



## GARV INDUSTRIES LIMITED

CIN: U74990DL2017PLC324826

Our Company was incorporated as Garv Industries Limited on October 12, 2017 under the Companies Act, 2013 with the Registrar of Companies, Delhi bearing Registration No. 324826 and having its Registered Office in Delhi. Our Company's Corporate Identity Number is U74990DL2017PLC324826. For further details, please refer to the chapter titled "History and Certain Corporate Matters" beginning on page no. 75 of this Prospectus.

**Registered Office:** B - 502, 5th Floor, Statesman House 148, Barakhamba Road, New Delhi - 110 001.

**Tel No.:** +91 - 11 - 2362 9277; **Email:** info@garvindustries.com; **Website:** www.garvindustries.com

**Contact Person:** Ms. Anjali Trivedi, Company Secretary and Compliance Officer

**Our Promoters:** Mr. Rishu Agarwal, Mrs. Daya Bansal and R S Services Private Limited

### THE ISSUE

**PUBLIC ISSUE OF 32,00,000 EQUITY SHARES OF ₹ 10 EACH ("EQUITY SHARES") OF GARV INDUSTRIES LIMITED ("GIL" OR THE "COMPANY") FOR CASH AT A PRICE OF ₹ 10 PER SHARE (THE "ISSUE PRICE"), AGGREGATING TO ₹ 320.00 LAKHS ("THE ISSUE"), OF WHICH 1,70,000 EQUITY SHARES OF ₹ 10 EACH WILL BE RESERVED FOR SUBSCRIPTION BY MARKET MAKERS TO THE ISSUE (THE "MARKET MAKER RESERVATION PORTION"). THE ISSUE LESS MARKET MAKER RESERVATION PORTION I.E. ISSUE OF 30,30,000 EQUITY SHARES OF ₹ 10 EACH IS HEREINAFTER REFERRED TO AS THE "NET ISSUE". THE ISSUE AND THE NET ISSUE WILL CONSTITUTE 31.37% AND 29.71%, RESPECTIVELY OF THE POST ISSUE PAID UP EQUITY SHARE CAPITAL OF OUR COMPANY.**

**THE FACE VALUE OF THE EQUITY SHARE IS ₹ 10 AND THE ISSUE PRICE IS 1 TIME OF THE FACE VALUE**

**THIS ISSUE IS BEING MADE IN TERMS OF CHAPTER XB OF THE SEBI (ICDR) REGULATIONS, 2009 AS AMENDED FROM TIME TO TIME.**

*For further details see "Issue Related Information" beginning on page no. 137 of this Prospectus.*

In terms of the SEBI Circular No. CIR/CFD/POLICYCELL/11/2015, all potential investors shall participate in the issue only through an Application Supported by Blocked Amount ("ASBA") process providing details about the bank account which will be blocked by the Self Certified Syndicate Banks ("SCSBs") for the same. For details in this regard, specific attention is invited to "Issue Procedure" on page no. 144 of this Prospectus.

### RISK IN RELATION TO THE FIRST ISSUE

This being the first public issue of the Company, there has been no formal market for the securities of the Company. The face value of the shares is ₹ 10 per Equity Share and the Issue Price is 1 time of the face value. The Issue Price (as determined by Company in consultation with the Lead Manager) as stated under the paragraph on "Basis for Issue Price" on page no. 54 of this Prospectus should not be taken to be indicative of the market price of the Equity Shares after the Equity Shares are listed. No assurance can be given regarding an active or sustained trading in the equity shares of our company or regarding the price at which the shares will be traded after listing.

### GENERAL RISKS

Investment in equity and equity related securities involve a degree of risk and investors should not invest any funds in this issue unless they can afford to take the risk of losing their investment. Investors are advised to read the risk factors carefully before taking an investment decision in this Issue. For taking an investment decision investors must rely on their own examination of our Company and the Issue including the risks involved. The securities have not been recommended or approved by Securities and Exchange Board of India nor does Securities and Exchange Board of India guarantee the accuracy or adequacy of this document. **Specific attention of the Investors is invited to the statement of Risk Factors given on page no. 11 of this Prospectus under the Section "Risk Factors".**

### ISSUER'S ABSOLUTE RESPONSIBILITY

Our Company, having made all reasonable inquiries, accepts responsibility for and confirms that this Prospectus contains all information with regard to our Company and the Issue, which is material in the context of the Issue, that the information contained in this Prospectus is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this Prospectus as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect.

### LISTING

The Equity Shares issued through this Prospectus are proposed to be listed on the SME Platform of BSE Limited ("BSE"). Our Company has received an 'In-Principle' approval letter dated March 22, 2018 from BSE for listing our shares on the SME Platform of the BSE. For the purpose of this Issue, the Designated Stock Exchange will be the BSE Limited ("BSE"). A copy will be delivered for registration to the Registrar of Companies as required under Section 26 of the Companies Act, 2013.

#### LEAD MANAGER TO THE ISSUE



**ARYAMAN FINANCIAL SERVICES LIMITED**  
 60, Khatau Building, Ground Floor,  
 Alkesh Dinesh Modi Marg, Fort, Mumbai - 400 001  
**Tel No.:** +91 - 22 - 6216 6999  
**Fax No.:** +91 - 22 - 2263 0434  
**Email:** info@afsl.co.in  
**Website:** www.afsl.co.in  
**Investor Grievance Email:** feedback@afsl.co.in  
**Contact Person:** Namrata Ravasia / Swapnil Ukirde  
**SEBI Registration No.:** INM000011344

#### REGISTRAR TO THE ISSUE



**SKYLINE FINANCIAL SERVICES PRIVATE LIMITED**  
 D-153A, 1st Floor, Okhla Industrial Area  
 Phase-I, New Delhi - 110020  
**Tel No.:** +91 - 11 - 6473 2681-88  
**Fax No.:** +91 - 11 - 2681 2682  
**Email:** viren@skylinerta.com; or admin@skylinerta.com;  
**Website:** www.skylinerta.com  
**Investor Grievance Email:** info@skylinerta.com  
**Contact Person:** Virendra Rana  
**SEBI Registration No.:** INR00003241

**ISSUE OPENS ON**

**APRIL 12, 2018**

**ISSUE CLOSES ON**

**APRIL 17, 2018**

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## SECTION I – GENERAL

### DEFINITIONS AND ABBREVIATIONS

#### General Terms

Term	Description
Garv Industries Ltd./ GIL / The Company / Company / We / Us / Our Company	Unless the context otherwise indicates or implies refers to Garv Industries Limited, a public limited company incorporated under the provisions of the Companies Act, 2013 with its registered office in New Delhi.
Promoter(s)	The Promoter of our company: 1. Mr. Rishu Agarwal 2. Mrs. Daya Bansal 3. R S Services Private Limited
Promoter Group	Such persons, entities and companies constituting our promoter group pursuant to Regulation 2(1)(zb) of the SEBI ICDR Regulations as disclosed in the Chapter titled “Our Promoter and Promoter Group” on page no. 88 of this Prospectus.

#### Company related Terms

Term	Description
Articles / Articles of Association	Unless the context otherwise requires, refers to the Articles of Association of Garv Industries Limited.
Auditor of the Company (Statutory Auditor)	M/s. S. C. Verma & Associates., Chartered Accountants, having their office at A - 3 / 183, First Floor, Paschim Vihar, New Delhi - 110 063
Auditor of the Company (Peer Review Auditor)	M/s. V.N. Purohit & Co., Chartered Accountants, 214, New Delhi House, 2nd Floor, 27, Barakhamba Road, New Delhi- 110 001.
Audit Committee	The committee of the Board of Directors constituted on February 14, 2018 as our Company’s Audit Committee in accordance with Section 177 of the Companies Act, 2013
Board of Directors / Board	The Board of Directors of Garv Industries Limited, including all duly constituted Committees thereof.
Company Secretary and Compliance Officer	Ms. Anjali Trivedi
Director(s)	Director(s) of Garv Industries Limited, unless otherwise specified
Equity Shares	Equity Shares of our Company of Face Value of ₹10 each unless otherwise specified in the context thereof.
Equity Shareholders	Persons holding Equity Share of our Company
Key Management Personnel / KMP	Individuals described in the chapter titled “Our Management” on page no. 78 of this Prospectus
MOA / Memorandum / Memorandum of Association	Memorandum of Association of Garv Industries Limited
Nomination and Remuneration Committee	The committee of the Board of Directors constituted on February 14, 2018 as our Company’s Nomination and Remuneration Committee in accordance with Section 178 of the Companies Act, 2013
Registered Office	The Registered Office of our company which is located at: B -502,Statesman House 148, Barakhamba Road; New Delhi – 110 001
Registrar of Companies / RoC	Registrar of Companies, New Delhi situated at 4th Floor, IFCI Tower, 61, Nehru Place, New Delhi – 110 019.
Restated Financial Statements	The restated financial statements of our Company for the four months period ended January 31, 2018 which comprises the restated balance sheet, the restated statement of profit and loss and the restated cash flow statement, together with the annexures and notes thereto, which have been prepared in accordance with the Companies Act, Indian GAAP, and restated in accordance with the SEBI ICDR Regulations.
Stakeholders’ Relationship Committee	The committee of the Board of Directors constituted on February 14, 2018 as our Company’s Stakeholders’ Relationship Committee.
Stock Exchange	Unless the context requires otherwise, refers to, the SME Platform of BSE.



## Issue Related Terms

Term	Description
Abridged Prospectus	Abridged Prospectus to be issued under Regulation 58 of SEBI ICDR Regulations and appended to the Application Form
Allotment	Unless the context otherwise requires, the allotment of the Equity Shares pursuant to the Issue to the successful Bidders, including transfer of the Equity Shares pursuant to the Issue to the successful applicants
Allotment Advice	Note, advice or intimation of Allotment sent to the Applicants who have been or are to be Allotted the Equity Shares after the Basis of Allotment has been approved by the Designated Stock Exchange
Allottee(s)	The successful applicant to whom the Equity Shares are being / have been Allotted.
Applicant	Any prospective investor who makes an application for Equity Shares in terms of this Prospectus
Application Form	The Form in terms of which the applicant shall apply for the Equity Shares of the Company
Application Supported by Blocked Amount/ ASBA	An application, whether physical or electronic, used by ASBA Applicant to make an Application authorizing an SCSB to block the Application Amount in the specified Bank Account maintained with such SCSB. ASBA is mandatory for all Applicants participating in the Issue.
ASBA Account	A bank account maintained with an SCSB and specified in the ASBA Form submitted by the Applicants for blocking the Application Amount mentioned in the ASBA Form.
ASBA Applicant(s)	Any prospective investor who makes an Application pursuant to the terms of the Draft Prospectus and the Application Form.
ASBA Application / Application	An indication to make an issue during the Bid/Issue Period by an Applicant pursuant to submission of the Application Form, to subscribe to the Equity Shares at a price as mentioned in the Prospectus, including all revisions and modifications thereto as permitted under the SEBI ICDR Regulations in terms of the Prospectus and Application Form
Banker(s) to the Company	Such banks which are disclosed as Bankers to our Company in the chapter titled “General Information” on page no. 34 of this Prospectus.
Banker(s) to the Issue	The banks which are Clearing Members and registered with SEBI as Banker to an Issue with whom the Escrow Agreement is entered and in this case being March 19, 2018.
Basis of Allotment	The basis on which the Equity Shares will be Allotted to successful Applicants under the Issue and which is described in the chapter titled “Issue Procedure” beginning on page no. 144 of this Prospectus.
Business Day	Monday to Friday (except public holidays)
CAN / Confirmation of Allocation Note	The note or advice or intimation sent to each successful Applicant indicating the Equity Shares which will be Allotted, after approval of Basis of Allotment by the Designated Stock Exchange.
Collecting Depository Participant(s) or CDP(s)	A depository participant as defined under the Depositories Act, 1996, registered with SEBI and who is eligible to procure Applications at the Designated CDP Locations in terms of circular No. GR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI
Controlling Branches	Such Branches of the SCSBs which co-ordinate Applications by the Applicants with the Registrar to the Issue and the Stock Exchanges and a list of which is available at <a href="http://www.sebi.gov.in">http://www.sebi.gov.in</a> or at such other website as may be prescribed by SEBI from time to time.
Demographic Details	The demographic details of the Applicants such as their Address, PAN, Occupation and Bank Account details.
Depositories	A depository registered with SEBI under the SEBI (Depositories and Participant) Regulations, 1996 i.e. CDSL and NSDL
Depositories Act	The Depositories Act, 1996, as amended from time to time
Designated Date	The date on which the funds blocked by the SCSBs are transferred from the ASBA Accounts specified by the Applicants to the Public Issue Account.
Designated Intermediaries / Collecting Agent	Syndicate Members, Sub-Syndicate/Agents, SCSBs, Registered Brokers, Brokers, the CDPs and RTAs, who are authorized to collect Application Forms from the Applicants, in relation to the Issue.
Designated CDP Locations	Such locations of the CDPs where Applicants can submit the Application Forms to Collecting Depository Participants. The details of such Designated CDP Locations, along with names and contact details of the Collecting Depository Participants eligible to accept Application Forms are available on the websites of the Stock Exchange



Term		Description
Designated Locations	RTA	Such locations of the RTAs where Applicants can submit the Application Forms to RTAs. The details of such Designated RTA Locations, along with names and contact details of the RTAs eligible to accept Application Forms are available on the websites of the Stock Exchange
Designated Market Maker	Market	Aryaman Capital Markets Limited (formerly known as Aryaman Broking Limited) will act as the Market Maker and has agreed to receive or deliver the specified securities in the market making process for a period of three years from the date of listing of our Equity Shares or for a period as may be notified by amendment to SEBI ICDR Regulations.
Designated Branches	SCSB	Such Branches of the SCSBs which shall collect the Application Forms used by the Applicants applying through the ASBA process and a list of which is available on <a href="http://www.sebi.gov.in/pmd/scsb.pdf">http://www.sebi.gov.in/pmd/scsb.pdf</a>
Designated Exchange	Stock	SME Exchange of BSE Limited
Draft Prospectus		This Draft Prospectus dated March 08, 2018 issued in accordance with the SEBI ICDR Regulations
Eligible NRIs		An NRI from such a jurisdiction outside India where it is not unlawful to make an Issue or invitation under this Issue and in relation to whom the Application Form and the Prospectus will constitute an invitation to purchase the Equity Shares.
Escrow Agreement		Agreement entered into amongst the Company, the Lead Manager, the Registrar and the Banker to the Issue to receive monies from the Applicants through the SCSBs Bank Account on the Designated Date in the Public Issue Account.
Foreign Investor / FPIs	Portfolio	Foreign Portfolio Investor as defined under the SEBI (Foreign Portfolio Investors) Regulations, 2014.
Fresh Issue		The fresh issue of 32,00,000 Equity Shares by our Company of ₹10 each aggregating to ₹ 320.00 Lakhs, to be issued by our Company for subscription pursuant to the terms of this Prospectus
Fresh Issue Proceeds		Gross proceeds to be raised through the Fresh Issue. For further details, please refer the chapter “ <i>Objects of the Issue</i> ” on page no. 49 of this Prospectus
Issue / Issue Size / Public Issue / IPO		This Initial Public Offer of 32,00,000 Equity Shares of ₹ 10 each for cash at a price of ₹ 10 per equity share, aggregating to ₹ 320.00 Lakhs by the Company.
Issue Closing date		The date on which the Issue closes for subscription being April 17, 2018
Issue Opening date		The date on which the Issue opens for subscription being April 12, 2018
Issue Price		The price at which the Equity Shares are being issued by our Company in consultation with the Lead Manager, under this Prospectus being ₹ 10.
LM / Lead Manager		Lead Manager to the Issue, in this case being Aryaman Financial Services Limited.
Listing Agreement / Equity Listing Agreement		Unless the context specifies otherwise, this means the Equity Listing Agreement to be signed between our Company and the SME Platform of BSE.
Market Maker Reservation Portion	Maker	The reserved portion of 1,70,000 Equity Shares of ₹10 each at ₹10 per Equity Share aggregating to ₹ 17.00 Lakhs for the Designated Market Maker in the Public Issue of our Company.
Market Making Agreement	Making	The Agreement among the Market Maker, the Lead Manager and our Company dated February 28, 2018.
Mutual Fund		A Mutual Fund registered with SEBI under the SEBI (Mutual Funds) Regulations, 1996, as amended.
Non-Institutional Applicant		All Applicants, including Eligible QFIs, sub accounts of FIIs registered with SEBI which are foreign corporates or foreign individuals, that are not QIBs or Retail Individual Applicants and who have applied for Equity Shares for an amount of more than ₹ 2,00,000 (but not including NRIs other than Eligible NRIs)
Net Issue		The Net Issue of 30,30,000 Equity Shares of ₹10 each at ₹10 per Equity Share aggregating to ₹ 303.00 Lakhs by the Company
Non-Resident		A person resident outside India, as defined under FEMA and includes Eligible NRIs, Eligible QFIs, FIIs registered with SEBI and FVCIs registered with SEBI
Person or Persons		Any individual, sole proprietorship, unincorporated association, unincorporated organization, body corporate, corporation, Company, partnership, limited liability Company, joint venture, or trust or any other entity or organization validly constituted and/or incorporated in the jurisdiction in which it exists and operates, as the context



