increase the number to more than fifteen directors, and the Company may, (subject to the provisions of the Act), remove any Director before the expiration of his period of office and appoint another qualified in his place. The person so appointed shall hold office during such time as the Director in whose place he is appointed would have held the same if he had not been removed.

#### **PROCEEDINGS OF THE BOARD MEETING**

54. The Board of Directors may meet for the conduct of business, adjourn and otherwise regulate its meetings as it thinks fit.

A director may, and the manager or secretary on the requisition of a director shall, at any time, summon a meeting of the Board.

a) The Directors may from time to time elect from among their members a Chairperson of the Board and determine the period for which he is to hold office. If at any meeting of the Board, the Chairman is not present within five minutes after the time appointed for holding the same, the Directors present may choose one of the Directors then present to preside at the meeting.

55. (a) Board Meetings shall be held at least once in every 3 (three) month period and there shall be at least 4 (four) Board Meetings in any calendar year and there should not be a gap of more than 120 (one hundred twenty) days between two consecutive Board Meetings. Meetings shall be held at such place as may be decided by the Board. The said provisions are subject to regulations provided under the Act as amended from time to time.
- (b) The participation of Directors in a meeting of the Board may be either in person or through video conferencing or other audio visual means, as may be prescribed, which are capable of recording and recognizing the participation of the Directors and of recording and storing the proceedings of such meetings along with date and time. However, such matters as provided under the Companies (Meetings of Board and its Powers) Rules, 2014, shall not be dealt with in a meeting through video conferencing or other audio visual means. Any meeting of the Board held through video conferencing or other audio visual means shall only be held in accordance with the Companies (Meetings of Board and its Powers) Rules, 2014.
- (c) The continuing directors may act notwithstanding any vacancy in the Board; but, if and so long as their number is reduced below the quorum fixed by the Act for a meeting of the Board, the continuing directors or director may act for the purpose of increasing the number of directors to that fixed for the quorum, or of summoning a general meeting of the company, but for no other purpose.
- (d) (i) The Board may elect a Chairperson of its meetings and determine the period for which he is to hold office.
- (ii) If no such Chairperson is elected, or if at any meeting the Chairperson is not present within five minutes after the time appointed for holding the meeting, the directors present may choose one of their members to be Chairperson of the meeting.
- (e) The Company Secretary shall, as and when directed by the Chairman convene a meeting of the Board by giving a notice in writing to every Director in accordance with the provisions of the Act and the Companies (Meetings of Board and its Powers) Rules, 2014.
- (f) The Board may meet either at the Office of the Company, or at any other location in India or outside India as the Chairman may determine.
- (g) A meeting of the Board shall be called by giving not less than seven days' notice in writing to every director at his address registered with the company and such notice shall be sent by hand delivery or by post or by electronic means:
- Provided that a meeting of the Board may be called at shorter notice to transact urgent business subject to the condition that at least one independent director, if any, shall be present at the meeting.
- Provided further that in case of absence of independent director(s) from such a meeting of the Board, decisions taken at such a meeting shall be circulated to all the directors and shall be final only on ratification thereof by at least one independent director, if any
- (h) At any Board Meeting, each Director may exercise 1 (one) vote. In case of an equality of votes, the Chairperson of the Board, if any, shall have a second or casting vote. The adoption of any resolution of the Board shall require the affirmative vote of a majority of the Directors present at a duly constituted Board Meeting.

#### **QUORUM FOR BOARD MEETING**

56. (a) Quorum for Board Meetings
- Subject to the provisions of Section 174 of the Act, the quorum for each Board Meeting shall be



one third of the total strength of Board of Directors or two directors whichever is higher. The presence of Directors by video conferencing or by other audio visual means shall also be counted for the purposes of calculating quorum.

If any duly convened Board Meeting cannot be held for want of a quorum, then such a meeting shall automatically stand adjourned for 7 (seven) days after the original meeting at the same time and place, or if that day is a national holiday, on the succeeding day which is not a public holiday to the same time and place. Provided however, the adjourned meeting may be held on such other date and such other place as may be unanimously agreed to by all the Directors in accordance with the provisions of the Act.

- (b) If in the event of a quorum once again not being available at such an adjourned meeting, the Directors present shall constitute the quorum and may transact business for which the meeting has been called.

#### **COMMITTEES AND DELEGATION BY THE BOARD**

57. (a) The Company shall constitute such Committees as may be required under the Act, and as per the applicable provisions of the Law. Without prejudice to the powers conferred by the other Articles and so as not to in any way to limit or restrict those powers, the Board may, subject to the provisions of Section 179 of the Act, delegate any of its powers to the Managing Director(s), the Executive Director(s) or Manager or the Chief Executive Officer of the Company. The Managing Director(s), the Executive Director(s) or the Manager or the Chief Executive Officer(s) as aforesaid shall, in the exercise of the powers so delegated, conform to any regulations that may from time to time be imposed on them by the Board and all acts done by them in exercise of the powers so delegated and in conformity with such regulations shall have the like force and effect as if done by the Board.
- (b) Subject to the applicable provisions of the Act, the requirements of Law and these Articles, the Board may delegate any of its powers to Committees of the Board consisting of such member or members of the Board 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. 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 fulfillment of the purposes of their appointment but not otherwise, shall have the like force and effect as if done by the Board.
  - (c) The meetings and proceedings of any such Committee of the Board consisting of two or more members shall be governed by the provisions herein contained for regulating the meetings and proceedings of the Directors, so far as the same are applicable thereto and are not superseded by any regulation made by the Directors under the last preceding Article.
  - (d) A committee may elect a Chairperson of its meetings. If no such Chairperson is elected, or if at any meeting the Chairperson is not present within five minutes after the time appointed for holding the meeting, the members present may choose one of their members to be Chairperson of the meeting.
  - (e) A committee may meet and adjourn as it thinks fit. Questions arising at any meeting of a committee shall be determined by a majority of votes of the members present, and in case of an equality of votes, the Chairperson shall have a second or casting vote.
  - (f) All acts done in any meeting of the Board or of a committee thereof or by any person acting as a director, shall, notwithstanding that it may be afterwards discovered that there was some defect in the appointment of any one or more of such directors or of any person acting as aforesaid, or that they or any of them were disqualified, be as valid as if every such director or such person had been duly appointed and was qualified to be a director.
  - (g) The Board of the Company shall in accordance with the provisions of the Companies (Meetings of the Board and its Powers) Rules, 2014, or any other Law, form such committees as may be required under such rules in the manner specified therein, if the same are applicable to the Company.