Term	Description
	requires.
Prospectus	The Prospectus, filed with the RoC containing, inter alia, the Issue opening and closing dates and other information.
Public Issue Account	Account opened with Bankers to the Issue for the purpose of transfer of monies from the SCSBs from the ASBA accounts on the Designated Date.
Qualified Foreign Investors / QFIs	Non-resident investors other than SEBI registered FIIs or sub-accounts or SEBI registered FVCIs who meet 'know your client' requirements prescribed by SEBI
Qualified Institutional Buyers / QIBs	Public financial institutions as defined in Section 2(72) of the Companies Act, 2013, Foreign Portfolio Investor other than Category III Foreign Portfolio Investor, AIFs, VCFs, FVCIs, Mutual Funds, multilateral and bilateral financial institutions, scheduled commercial banks, state industrial development corporations, insurance companies registered with the IRDA, provident funds and pension funds with a minimum corpus of ₹ 250 million, insurance funds set up and managed by the army, navy or air force of the Union of India and insurance funds set up and managed by the Department of Posts, Government of India, eligible for Bidding and does not include FVCIs and multilateral and bilateral institutions.
Registrar and Share Transfer Agents/RTAs	Registrar and Share Transfer Agents registered with SEBI and eligible to procure Applications at the Designated RTA Locations in terms of circular No. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI
Registrar / Registrar to the Issue	Registrar to the Issue being Skyline Financial Services Private Limited
Retail Individual Investors	Individual investors (including HUFs, in the name of Karta and Eligible NRIs) who apply for the Equity Shares of a value of not more than ₹ 2,00,000
Self Certified Syndicate Bank(s) / SCSBs	A Bank registered with SEBI under the SEBI (Bankers to an Issue) Regulations, 1994 and Issues the facility of ASBA, including blocking of bank account. A list of all SCSBs is available at <a href="http://www.sebi.gov.in/pmd/scsb.pdf">http://www.sebi.gov.in/pmd/scsb.pdf</a>
SME Platform of BSE	The SME Platform of BSE for listing of equity shares issued under Chapter X-B of the SEBI (ICDR) Regulations which was approved by SEBI as an SME Exchange on September 27, 2011.
TRS / Transaction Registration Slip	The slip or document issued by a member of the Syndicate or an SCSB (only on demand), as the case may be, to the Applicant, as proof of registration of the Application.
Underwriters	Aryaman Financial Services Limited and Aryaman Capital Markets Limited.
Underwriting Agreement	The Agreement among the Underwriters and our Company dated February 28, 2018.
U.S. Securities Act	U.S. Securities Act of 1933, as amended
Working Day	All trading days of the Stock Exchange excluding Sundays and Bank holidays in Mumbai.

#### Technical / Industry related Terms

Term	Description
CBM	Cubic Meter
CCEA	Cabinet Committee on Economic Affairs
CSO	Central Statistics Organisation
IBA	Indian Bank Association
IMF	International Monetary Fund
ISC & EI	Inter State Connectivity and Economic Importance
ISO	International Organization for Standardization
SMEs	Small and Medium sized Enterprises AMC Annual Maintenance Contracts
MM	Milimeter
B2B	Business to Business
B2C	Business to Consumer
EBITDA	Earnings Before Interest, Tax, Depreciation and Amortization
PE	Polyethylene
CFO	Chief Financial Officer
CSO	Central Statistics Organization
GDP	Gross Domestic Product
NASSCOM	The National Association of Software and Services Companies

USGS	United States Geological Survey
IIP	Index of Industrial Production
FDI	Foreign Direct Investment
GST	Goods and Services Tax
PSUs	Public Sector Undertakings
R&D	Research and Development

### Conventional Terms / General Terms / Abbreviations

Term	Description
A/c	Account
AGM	Annual General Meeting
AIF	Alternative Investment Fund as defined in and registered with SEBI under the Securities and Exchange Board of India (Alternative Investments Funds) Regulations, 2012
AS / Accounting Standards	Accounting Standards as issued by the Institute of Chartered Accountants of India
ASBA	Applications Supported by Blocked Amount
AY	Assessment Year
BSE	BSE Limited
CAGR	Compounded Annual Growth Rate
Category II foreign portfolio investor(s) / Category II FPIs	FPIs who are registered as “Category II foreign portfolio investors” under the SEBI FPI Regulations
Category III foreign portfolio investor(s) / Category III FPIs	FPIs who are registered as “Category III foreign portfolio investors” under the SEBI FPI Regulations
CDSL	Central Depository Services (India) Limited
CFO	Chief Financial Officer
CIN	Company Identification Number
CIT	Commissioner of Income Tax
Client ID	Client identification number of the Applicant’s beneficiary account
Companies Act	Unless specified otherwise, this would imply to the provisions of the Companies Act, 2013 (to the extent notified) and /or Provisions of Companies Act, 1956 w.r.t. the sections which have not yet been replaced by the Companies Act, 2013 through any official notification.
Companies Act, 1956	The Companies Act, 1956, as amended from time to time
Companies Act, 2013	The Companies Act, 2013 published on August 29, 2013 and applicable to the extent notified by MCA till date.
CSR	Corporate Social Responsibility
CST	Central Sales Tax
DIN	Director Identification Number
DP	Depository Participant as defined under the Depositories Act
DP ID	Depository Participant’s identification
ECS	Electronic Clearing System
EOGM	Extraordinary General Meeting
EMDEs	Emerging Market and Developing Economies
EPS	Earnings Per Share
FCNR Account	Foreign Currency Non Resident Account
FDI	Foreign Direct Investment
FEMA	Foreign Exchange Management Act, 1999, as amended from time to time, and the regulations framed there under
FIIs	Foreign Institutional Investors (as defined under Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000) registered with SEBI under applicable laws in India
FPIs	Foreign Portfolio Investors as defined under the SEBI FPI Regulations
FIPB	Foreign Investment Promotion Board
FY / Fiscal / Financial Year	Period of twelve months ended March 31 of that particular year, unless otherwise stated
GDP	Gross Domestic Product



Term	Description
GoI/Government	Government of India
GST	Goods & Services Tax
HNI	High Networth Individuals
HUF	Hindu Undivided Family
Ind AS	Indian Accounting Standards prescribed under section 133 of the Companies Act, 2013, as notified under the Companies (Indian Accounting Standard) Rules, 2015
IFRS	International Financial Reporting Standards
Indian GAAP	Generally Accepted Accounting Principles in India
Ind AS	Indian Accounting Standards prescribed under section 133 of the Companies Act, 2013, as notified under the Companies (Indian Accounting Standard) Rules, 2015
I.T. Act	Income Tax Act, 1961, as amended from time to time
ICSI	Institute of Company Secretaries Of India
IPO	Initial Public Offering
ISIN	International Securities Identification Number
KM / Km / km	Kilo Meter
Merchant Banker	Merchant Banker as defined under the Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992
MoF	Ministry of Finance, Government of India
MICR	Magnetic ink character recognition
MOU	Memorandum of Understanding
NA / N. A.	Not Applicable
NAV	Net Asset Value
NECS	National Electronic Clearing Service
NEFT	National Electronic Fund Transfer
NoC	No Objection Certificate
NRE Account	Non Resident External Account
NRIs	A person resident outside India, who is a citizen of India or a person of Indian origin, and shall have the meaning ascribed to such term in the Foreign Exchange Management (Deposit) Regulations, 2000
NRO Account	Non Resident Ordinary Account
NSDL	National Securities Depository Limited
BSE	Bombay Stock Exchange
OCB / Overseas Corporate Body	A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60.00% by NRIs including overseas trusts, in which not less than 60.00% 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
p.a.	per annum
P/E Ratio	Price/Earnings Ratio
PAC	Persons Acting in Concert
PAN	Permanent Account Number
PAT	Profit After Tax
PLR	Prime Lending Rate
RBI	The Reserve Bank of India
ROE	Return on Equity
RONW	Return on Net Worth
Rupees / Rs. / ₹	Rupees, the official currency of the Republic of India
RTGS	Real Time Gross Settlement
SCRA	Securities Contract (Regulation) Act, 1956, as amended from time to time
SCRR	Securities Contracts (Regulation) Rules, 1957, as amended from time to time
SEBI	Securities and Exchange Board of India
SEBI Act	Securities and Exchange Board of India Act, 1992
SEBI AIF Regulations	Securities and Exchange Board of India (Alternative Investments Funds) Regulations, 2012
SEBI FII Regulations	Securities and Exchange Board of India (Foreign Institutional Investors) Regulations, 1995
SEBI FPI Regulations	Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014
SEBI FVCI	Securities and Exchange Board of India (Foreign Venture Capital Investor) Regulations,





<b>Term</b>	<b>Description</b>
Regulations	2000
SEBI ICDR Regulations	Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009
SEBI LODR Regulations, 2015 / SEBI Listing Regulations	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 notified on September 2, 2015
SEBI SAST Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011
Sec.	Section
Securities Act	U.S. Securities Act of 1933, as amended
SICA	Sick Industrial Companies (Special Provisions) Act, 1985
STT	Securities Transaction Tax
TIN	Taxpayers Identification Number
TDS	Tax Deducted at Source
US/United States	United States of America
USD/ US\$/ \$	United States Dollar, the official currency of the United States of America
VAT	Value added tax
VCF / Venture Capital Fund	Foreign Venture Capital Funds (as defined under the Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996) registered with SEBI under applicable laws in India.



## CERTAIN CONVENTIONS; PRESENTATION OF FINANCIAL, INDUSTRY AND MARKET DATA

### Certain Conventions

All references to “India” contained in this Prospectus are to the Republic of India. In this Prospectus, our Company has presented numerical information in “lakhs” units. One lakh represents 1,00,000.

### Financial Data

Unless stated otherwise, the financial data in this Prospectus is derived from our audited financial statements as on and for the four months period ended on January 31, 2018 prepared in accordance with Indian GAAP and the Companies Act and restated in accordance with the SEBI Regulations and included in this Prospectus. In this Prospectus, any discrepancies in any table, graphs or charts between the total and the sums of the amounts listed are due to rounding-off.

There are significant differences between Indian GAAP, U.S. GAAP and 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 Indian accounting practices. Any reliance by persons not familiar with Indian accounting practices, Indian GAAP, the Companies Act and the SEBI Regulations on the financial disclosures presented in this Prospectus should accordingly be limited. We have not attempted to explain the differences between Indian GAAP, U.S. GAAP and IFRS or quantify their impact on the financial data included herein, and we urge you to consult your own advisors regarding such differences and their impact on our financial data.

Any percentage amounts, as set forth in the section titled “*Risk Factors*”, chapters titled “*Our Business*” and “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” beginning on page nos. 11, 62 and 111 of this Prospectus, respectively, and elsewhere in this Prospectus, unless otherwise indicated, have been calculated on the basis of our audited financial statements prepared in accordance with Indian GAAP and the Companies Act and restated in accordance with the SEBI Regulations.

### Currency, Units of Presentation and Exchange Rates

All references to “Rupees”, “Rs.” or “₹” are to Indian Rupees, the official currency of the Republic of India. All references to “US\$” or “US Dollars” or “USD” are to United States Dollars, the official currency of the United States of America.

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

### Definitions

For definitions, for details please see the Chapter titled “*Definitions and Abbreviations*” on page no. 1 of this Prospectus in the Section titled “*Main Provisions of the Articles of Association of our Company*” beginning on page no. 190 of this Prospectus, defined terms have the meaning given to such terms in the Articles of Association.

### Industry and Market Data

Unless stated otherwise, the industry and market data and forecasts used throughout this Prospectus has been obtained from industry sources as well as 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 that their accuracy and completeness and underlying assumptions are not guaranteed and their reliability cannot be assured.

Further, the extent to which the industry and market data presented in this Prospectus is meaningful depends on the reader’s familiarity with and understanding of the methodologies used in compiling such data. There are standard data gathering methodologies in the industry in which we conduct our business, and methodologies and assumptions may vary widely among different industry sources.



## FORWARD-LOOKING STATEMENTS

All statements contained in this Prospectus that are not statements of historical fact constitute forward-looking statements. All statements regarding our expected financial condition and results of operations, business, plans and prospects are forward-looking statements. These forward-looking statements include statements with respect to our business strategy, our revenue and profitability, our projects and other matters discussed in this Prospectus regarding matters that are not historical facts. Investors can generally identify forward-looking statements by the use of terminology such as “aim”, “anticipate”, “believe”, “expect”, “estimate”, “intend”, “objective”, “plan”, “project”, “may”, “will”, “will continue”, “will pursue”, “contemplate”, “future”, “goal”, “propose”, “will likely result”, “will seek to” or other words or phrases of similar import. All forward looking statements (whether made by us or any third party) are predictions and are subject to risks, uncertainties and assumptions about us that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement.

Forward-looking statements reflect our current views with respect to future events and are not a guarantee of future performance. These statements are based on our management’s beliefs and assumptions, which in turn are based on currently available information. Although we believe the assumptions upon which these forward-looking statements are based are reasonable, any of these assumptions could prove to be inaccurate, and the forward-looking statements based on these assumptions could be incorrect.

Further the actual results may differ materially from those suggested by the forward-looking statements due to risks or uncertainties associated with our expectations with respect to, but not limited to, regulatory changes pertaining to the Trade Industry in India where we have our businesses and our ability to respond to them, our ability to successfully implement our strategy, our growth and expansion, technological changes, our exposure to market risks, general economic and political conditions in India and overseas which have an impact on our business activities or investments, the monetary and fiscal policies of India and other jurisdictions in which we operate, inflation, deflation, unanticipated volatility in interest rates, foreign exchange rates, equity prices or other rates or prices, the performance of the financial markets in India and globally, changes in domestic laws, regulations and taxes, changes in competition in our industry and incidence of any natural calamities and/or acts of violence. Other important factors that could cause actual results to differ materially from our expectations include, but are not limited to, the following:

- Changes in laws and regulations relating to the sectors/areas in which we operate;
- Increased competition in Trade Industry.
- Our ability to successfully implement our growth strategy and expansion plans;
- Our ability to meet our further capital expenditure requirements;
- Fluctuations in operating costs;
- Our ability to attract and retain personnel;
- Conflict of Interest with affiliated companies, the promoter group and other related parties;
- Changes in political and social conditions in India, the monetary and interest rate policies of India and other countries;
- General economic and business conditions in the markets in which we operate and in the local, regional, national and international economies;
- Our ability to manage risks that arise from above factors;
- Changes in government policies and regulatory actions that apply to or affect our business;
- Inflation, deflation, unanticipated turbulence in interest rates, equity prices or other rates or prices;
- The performance of the financial markets in India and globally;
- The occurrence of natural disasters or calamities;
- Our inability to maintain or enhance our brand recognition;
- Inability to adequately protect our trademarks;
- Changes in consumer demand;
- Failure to successfully upgrade our product portfolio, from time to time; and

For further discussions of factors that could cause our actual results to differ, please see the section titled “*Risk Factors*”, chapters titled “*Our Business*” and “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” beginning on page nos. 11, 62 and 111 of this Prospectus, respectively.

By their nature, certain 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. Forward-looking statements speak only as of this Prospectus. Our Company, our Directors, the Lead Manager, and their respective affiliates or associates do not have any obligation to, and do not intend to, update or otherwise revise



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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 the SEBI requirements, our Company, and the Lead Manager will ensure that investors in India are informed of material developments until such time as the grant of listing and trading approvals by the Stock Exchange.