#### **PASSING OF RESOLUTION BY CIRCULATION**

58. 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 form, together with the necessary papers, if any, to all the Directors, or members of the Committee, as the case may be, at their addresses registered with the Company in India by hand delivery or by post or by courier, or through such electronic means as may be provided under the Companies (Meetings of Board and its Powers) Rules, 2014 and has been approved by majority of Directors or members, who are entitled to vote on the resolution. However, in case one-third of the total number of Directors for the time being require that any resolution under circulation must be decided at a meeting, the Chairperson shall put the resolution to be decided at a meeting of the Board.

A resolution mentioned above shall be noted at a subsequent meeting of the Board or the Committee thereof, as the case may be, and made part of the minutes of such meeting.

#### **RETIREMENT AND ROTATION OF DIRECTORS**

59. (i) Subject to provisions in section 152 and other applicable provisions of the Act, not less than two-third of the total number of Directors of the Company shall be the persons whose period of office shall be liable to determination by retirement by rotation and one third of such of the Directors of the Company for the time being as are liable to retire by rotation or if their number is not three or a multiple of three then the number nearest to one third shall retire from office.

(ii) The Directors to retire by rotation at every Annual General Meeting shall be those who have been longest in the office from the last appointment. But as between person who become Directors on the same day, those who are to retire shall in default of subject to any agreement among themselves be determined by lot. Subject to the provisions of the Act, a retiring Director shall remain in office until the conclusion of the meeting at which his reappointment is decided or his successor is appointed.

(iii) Eligibility for re-election

A retiring Director shall be eligible for re-election and shall act as a Director throughout and till the conclusion of the meeting at which he retires.

#### **MANAGING OR WHOLE TIME DIRECTORS**

60. (a) Subject to the provisions of the Act, the Board may, from time to time, appoint one or more Directors to be Managing Director or Managing Directors or Whole time Director or Whole time Directors of the Company with such designations as the Board may consider fit and may, from time to time (Subject to the provisions of any contract between him or them and the Company) remove or dismiss him or them from office and appoint another or others in his or their place or places.

Subject to Section 203 of the Act and rules made there under, one person can act as the Chairman as well as the Managing Director or Chief Executive Officer at the same time.

(b) A Managing or Whole time Director shall, while he continues to hold the office, be subject to the same provisions as to appointment and removal as other Directors, and he shall ipso facto and immediately, cease to be a Managing or Whole time Director if he ceases to hold the office for any reason whatsoever save that if he vacates the office whether by retirement, by rotation or otherwise under the provisions of the Act at any Annual General Meeting and gets reappointed as Director at the same meeting, then he shall not, by reason only of such vacation, cease to be a Managing or Whole time Director.

(c) If at any time the total number of Managing and/or Whole time Director is more than one-third of the total number of Directors, the Managing and/or Whole time Directors who shall not retire shall be determined by and in accordance with their respective seniorities. For the purpose of this Article the seniorities of the Managing and/or Whole time Directors shall be determined by the date of their respective appointments as Managing and/or Whole time Directors of the Company.

(d) The Managing Director or Managing Directors or whole-time Director or whole-time Directors so appointed shall be liable to retire by rotation. A Managing Director or Whole-time Director who is appointed as Director immediately on the retirement by rotation shall continue to hold his office as Managing Director or Whole-time Director and such re-appointment as such Director shall not be deemed to constitute a break in his appointment as Managing Director or Whole-time Director.

- (e) The remuneration of a Managing Director or a Whole-time Director (subject to the provisions of the Act and of these Articles and of any contract between him and the Company) shall from time to time be fixed by the Directors, and may be, by way of fixed salary, or commission on profits of the Company, or by participation in any such profits, or by any, or all of these modes.

**Powers and duties of Managing Director or Whole-time Director**

61. (a) Subject to control, direction and supervision of the Board of Directors, the day-to-day management of the company will be in the hands of the Managing Director or Whole-time Director appointed in accordance with regulations of these Articles of Association with powers to the Directors to distribute such day-to-day management functions among such Directors and in any manner as may be directed by the Board.
- (b) The Directors may from time to time entrust to and confer upon the Managing Director or Whole-time Director for the time being save as prohibited in the Act, such of the powers exercisable under these presents by the Directors as they may think fit, and may confer such objects and purposes, and upon such terms and conditions, and with such restrictions as they think expedient; and they may subject to the provisions of the Act and these Articles confer such powers, either collaterally with or to the exclusion of, and in substitution for, all or any of the powers of the Directors in that behalf, and may from time to time revoke, withdraw, alter or vary all or any such powers.
- (c) The Company's General Meeting may also from time to time appoint any Managing Director or Managing Directors or Wholetime Director or Wholetime Directors of the Company and may exercise all the powers referred to in these Articles.
- (d) The Managing Director shall be entitled to sub-delegate (with the sanction of the Directors where necessary) all or any of the powers, authorities and discretions for the time being vested in him in particular from time to time by the appointment of any attorney or attorneys for the management and transaction of the affairs of the Company in any specified locality in such manner as they may think fit.
- (e) Notwithstanding anything contained in these Articles, the Managing Director is expressly allowed generally to work for and contract with the Company and especially to do the work of Managing Director and also to do any work for the Company upon such terms and conditions and for such remuneration (subject to the provisions of the Act) as may from time to time be agreed between him and the Directors of the Company.

**CHIEF EXECUTIVE OFFICER, MANAGER, COMPANY SECRETARY OR  
CHIEF FINANCIAL OFFICER**

62. Subject to the provisions of the Act and rules there under:
- a) A Chief Executive Officer, Manager, Company Secretary or Chief Financial Officer may be appointed by the Board of Directors for such terms at such remuneration and upon such terms and conditions as it may think fit and any Chief Executive Officer, Manager, Company Secretary or Chief Financial Officer so appointed may be removed by means of a resolution of the Board; the Board may appoint one or more chief executive officers for its multiple business.-check provision
- b) A director may be appointed as Chief Executive Officer, Manager, Company Secretary or Chief Financial Officer.
- Any provision of the Act or these articles requiring or authorizing a thing to be done by or to a director and chief executive officer, manager, company secretary or chief financial officer shall not be satisfied by its being done by or to the same person acting both as director and as, or in place of Chief Executive Officer, Manager, Company Secretary, or Chief Financial Officer.
- c) Pursuant to the provisions of the Act and the rules made there under, the Key Managerial Personnel of the Company may be appointed as Director in any other Company.