## SECTION II - RISK FACTORS

*An investment in Equity Shares involves a high degree of financial risk. You should carefully consider all information in this Prospectus, including the risks described below, before making an investment in our Equity Shares. The risk factors set forth below do not purport to be complete or comprehensive in terms of all the risk factors that may arise in connection with our business or any decision to purchase, own or dispose of the Equity Shares. This section addresses general risks associated with the industry in which we operate and specific risks associated with our Company. Any of the following risks, as well as the other risks and uncertainties discussed in this Prospectus, could have a material adverse effect on our business and could cause the trading price of our Equity Shares to decline and you may lose all or part of your investment. In addition, the risks set out in this Prospectus are not exhaustive. Additional risks and uncertainties, whether known or unknown, may in the future have material adverse effect on our business, financial condition and results of operations, or which we currently deem immaterial, may arise or become material in the future. To obtain a complete understanding of our Company, prospective investors should read this section in conjunction with the sections entitled “Our Business” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations on page nos. 62 and 111 of this Prospectus respectively as well as other financial and statistical information contained in this Prospectus. 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 risks mentioned herein.*

*This Prospectus also contains forward-looking statements that involve risks and uncertainties. Our results could differ materially from those anticipated in these forward-looking statements as a result of certain factors, including events described below and elsewhere in this Prospectus. Unless otherwise stated, the financial information used in this section is derived from and should be read in conjunction with restated financial information of our Company prepared in accordance with the Companies Act and restated in accordance with the SEBI (ICDR) Regulations, including the schedules, annexure and notes thereto.*

### Materiality

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

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

### INTERNAL RISK FACTORS

1. ***Our Promoter/Director are parties to certain legal proceedings. Any adverse decision in such proceedings may have a material adverse effect on our business, results of operations and financial condition.***

Our Promoter/Director are parties to certain legal proceedings. These legal proceedings are pending at different levels of adjudication before various courts, tribunals and forums. Mentioned below are the details of the proceedings involving our Promoter/Director as on the date of this Prospectus along with the amount involved, to the extent quantifiable, based on the materiality policy for litigations, as approved by the Company in its Board meeting held on February 14, 2018.

Sr. No.	Nature of Case	No. of Outstanding cases	Amount in dispute/demanded to the extent quantifiable (in lakhs)
<b>I.</b>	<b>Litigations filed by our Director/Promoter</b>		
(a)	Criminal	3	42.81
<b>II.</b>	<b>Litigations filed against our Director/Promoter</b>		
(a)	Criminal	1	Unascertainable

There can be no assurance that these litigations will be decided in favour of our Promoter/Director, and consequently it may divert the attention of our management and Promoters and waste our corporate resources and we may incur significant expenses in such proceedings and may have to make provisions in our financial statements, which could increase our expenses and liabilities. If such claims are determined against us, there could be a material adverse effect on our reputation, business, financial condition and results of operations, which could adversely affect the trading price of our Equity Shares. For the details of the cases filed by and against Promoter and Director please refer the chapter titled “*Outstanding Litigations and Material Developments*” on page no. 120 of this Prospectus.



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

Our business is dependent on our continuing relationships with our customers. Our Company neither has any long term contract with any of customers nor has any marketing tie up for our products. Any change in the buying pattern of our customers can adversely affect the business of our Company. The loss of or interruption of work by, a significant customer or a number of significant customers or the inability to procure new orders on a regular basis or at all may have an adverse effect on our revenues, cash flows and operations.

Our business depends on the continuity of our relationship with our customers. There can be no assurance that we will be successful in maintaining such relationships or increasing the number of such relationships. If we are not able to maintain existing relationships with our current customers or if we are not able to develop new relationships, including if we are not able to provide services on a timely basis or offer services that meet the needs of the customers, the number of customers could decline in the future and as a result, our business, prospects, results of operations and financial condition could be adversely affected in the future.

- 3. We are a Company with limited operating history, and therefore investors may not be able to assess our prospects on the basis of historical results.**

We were incorporated as a public limited company in October 2017. As we do not have significant operating and financial history, it may be difficult to evaluate our current or future prospects on the basis of historical results. Our past performance of four months should not be construed as an indication of our future performance. For details regarding the business and financial information, please refer to the chapters titled "Our Business" beginning on page no. 62 of this Prospectus. Given our limited operating history in the business in which we operate, there will be only limited information which evaluates the business and our current or future prospects on which to base the investment decision. However, prior to the association with our Company, our Promoter, Mr. Rishu Agarwal and family, together have industry experience over 2 decades and possess rich business intellect in the trading circles of Delhi. They have been in this business through family proprietary concerns, proprietary business and through partnership. For details about the promoter family track record of this business and its proprietary concerns please see "History and Certain Corporate Matters" on page no. 75 of this Prospectus.

- 4. We do not own any of our properties which are used by us currently.**

We do not own any of the premises from where we operate. We have our Registered Office at B-502, Statesman House, 148 Barakhamba Road, New Delhi-110 001. We have taken the said office on rent from VVA Consulting Private Limited on a monthly rent basis and the tenure of this office is for 22 months which expires on July 14, 2019. The said premise is divided by way of divisional wall & we have a separate entry & exit dedicated for us. However optically based on postal address, this premise is being shared by certain other entities also, which are neither part of our Promoter Group nor part of our Group Companies. Any material adverse development with respect to such companies or firms could materially affect our goodwill and financial condition in the future.

In addition to our Registered Office, we have one additional office space which is situated at 8885/2, Multani Dhanda, Pahar Ganj, New Delhi – 110 055 and has been acquired on lease basis from our Promoter Mrs. Daya Bansal on monthly rent basis and the tenure of this office is for 22 months which expires on July 14, 2019. The said premise is being shared by our Corporate Promoter M/s. R S Services Private Limited. Any material adverse development with respect to our Corporate Promoter could materially affect our goodwill and financial condition in the future. Further in case there is any disturbance for the use of the said property between our Company, our Corporate Promoter and our Promoter i.e Mrs. Daya Bansal could have an adverse affect on our business operations.

Further we have a godown space which is situated at 2792/6, Chuna Mandi, Pahar Ganj, New Delhi – 110055. We have taken the said godown on rent from Mr. Gagan Kumar on a monthly rent basis and the tenure of this agreement is for 22 months which expires on October 17, 2019.

If any of the owners of these premises revokes the arrangements under which we occupy the premises or imposes terms and conditions that are unfavorable to us, or if we are otherwise unable to occupy such premises, we may suffer a disruption in our operations or have to pay increased rental charges, which could have an adverse effect on our business and financial results.



**5. Our operations are significantly located in the New Delhi region and failure to expand our operations may restrict our growth and adversely affect our growth.**

Currently, our office and godowns are situated in New Delhi and we are carrying our business mainly with market players from New Delhi itself. Hence, our revenues are generated from operations in this region only. In the event that demand for our products and services in general reduces or stops by any reason including political discord or instability or change in policies of State, then our financial condition and operating results may be materially and adversely affected. Geographical and functional expansion of our business domain requires establishment of adequate network. As we seek to diversify our regional focus we may face the risk that our competitors may be better known in other markets, enjoy better relationships with customers. Our lack of exposure in geographical boundaries outside our operating region could impact our future revenues.

**6. The prices we are able to obtain for our products that we trade depend largely on prevailing market prices.**

The price of the products traded by us has a significant impact on our profits. Some of our core products such as Aluminium, Cotton fabrics and other such commodity items have been subject to price fluctuations resulting from weather, domestic and foreign trade policies, shifts in supply and demand and other factors beyond our control. As a result, any fluctuation in prices could have a material adverse effect on our Company and our results of operations.

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

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

**8. Our Company has reported certain negative cash flows from its investing activity and operating activity, details of which are given below. Sustained negative cash flow could impact our growth and business.**

Our Company had reported certain negative cash flows from our investing activities and operating activities in period ended January 31, 2018 as per the restated financial statements and the same are summarised as under:

Particulars	Amount (Rs. in lacs)
Net Cash Flow from Operating Activities	(683.67)
Net Cash Flow from Investing Activities	(0.68)
Net Cash Flow from financing Activities	700.46
<b>Total Cash Flow (used) / increased during the period</b>	<b>16.11</b>

If our Company is not able to generate sufficient cash flows, it may adversely affect our business and financial operations.

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

For the period ended January 31, 2018 our top 5 clients contributed our entire sales. The loss of our customers or a decrease in the volume of products sourced from us may adversely affect our revenues and profitability. We cannot assure you that we shall generate the same quantum of business, or any business at all, from these customers, and loss of business from one or more of them may adversely affect our operations and profitability.

**10. We may not be able to maintain our current levels of profitability due to increased costs or reduced trading spreads or margins.**

Our business strategy involves a relatively high level of ongoing interaction with our clients. We believe that this involvement is an important part of developing our relationship with our clients, identifying new cross selling opportunities and monitoring our performance. However, this level of involvement also entails higher levels of costs



and also requires a relatively higher gross spread, or margin, on the various products we offer in order to maintain profitability. There can be no assurance that we will be able to maintain our current levels of profitability if the gross spreads on our traded products were to reduce substantially, which could adversely affect our results of operations.

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

We have entered into transactions with our promoters and other related parties. For a list of related parties, please see the chapter titled “Financial Statements – Annexure XVIII Related Party Transaction” beginning on page no. 95 of this Prospectus. While we believe that all such transactions have been conducted on an arm’s length basis, there can be no assurance that we could not have achieved more favorable terms had such transactions not been entered into with related parties. Furthermore, it is likely that we may enter into related party transactions in the future. There can be no assurance that such transactions, individually or in the aggregate, will not have an adverse effect on our business, prospects, results of operations and financial condition, including because of potential conflicts of interest or otherwise.

***12. We require certain approvals and licenses in the ordinary course of business and are required to comply with certain rules and regulations to operate our business, and the failure to obtain, retain and renew such approvals and licences or comply with such rules and regulations, and the failure to obtain or retain them in a timely manner or at all may adversely affect our operations.***

We require several statutory and regulatory permits, licenses and approvals to operate our business, some of which our Company has either received, applied for or is in the process of application. Many of these approvals are granted for fixed periods of time and need renewal from time to time. Non-renewal of the said permits and licenses would adversely affect our Company’s operations, thereby having a material adverse effect on our business, results of operations and financial condition. There can be no assurance that the relevant authorities will issue any of such permits or approvals in the time-frame anticipated by us or at all. Further, some of our permits, licenses and approvals are subject to several conditions and we cannot provide any assurance that we will be able to continuously meet such conditions or be able to prove compliance with such conditions to the statutory authorities, which may lead to the cancellation, revocation or suspension of relevant permits, licenses or approvals. Any failure by us to apply in time, to renew, maintain or obtain the required permits, licenses or approvals, or the cancellation, suspension or revocation of any of the permits, licenses or approvals may result in the interruption of our operations and may have a material adverse effect on the business. If we fail to comply with all applicable regulations or if the regulations governing our business or their implementation change, we may incur increased costs, be subject to penalties or suffer a disruption in our business activities, any of which could adversely affect our results of operations. For further details, please see chapters titled “Key Industry Regulations and Policies” and “Government and Other Statutory Approvals” at pages 69 and 118 respectively of this Prospectus.

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

We have not yet applied for registration of our name and logo under the provisions of the Trademarks Act, 1999 and do not own the “corporate logo” used in our communications and other operations as on date. As such, we do not enjoy the statutory protections accorded to a registered trademark or logo as on date. There can be no assurance that we will be able to register the logo in future or that, third parties will not infringe our intellectual property, causing damage to our business prospects, reputation and goodwill. Further, we cannot assure you that any application for registration of our logo in future by our Company will be granted by the relevant authorities in a timely manner or at all. Our efforts to protect our intellectual property may not be adequate and may lead to erosion of our business value and our operations could be adversely affected. We may need to litigate in order to determine the validity of such claims and the scope of the proprietary rights of others. Any such litigation could be time consuming and costly and the outcome cannot be guaranteed. We may not be able to detect any unauthorized use or take appropriate and timely steps to enforce or protect our intellectual property.

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

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





***15. The success of our business operations is dependent on the knowledge and experience of our Promoters and Directors as well as our ability to attract and retain them.***

Our success depends heavily upon the continuing services of Mr. Rishu Agarwal who is the Promoter and Managing Director of our company and his experience and vision has played a key role in obtaining our current market position. We believe that our relation with our Promoter and key managerial persons, who have rich experience in setting up business, developing markets, managing customers and handling overall businesses, has enabled us to experience growth and profitability. We benefit from our relationship with our Promoter family and our success depends upon the continuing services of our Promoter who have been responsible for the growth of our business and are closely involved in the overall strategy, direction and management of our business. Further, our Promoter family have also promoted other companies / firms / ventures and may continue to do so. If the promoter family divert their attention to the other companies, we may not be able to function as efficiently and profitably as before. We may have to incur additional costs to replace the services of our promoters or we may not be able to do so at all, which could adversely affect our business operations and affect our ability to continue to manage and expand our business.

***16. 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.***

The Net Profit (after tax) Margin of our Company for the period ended January 31, 2018 was 0.78%. The trading business like ours is the ability to provide wide range of aluminium products and textile products. and hence exploit the benefits of variety and economies of scale. However, due to the commodity nature of the products we trade, we may not be able to charge higher margins on our products as compared to manufacturers. 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 trading material procurement, stocking, timely sales / order execution.

***17. We depend on the accuracy and completeness of information about customers and counterparties and any misrepresentation, errors in or incompleteness of such information could cause our business to suffer.***

In deciding whether to extend credit or enter into other transactions with customers, we rely on information furnished to us by or on behalf of customers. We may also rely on certain representations from our customers as to the accuracy and completeness of that information. For ascertaining the creditworthiness we do not obtain any independent support from credit information companies or credit bureaus and on independent valuers in relation to the value of the net worth of such parties. Our reliance on any misleading information given may affect our judgment of credit worthiness of potential customers, which may affect our business, prospects, results of operations and financial condition.

***18. We will continue to be controlled by our Promoters after the completion of the Issue, and our Promoter's interest may differ from those of other Shareholders.***

As of the date of this Prospectus, our Promoters hold 100.00% of our pre-Issue share capital. Furthermore, after the completion of this Issue, our Promoters will control, directly or indirectly, more than 68.61 % of our outstanding Equity Shares. As a result, our Promoters will continue to exercise significant control over us, including being able to control the composition of our board of directors and determine decisions requiring simple or special majority voting, and our other shareholders will be unable to affect the outcome of such voting. Our Promoters may take or block actions with respect to our business, which may conflict with our interests or the interests of our minority shareholders, such as actions which delay, defer or cause a change of our control or a change in our capital structure, merger, consolidation, takeover or other business combination involving us, or which discourage or encourage a potential acquirer from making a tender offer or otherwise attempting to obtain control of us. We cannot assure you that our Promoters will act in our interest, or in the interests of minority shareholders, while exercising their rights in such entities.

***19. All of our product verticals are extremely competitive segments and we face risk of competition affecting our margins and profitabilities as we scale our operations.***

Our purchase and sales models includes various intermediaries who may connect with our competitors and share details of the specialities of our products or our sourcing processes etc. We may not be able to protect our trade secrets and may not be able to detect the same as well. We have not entered into any non-disclosure agreements with our intermediaries and thus our efforts towards marketing of our products may be leaked to other players in the market. This may affect the demand and exclusivity of our products and make us subject to fierce competition thereby adversely affecting our business, financial condition and results of operations.



***20. Trade receivables constitute major portion of our assets, our inability to recover the same can affect our financial position.***

Our trade receivables was ₹ 886.82 Lakhs for the period ended January 31, 2018 which is 85.57% and 127.89% of our total assets and net worth respectively. We cannot guarantee that there will be no default from our trade receivables and we cannot guarantee the entire recovery. Any subsequent default by our debtors can affect our financial position and our profitability. Further, high trade receivables affect our working capital requirement as it affects the liquidity position of the business.

***21. System failures or inadequacy and security breaches in computer systems may adversely affect our business.***

Our business is increasingly dependent on our ability to process transactions and banking data into well managed accounts systems. Our financial, accounting or other data processing systems may fail to operate adequately or become disabled as a result of events that are wholly or partially beyond our control, including a disruption of electrical or communication services. Our ability to operate and remain competitive will depend in part on our ability to maintain and upgrade our information technology systems on a timely and cost-effective basis. The information available to and received by our management through our existing systems may not be timely and sufficient to manage risks or to plan for and respond to changes in market conditions and other developments in our operations.

We may experience difficulties in upgrading, developing and expanding our systems quickly enough to accommodate a growing customer base or product portfolio or supplier base. Any failure to effectively maintain or improve or upgrade our management information systems in a timely manner could materially and adversely affect our competitiveness, financial position and results of operations. Moreover, if any of these systems do not operate properly or are disabled or if there are other shortcomings or failures in our internal processes or systems, it could affect our operations or result in financial loss, disruption of our businesses, regulatory intervention or damage to our reputation.

***22. 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 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 requirement 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.

***23. Lack of experience in KMPs may adversely affect our business operations and profitability.***

Being a small size company, we do not employ highly experienced KMPs. The success of our business operations is currently attributable only to our Promoters and directors. In the absence to skilled and experienced key managerial personnel, the responsibility of the Promoter is significantly augmented. Also, our Company may have to incur additional cost for the training of our key managerial personnel and the same may or may not be beneficial in the long run. We may also have to train other existing employees to adhere properly to internal controls and risk management procedures. Also, despite our training, we may face attrition of our existing workforce as a result of increased competition or other factors relating to our businesses. If we cannot hire additional qualified personnel or retain them, our ability to expand our business will be impaired and our revenue could decline. We will need to recruit new employees, who will again have to be trained and integrated into our operations. Failure to train and motivate our key managerial personnel and other employees properly may result in an increase in employee attrition rates, require additional hiring, erode the quality of customer service, divert management resources, increase our exposure to high-risk credit and impose significant costs on us. Any cost incurred on the training of the key managerial personnel will put additional pressure on our financial condition and cash flows. Further, any inability to attract and retain talented employees or the resignation or loss of key management personnel, may have an adverse impact on our business, future financial performance and the price of our Equity Shares.

***24. The deployment of funds raised through this issue shall not be subject to any Monitoring Agency and shall be purely dependent on the management of the company.***

Since the issue size is less than ₹ 100 crores, there is no mandatory requirement of appointing an Independent Monitoring Agency for overseeing the deployment of utilization of funds raised through this Issue. The deployment of these funds raised through this issue, is hence at the discretion of the management and the Board of Directors of the company and will not be subject to monitoring by any independent agency. Any inability on our part to effectively utilize the Issue proceeds could adversely affect our financials.



**25. We have not made any alternate arrangements for meeting our regular working capital requirements. If our operations do not generate the necessary cash flow, our working capital requirements may negatively affect our operations and financial performance.**

As on date, we have not made any alternate arrangements for meeting our working capital requirements. We meet our working capital requirements through our bank credit facilities, owned funds and internal accruals. Any shortfall in our available funds and our inability to raise debt would result in us being unable to meet our working capital requirements, which in turn will negatively affect our financial condition and results of operations.

**26. We could be exposed to risks arising from misconduct, fraud and trading errors by our employees and Business Associates.**

Frauds or other delinquencies by employees could include indulging in transactions that exceed authorized limits or present unacceptable risks to us; hiding unauthorized or unsuccessful trading activities from us; or the improper use of confidential information. Such misconduct could result in unacceptable business risks, losses, invite regulatory sanctions and seriously harm our reputation and could even lead to litigation. The precautions we take to prevent and detect these activities may not be effective. Any delinquencies or trading errors on the part of our employees could materially affect our business operations, financial position and/or reputation.

**27. Our Company has no insurance coverage and we are not protected against all material hazards, which may adversely affect our business, results of operations and financial condition.**

Our business and assets could suffer damage from fire, natural calamities, misappropriation or other causes, resulting in losses, which may not be compensated by insurance as our company has no insurance coverage. If our Company suffers a large uninsured loss, our business, financial condition and results of operations may be adversely affected.

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

Our Promoter and Directors may be deemed to be interested to the extent of the Equity Shares held by them, or their relatives and benefits deriving from their directorship and shareholding in our Company. Our Promoter are interested in the transactions entered into between our Company and themselves as well as between our Company. For further details, please refer to the chapters titled “Our Business” and “Our Promoters and Promoter Group”, beginning on page nos. 62 and 88 respectively and the chapter titled “Annexure XVIII - Related Party Transactions” under chapter titled “Financial Statements” beginning on page no. 95 of this Prospectus.

## **RISK FACTORS RELATED TO EQUITY SHARES**

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

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

**30. Any further issuance of Equity Shares by Our Company or sales of Equity Shares by any significant shareholders may adversely affect the trading price of the Equity Shares.**

Any future issuance of Equity Shares by our Company could dilute the investors’ shareholding. Any such future issuance of Equity Shares or sales of Equity Shares by any of our significant shareholders may also adversely affect the trading price of the Equity Shares, and could impact our ability to raise capital through an offering of securities. In addition, any perception by investors that such issuances or sales might occur could also affect the trading price of the Equity Shares.

**31. There is no existing market for our Equity Shares, and we do not know if one will develop. Our stock price may be highly volatile after the Issue and, as a result, you could lose a significant portion or all of your investment..**

There is no guarantee that our Equity Shares will be listed on the Stock Exchanges in a timely manner or at all and any trading closures at the Stock Exchanges may adversely affect the trading price of our Equity Shares. Prior to the Issue,



there has not been a public market for the Equity Shares. Further, we cannot predict the extent to which investor interest will lead to the development of an active trading market on the Stock Exchanges or how liquid that market will become. If an active market does not develop, you may experience difficulty selling the Equity Shares that you purchased. The Issue Price is not indicative of prices that will prevail in the open market following the Issue. Consequently, you may not be able to sell your Equity Shares at prices equal to or greater than the Issue Price. The market price of the Equity Shares on the Stock Exchanges may fluctuate after listing as a result of several factors, including the following:

- Volatility in the Indian and other Global Securities Markets;
- The performance of the Indian and Global Economy;
- Risks relating to our business and industry, including those discussed in this Prospectus;
- Strategic actions by us or our competitors;
- Investor perception of the investment opportunity associated with the Equity Shares and our future performance;
- Adverse media reports about us, our shareholders;
- Future sales of the Equity Shares;
- Variations in our quarterly results of operations;
- Differences between our actual financial and operating results and those expected by investors and analysts;
- Our future expansion plans;
- Perceptions about our future performance or the performance of textile sector companies generally;
- Performance of our competitors in various industries and the perception in the market about investments in These industries;
- Significant developments in the regulation of the industries in which we operate in our key locations;
- Changes in the estimates of our performance or recommendations by financial analysts;
- Significant developments in India's economic liberalization and deregulation policies; and
- Significant developments in India's fiscal and environmental regulations. There has been significant volatility in the Indian stock markets in the recent past, and our Equity Share

Price could fluctuate significantly as a result of market volatility. A decrease in the market price of the Equity Shares could cause you to lose some or all of your investment.

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

The price of the Equity Shares will be subject to a daily circuit breaker imposed by all stock exchanges in India which does not allow transactions beyond a certain level of volatility in the price of the Equity Shares. This circuit breaker operates independently of the index-based market-wide circuit breakers generally imposed by the SEBI on Indian stock exchanges. The percentage limit on our circuit breaker is set by the stock exchanges based on the historical volatility in the price and trading volume of the Equity Shares. The stock exchanges do not inform us of the percentage limit of the circuit breaker from time to time, and may change it without our knowledge. This circuit breaker effectively limits upward and downward movements in the price of the Equity Shares. As a result, shareholders' ability to sell the Equity Shares, or the price at which they can sell the Equity Shares, may be adversely affected at a particular point in time.

***33. Our ability to pay dividends in the future may be affected by any material adverse effect on our future earnings, financial condition or cash flows.***



Our ability to pay dividends in future will depend on our earnings, financial condition and capital requirements, and that of our Subsidiary and the dividends they distribute to us. In the past, we have not made dividend payments to the Shareholders of our Company. The Company may decide to retain all future earnings, if any, for use in the operations and expansion of the business. In such situation, the Company may not declare dividends in the foreseeable future. Any future determination as to the declaration and payment of dividends will be at the discretion of our Board and will depend on factors that our Board deems relevant, including among others, our future earnings, financial condition, cash requirements, business prospects and any other financing arrangements.

We cannot state with any certainty whether we will be able to pay dividends in the future. Accordingly, realization of a gain on Shareholders' investments will depend on the appreciation of the price of the Equity Shares. There is no guarantee that our Equity Shares will appreciate in value.

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

Under the Indian Income-tax Act, 1961, capital gains arising from the sale of equity shares in an Indian company are generally taxable in India. Any gain realized on the sale of listed equity shares on a stock exchange held for more than 12 months will not be subject to capital gains tax in India if Securities Transaction Tax (STT) has been paid on the transaction. STT will be levied on and collected by a domestic stock exchange on which the equity shares are sold. Any gain realized on the sale of equity shares held for more than 12 months to an Indian resident, which are sold other than on a recognised stock exchange and on which no STT has been paid, will be subject to long term capital gains tax in India. Further, any gain realized on the sale of listed equity shares held for a period of 12 months or less will be subject to short term capital gains tax in India. Further, any gain realised on the sale of listed equity shares held for a period of 12 months or less which are sold other than on a recognised stock exchange and on which no STT has been paid, will be subject to short term capital gains tax at a relatively higher rate as compared to the transaction where STT has been paid in India. Pursuant to the notification dated June 5, 2017 issued by the Ministry of Finance, the Government of India has introduced certain anti-abuse measures pursuant to which, the aforesaid exemption from payment of capital gains tax free income arising on transfer of equity shares shall only be available if STT was paid at the time of acquisition of equity shares. The said provision has been notified to take effect from April 1, 2018. Capital gains arising from the sale of shares will be exempt from taxation in India in cases where an exemption is provided under a tax treaty between India and the country of which the seller is a resident. Generally, Indian tax treaties do not limit India's ability to impose tax on capital gains. As a result, residents of other countries may be liable for tax in India as well as in their own jurisdictions on gains arising from a sale of the shares subject to relief available under the applicable tax treaty or under the laws of their own jurisdiction. Further, in accordance with the Finance Bill, 2018, tabled before the Parliament, it has been proposed that the exemption on long term capital gains tax be withdrawn and such tax becoming payable in the hands of the investors.

**EXTERNAL RISK FACTORS**

***35. Our business may be affected by seasonal trends in the Indian economy. Any significant event such as unforeseen floods, earthquakes, epidemics or economic slowdowns during this peak season would materially and adversely affect our results of operations and growth.***

Our business operations may be affected by seasonal trends in the Indian economy. Generally, the period from October to March is the peak period in India for retail economic activity. This increased or seasonal activity is the result of several holiday periods, improved weather conditions and crop harvests. We generally experience higher volumes of business during this period. Any significant event such as unforeseen floods, earthquakes, epidemics or economic slowdowns during this peak season would materially and adversely affect our results of operations and growth. During these periods, we may continue to incur operating expenses but our income from operations may be delayed or reduced.

***36. 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, companies meeting certain financial thresholds are also required to constitute a committee of the board of directors for corporate social responsibility activities and ensure that at least 2% of the average net profits of the company during three immediately preceding financial years are utilized for corporate social responsibility activities. Penalties for instances of non-compliance have been prescribed under the Companies Act, 2013, which may result in inter alia, our Company, Directors and key managerial employees being subject to such penalties and formal actions as prescribed under the Companies Act, 2013, should we not be able to comply with the provisions of the New Companies Act within the prescribed timelines, and this could also affect our reputation.

To ensure compliance with the requirements of the Companies Act, 2013 within the prescribed timelines, we may need to allocate additional resources, which may increase our regulatory compliance costs and divert management attention. While we shall endeavour to comply with the prescribed framework and procedures, we may not be in a position to do so in a timely manner.

The Companies Act, 2013 introduced certain additional requirements which do not have corresponding equivalents under the Companies Act, 1956. Accordingly, we may face challenges in interpreting and complying with such provisions due to limited jurisprudence on them. In the event, our interpretation of such provisions of the Companies Act, 2013 differs from, or contradicts with, any judicial pronouncements or clarifications issued by the Government in the future, we may face regulatory actions or we may be required to undertake remedial steps. Additionally, some of the provisions of the Companies Act, 2013 overlap with other existing laws and regulations (such as the corporate governance norms and insider trading regulations). We may face difficulties in complying with any such overlapping requirements. Further, we cannot currently determine the impact of provisions of the Companies Act, 2013, which are yet to come in force. Any increase in our compliance requirements or in our compliance costs may have an adverse effect on our business and results of operations.

***37. Any changes in the regulatory framework could adversely affect our operations and growth prospects.***

Our Company is subject to various regulations and policies. For details see section titled “*Key Industry Regulations and Policies*” beginning on page no. 69 of this Prospectus. Our business and prospects could be materially adversely affected by changes in any of these regulations and policies, including the introduction of new laws, policies or regulations or changes in the interpretation or application of existing laws, policies and regulations. There can be no assurance that our Company will succeed in obtaining all requisite regulatory approvals in the future for our operations or that compliance issues will not be raised in respect of our operations, either of which could have a material adverse affect on our business, financial condition and results of operations.

***38. Changing laws, rules and regulations and legal uncertainties, including adverse application of corporate and tax laws, may adversely affect our business, results of operations, financial condition and prospects.***

The regulatory and policy environment in which we operate is evolving and subject to change. Such changes, including the instances mentioned below, may adversely affect our business, results of operations, financial condition and prospects, to the extent that we are unable to suitably respond to and comply with any such changes in applicable law and policy. The GOI has introduced a comprehensive national goods and services tax (“GST”) regime that has combined taxes and levies by the Central and State Governments into a unified rate structure which is effective from July 1, 2018. While the GoI and other state governments have announced that all committed incentives will be protected following the implementation of the GST, given the limited availability of information in the public domain concerning the GST, we are unable to provide any assurance as to this or any other aspect of the tax regime following implementation of the GST. The implementation of this rationalized tax structure may be affected by any disagreement between certain state governments, which may create uncertainty. Any such future increases or amendments may affect the overall tax efficiency of companies operating in India and may result in significant additional taxes becoming payable.

We have not determined the impact of these proposed legislations on our business. Uncertainty in the applicability, Interpretation or implementation of any amendment to, or change in, governing law, regulation or policy in the jurisdictions in which we operate, including by reason of an absence, or a limited body, of administrative or judicial precedent may be time consuming as well as costly for us to resolve and may impact the viability of our current business or restrict our ability to grow our business in the future. Further, the GoI may introduce a waiver or incentive scheme in relation to specific population segments such as MSEs in public interest, pursuant to which we may be required to Issue our products and services at discounted rates. This may affect our business and results of operations.

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

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

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

Terrorist attacks and other acts of violence or war may negatively affect the Indian markets on which our Equity Shares will trade and also adversely affect the worldwide financial markets. These acts may also result in a loss of business confidence, impede travel and other services and ultimately adversely affect our business. In addition, any deterioration in relations between India and Pakistan might result in investor concern about stability in the region, which could adversely affect the price of our Equity Shares. India has also witnessed civil disturbances in recent years and it is possible that future civil unrest as well as other adverse social, economic and political events in India could have a negative impact on the value of share prices generally as well as the price of our Equity Shares. Such incidents could also create a greater perception that investment in Indian companies involves a higher degree of risk and could have an adverse impact on our business and the price of our Equity Shares.

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

The Indian economy and financial markets are significantly influenced by worldwide economic, financial and market conditions. Any financial turmoil, especially in the United States of America or Europe, may have a negative impact on the Indian economy. Although economic conditions differ in each country, investors' reactions to any significant developments in one country can have adverse effects on the financial and market conditions in other countries. A loss in investor confidence in the financial systems, particularly in other emerging markets, may cause increased volatility in Indian financial markets.

The global financial turmoil, an outcome of the sub-prime mortgage crisis which originated in the United States of America, led to a loss of investor confidence in worldwide financial markets. Indian financial markets have also experienced the contagion effect of the global financial turmoil, evident from the sharp decline in SENSEX, BSE's benchmark index. Any prolonged financial crisis may have an adverse impact on the Indian economy and us, thereby resulting in a material and adverse effect on our business, operations, financial condition, profitability and price of our Equity Shares.

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

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

**43. *Conditions in the Indian securities market and stock exchanges may affect the price and liquidity of our Equity Shares.***

Indian stock exchanges, which are smaller and more volatile than stock markets in developed economies, have in the past, experienced problems which have affected the prices and liquidity of listed securities of Indian companies. These problems include temporary exchange closures to manage extreme market volatility, broker defaults, settlement delays and strikes by brokers. In addition, the governing bodies of the Indian stock exchanges have from time to time restricted securities from trading, limited price movements and restricted margin requirements. Further, disputes have occurred on occasion between listed companies and the Indian stock exchanges and other regulatory bodies that, in some cases, have had a negative effect on market sentiment. If similar problems occur in the future, the market price and liquidity of the Equity Shares could be adversely affected. Further, a closure of, or trading stoppage on, either of the Stock Exchanges could adversely affect the trading price of our Equity Shares.