**DIRECTORS' & OFFICERS' LIABILITY INSURANCE**

63. Subject to the provisions of the Act and Law, the Company may procure, at its own cost, comprehensive

Directors and officers liability insurance for each Director which shall not form a part of the remuneration payable to the Directors in the circumstances described under Section 197 of the Act: -

- (a) on terms approved by the Board;
- (b) which includes each Director as a policyholder;
- (c) is from an internationally recognised insurer approved by the Board; and

#### **THE SEAL**

64. (a) The Board shall provide a Common Seal for the purposes of the Company, and shall have power from time to time to destroy the same and substitute a new Seal in lieu thereof, and the Board shall provide for the safe custody of the Seal for the time being, and the Seal shall never be used except by the authority of the Board or a Committee of the Board previously given.

(b) The Company shall also be at liberty to have an Official Seal in accordance with of the Act, for use in any territory, district or place outside India.

#### **Dividend**

65.

##### 1. Division of profits

- (i) Subject to the rights of members entitled to shares (if any) with preferential or special rights attached thereto the profits of the Company, which it shall from time to time determine to divide in respect of any year or other period, shall be applied in the payment of a dividend on the equity shares of the Company according to the amounts paid or credited as paid on the shares in respect where of the dividend is paid and so that where capital is paid up in advance of calls upon the footing that the same shall carry interest, such capital shall not rank for dividends or confer a right to participate in profits.
- (ii) No amount paid or credited as paid on a share in advance of calls shall be treated for the purposes of this regulation as paid on the share.
- (iii) All dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the shares during any portion or portions of the period in respect of which the dividend is paid; but if any share is issued on terms providing that it shall rank for dividend as from a particular date such share shall rank for dividend accordingly.
- (iv) Subject to the provisions of Section 123 and other applicable provisions of the Act and rules there--under, no dividend shall be declared or paid except out of the profits of the Company or out of moneys provided by the Central or State Government for the payment of the dividend in pursuance of any guarantee given by such Government and no dividend shall carry interest against the Company.
- (v) Subject to the provisions of the Act, the declaration of the Board as to the amount of the net profits of the company shall be conclusive.

##### 2. The company in General Meeting may declare Dividends

The Company in General Meeting may declare dividends, to be paid to members according to their respective rights and interests in the profits and may fix the time for payment and the Company shall comply with the provisions of Section 127 of the Act, but no dividends shall exceed the amount recommended by the Board of Directors, but the Company may declare a smaller dividend in general meeting.

##### 3. Transfer to reserves

- a) The Board may, before recommending any dividend, set aside out of the profits of the company such sums as it thinks fit as a reserve or reserves which shall, at the discretion of the Board, be applicable for any purpose to which the profits of the company may be properly applied, including provision for meeting contingencies or for equalizing dividends; and pending such application, may, at the like discretion, either be employed in the business of the company or be invested in such investments (other than shares of the company) as the Board may, from time to time, think fit.
- b) The Board may also carry forward any profits which it may consider necessary not to divide, without setting them aside as a reserve.

##### 4. Interim Dividend

Subject to the provisions of section 123, the Board may from time to time pay to the members such interim

dividends as appear to it to be justified by the profits of the company.

5. Debts may be deducted.

The Directors may retain any dividends on which the Company has a lien and may apply the same in or towards the satisfaction of the debts, liabilities or engagements in respect of which the lien exists.

6. Capital paid up in advance not to earn dividend

No amount paid or credited as paid on a share in advance of calls shall be treated for the purposes of this articles as paid on the share.

7. Dividends in proportion to amount paid-up

All dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the shares during any portion or portions of the period in respect of which the dividend is paid but if any share is issued on terms providing that it shall rank for dividends as from a particular date such share shall rank for dividend accordingly.

8. Retention of dividends until completion of transfer under Articles

The Board of Directors may retain the dividend payable upon shares in respect of which any person under Articles has become entitled to be a member, or any person under that Article is entitled to transfer, until such person becomes a member, in respect of such shares or shall duly transfer the same.

9. No Member to receive dividend whilst indebted to the company and the Company's right of reimbursement thereof

No member shall be entitled to receive payment of any interest or dividend or bonus in respect of his share or shares, whilst any money may be due or owing from him to the Company in respect of such share or shares (or otherwise however, either alone or jointly with any other person or persons) and the Board of Directors may deduct from the interest or dividend payable to any member all such sums of money so due from him to the Company.

A general meeting declaring dividend may make a call on the members of such amount as the meeting fixes, but so that call on each members shall not exceed the dividend payable to him, and so that the call made earlier be payable at the same time as the dividend and the dividend may be set off against the call.

10. Effect of transfer of shares

A transfer of shares shall not pass the rights to any dividend declared thereon before the registration of the transfer by the Company.

11. Dividend to joint holders

Any one of several persons who are registered as joint holders of any share may give effectual receipts for all dividends or bonus and payments on account of dividends in respect of such share.

12. Dividends how remitted

a) Unless otherwise directed in accordance with Section 123 and other applicable provisions of the Act and rules there-under, any dividend, interest or other moneys payable in cash in respect of a shares may be paid by cheque or warrant sent through the post to the registered address of the holder or, in the case of joint-holders who is the first named in the register of shareholders in respect of the joint holding to such person and to such address as the holder or joint holders, as the case may be, may direct, and every cheque or warrant so sent shall be made payable to the order of the persons to whom it is sent.

b) Every such cheque or warrant shall be made payable to the order of the person to whom it is sent.

c) No dividend shall be paid in respect of any share except to the registered holder of such share or to his order or to his bankers but nothing contained in this Article shall be deemed to require the bankers of a registered shareholder to make a separate application to the Company for the payment of the dividend.

13. Notice of dividend

Notice of any dividend that may have been declared shall be given to the persons entitled to share therein in the manner mentioned in the Act.

14. No interest on Dividends.

No unclaimed dividend shall be forfeited before the claim becomes barred by law and no unpaid dividend shall

bear interest as against the Company.

The dividend on Shares, in respect of which instrument of transfer of shares has been delivered to the Company for registration and the transfer of shares has not been registered by the Company, shall be transferred to Special Account referred to in Section 124 and other applicable provisions of the Act and rules there-under pending transfer.

No unclaimed dividend shall be forfeited till the claim thereto becomes barred by law and the Company shall comply with the requirements of Section 123 and 124 and other applicable provisions of the Act and rules there-under as regards any unpaid or unclaimed dividends declared by the Company.