44. *We will prepare our financial statements from April 1, 2018 onwards under the Indian Accounting Standards (“Ind AS”). As Ind AS is different in many respects from Indian GAAP, our financial statements from April 1, 2018 may not be comparable to our financial statements for the period ending March 31, 2018 prepared under Indian GAAP may not be comparable to our financial statements for the period ending March 31, 2018 prepared under Ind AS for comparison purposes. In addition, our transition to Ind AS reporting could have an adverse effect on our business and results of operations.*

We currently prepare our financial statements under Indian GAAP. The Companies (Indian Accounting Standards) Rules, 2015 (“IAS Rules”), as amended by the Companies (Indian Accounting Standards) (Amendment) Rules, 2016, enacted changes to Indian GAAP that are intended to align Indian GAAP further with IFRS. The IAS Rules provide that the financial statements of the companies to which they apply shall be prepared and audited in accordance with Ind AS. Ind AS is different in many respects from Indian GAAP. All NBFCs and HFCs having a net worth of more than ₹5,000.0 million are required to mandatorily adopt Ind AS for the accounting period beginning from April 1, 2018, with comparatives for the period ending on March 31, 2018. Although any company may voluntarily implement Ind AS for the accounting period beginning from April 1, 2015, we intend to implement Ind AS for the accounting period beginning from April 1, 2018. As there is not yet a significant body of established practice, such as interpretations of Ind AS, on which to draw in forming judgments regarding the Ind AS implementation and application, we have not determined with any degree of certainty the impact the adoption of Ind AS will have on our financial statements. However, we know that the Ind AS will change our methodology for estimating allowances for doubtful debt losses. Ind AS will require us to value our NPAs by reference to their market value (if a ready market for such loans exists) or to calculate the present value of the expected future cash flows realisable from our loans, including the possible liquidation of collateral (discounted at the loan’s effective interest rate) in estimating allowances for doubtful debt losses. This may result in us recognizing higher allowances for doubtful debt losses in the future, which will adversely affect our results of our operations. Accordingly, our financial statements for the period commencing from April 1, 2018 may not be comparable to our historical financial statements. In our transition to Ind AS reporting, we may encounter difficulties in the on-going process of implementing and enhancing our management information systems. Our management may also have to divert significant time and additional resources in order to implement Ind AS on a timely and successful basis. Moreover, there is increasing competition for the small number of Ind AS experienced accounting personnel available as more Indian companies begin to prepare Ind AS financial statements. Therefore, our transition to Ind AS reporting could have an adverse effect on our business and results of operations.

**Prominent Notes:**

- Investors are free to contact the Lead Manager for any clarification, complaint or information pertaining to the Issue. The Lead Manager and our Company shall make all information available to the public and investors at large and no selective or additional information would be made available for a section of the investors in any manner whatsoever.
- The Net Worth of our Company was ₹ 711.43 lakhs and the book value of each Equity Share was ₹10.16 as of January 31, 2018 as per our Restated Financial Statements. For more information, please refer the Section titled “*Financial Information*” beginning on page no.95 of this Prospectus.
- Public Issue of 32,00,000 Equity Shares at price of ₹10 per share aggregating to ₹320.00 lakhs. The Issue will constitute 31.37% of the post-issue paid-up Equity Share capital of our Company.
- Investors are advised to refer to the chapter titled “*Basis for Issue Price*” beginning on page no. 54 of this Prospectus.
- The average cost of acquisition of Per Equity Shares by our Promoters is:

Promoter	Average cost (₹)
Mr. Rishu Agarwal	10.00
Mrs. Daya Bansal	10.00
M/s R. S. Services Private Limited	10.00

- There are no financing arrangements whereby the Promoter, Promoter Group, the Directors of our Company and their relatives have financed the purchase by any other person of securities of our Company during the period of (six) months immediately preceding the date of the Prospectus.
- The details of transactions by our Company with our Group Companies during the last year are not applicable as our Company does not have any Group Companies.





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Our Company was incorporated as Garv Industries Limited on October 12, 2017 under the Companies Act, 2013 bearing Registration No. 324826 and having its Registered Office in Delhi. The Company's Corporate Identity Number is U74990DL2017PLC324826.

## SECTION III - INTRODUCTION

### SUMMARY OF OUR INDUSTRY

*The information in this section includes extracts from publicly available information, data and statistics and has been derived from various government publications, online publically available websites 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 11 and 95 Prospectus.*

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

India has emerged as the fastest growing major economy in the world as per the Central Statistics Organisation (CSO) and International Monetary Fund (IMF) and it is expected to be one of the top three economic powers of the world over the next 10-15 years, backed by its strong democracy and partnerships. India's GDP increased 7.10% in 2016-17 and is expected to reach a growth rate of 7% by September 2018. India's gross domestic product (GDP) grew by 6.3 per cent in July-September 2017 quarter as per the Central Statistics Organisation (CSO). Corporate earnings in India are expected to grow by over 20 per cent in FY 2017-18 supported by normalisation of profits, especially in sectors like automobiles and banks, according to Bloomberg consensus.

The tax collection figures between April-June 2017 Quarter show an increase in Net Indirect taxes by 30.8 per cent and an increase in Net Direct Taxes by 24.79 per cent year-on-year, indicating a steady trend of healthy growth. The total number of e-filed Income Tax Returns rose 21 per cent year-on-year to 42.1 million in 2016 17 (till 28.02.17), whereas the number of e-returns processed during the same period stood at 43 million. India has retained its position as the third largest startup base in the world with over 4,750 technology startups, with about 1,400 new start-ups being founded in 2016, according to a report by NASSCOM.

India's labour force is expected to touch 160-170 million by 2020, based on rate of population growth, increased labour force participation, and higher education enrolment, among other factors, according to a study by ASSOCHAM and Thought Arbitrage Research Institute. India's foreign exchange reserves were US\$ 404.92 billion in the week up to December 22, 2017, according to data from the RBI.

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

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

#### **Aluminium Products Industry in India - Overview**

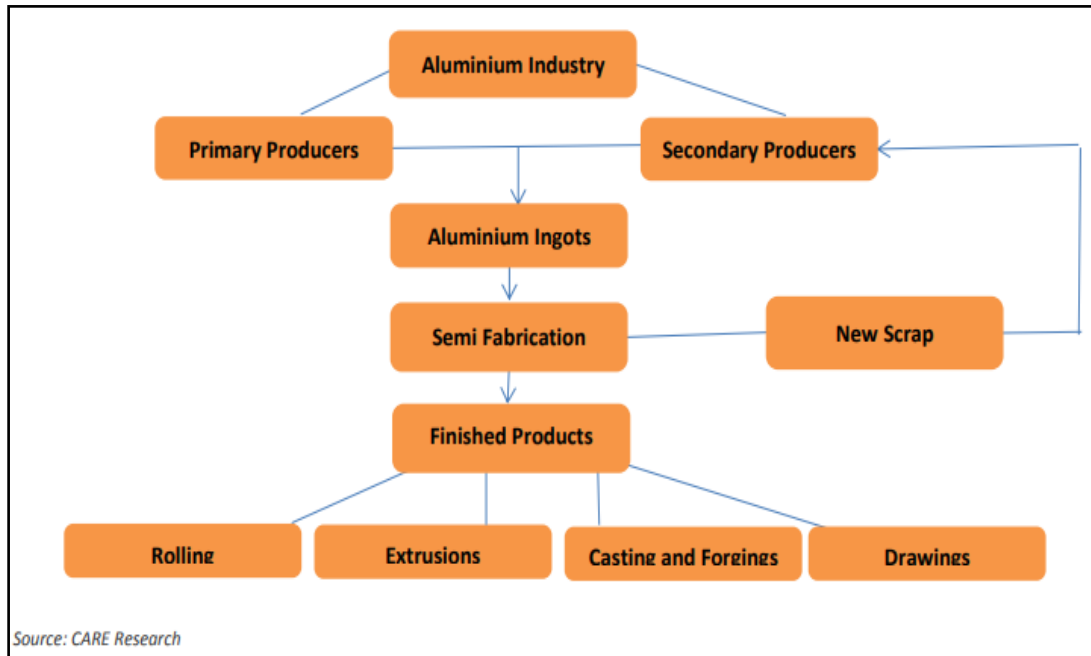
Aluminium is one of the lightest metals in the world and as a result it is used widely in the production of multiple products. This metal has a shiny silver colour and it is malleable meaning it can be bend without breaking.

In nature, aluminium is found in an ore called bauxite. Bauxite is the basic raw material in the aluminium manufacturing process. Bauxite is converted into alumina in alumina refineries. Aluminium is the 3rd most available element present in the earth's crust and the 2nd most used metal after steel. According to USGS India ranks 9th in terms of bauxite reserves in the world.

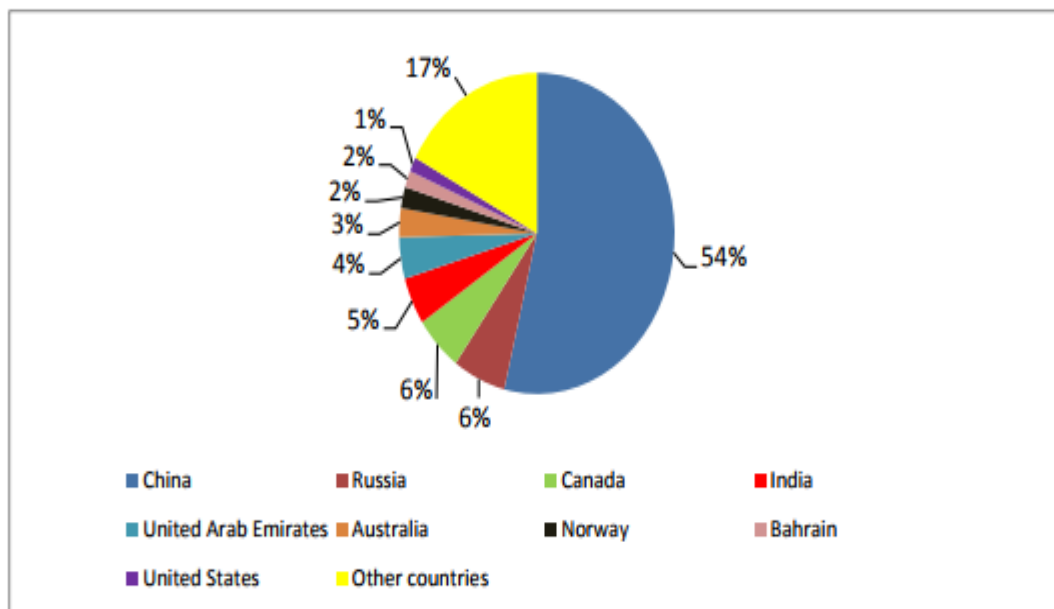
The Aluminium production process can be divided into upstream and downstream activities. The upstream process involves mining and refining activities, while downstream process involves smelting and casting & fabricating. Aluminium downstream fabricated products include rods, sheets, extrusions and foils. Globally, aluminium is produced by two different methods, the primary production process which involves the conversion of ores to aluminium and the other is secondary production (recycling) where the aluminium scrap is recycled to produce aluminium again.

In India primary aluminium industry is dominated by 3 companies: Hindalco and Vedanta which are privately owned and NALCO which is a public sector undertaking having a Navratna status.

The structure of the Aluminium Products industry in India is explained as below:



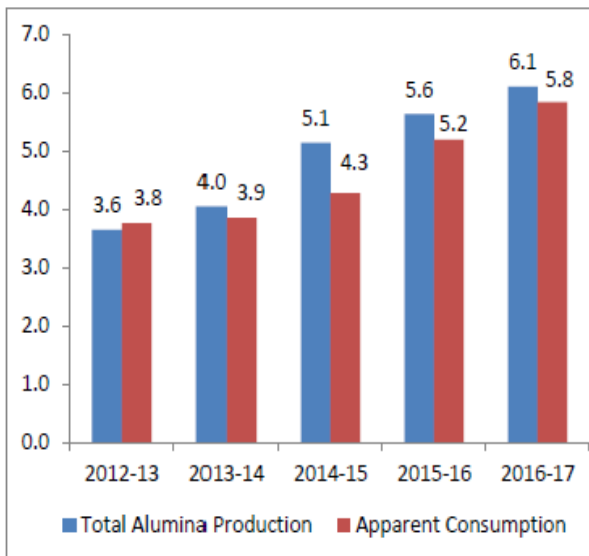
According to the USGS report India ranks 4th in terms of primary aluminium production. China continued to be the single largest producer of aluminium, contributing 54% of the total world production. China is also one to the major consumers of aluminium. The world primary production of aluminium for CY 2016 is as shown below:



Source: USGS

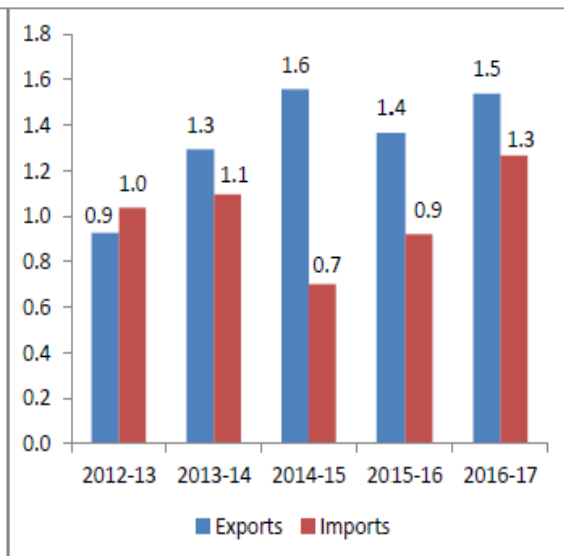
Primary domestic aluminium production is growing at a CAGR of 13% from FY2012-13 onwards. Consumption of Aluminium on the other hand is growing at a CAGR of 3% from FY 2012-13 onwards. Surplus stock is exported mainly to South Korea, Malaysia, Mexico, Italy, Turkey, USA, Taiwan, Spain, Japan, Indonesia, Bangladesh, Singapore, Brazil and Netherlands. South Korea accounts for around 38% of overall primary aluminium exports of India followed by Malaysia at 14%. Exports of aluminium ingots are growing at a CAGR of 48% from FY2012-13 to FY2016-17. Exports of aluminium ingots have been increasing on a y-o-y basis, 21% from FY 2014-15 to FY 2015-16 and 52% from FY 2015-16 to FY 2016-17. The same is depicted as below:

Alumina Production- Consumption (mn tonnes)



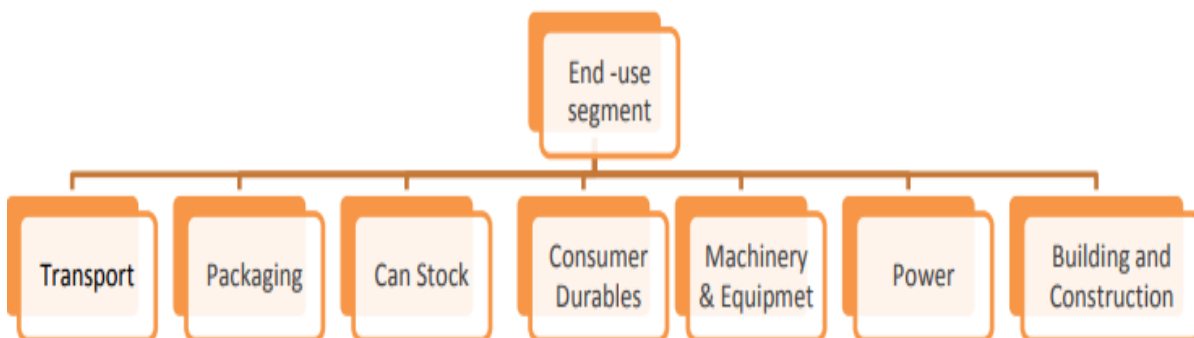
Source: Company Annual Reports (Hindalco, Vedanta, and NALCO)

Export- Import Trends of Alumina (mn tonnes)



Source: DGFT

The end use of aluminium products is shown below:



Source: CARE Research

On the industrial side, aluminium is mainly used in electrical power transmission, machinery & equipment and construction. For housing as aluminium is a lightweight material it is a good substitute for steel and wood in doors, windows and sliding. On the consumer side aluminium is used in a variety of retail products including cans, packaging, air conditioners, furnitures and vehicles.

The consumption of aluminium is likely to grow at a CAGR of 3.5% during the next 2-3 years. The growth in consumption is likely to be driven by the growth in power transmission and the automobile sector. Demand from the building & construction and consumer durable segment is likely to remain subdued. However demand from the packaging sector is likely to support the domestic demand.

(<http://www.careratings.com/upload/NewsFiles/SplAnalysis/Aluminium%20Industry%20Report.pdf>)

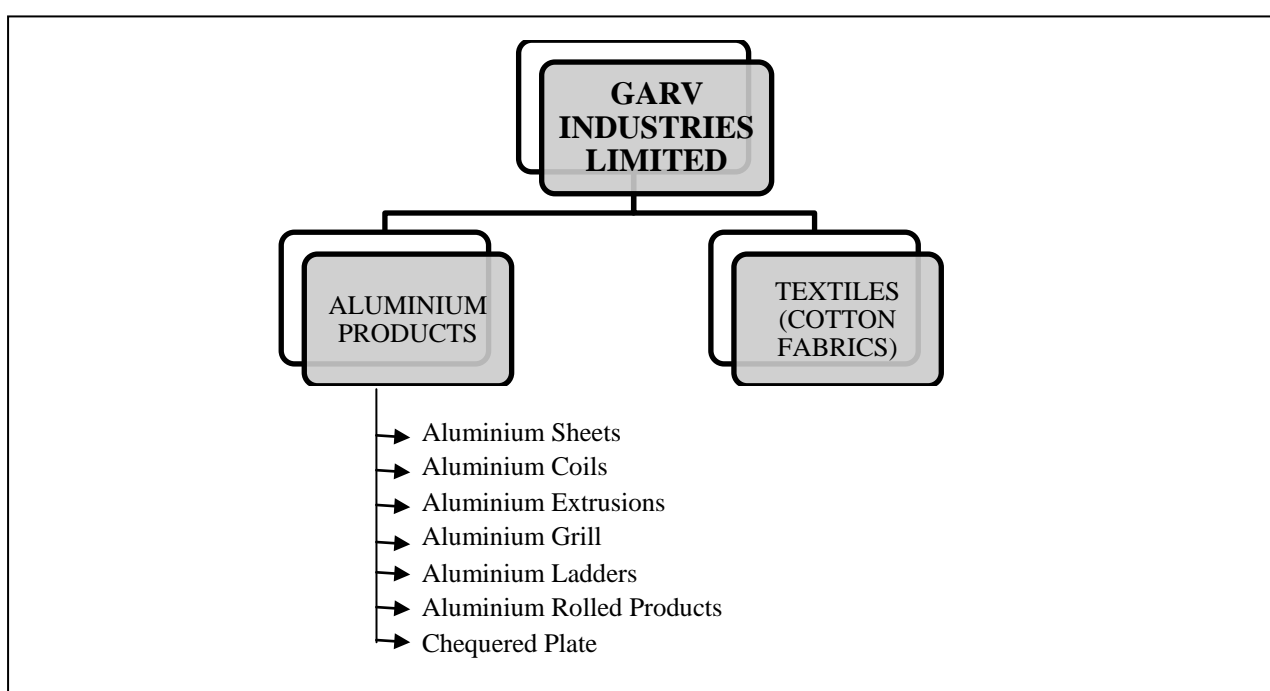
## SUMMARY OF OUR BUSINESS

*This chapter should be read in conjunction with, and is qualified in its entirety by, the more detailed information about our Company and its financial statements, including the notes thereto, in the sections titled 'Risk Factors' and 'Financial Information' and the chapter titled 'Management Discussion and Analysis of Financial Condition and Results of Operations' beginning on page nos.11, 95 and 111 respectively, of this Prospectus. Unless the context otherwise requires, in relation to business operations, in this chapter of this Prospectus, all references to "we", "us", "our" and "our Company" are to Garv Industries Limited.*

### OVERVIEW

Our company was incorporated as "Garv Industries Limited", a limited company under the provisions of Companies Act, 2013 on October 12, 2017. We are a multiproduct trading and distribution company dealing in wide range of aluminium products and textile products.

Following is the classification of major product offerings:



Our Company is promoted by Rishu Agarwal and family who together have industry experience of many years and possess rich business intellect in the trading circles of Delhi. They have been in this business through family proprietary concerns, proprietary business and through partnership. For details about the promoter family track record of this business and its proprietary concerns please see "History and Certain Corporate Matters" on page no. 75 of this Prospectus.

Our Company plans to leverage its promoter networks in the Trading community of Delhi as well as strong balance sheet situation to increase its presence in the Aluminium and metal products, Fabrics product segments in Northern India. Our Company is in the process of building a quality and innovation focused trading vertical as well as developing a strong team to cater to its proposed increased operational needs.

We operate from our registered office located at B-502, Statesman House 148, Barakhamba Road, New Delhi- 110 055 as well as operate an additional godown space located at 2792/6, Chuna Mandi, Pahar Ganj, New Delhi – 110 055. We also have office cum godown at 8885/2, Multani Dhanda, Pahar Ganj, New Delhi – 110 055.

Since our company was recently incorporated we have not completed a full financial year, however we have reported a robust operating performance for 4 month period ended January 31,2018 wherein our sales, EBIDTA and Profit after Tax were Rs. 1,459.18 lakhs, Rs. 15.48 lakhs and Rs. 11.43 lakhs respectively.



## **Our strengths**

### ***1. Existing Supplier Relationship through our Promoter - Mr. Rishu Agarwal.***

Our existing supplier relationship protects the business with terms of supply and pricing of the products, the quality of the products offered etc. We, being a small and medium size organisation, rely on personal relationships with suppliers. Our company enjoys existing relationship with our suppliers. Further, we also leverage the past experience of our management in maintain effective supplier relationship.

### ***2. Product mix and Market mix***

Our Company deals in a range of products like Aluminum Products viz. Aluminium Sheets/coils/extrusions/ grill/ ladders/ rolled products and textiles viz. cotton fabrics which would given us immense opportunity to expand and explore new markets. These products have wide scale applications in both B2B and B2C segments. This gives us an opportunity to explore industrial as well as consumer market segments. Our Product mix and market recognition has boomed our turnover to ₹1459.18 lakhs in first four months of commencement of our company.

### ***3. Experienced Promoters and a good employee base.***

Our Promoter Director, Mr. Rishu Agarwal has significant industry experience and has been instrumental in the consistent growth of our group. He is ably supported by our staff and other co-directors. For further details regarding the experience and qualifications of our management team please see “*Our Management*” beginning on page 78 of this Prospectus. We believe that the knowledge and experience of our promoter and management will enables us to identify new opportunities, rapidly respond to market conditions, adapt to changes in the business landscape and competitive environment and enhances the growth in the business.

### ***4. Strong Balance Sheet and Financial Condition***

Though, we have been recently incorporated, we performed reasonably well with strong revenue and balance sheet position. We currently possess a unique balance sheet situation with low debt and high equity. Hence, we can procure the goods by making upfront payments and take benefit of cash discount or can buy in bulk and hold inventory for longer periods thereby improving our profitability. We believe that we have the ability to leverage our balance sheet to take advantage of a favorable business cycle or market opportunity.

### ***5. Existing Client Base through our Promoter – Mr. Rishu Agarwal.***

Since our promoter- Mr Rishu Agarwal was already active in the trading business of aluminium whether directly or indirectly, we are successful in building a strong client base for our business. Our existing relationships help us to get repeat business from our customers. This has helped us to maintain a long term working relationship with our customers and improve our customer retention strategy. We have strong existing client relationships which generates multiple repeat orders. We believe that our existing relationship with our clients represents a competitive advantage in gaining new clients and increasing our business. Further, having been in this business through our promoter family for over 2 decades we believe that existing relationships will help as a core competitive strength for us.

## **Our strategies**

### ***1. Improving operational efficiencies***

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 with new range of products, will enable us to penetrate into new catchment areas within these regions and optimize our infrastructure. As a result of these measures, our company will be able to increase its market share and profitability.

### ***2. Better working capital management***

We attract new customers by offering extended credit period to them. This strategy requires a strong working capital position. Hence we intend to raise funds from the IPO and ensure we have available liquidity and resources ensuring better working capital management. We believe that this will widen our available equity capital base and allow the company to expand its operational levels as well as earn higher margins due to low debt.



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### ***3. Leveraging our Market skills and Relationships***

Our Company believes that our business is a by-product of relationships. This is a continuous process in our organization and the skills that we impart in our people give importance to customers. We aim to enhance the growth by leveraging our relationships and further enhancing customer satisfaction. We plan to increase our customers by meeting orders in hand on time, maintaining our customer relationship and renewing our relationship with existing buyers.

### ***4. Enhance customer base by entering new geographies to establish long-term relationships***

Currently our company's trading activities are focused only in Delhi; however we intend to cater to the increasing demand of our existing customers and also to increase our existing customer base by enhancing the distribution reach of our products in different parts of the country. We propose to increase our marketing and sales team which can focus in different regions and also maintain and establish relationship with customers. Enhancing our presence in additional regions will enable us to reach out to a larger population. Further, our company believes in maintaining long term relationship with our customers in terms of increased sales. We aim to achieve this by value adding value to our customers through innovation, quality assurance and timely delivery of our products.



## SUMMARY OF OUR FINANCIALS

### Annexure I STATEMENT OF ASSETS AND LIABILITIES, AS RESTATED

(₹ in lakhs)

Particulars	For Period Ended January 31, 2018
<b>EQUITY AND LIABILITIES</b>	
<b>1.Shareholder's fund</b>	
a) Equity Share Capital	700.00
b)Reserves and surplus	11.43
c) Share Application Money Pending Allotment	-
<b>Total Shareholders Fund (1)</b>	<b>711.43</b>
<b>2.Non-current liabilities</b>	
a) Long Term Borrowings	-
b) Deferred Tax Liabilities	-
c) Other long term liabilities	-
d) Long Term Provisions	-
<b>Total(2)</b>	-
<b>3.Current liabilities</b>	
a) Short-term borrowings	0.52
b) Trade payables	320.44
c) Other Current Liabilities	-
d) Short-term provisions	3.96
<b>Total(3)</b>	<b>324.92</b>
<b>TOTAL(1+2+3)</b>	<b>1,036.35</b>
<b>ASSETS</b>	
<b>1.Non - Current Assets</b>	
a) Fixed Assets	
i.) Tangible assets	0.65
ii) Intangible assets	-
iii)Capital Work in Progress	-
b) Non- Current Investments	-
c) Long term Loans & Advances	-
d) Other Non-Current Assets	-
<b>Total (1)</b>	<b>0.65</b>
<b>2.Current Assets</b>	
a) Inventories	97.71
b) Trade Receivables	886.82
c) Cash and Cash equivalents	16.11
d) Short-term loans and advances	-
e) Other current assets	35.06
<b>Total(2)</b>	<b>1035.70</b>
<b>TOTAL(1+2)</b>	<b>1036.35</b>





**Annexure II**  
**STATEMENT OF PROFIT AND LOSS ACCOUNT, AS RESTATED**

(₹ in lakhs)

<b>Particulars</b>	<b>For Period Ended January 31, 2018</b>
<b>INCOME:</b>	
Revenue from Operations(Net)	1,459.18
Other Income	-
<b>Total income</b>	<b>1,459.18</b>
<b>EXPENSES:</b>	
Cost Of Goods sold	1,436.78
Employee benefits expense	4.03
Finance cost	0.05
Depreciation and amortization expense	0.03
Other Expenses	2.89
<b>Total expenses</b>	<b>1,443.79</b>
<b>Net Profit / (Loss) before Tax</b>	<b>15.39</b>
<b>Less: Tax expense</b>	
Current tax	3.96
Deferred tax	-
<b>Total Tax Expense</b>	<b>3.96</b>
<b>Net Profit / ( Loss ) after tax</b>	<b>11.43</b>



**Annexure III**  
**CASH FLOW STATEMENT, AS RESTATED**

(₹ in lakhs)

Particulars	For Period Ended January 31, 2018
<b>Cash Flow From Operating Activities</b>	
<b>Net Profit Before Tax</b>	<b>15.39</b>
Adjustments for :	
Depreciation/Amortisation	0.03
Dividend Received	-
Interest Received	-
Prior Period Item	-
Interest & Finance Cost	0.05
<b>Operating Profit Before Working Capital Adjustments</b>	<b>15.47</b>
<b>Adjustment for Changes in Working Capital</b>	
Trade and other payable	320.44
Inventories	(97.71)
Trade and other Recievables	(886.82)
Short Term Loans and Advances	-
Other Current Assets	(35.06)
Short Term Provisions	-
Other Current Liabilities	-
Long term loans & advances	-
long term provision	-
<b>Cash Flow Generated from Operations</b>	<b>(683.67)</b>
Income Tax and Fringe Benefit Tax Paid	-
<b>Net Cash flow from Operating activities (A)</b>	<b>(683.67)</b>
<b>Cash Flow From Investing Activities</b>	
(Purchase)/Sale of Fixed Assets	(0.68)
Purchase / (Sale) of Investments	-
Other Non-Current Assets	-
Long Tern Loans & Advances	-
Other Long Term Liabilities	-
Capital Work In progress	-
Dividend Received	-
Interest Received	-
<b>Net Cash Flow from Investing Activities (B)</b>	<b>(0.68)</b>
<b>Cash Flow From Financing Activities</b>	
Increase / (Decrease) Long Term Borrowing	-
Capital Subsidy	-
Short term borrowings	0.52
Proceeds from Share Capital (including Share Premium)	700.00
Interest & Financial Charges paid	(0.05)
<b>Net Cash Flow from Financing Activities (C)</b>	<b>700.46</b>
<b>Net Increase/ ( Decrease) in Cash and Cash Equivalents ( A + B + C )</b>	<b>16.11</b>
Cash & Cash equivalent at the beginning of the year	-
<b>Cash &amp; Cash Equivalent at the end of the year</b>	<b>16.11</b>



## THE ISSUE

### PRESENT ISSUE IN TERMS OF THIS PROSPECTUS

#### Terms of the Issue

The Equity Shares, now being issued, are subject to the terms and conditions of this Prospectus, the Application form, the Memorandum and Articles of Association of our Company, the guidelines for listing of securities issued by the Government of India and SEBI (ICDR) Regulations, 2009, the Depositories Act, BSE, RBI, ROC and / or other authorities as in force on the date of the Issue and to the extent applicable.

In addition, the Equity Shares shall also be subject to such other conditions as may be incorporated in the Share Certificates, as per the SEBI (ICDR) Regulations, 2009 notifications and other regulations for the issue of capital and listing of securities laid down from time to time by the Government of India and/or other authorities and other documents that may be executed in respect of the Equity Shares.

#### Authority for the Issue

The present Issue has been authorized pursuant to a resolution of our Board dated February 14, 2018 and by Special Resolution passed under Section 62(1)(C) of the Companies Act, 2013 at an Extra-Ordinary General Meeting of our shareholders on February 19, 2018.

#### Other Details

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

#### Minimum Subscription

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

If we do 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, we shall forthwith refund the entire subscription amount received. If there is a delay beyond eight days after we become liable to pay the amount, we shall pay interest prescribed under the applicable provisions of the Companies Act, 2013.



## GENERAL INFORMATION

Our Company was incorporated as Garv Industries Limited on October 12, 2017 under the Companies Act, 2013 with the Registrar of Companies, Delhi bearing Registration No. 324826. The Corporate Identity Number of our Company is U74990DL2017PLC324826

For further details, please refer to the chapter titled “History and Certain Corporate Affairs” beginning on page no. 75 of this Prospectus.

### Brief Company and Issue Information

<b>Registered Office</b>	<b>Address:</b> B-502, Statesman House 148, Barakhamba Road, New Delhi- 110 001. <b>Tel No:</b> +91 – 011 – 2362 9277 <b>Email:</b> <a href="mailto:info@garvindustries.com">info@garvindustries.com</a> <b>Website:</b> <a href="http://www.garvindustries.com">www.garvindustries.com</a>
<b>Date of Incorporation</b>	October 12, 2017
<b>Company Registration No.</b>	324826
<b>Company Identification No.</b>	U74990DL2017PLC324826
<b>Address of Registrar of Companies</b>	<b>Address:</b> 4 <sup>th</sup> Floor, IFCI Tower, 61, Nehru Place, New Delhi – 110019 <b>Tel No.:</b> +91 – 011 – 2623 5703 / 2623 5708 <b>Fax No.:</b> +91 – 011 – 2623 5702
<b>Designated Stock Exchange</b>	SME Platform of BSE
<b>Company Secretary &amp; Compliance Officer</b>	Ms. Anjali Trivedi <b>Address:</b> B-502, Statesman House 148, Barakhamba Road New Delhi-110 001. <b>Tel No:</b> +91 – 011 – 2362 9277 <b>Email:</b> <a href="mailto:info@garvindustries.com">info@garvindustries.com</a> <b>Website:</b> <a href="http://www.garvindustries.com">www.garvindustries.com</a>

### Board of Directors of our Company

The following table sets forth the Board of Directors of our Company:

<b>Name</b>	<b>Designation</b>	<b>Director’s Identification No.</b>
Rishu Agarwal	Managing Director	02960289
Daya Bansal	Non Executive Non Independent Director	02960325
Amit Agarwal	Independent & Non – Executive Director	07854072
Vishal Aggarwal	Independent & Non – Executive Director	07933495

For further details pertaining to the educational qualification and experience of our Directors, for details please refer to the chapter titled “Our Management” beginning on page no. 78 of this Prospectus.