### **RESERVES**

66.

(a) Subject to the provisions of the Act, and the Rules prescribed there under the Board may, from time to time before recommending any dividend, set apart any and such portion of the profits of the Company as it thinks fit as Reserves to meet contingencies or for the liquidation of any debentures, debts or other liabilities of the Company, for equalization of dividends, for repairing, improving or maintaining any of the property of the Company and for such other purposes of the Company as the Board in its absolute discretion thinks conducive to the interests of the Company, and may subject to the provisions of Section 186 and other applicable provisions of the Act and rules there under, invest the several sums so set aside upon such investments (other than shares of the Company) as it may think fit, and from time to time deal with and every such investments and dispose off all or any part thereof for the benefit of the Company, and may divide the Reserves into such special funds as it thinks fit, with full power to employ the Reserves or any parts thereof in the business of the Company and that without being bound to keep the same separate from the assets.

(b) All moneys carried to the reserves shall nevertheless remain and be profits of the Company available, subject to due provisions being made for actual loss or depreciation, for the payment of dividends and such moneys and all the other moneys of the Company not immediately required for the purposes of the Company may, subject to the provisions of Sections 186 and other applicable provisions of the Act and rules there-under, be invested by the Board in or upon such investments or securities as it may select, or may be used as working capital or may be kept at any bank on deposit or otherwise as the Board may, from time to time, think proper.

### **ANNUAL RETURNS**

67. The Company shall comply with the provisions of Section 92 and other applicable provisions of the Act and rules there under for preparation of Annual Returns of the Company.

### **CAPITALIZATION OF PROFITS**

68. (a) The Company may in a General Meeting, upon recommendation of the Board, resolve:
- (i) That it is desirable to capitalize any part of the amounts for the time being standing to the credit of the Company's reserve accounts or to the credit of the profit and loss accounts or otherwise available for distribution and
  - (ii) That such sum be accordingly set free for distribution in the manner specified in clause (b) amongst the members who would have been entitled thereto if distributed by way of dividend and in the same proportion.
- (b) The sum aforesaid shall not be paid in cash but shall be applied, subject to the provisions contained in clause (c) either in or towards:
- (i) Paying up any amount for the time being unpaid on shares held by such members respectively; or
  - (ii) Paying up in full unissued shares of the Company to be allotted and distributed, credited as fully paid up, to and amongst such members in the proportion aforesaid; or
  - (iii) partly in the way specified in sub-clause (i) and partly in the way specified in sub-clause (ii).
- (c) A securities premium account and a capital redemption fund may be applied in the paying up of unissued shares to be issued to members of the Company as fully paid bonus shares.

The Board shall give effect to the resolution passed by the Company in pursuance of this regulation.

#### Powers of Directors to declare Bonus

- (d) Whenever such a resolution as aforesaid shall have been passed by the Board, the Board shall :
- (i) make all appropriations and applications of the undistributed profits to be capitalised thereby and issue of fully paid shares or debentures, if any ; and
  - (ii) generally do all acts and things required to give effect thereto.
- (e) The Board shall have full power:
- (i) to make such provision, by the issue of fractional certificates or by payments in cash or otherwise as it thinks fit in the case of shares becoming distributable in fraction; and
  - (ii) to authorise any person to enter on behalf of all the members entitled thereto into an agreement with the Company providing for the allotment to them respectively credited as fully paid up of any further shares or debentures of which they may be entitled upon such capitalisation or as the case may require, for the payment of by the Company on their behalf, by the application thereto of their respective proportion of the profits resolved to be capitalized or the amounts or any part of the amounts remaining unpaid on the shares.
- (f) Any agreement made under such authority shall be effective and binding on all such members
- (g) The Board shall give effect to the resolution passed by the Company in pursuance of this regulation.

#### Fractional Certificates

- (h)
1. whenever such a resolution as aforesaid shall have been passed, the Board shall —
    - (a) Make all appropriations and applications of the undivided profits resolved to be capitalized thereby and all allotments and issues of fully paid shares, if any, and
    - (b) Generally do all acts and things required to give effect thereto.
  - (2) The Board shall have full power -
    - (a) to make such provision, by the issue of fractional certificates or by payment in cash or otherwise as it thinks fit, in case of shares becoming distributable in fractions; and also
    - (b) to authorise any person to enter, on behalf of all the members entitled thereto, into an agreement with the Company providing for the allotment to them respectively, credited as fully paid up, of any further shares to which they may be entitled upon such capitalization, or (as the case may require) for the payment by the Company on their behalf, by the application thereto of their respective proportions, of the profits resolved to be capitalized, of the amounts or any part of the amounts remaining unpaid on their existing shares.
  - (3) Any agreement made under such authority shall be effective and binding on all such members.
  - (4) That for the purpose of giving effect to any resolution, under the preceding paragraph of this Article, the Directors may give such directions as may be necessary and settle any questions or difficulties that may arise in regard to any issue including distribution of new equity shares and fractional certificates as they think fit.

#### ACCOUNTS

69. (a) The Company shall keep at the office or at such other place in India as the Board thinks fit, proper books of Account in accordance with Section 128 the Act.
- (b) Where the Board decides to keep all or any of the Books of Accounts at any place other than the office of the Company the Company shall within seven days of the decision file with the Registrar a notice in writing given the full address of that other place.
- The company may keep such books of account or other relevant papers in electronic mode in such manner as may be prescribed under the Act and the Rules made there under.
- (c) The Company shall preserve in good order the Books of Account relating or period of not less than eight years preceding the current year together with the vouchers relevant to any entry in such

books of Account.

- (d) The Board shall from time to time determine whether and to what extent and at what times and places and under what conditions or regulations the accounts and books of the Company or any of them shall be open to the inspection of members not being Directors 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 authorized by the Board.
- (e) The Directors shall from time to time, in accordance with the provisions of the Act and the rules made there under, cause to be laid before the Company in General Meeting, such Balance Sheets, profits and loss account and reports as are required by the Act
- (f) A Copy of every Balance Sheet and profit and loss account (including the Auditors Report and every other document required by law to be annexed or attached to the Balance Sheet) or a Statement containing salient features of such documents in the prescribed form, as laid down under Section 136 of the Act as the Company may deem fit, shall not less than twenty-one days before the Meeting at which the Balance Sheet and the profit and loss Account are to be laid before the Members, be sent to every person entitled thereto pursuant to the provisions of the Section 136 of the Act provided this Article shall not require a copy of the documents to be sent to any person of whose address the Company is not aware of or to more than one of the joint holders of any shares.