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

## Details of Key Intermediaries pertaining to this Issue and Our Company

### LEAD MANAGER TO THE ISSUE



#### ARYAMAN FINANCIAL SERVICES LIMITED

60, Khatau Building, Gr. Floor,  
Alkesh Dinesh Modi Marg, Opp. P.J. Tower (BSE Bldg.),  
Fort, Mumbai – 400 001  
**Tel. No.:** +91 – 22 – 6216 6999  
**Fax No.:** +91 – 22 – 2263 0434  
**Website:** [www.afsl.co.in](http://www.afsl.co.in)  
**Email:** [info@afsl.co.in](mailto:info@afsl.co.in)  
**Investor Grievance Email:** [feedback@afsl.co.in](mailto:feedback@afsl.co.in)  
**Contact Person:** Namrata Ravasia / Swapnil Ukirde  
**SEBI Registration No.:** INM000011344

### REGISTRAR TO THE ISSUE



#### SKYKINE FINANCIAL SERVICES PRIVATE LIMITED

D-153 A, 1st Floor, Okhla Industrial Area,  
Phase - I, New Delhi - 110 020  
**Tel No.:** +91 - 11 - 2681 2682/83  
**Fax No.:** +91 - 11 - 3085 7562  
**Contact Person:** Mr. Virender Rana  
**Email:** [viren@skylinerta.com](mailto:viren@skylinerta.com)  
**Investor Grievance Email:** [viren@skylinerta.com](mailto:viren@skylinerta.com)  
**Website:** [www.skylinerta.com](http://www.skylinerta.com)  
**SEBI Registration No.:** INE00003241

### LEGAL COUNSEL TO THE ISSUE



#### M/S KANGA & COMPANY (ADVOCATES & SOLICITORS)

Readymoney Mansion,  
43, Veer Nariman Road,  
Mumbai – 400 001  
**Tel No.:** +91 – 22 – 6623 0000, +91 – 22 – 6633 2288  
**Fax No.:** +91 – 22 – 6633 9656 / 57  
**Contact Person:** Mr. Chetan Thakkar  
**Email:** [chetan.thakkar@kangacompany.com](mailto:chetan.thakkar@kangacompany.com)  
**Website:** [www.kangacompany.com](http://www.kangacompany.com)

### STATUTORY AUDITOR OF THE COMPANY

#### M/S. S. C. VERMA & ASSOCIATES., CHARTERED ACCOUNTANTS

A - 3 / 183, FF, Paschim Vihar,  
New Delhi - 110 063  
**Tel No.:** +91 - 98110 12463  
**Tele Fax No.:** +91 - 11 - 4232 2116  
**Email:** : [spgfca@gmail.com](mailto:spgfca@gmail.com)  
**Contact Person:** Mr. Satya Parkash Gupta

### PEER REVIEW AUDITOR OF THE COMPANY

#### M/S. V. N. PUROHIT & CO., CHARTERED ACCOUNTANTS

214, New Delhi House, 2nd Floor, 27,  
Barakhamba Road, New Delhi- 110 001.  
**Tel No.:** +91- 11 - 4359 6011  
**Fax No.:** +91- 11 - 4359 6011  
**Contact Person:** Mr. O. P. Pareek  
**Email:** [vnpdelhi@vnpaudit.com](mailto:vnpdelhi@vnpaudit.com)  
**Website:** [www.vnpaudit.com](http://www.vnpaudit.com)

## BANKERS TO OUR COMPANY



### **BANK OF INDIA**

Bhangel SME Branch, Kumar Palace, Near Police Chowki,  
Bhangel, Noida; Uttar Pradesh - 201304

**Tel No.:** +91-120 - 645 0789, 256 8646, 256 8647

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

**Email:** [bhangelssi.ghaziabad@bankofindia.co.in](mailto:bhangelssi.ghaziabad@bankofindia.co.in)

**Contact Person:** Mrs. Neena Sharma



### **HDFC BANK LIMITED**

G - 28/29, Sector - 18, Noida; Uttar Pradesh - 201301

**Tel No.:** +91-120- 4894340

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

**Email:** [naman.dubey@hdfcbank.com](mailto:naman.dubey@hdfcbank.com)

**Contact Person:** Mr. Naman Dubey

## BANKERS TO THE ISSUE



### **AXIS BANK LIMITED**

Jeevan Prakash Building,  
Sir P.M. Road, Fort, Mumbai – 400 001

**Tel No.:** +91 – 22 – 4086 7336 / 7474

**Fax No.:** +91 – 22 – 4086 7327/ 7378

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

**Email:** [fort.operationshead@axisbank.com](mailto:fort.operationshead@axisbank.com)

**Contact Person:** Mr. Anil Kanekar

**SEBI Registration No.:** INBI00000017

## SELF CERTIFIED SYNDICATE BANKS

The lists of Banks that have been notified by SEBI to act as SCSBs for the ASBA process are provided on <http://www.sebi.gov.in>. For details on designated branches of SCSBs collecting the ASBA Application Forms, please see the above mentioned SEBI link.

## BROKERS TO THIS ISSUE

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

## REGISTRAR TO ISSUE AND SHARE TRANSFER AGENTS

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

## COLLECTING DEPOSITORY PARTICIPANTS

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

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

## INTER-SE ALLOCATION OF RESPONSIBILITIES

Aryaman Financial Services Limited is the Sole Lead Manager to this Issue, and hence is responsible for all the Issue management related activities.



## MONITORING AGENCY

As per Regulation 16(1) of the SEBI (ICDR) Regulations, 2009 the requirement of Monitoring Agency is not mandatory if the Issue size is below ₹ 10,000 lakhs and hence our Company has not appointed a monitoring agency for this issue.

Pursuant to Regulation 32(3) of the SEBI (LODR) Regulations, 2015, our Company shall on a half yearly basis disclose to the Audit Committee the uses and application of the Net Proceeds. Until such time as any part of the Net Proceeds remains unutilized, our Company will disclose the utilization of the Net Proceeds under separate heads in our Company's balance sheet(s) clearly specifying the amount of and purpose for which Net Proceeds have been utilized so far, and details of amounts out of the Net Proceeds that have not been utilized so far, also indicating interim investments, if any, of such unutilized Net Proceeds. In the event that our Company is unable to utilize the entire amount that we have currently estimated for use out of the Net Proceeds in a fiscal, we will utilize such unutilized amount in the next fiscal.

Further, in accordance with Regulation 32(1)(a) of the SEBI (LODR) Regulations, 2015, 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 Net Proceeds for the objects stated in this Prospectus.

## IPO GRADING

No credit rating agency registered with SEBI has been appointed for grading the Issue.

## TRUSTEES

This being an Issue of Equity Shares, the appointment of trustees is not required.

## DETAILS OF THE APPRAISING AUTHORITY

The objects of the Issue and deployment of funds are not appraised by any independent agency/ bank/ financial institution.

## CREDIT RATING

This being an Issue of Equity Shares, no credit rating is required.

## EXPERT OPINION

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

Our Company has received written consent from the Auditors namely, M/s. V.N. Purohit & Co., Chartered Accountants (Peer Review Auditors) to include their name as required under section 26(1)(a)(v) of the Companies Act, 2013 in this Prospectus and as "Expert" as defined under section 2(38) of the Companies Act, 2013 in respect of the reports on the Restated Financial Statements dated February 20, 2018 and the Statement of Tax Benefits dated February 20, 2018, issued by them, included in this Prospectus and such consent has not been withdrawn as on the date of this Prospectus. However, the term "expert" shall not be construed to mean an "expert" as defined under the U.S. Securities Act.

## ISSUE PROGRAMME

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

Event	Indicative Date
Issue Opening Date	April 12,2018
Issue Closing Date	April 17,2018
Finalisation of Basis of Allotment with the Designated Stock Exchange	April 20,2018
Initiation of Allotment / Refunds / Unblocking of Funds	April 23,2018
Credit of Equity Shares to demat accounts of Allottees	April 24,2018
Commencement of trading of the Equity Shares on the Stock Exchange	April 25,2018



The above timetable is indicative and does not constitute any obligation on our Company or the Lead Manager. Whilst our Company shall ensure that all steps for the completion of the necessary formalities for the listing and the commencement of trading of the Equity Shares on the Stock Exchange are taken within 6 Working Days of the Issue Closing Date, the timetable may change due to various factors, such as extension of the Issue Period by our Company, or any delays in receiving the final listing and trading approval from the Stock Exchange. The Commencement of trading of the Equity Shares will be entirely at the discretion of the Stock Exchange and in accordance with the applicable laws.

Applications and any revision to the same shall be accepted **only between 10.00 a.m. and 5.00 p.m. (IST)** during the Issue Period (except for the Issue Closing Date). On the Issue Closing Date, the Applications and any revision to the same shall be accepted between **10.00 a.m. and 3.00 p.m. (IST)** or such extended time as permitted by the Stock Exchanges, in case of Applications by Retail Individual Applicants after taking into account the total number of applications received up to the closure of timings and reported by the Lead Manager to the Stock Exchanges. It is clarified that Applications not uploaded on the electronic system would be rejected. Applications will be accepted only on Working Days, i.e., Monday to Friday (excluding any public holiday).

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

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

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

## UNDERWRITING

This Issue is 100% Underwritten. The Underwriting agreement is dated February 28, 2018. Pursuant to the terms of the Underwriting Agreement, the obligations of the Underwriters are several and are subject to certain conditions specified therein. The Underwriters have given their consent for inclusion of their name in the Prospectus as Underwriters and have indicated their intention to underwrite the following number of specified securities being issued through this Issue:

Details of the Underwriter	No. of Shares Underwritten	Amount Underwritten (₹ in lakhs)	% of the Total Issue Size Underwritten
<b>Aryaman Financial Services Ltd.</b> 60, Khatau Building, Gr. Floor, Alkesh Dinesh Modi Marg, Opp. P.J. Tower (BSE Bldg.), Fort, Mumbai – 400 001. <b>Tel. No.:</b> +91 – 22 – 6216 6999 <b>Fax No.:</b> +91 – 22 – 2263 0434 <b>Email:</b> <a href="mailto:ipo@afsl.co.in">ipo@afsl.co.in</a>	30,30,000	303.00	94.69%
<b>Aryaman Capital Markets Ltd.</b> 60, Khatau Building, Gr. Floor, Alkesh Dinesh Modi Marg, Opp. P.J. Tower (BSE Bldg.), Fort, Mumbai – 400 001. <b>Tel. No.:</b> +91 – 22 – 6216 6999 <b>Fax No.:</b> +91 – 22 – 2263 0434 <b>Email:</b> <a href="mailto:aryacapm@gmail.com">aryacapm@gmail.com</a>	1,70,000	17.00	5.31%
<b>Total</b>	<b>32,00,000</b>	<b>320.00</b>	<b>100.00%</b>



As per Regulation 106 P (2) of SEBI (ICDR) Regulations, 2009, the LM has agreed to underwrite to a minimum extent of 15% of the Issue out of its own account.

In the opinion of the Board of Directors (based on certificate given by the Underwriters), the resources of the above mentioned Underwriters are sufficient to enable them to discharge their respective underwriting obligations in full. The above – mentioned Underwriters are registered with SEBI under Section 12(1) of the SEBI Act or registered as broker with the Stock Exchange.

## WITHDRAWAL OF THE ISSUE

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

## MARKET MAKER



### ARYAMAN CAPITAL MARKETS LIMITED

60, Khatau Building, Gr. Floor,  
Alkesh Dinesh Modi Marg, Opp. P. J. Tower (BSE Bldg.),  
Fort, Mumbai – 400 001

**Tel. No.:** +91 – 22 – 6216 6999

**Fax No.:** +91 – 22 – 2263 0434

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

**Contact Person:** Mr. Harshad Dhanawade

**SEBI Registration No.:** INZ000004739

**Market Maker Reg. No.:** SMEMM0651421122012

### Details of the Market Making Arrangement for this Issue

Our Company and the Lead Manager, Aryaman Financial Services Limited have entered into an agreement dated February 28, 2018 with Aryaman Capital Markets Ltd., a Market Maker registered with the SME Platform of BSE in order to fulfil the obligations of Market Making.

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

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

1. The Market Maker shall be required to provide a 2-way quote for 75% of the time in a day. The same shall be monitored by the Stock Exchange. Further, the Market Maker shall inform the exchange in advance for each and every black out period when the quotes are not being Issued by the Market Maker.
2. The minimum depth of the quote shall be ₹ 1,00,000. However, the investors with holdings of value less than ₹ 1,00,000 shall be allowed to issue their holding to the Market Maker 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.
3. The Inventory Management and Buying/Selling Quotations and its mechanism shall be as per the relevant circulars issued by SEBI and BSE SME Platform from time to time.
4. Execution of the order at the quoted price and quantity must be guaranteed by the Market Maker, for the quotes given by him.
5. There would not be more than five Market Makers for a script at any point of time and the Market Makers may compete with other Market Makers for better quotes to the investors.

6. On the first day of the listing, there will be pre-opening session (call auction) and there after the trading will happen as per the equity market hours. The circuits will apply from the first day of the listing on the discovered price during the pre-open call auction.
7. The Market Maker may also be present in the opening call auction, but there is no obligation on him to do so.
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 or any other problems. All controllable reasons require prior approval from the Exchange, while force-majeure will be applicable for non controllable reasons. The decision of the Exchange for deciding controllable and non-controllable reasons would be final.
9. The Market Maker shall have the right to terminate said arrangement by giving a three months notice or on mutually acceptable terms to the Lead Manager, who shall then be responsible to appoint a replacement Market Maker.
10. In case of termination of the above mentioned Market Making Agreement prior to the completion of the compulsory Market Making period, it shall be the responsibility of the Lead Manager to arrange for another Market Maker in replacement during the term of the notice period being served by the Market Maker but prior to the date of releasing the existing Market Maker from its duties in order to ensure compliance with the requirements of regulation 106V of the SEBI (ICDR) Regulations, 2009. Further the Company and the Lead Manager reserve the right to appoint other Market Makers either as a replacement of the current Market Maker or as an additional Market Maker subject to the total number of Designated Market Makers does not exceed five or as specified by the relevant laws and regulations applicable at that particular point of time.
11. Risk containment measures and monitoring for Market Maker: BSE SME Exchange will have all margins which are applicable on the BSE Main Board viz., Mark-to-Market, Value-At-Risk (VAR) Margin, Extreme Loss Margin, Special Margins and Base Minimum Capital etc. BSE can impose any other margins as deemed necessary from time-to-time.
12. Punitive Action in case of default by Market Maker: BSE SME Exchange will monitor the obligations on a real time basis and punitive action will be initiated for any exceptions and/or non-compliances. Penalties / fines may be imposed by the Exchange on the Market Maker, in case he is not able to provide the desired liquidity in a particular security as per the specified guidelines. These penalties / fines will be set by the Exchange from time to time. The Exchange will impose a penalty on the Market Maker in case he is not present in the market (offering two way quotes) for at least 75% of the time. The nature of the penalty will be monetary as well as suspension in market making activities / trading membership.
13. 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.
14. **Price Band and Spreads:** SEBI Circular bearing reference no: CIR/MRD/DP/ 02/2012 dated January 20, 2012, has laid down that for issue size up to ₹25,000 lakhs, the applicable price bands for the first day shall be:
  - a. In case equilibrium price is discovered in the Call Auction, the price band in the normal trading session shall be 5% of the equilibrium price.
  - b. In case equilibrium price is not discovered in the Call Auction, the price band in the normal trading session shall be 5% of the issue price.
  - c. Additionally, the trading shall take place in TFT segment for first 10 days from commencement of trading.

The following spread will be applicable on the BSE SME Exchange/ Platform:

Sr. No.	Market Price Slab (in ₹)	Proposed spread (in % to sales price)
1	Up to 50	9
2	50 to 75	8
3	75 to 100	6
4	Above 100	5

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



## CAPITAL STRUCTURE

The share capital of the Company as on the date of this Prospectus is set forth below:

(₹ in lakhs, except share data)

Sr. No.	Particulars	Aggregate Value at Nominal Value	Aggregate Value at Issue Price
<b>A</b>	<b>Authorised Share Capital</b>		
	1,02,50,000 Equity Shares of face value of ₹ 10 each	1,025.00	-
<b>B</b>	<b>Issued, Subscribed and Paid-up Share Capital before the Issue</b>		
	70,00,000 Equity Shares of face value of ₹ 10 each	700.00	-
<b>C</b>	<b>Present Issue in terms of this Prospectus<sup>(1)</sup></b>		
	Issue of 32,00,000 Equity Shares of ₹ 10 each at a price of ₹ 10 per equity Share	320.00	320.00
	<b>Which comprises of:</b>		
	1,70,000 Equity Shares of ₹ 10 each at a price of ₹ 10 per Equity Share reserved as Market Maker Portion	17.00	17.00
	Net Issue to Public of 30,30,000 Equity Shares of ₹ 10 each at a price of ₹ 10 per Equity Share to the Public	303.00	303.00
	<b>Of which:</b>		
	15,15,000 Equity Shares of ₹ 10 each at a price of ₹ 10 per Equity Share will be available for allocation for Investors of up to ₹ 2.00 lakhs	151.50	151.50
	15,15,000 Equity Shares of ₹ 10 each at a price of ₹ 10 per Equity Share will be available for allocation for Investors of above ₹ 2.00 lakhs	151.50	151.50
<b>D</b>	<b>Equity Share Capital after the Issue</b>		
	102,00,000 Equity Shares of ₹ 10 each	1,020.00	
<b>E</b>	<b>Securities Premium Account</b>		
	Before the Issue (as on date of this Prospectus)	NIL	
	After the Issue	NIL	

<sup>(1)</sup> The present Issue has been authorized pursuant to a resolution of our Board dated February 14, 2018 and by Special Resolution passed under Section 62(1)(C) of the Companies Act, 2013 at an Extra-Ordinary General Meeting of our shareholders held on February 19, 2018.