#### **AUDIT**

70. (a) Once, at least in every year, the books of account of the Company shall be examined by one or more Auditors.
- (b) The first Auditor or Auditors of the Company shall be appointed by the Board within one month after the date of registration of the Company and the Auditor or Auditors so appointed shall hold office until the conclusion of the first Annual General Meeting of the Company.
- (c) Subject to the provisions of Section 139 of the act and rules made there under the Company shall at each Annual General Meeting appoint an Auditor or Auditors to hold office from the conclusion of that meeting until the conclusion of the next Annual General Meeting and shall, within fifteen days of the appointment, give intimation thereof to every Auditor so appointed. The appointment, remuneration, rights, duties and all other provisions of the Auditor or Auditors shall be regulated by Sections 139 to 148 and other applicable provisions of the Act and rules there-under.
- (d) Where the Company has a branch office, the provisions of Section 143 and other applicable provisions of the Act and rules there under shall apply.
- (e) All notices of and other communication relating to any general meeting of the Company which any member of the Company is entitled to have been sent to him, shall also be forwarded to the Auditor of the Company, and the auditor shall be entitled to attend any general meeting and to be heard at any general meeting which he attends on any part of the business which concerns him as Auditor.
- (f) The Auditor's Report (including the Auditor separate, special or supplementary report, (if any) shall be read before the Company in general meeting and shall be open to inspection by any member of the Company.
- (g) Every Financial Statement of the Company when audited and adopted by the Company in General Meeting shall be conclusive except as regards any error discovered therein.

#### **SERVICE OF NOTICES AND DOCUMENTS**

71. Any document or notice to be served or given by the Company be signed by a Director or such person duly authorised by the Board for such purpose and the signature may be written or printed or lithographed.

Save as otherwise expressly provided in the Act, a document or proceeding requiring authentication by the company may be signed by a Director, the Manager, or Secretary or other Authorised Officer of the Company and need not be under the Common Seal of the Company.

72. (a) A notice or other document may be given by the Company to any member either personally or by



sending it through electronic mode as per the provisions of the act and rules there under at his registered e-mail address or by post at his registered physical address (or if he has no registered address in India) to the address, if any, within India supplied by him to the Company for the giving of notices to him.

- (b) The company's obligation shall be satisfied when it transmits the email and the company shall not be held responsible for a failure in transmission beyond its control.
- (c) If a member entitled to receive notice fails to provide or update relevant email address to the company, or to the depository participant as the case may be, the company shall not be in default for not delivering notice via email.
- (d) Where a notice or other document is sent by post:
  - (i) services thereof shall deemed to be effected by properly addressing, prepaying and posting a letter containing the notice or document, provided that where a member has intimated to the Company in advance that notices of documents should be sent to him under certificate of posting or by registered post with or without acknowledgement due and has deposited with the Company a sufficient sum to defray the expenses of doing so, service to the notice or document shall not be deemed to be effected unless it is sent in the manner intimated by the member, and
  - (ii) such service shall be deemed to have been effected.
    - (a) in the case of notice of a meeting, at the expiration of forty-eight hours after the letter containing the same is posted, and
    - (b) in any other case, at the time at which the letter would be delivered in the ordinary course of post.
- (e) A notice or other document advertised in a newspaper circulating in the neighborhood of the office shall be deemed to be duly served on the day on which the advertisement appears on every member of the Company who has no registered address in India and has not supplied to the Company any address within India for the giving of notices to him. Any member who has no registered address in India shall, if so required to do by the Company, supply the Company with an address in India for the giving of notice to him.
- (f) A notice or other document may be served by the Company on the joint holders of a share by giving the notice to the joint holder named first in the Register in respect of the share.
- (g) A notice or other document may be served by the Company on the persons entitled to a share in consequence of the death or insolvency of a member by sending it through the post in a prepaid letter addressed to them by name, or by the title of representatives of the deceased or assignee 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 so entitled, or until such an address has been so supplied by giving the notice in any manner in which the same might have been given if the death or insolvency had not occurred.
- (h) Any notice required to be given by the Company to the members or any of them and not expressly provided for by these Articles or by the Act shall be sufficiently given if given by advertisement.
- (i) Any notice required to be or which may be given by advertisement shall be advertised once in one or more newspapers circulating in the neighborhood of the office.
- (j) Any notice given by advertisement shall be deemed to have been given on the day on which the advertisement shall first appear.
- (k) Every person who by operation of law or transfer or other means whatsoever shall become entitled to any share(s) and he shall be bounded by every notice in respect of such share(s) which previously to his name and address being entered on the Register and the company's records shall have been given to the person from whom he derives his title to such share(s).
- (l) Any notice or document delivered or sent by post or electronic mode at the registered physical/email address of any member in pursuance of these Articles shall, notwithstanding such member be then deceased and whether or not the Company have notice of his death, be deemed to have been duly served in respect of any registered share whether held solely or jointly with other

persons by such member until some other person be registered in his place as the holder or joint holder thereof and such service shall for all purposes of these presents be deemed a sufficient service of such notice or document on his nominees, heirs, executors or administrators and all persons, if any, jointly interested with him in any such share.

#### **KEEPING AND INSPECTION OF REGISTERS**

73. (a) The Company shall duly keep and maintain at the office, in accordance with the requirements of the Act in that behalf, the following Registers:

- (1) A Register of investment not held by the Company in its own name pursuant to Section 187(3) of the Act and other applicable provisions of the Act.
- (2) A Register of Deposits pursuant of the Companies (Acceptances of Deposits) Rules, 2014 and other applicable provisions of the Act.
- (3) A Register of Charges pursuant of Section 143 and other applicable provisions of the Act and rules there-under.
- (4) A Register of Members pursuant of Section 88 and other applicable provisions of the Act and rules there under and, whenever the company has more than 50 members, unless such Register of Members is in a form which itself constitutes, an index of members pursuant of Section 88 and other applicable provisions of the Act and rules there-under.
- (5) A Register of Renewed and Duplicate Certificates pursuant to Section 46 and other applicable provisions of the Act and rules there under including any statutory modification or re enactment made thereof.
- (6) A Register of Debenture holders pursuant of Section 88 and other applicable provisions of the Act and rules there under and, an index of Debenture holders pursuant to Section 88(3) of Act

The register and index of beneficial owners maintained by the depository under Section 11 of the Depositories Act 1996 shall be deemed to be the corresponding register and index for the purpose of this act.

- (7) A Register of contracts pursuant to Section 189 and other applicable provisions of the Act and rules there-under.
- (8) A Register of Directors and Key Managerial Personnel pursuant to Section 170 of the Act.
- (9) A Register of Directors' and Key Managerial Personnel's' Shareholdings pursuant to Section 170 and other applicable provisions of the Act and rules there under.
- (10) Registers of loans or guarantee given or security provided or any acquisition made under Section 186 of the Act and the rules framed there under.
- (11) And any other Register as may be required as per Companies Act, 2013 and the Rules made there-under.
- (12) The Company may exercise the powers conferred on it by the provisions of the Act with regard to the keeping of Foreign Register of its Members or Debenture holders, and the Board may, subject to the provisions of the Act, make and vary such regulations as it may think fit in regard to the keeping of any such Registers.
- (13) The books containing the minutes of the proceedings of any General Meetings of the Company shall be open to inspection of members without charge on such days and during such business hours as may consistently with the provisions of Section 119 of the Act be determined by the Company in General Meeting and the members will also be entitled to be furnished with copies thereof on payment of regulated charges.

Any member of the Company shall be entitled to be furnished within seven days after he has made a request in that behalf to the Company with a copy of any minutes referred to in sub-clause (1) hereof on payment of Rs. 10 per page or any part thereof.

- (14) The Board shall from time to time determine whether and to what extent and at what times and places and under what conditions or regulations, the accounts and books of the

company, or any of them, shall be open to the inspection of members not being directors.

No member (not being a director) shall have any right of inspecting any account or book or document of the company except as conferred by law or authorised by the Board or by the company in general meeting.

- (b) The Company shall comply with all the provisions of the Act and rules there under as to the supplying of copies of the Registers, deeds, documents, instruments, returns, certificates and books therein mentioned to the persons therein specified when so required by such persons, on payment of the charges, if any, prescribed in the Act.
- (c) Where under any provision of the Act any person, whether a member of the Company or not, is entitled to inspect any register, return, certificate, deed, instrument or document required to be kept or maintained by the Company, the person so entitled for inspection shall be permitted to inspect the same during the business hours on such business days as the Act requires them to be open for inspection.
- (d) Pursuant to all the applicable sections of the Act and rules made there under the Company may prepare and maintain all the applicable registers in physical or in electronic mode.

#### **RECONSTRUCTION**

74. On any sale of the undertaking of the Company, the Board or the Liquidators on a winding up may, if authorised by a Special Resolution accept fully paid or partly paid up shares, debentures or securities of any other company, whether incorporated in India or not, either then existing or to be formed for the purpose in whole or in part of the property of the Company and the Board (if the profits of the company permit) or the Liquidators (in a winding up) may distribute such shares or securities or any other property of the Company amongst the members without realisation or vest the same in trustees for them and any Special Resolution may provide for the distribution or appropriation of the cash, shares or other securities, benefit or property, otherwise than in accordance with the strict legal rights of the members or contributors of Company, and for the valuation of any such securities or property at such price and in such manner as the meeting may approve and all holders of shares shall be bound to accept and shall be bound by any valuation or distribution so authorised and waive all rights in relation thereto, save only in case the Company is proposed to be or is in the course of being wound up such statutory rights (if any) under Section 494 of the Act as are incapable of being varied or excluded by these Article.

#### **SECRECY**

75. (a) Every Director, Secretary, Trustee for the Company, its members or debenture holders, members of a Committee, Officer, Servant, Agent, Accountant, or other person employed in or about the business of the Company shall if so required by the Board before entering upon his duties, sign a declaration pledging himself to observe a strict secrecy respecting all transaction of the Company with its customers and the state of accounts with 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 to do so by the Board or by any general meeting or by a Court of law and except so far as may be necessary in order to comply with any of the Provisions in these Articles contained.
- (b) No member or other person (not being a Director) shall be entitled to enter upon the property of the Company or to inspect or examine the premises or properties of the Company without the permission of the Board, to require discovery of or any information with respect to any detail of the trading of the Company or any matter which is or may be in the nature of a trade secret, mystery of trade, or secret process or of any matter whatsoever which may relate to the conduct of the business of the Company and which in the opinions of the Board is inexpedient in the interest of the Company to communicate.
- (c) Subject to the provisions of the Act, no Director or other officer of the Company shall be liable for the acts, deeds, receipts, neglects or defaults of any other Director or officer, or other act for conformity, or for any loss or expense happening to the Company through insufficiency or deficiency of title to any property acquired by order of the Board of director for or on behalf of the Company, or for the insufficiency or deficiency of any security in or upon which any of the moneys of the Company shall be invested, or for any loss or damage arising from the bankruptcy, insolvency or tortious act of any person, company or corporation, with whom any moneys, securities or effects shall be entrusted or deposited, or for any loss occasioned by any error of

judgment or oversight on his part, or for any other loss or damage or misfortune whatever, which shall happen in the execution of the duties of his office or in relation thereto, unless the same happen through his own dishonesty.

#### **WINDING UP**

76. (a) If the Company shall wound up and the asset available for distribution among the members as such shall be insufficient to repay the whole of the paid up capital such assets shall be distributed so that as nearly as may be the losses shall be borne by the members in proportion to the capital paid up or which ought to have been paid up at the commencement of the winding up on the shares held by them respectively. And if in a winding up the assets available for distribution among the members shall be more than sufficient to repay the whole of the capital paid up at the commencement of the winding up, the excess, shall be distributed among the members in proportion to the capital at the commencement of the winding up or which ought to have been paid up on the shares held by them respectively. But this Article is to be without prejudice to the rights of the holders of shares issued with preferential rights and/or upon special terms and conditions.
- (b) Subject to the provisions of Chapter XX of the Act and rules made there-under—  
If the Company shall be wound up, whether voluntarily or otherwise the Liquidator may with the sanction of a Special Resolution, divide among the contributories, in specific or kind, the whole or any part of the assets whether they consist of property of same kind or not of the Company and may, with the like sanction, vest the whole or any part of the assets of the Company in Trustee with the like sanction, shall think fit.
- (c) For the purpose aforesaid, the liquidator may set such value as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the members or different classes of members.
- (d) The liquidator may, with the like sanction, vest the whole or any part of such assets in trustees upon such trusts for the benefit of the contributories if he considers necessary, but so that no member shall be compelled to accept any shares or other securities whereon there is any liability.

#### **INDEMNITY**

77. (a) Subject to provisions of the Act, every Director, or Officer or Servant of the Company or any person (whether an Officer of the Company or not) employed by the Company as Auditor, shall be indemnified by the Company against and it shall be the duty of the Directors to pay, out of the funds of the Company, all costs, charges, losses and damages which any such person may incur or become liable to, by reason of any contract entered into or act or thing done, concurred in or omitted to be done by him in any way in or about the execution or discharge of his duties or supposed duties (except such if any as he shall incur or sustain through or by his own wrongful act neglect or default) including expenses, and in particular and so as not to limit the generality of the foregoing provisions, against all liabilities incurred by him as such Director, Officer or Auditor or other officer of the Company in defending any proceedings whether civil or criminal in which judgment is given in his favor, or in which he is acquitted or in connection with any application under Section 463 of the Act on which relief is granted to him by the Court.
- (b) Subject to the provisions of the Act, no Director, Managing Director or other officer of the Company shall be liable for the acts, receipts, neglects or defaults of any other Directors or Officer, or for joining in any receipt or other act for conformity, or for any loss or expense happening to the Company through insufficiency or deficiency of title to any property acquired by order of the Directors for or on behalf of the Company or for the insufficiency or deficiency of any security in or upon which any of the moneys of the Company shall be invested, or for any loss or damage arising from the bankruptcy, insolvency or tortuous act of any person, company or corporation, with whom any moneys, securities or effects shall be entrusted or deposited, or for any loss occasioned by any error of judgment or oversight on his part, or for any other loss or damage or misfortune whatever which shall happen in the execution of the duties of his office or in relation thereto, unless the same happens through his own dishonesty.

**GENERAL**

78. (a) Wherever in the Act, it has been provided that the Company shall have any right, privilege or authority or that the Company could carry out any transaction only if the Company is so authorized by its Articles, then and in that case this Article authorizes and empowers the Company to have such rights, privileges or authorities and to carry such transactions as have been permitted by the Act, without there being any specific Article in that behalf herein provided.
- (b) Any provisions contained in these Articles shall, to extent to which it is repugnant to the provisions of the Act or the Rules, become or be void, as the case may be without affecting other regulations contained in these Articles.
- (c) Save as aforesaid any words and expressions contained in these Articles shall bear the same meanings as in the Act or any statutory modifications thereof for the time being in force.
- (d) Pursuant to all the applicable laws, the Company is authorised as per these Articles to carry out all the compliances as may be applicable to it from time to time under Securities and Exchange Board of India (SEBI) Act, 1992, SEBI (Issue of Capital And Disclosure Requirements) Regulations, 2009, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Securities Contract (Regulation) Act, Stock Exchange Compliances, Depositories Act and all other applicable laws as amended from time to time.

**SECTION IX – OTHER INFORMATION**  
**MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION**

The following contracts (not being contracts entered into in the ordinary course of business carried on by our Company or contracts entered into more than two (2) years before the date of filing of Draft Prospectus) which are or may be deemed material have been entered or are to be entered into by our Company. These contracts, copies of which were attached to the copy of the Prospectus when delivered to the RoC for registration and also the documents for inspection referred to hereunder, may be inspected at the Registered Office and Corporate Office of our Company located at D/87, Nava Anaj Bazar, Opp. Anupam Cinema, Khokhara, Ahemdabad - 380008 Gujarat and 505-508, 10/11 Beside Mardia Plaza CG Road Ahmedabad-380009, Gujarat respectively, from date of filing the Draft Prospectus to Issue Closing Date on working days from 10.00 a.m. to 5.00 p.m.

**Material Contracts**

1. Issue Agreement dated May 12, 2017 between our Company and the Lead Manager.
2. Registrar to the issue agreement dated May 12, 2017 between our Company and Link-In time Private Limited, Registrar to the Issue.
3. Underwriting Agreement dated May 12, 2017 between our Company and Underwriter viz. Lead Manager.
4. Market Making Agreement dated May 12, 2017 between our Company, Market Maker and the Lead Manager.
5. Banker to the Issue Agreement dated May 12, 2017 amongst our Company, the Lead Manager, Banker to the Issue and the Registrar to the Issue.
6. Tripartite agreement among the NSDL, our Company and Registrar to the Issue dated June 7, 2017
7. Tripartite agreement among the CDSL, our Company and Registrar to the Issue dated May 20, 2017

**Material Documents**

1. Certified true copy of the Memorandum and Articles of Association of our Company including certificates of incorporation.
2. Resolution of the Board dated April 24, 2017 authorizing the Issue
3. Special Resolution of the shareholders passed at the AGM dated May 10, 2017 authorizing the Issue.
4. Statement of Tax Benefits dated May 18, 2017 issued by Peer Review Auditor, M/s N. K. Aswani & Co., Chartered Accountants.
5. Report of the Peer Review Auditor, M/s N. K. Aswani & Co., Chartered Accountants dated May 18, 2017 on the Restated Financial Statements for the financial year ended on March 31, 2017, March 31, 2016, 2015, 2014 and 2013 of our Company.
6. Consents of Promoters, Directors, Company Secretary and Compliance Officer, Chief Financial Officer, Statutory Auditors of our Company, Peer Reviewed Auditor, Legal Advisor to the Issue, the Lead Manager, Registrar to the Issue, Underwriter, Bankers to the Issue/ Public Issue Bank and Refund Bank, Banker to the Company and Market Maker to act in their respective capacities.
7. Copy of approval from National Stock Exchange of India Limited *vide* letter dated June 9, 2017, to use the name of NSE in this offer document for listing of Equity Shares on EMERGE Platform of National Stock Exchange of India Limited.

None of the contracts or documents mentioned in this Prospectus may be amended or modified at any time without reference to the shareholders, subject to compliance of the provisions contained in the Companies Act and other relevant statutes.

## DECLARATION

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

Signed by all the Directors and Promoters of our Company

<b>Name and Designation</b>	<b>Signature</b>
<i>1. SHRENIKBHAI SUDHIRBHAI VIMAWALA, Chairman and Managing Director</i>	Sd/-
<i>2. RISHIT SHRENIK VIMAWALA, Whole time Director</i>	Sd/-
<i>3. KAIVAN SHRENIK VIMAWALA, Whole time Director</i>	Sd/-
<i>4. HIMABEN SHRENIKBHAI VIMAWALA, Director</i>	Sd/-
<i>5. ASHISH HARISHKUMAR MODI, Independent Director</i>	Sd/-
<i>6. DEVARSH MUKTESH SHAH, Independent Director</i>	Sd/-

Signed by

Sd/-	Sd/-
Madhulika Mishra Company Secretary & Compliance Officer	Virendra Vasantlal Surti Chief Financial Officer

Place: Ahmedabad

Date: June 27, 2017

**Annexure A**

**DISCLOSURE OF PRICE INFORMATION OF PAST ISSUES HANDLED BY PANTOMATH CAPITAL ADVISORS PRIVATE LIMITED**

Sr. No	Issue Name	Issue Size (Cr)	Issue Price (Rs.)	Listing date	Opening price on listing date	+/- % change in closing price, [+/- % change in closing benchmark]- 30th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 90th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 180th calendar days from listing
1.	Maheshwari Logistics Limited	27.17	68	January 16, 2017	71.80	5.51% (0.97%)	38.97% (8.64%)	Not Applicable
2.	Madhav Copper Limited	4.48	81	February 06, 2017	90.50	55.86% (1.66%)	132.84% (5.83%)	Not Applicable
3.	Chemcrux Enterprises Limited	2.40	18	March 28, 2017	21.60	117.22 (2.46%)	Not Applicable	Not Applicable
4.	Manomay Tex India Limited	11.41	30	March 28, 2017	32.40	13.33% (2.46%)	Not Applicable	Not Applicable
5.	Oceanic Foods Limited	6.50	65	March 31, 2017	65.00	50.77% (1.02%)	Not Applicable	Not Applicable
6.	Euro India Fresh Foods Limited	51.26	78	March 31, 2017	82.40	15.19% (1.53%)	Not Applicable	Not Applicable
7.	Bohra Industries Limited	25.15	55	April 05, 2017	56.20	-0.82% (1.02%)	Not Applicable	Not Applicable
8.	Creative Peripherals and Distribution Limited	13.50	75	April 12, 2017	83.25	72.67% (2.62%)	Not Applicable	Not Applicable
9.	Panache Digilife Limited	14.58	81	April 25, 2017	84.00	14.20% (0.58%)	Not Applicable	Not Applicable
10.	Zota Health Care Limited	58.50	125	May 10, 2017	140.40	6.64% (2.25%0)	Not Applicable	Not Applicable

Note:- Gautam Exim Limited and Bansal Multiflex Limited has filled prospectus with Registrar of Companies



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

Note:-

1. The BSE Sensex and CNX Nifty are considered as the Benchmark Index
2. Prices on BSE/NSE are considered for all of the above calculations
3. In case 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
4. In case 30<sup>th</sup>/90<sup>th</sup>/180<sup>th</sup> days, scrips are not traded then last trading price has been considered.
5. As per SEBI Circular No. CIR/CFD/DIL/7/2015 dated October 30, 2015, the above table should reflect maximum 10 issues (Initial Public Offers) managed by the lead manager. Hence, disclosures pertaining to recent 10 issues handled by the lead manager are provided.

### SUMMARY STATEMENT OF DISCLOSURE

Financial year	Total no. of IPO	Total funds raised (Rs. Cr)	Nos of IPOs trading at discount on 30 <sup>th</sup> Calendar day from listing date			Nos of IPOs trading at premium on 30 <sup>th</sup> Calendar day from listing date			Nos of IPOs trading at discount on 180 <sup>th</sup> Calendar day from listing date			Nos of IPOs trading at premium on 180 <sup>th</sup> Calendar day from listing date		
			Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%
15-16	***9	54.01	-	-	1	3	2	3	-	1	1	4	3	-
16-17	****24##\$	204.56	-	-	5	6	3	9	-	1	5	6	1	5
17-18	*****4\$\$	111.72	-	-	1	1	-	1	-	-	-	-	-	-

\*\*\*The scripts of Filtra Consultants and Engineers Limited, Ambition Mica Limited, Jiya Eco Products Limited, M.D. Inducto Cast Limited, Majestic Research Services and Solutions Limited, Mangalam Seeds Limited, Sri Krishna Constructions (India) Limited, Patdiam Jewellery Limited and Vidli Restaurants Limited were listed on April 15, 2015, July 14, 2015, July 16, 2015, July 16, 2015, July 16, 2015, August 12, 2015, October 01, 2015, October 16, 2015 and February 15, 2016 respectively.

\*\*\*\*The scripts Ruby Cables Limited, Sysco Industries Limited, Lancer Containers Lines Limited, Yash Chemex Limited, Titaanium Ten Enterprise Limited, Commercial Syn Bags Limited, Shiva Granito Export Limited, Sprayking Agro Equipment Limited, Narayani Steels Limited, Nandani Creation Limited, DRA Consultant Limited, Gretex Industries Limited, Sakar Health Care Limited, Bindal Exports Limited, Mewar Hi-Tech Engineering Limited, Shashijit Infraprojects Limited, Agro Phos (India) Limited, Majestic Research Services and Solutions Limited, Maheshwari Logistics Limited, Madhav Copper Limited, Chemcrux Enterprises Limited, Manomay Tex India Limited, Oceanic Foods Limited and Euro India Fresh Foods Limited were listed on April 13, 2016, April 13, 2016, April 13, 2016, June 20, 2016, July 14, 2016, July 14, 2016, September 06, 2016, September 14, 2016, September 14, 2016, October 10, 2016, October 13, 2016, October 14, 2016, October 14, 2016, October 17, 2016, October 17, 2016, October 17, 2016, November 16, 2016, December 14, 2016, January 16, 2017, February 06, 2017, March 28, 2017, March 28, 2017, March 31, 2017 and March 31, 2017 respectively.

##The Scripts of Maheshwari Logistics Limited, Madhav Copper Limited, Chemcrux Enterprises Limited, Manomay Tex India Limited, Oceanic Foods Limited and Euro India Fresh Foods Limited have not completed 180 Days, 180 Days, 180 Days, 180 Days, 180 Days and 180 Days respectively from the date of listing.

\*\*\*\*\*The scripts Bohra Industries Limited, Creative Peripherals and Distribution Limited, Panache Digilife Limited and Zota Health Care Limited were listed on April 05, 2017, April 12, 2017, April 25, 2017 and May 10, 2017 respectively.

\$\$ The scripts of Bohra Industries Limited, Creative Peripherals and Distribution Limited, Panache Digilife Limited and Zota Health Care Limited have not completed 180 Days each from the date of listing.