Our Company has no outstanding convertible instruments as on the date of this Prospectus.

### Changes in Authorised Share Capital

Since incorporation, there are no changes in Authorised Share Capital of our company.

### NOTES TO THE CAPITAL STRUCTURE

#### 1) Share Capital History of our Company:

##### a) Equity Share Capital

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

Date of Allotment of Equity Shares	No. of Equity Shares	Face Value (₹)	Issue Price (₹)	Nature / Reason of Allotment	Nature of Consideration	Cumulative No. of Equity Shares	Cumulative Paid Up Share Capital (₹)	Cumulative Share Premium (₹)
Upon Incorporation	10,000 <sup>(1)</sup>	10	10	Subscription to MoA	Cash	10,000	1,00,000	Nil
November 23, 2017	10,00,000 <sup>(2)</sup>	10	10	Prefential Allotment	Cash	10,10,000	1,01,00,000	Nil
December 07, 2017	50,000 <sup>(3)</sup>	10	10	Prefential Allotment	Cash	10,60,000	1,01,50,000	Nil
December 08, 2017	1,00,000 <sup>(4)</sup>	10	10	Prefential Allotment	Cash	11,60,000	1,11,50,000	Nil
January 08, 2018	5,00,000 <sup>(5)</sup>	10	10	Prefential Allotment	Cash	16,60,000	1,66,00,000	Nil
January 10, 2018	7,50,000 <sup>(6)</sup>	10	10	Prefential Allotment	Cash	24,10,000	2,41,00,000	Nil
January 11, 2018	7,50,000 <sup>(7)</sup>	10	10	Prefential Allotment	Cash	31,60,000	3,16,00,000	Nil
January 12, 2018	10,00,000 <sup>(8)</sup>	10	10	Prefential Allotment	Cash	41,60,000	4,16,00,000	Nil
January 15, 2018	10,00,000 <sup>(9)</sup>	10	10	Prefential Allotment	Cash	51,60,000	5,16,00,000	Nil
January 16, 2018	10,00,000 <sup>(10)</sup>	10	10	Prefential Allotment	Cash	61,60,000	6,16,00,000	Nil
January 17, 2018	8,40,000 <sup>(11)</sup>	10	10	Prefential Allotment	Cash	70,00,000	7,00,00,000	Nil

<sup>(1)</sup> Allotment of 1000 shares each were made to Mr. Rishu Agarwal, Mrs. Daya Bansal, Mrs. Usha Devi Agarwal, Mr. Sachin Gupta, 5800 shares were allotted to R S Services Private Limited and 100 shares each were allotted to Mr. Pradeep Kumar Jain and Mr. Vishal Aggarwal pursuant to their subscription to the Memorandum of Association.

<sup>(2)</sup> Allotment of 10,00,000 shares was made to R S Services Private Limited.

<sup>(3)</sup> Allotment of 50,000 shares was made to R S Services Private Limited.

<sup>(4)</sup> Allotment of 1,00,000 shares was made to R S Services Private Limited.

<sup>(5)</sup> Allotment of 5,00,000 shares was made to R S Services Private Limited.

<sup>(6)</sup> Allotment of 7,50,000 shares was made to R S Services Private Limited.

<sup>(7)</sup> Allotment of 7,50,000 shares was made to R S Services Private Limited.

<sup>(8)</sup> Allotment of 10,00,000 shares was made to R S Services Private Limited.

<sup>(9)</sup> Allotment of 10,00,000 shares was made to R S Services Private Limited.

<sup>(10)</sup> Allotment of 10,00,000 shares was made to R S Services Private Limited.

<sup>(11)</sup> Allotment of 8,40,000 shares was made to R S Services Private Limited.

b) Our Company has not issued any Equity Shares for consideration other than cash.

c) No shares have been allotted in terms of any scheme approved under sections 391-394 of the Companies Act, 1956.

d) No bonus shares have been issued since incorporation of our company. Hence, no bonus shares have been issued out of Revaluation Reserves.



e) No shares have been issued at a price lower than the Issue Price within the last one year from the date of the Prospectus.

**f) Shareholding of our Promoter**

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

Date of Allotment / Transfer	Nature of Transaction	Consideration	No. of Shares	Face Value (₹)	Issue Price (₹)	Cumulative no. of Shares	% of Pre-Issue Paid Up Capital	% of Post-Issue Paid Up Capital	Lock – in Period
<b>Mr. Rishu Agarwal</b>									
Upon Incorporation	Subscription to MoA	Cash	1,000	10	10	1,000	0.01%	0.01%	3 Years
<b>Mrs. Daya Bansal</b>									
Upon Incorporation	Subscription to MoA	Cash	1,000	10	10	1,000	0.01%	0.01%	3 Years
<b>R S Services Private Limited</b>									
Upon Incorporation	Subscription to MoA	Cash	5,800	10	10	5,800	-	-	3 Years
November 23, 2017	Further Allotment	Cash	10,00,000	10	10	10,05,800	-	-	3 Years
December 07, 2017	Further Allotment	Cash	50,000	10	10	10,55,800	-	-	3 Years
December 08, 2017	Further Allotment	Cash	1,00,000	10	10	11,55,800	-	-	3 Years
January 08, 2018	Further Allotment	Cash	5,00,000	10	10	16,55,800	-	-	3 Years
January 10, 2018	Further Allotment	Cash	4,42,200	10	10	24,05,800	-	-	3 Years
			3,07,800						1 Year
January 11, 2018	Further Allotment	Cash	7,50,000	10	10	31,55,800	-	-	1 Year
January 12, 2018	Further Allotment	Cash	10,00,000	10	10	41,55,800	-	-	1 Year
January 15, 2018	Further Allotment	Cash	10,00,000	10	10	51,55,800	-	-	1 Year
January 16, 2018	Further Allotment	Cash	10,00,000	10	10	61,55,800	-	-	1 Year
January 17, 2018	Further Allotment	Cash	8,40,000	10	10	69,95,800	99.94%	68.59%	1 Year

Notes:

- None of the shares belonging to our Promoter has been pledged till date.
  - The entire post Issue Promoters' shares shall be subject to lock-in from the date of allotment of the equity shares issued through this Prospectus for periods as per applicable Regulations of the SEBI (ICDR) Regulations. For details please see Note no. i of the "Notes to the Capital Structure" on page no. 41 of this Prospectus.
  - Our Promoters have confirmed to the Company and the Lead Manager that the Equity Shares held by our Promoters have been financed from their personal funds and no loans or financial assistance from any bank or financial institution has been availed for this purpose.
  - All the shares held by our Promoters, were fully paid-up on the respective dates of acquisition of such shares.
- g) During the last six months, 69,99,800 shares were allotted to members of the Promoters, Promoters Group, Directors and their immediate relatives.

- h) None of the members of the Promoter Group, Directors and their immediate relatives have financed the purchase by any other person of Equity shares of our Company other than in the normal course of business of the financing entity within the period of six months immediately preceding the date of the Prospectus.

## 2) Promoters' Contribution and other Lock-In details:

### i. Details of Promoters' Contribution locked-in for 3 years

Pursuant to the Regulation 32(1) and 36(a) of the SEBI (ICDR) Regulations, an aggregate of 20% of the Post- Issue Equity Share Capital held by our Promoter shall be considered as promoters' contribution ("**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.

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

Name of Promoter	No. of Shares locked in <sup>(1)</sup>	As a % of Post Issue Share Capital
Mr. Rishu Agarwal	Upto 1,000	0.01%
Mrs. Daya Bansal	Upto 1,000	0.01%
R S Services Private Limited	Upto 20,98,000	20.57%
<b>Total</b>	<b>Upto 21,00,000</b>	<b>20.59%</b>

<sup>(1)</sup>For details on the date of Allotment of the above Equity Shares, the nature of Allotment, face value and the price at which they were acquired, please refer Note no. 1(f) under "Notes to Capital Structure" on page no. 41 of this Prospectus.

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

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

The minimum Promoters' Contribution has been brought to the extent of not less than the specified minimum lot and from the persons defined as Promoters under the SEBI (ICDR) Regulations, 2009. The Promoters' Contribution constituting 20% of the post-issue capital shall be locked-in for a period of three years from the date of Allotment of the Equity Shares in the Issue.

**We further confirm that our Promoters' Contribution of 20% of the Post Issue Equity does not include any contribution from Alternative Investment Funds.**

### ii. Details of Shares locked-in for one year

- a) Pursuant to Regulation 37 of the SEBI (ICDR) Regulations, in addition to the Promoters' Contribution to be locked-in for a period of 3 years, as specified above, the entire Pre-Issue Equity Share capital will be locked in for a period of one (1) year from the date of Allotment in this Issue.
- b) Pursuant to Regulation 39 of the SEBI Regulations, the Equity Shares held by our Promoter can be pledged only with banks or financial institutions as collateral security for loans granted by such banks or financial institutions for the purpose of financing one or more of the objects of the Issue and the pledge of shares is one of the terms of sanction of such loan. However, as on date of this Prospectus, none of the Equity Shares held by our Promoter has been pledged to any person, including banks and financial institutions.
- c) Pursuant to Regulation 40 of the SEBI (ICDR) Regulations, Equity Shares held by our Promoter, which are locked in as per Regulation 36 of the SEBI (ICDR) Regulations, may be transferred to and amongst our Promoter/ Promoter Group or to a new promoter or persons in control of our Company subject to continuation of the lock-in in the hands of the transferees for the remaining period and compliance with Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeover) Regulations, 2011 as applicable.
- d) Pursuant to Regulation 40 of the SEBI (ICDR) Regulations, Equity Shares held by shareholders other than our Promoter, which are locked-in as per Regulation 37 of the SEBI (ICDR) Regulations, may be transferred to any other person holding shares, subject to continuation of the lock-in in the hands of the transferees for the remaining period and compliance with Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeover) Regulations, 2011 as applicable.

### 3) Pre-Issue and Post-Issue Shareholding of our Promoter and Promoter' Group

Set forth is the shareholding of our Promoter and Promoter Group before and after the proposed issue:

Category of Promoters	Pre Issue		Post Issue	
	No. of Shares	%	No. of Shares	%
<b>1. Promoter</b>				
R S Services Private Limited	69,95,800	99.94%	69,95,800	68.59%
Mr. Rishu Agarwal	1,000	0.01%	1,000	0.01%
Mrs. Daya Bansal	1,000	0.01%	1,000	0.01%
<b>2. Promoter Group (as defined by SEBI (ICDR) Regulations)</b>	-	-	-	-
Mrs. Usha Devi Agarwal	1,000	0.01%	1,000	0.01%
Mr. Sachin Gupta	1,000	0.01%	1,000	0.01%
<b>3. Other Persons, Firms or Companies whose shareholding is aggregated for the purpose of disclosing in the Prospectus under the heading "Shareholding of the Promoter Group".</b>	-	-	-	-
<b>Total Promoter &amp; Promoter Group Holding</b>	<b>69,99,800</b>	<b>100.00%</b>	<b>69,99,800</b>	<b>68.63%</b>
<b>Total Paid up Capital</b>	<b>70,00,000</b>	<b>100.00%</b>	<b>102,00,000</b>	<b>100.00%</b>

### 4) The top ten shareholders of our Company and their Shareholding is as set forth below:

- a) The top ten Shareholders of our Company as on the date of this Prospectus are:

Sr. No.	Particulars	No. of Shares	% of Pre- Issue Share Capital
1	R S Services Private Limited	69,95,800	99.94%
2	Mr. Rishu Agarwal	1,000	0.01%
3	Mrs. Daya Bansal	1,000	0.01%
4	Mrs. Usha Devi Agarwal	1,000	0.01%
5	Mr. Sachin Gupta	1,000	0.01%
6	Pradeep Kumar Jain	100	Negligible
7	Vishal Agarwal	100	Negligible
	<b>Total</b>	<b>70,00,000</b>	<b>100.00%</b>

Note : There are only 7 shareholders as on this date.



b) The top ten Shareholders of our Company ten days prior to date of this Prospectus are:

Sr. No.	Particulars	No. of Shares	% of Pre- Issue Share Capital
1	R S Services Private Limited	69,95,800	99.96%
2	Mr. Rishu Agarwal	1,000	0.01%
3	Mrs. Daya Bansal	1,000	0.01%
4	Mrs. Usha Devi Agarwal	1,000	0.01%
5	Mr. Sachin Gupta	1,000	0.01%
6	Pradeep Kumar Jain	100	Negligible
7	Vishal Agarwal	100	Negligible
<b>Total</b>		<b>70,00,000</b>	<b>100.00%</b>

Note : There are only 7 shareholders as on this date.

c) The top ten Shareholders of our Company two years prior to date of this Prospectus is not applicable as the company was incorporated on October 12, 2017. Top 10 Shareholders of our Company as on October 12, 2017 is given below:

Sr. No.	Particulars	No. of Shares	% of then Share Capital
1	R S Services Private Limited	5,800	58.00%
2	Mr. Rishu Agarwal	1,000	10.00%
3	Mrs. Daya Bansal	1,000	10.00%
4	Mrs. Usha Devi Agarwal	1,000	10.00%
5	Mr. Sachin Gupta	1,000	10.00%
6	Pradeep Kumar Jain	100	1.00%
7	Vishal Agarwal	100	1.00%
<b>Total</b>		<b>10,000</b>	<b>100.00%</b>

- 5) Neither the Company, nor its Promoter, Directors or the Lead Manager have entered into any buyback and/or standby arrangements for purchase of Equity Shares of the Company from any person.
- 6) None of our Directors or Key Managerial Personnel holds Equity Shares in the Company, except as stated in the chapter titled "Our Management" beginning on page no. 78 of this Prospectus.
- 7) Investors may note that in case of over-subscription, in all the categories, the allocation in the Issue shall be as per the requirement of Regulation 43(4) of SEBI (ICDR) Regulations, as amended from time to time. The allotment will be on proportionate basis as detailed under "Basis of Allotment" in the chapter titled "Issue Procedure" beginning on page no. 144 of this Prospectus.
- 8) An investor cannot make an application for more than the number of Equity Shares issued in this Issue, subject to the maximum limit of investment prescribed under relevant laws applicable to each category of investor.
- 9) An over-subscription to the extent of upto 50,000 Equity Shares (1.56% of the Issue) can be retained for the purpose of rounding off to the nearest integer during finalizing the allotment, subject to minimum allotment, which is the minimum application size in this Issue. Consequently, the actual allotment may go up by a maximum of 50,000 Equity Shares (1.56% of the Issue), as a result of which, the post-issue paid up capital after the Issue would also increase by the excess amount of allotment so made. In such an event, the Equity Shares held by the Promoter and subject to lock- in shall be suitably increased; so as to ensure that 20% of the post Issue paid-up capital is locked in.
- 10) Under subscription, if any, in any of the categories, would be allowed to be met with spill-over from any of the other categories or a combination of categories at the discretion of our Company in consultation with the Lead Manager and Designated Stock Exchange. Such inter-se spill over, if any, would be effected in accordance with applicable laws, rules, regulations and guidelines
- 11) No payment, direct, indirect in the nature of discount, commission, and allowance, or otherwise shall be made either by us or by our Promoter to the persons who receive allotments, if any, in this Issue.





- 12) As on date of this Prospectus, there are no outstanding financial instruments or any other rights that would entitle the existing Promoter or shareholders or any other person any option to receive Equity Shares after the Issue.
- 13) There shall be only one denomination of Equity Shares of our Company unless otherwise permitted by law. Our Company shall comply with disclosure and accounting norms as may be specified by SEBI from time to time.
- 14) Since the entire application money is being called on application, all successful applications, shall be issued fully paid up shares only. Also, as on the date of this Prospectus the entire pre-issue share capital of the Company has been made fully paid up.
- 15) Except as disclosed in the Prospectus, our Company presently does not have any intention or proposal to alter its capital structure for a period of six months commencing from the date of opening of this Issue, by way of split / consolidation of the denomination of Equity Shares or further issue of Equity Shares or securities convertible into Equity Shares, whether on a preferential basis or issue of bonuses or rights or further public issue of specified securities or Qualified Institutional Placement.
- 16) We have not issued any Equity Shares out of revaluation reserves. We have not issued any Equity Shares for consideration other than cash except as stated in this Prospectus.
- 17) As on date of this Prospectus, there are no outstanding ESOP's, warrants, options or rights to convert debentures, loans or other instruments convertible into the Equity Shares, nor has the company ever allotted any equity shares pursuant to conversion of ESOP's till date.
- 18) Our Company shall ensure that transactions in the Equity Shares by our Promoter and our Promoter Group between the date of this Prospectus and the Issue Closing Date shall be reported to the Stock Exchange within 24 hours of such transaction.
- 19) The Lead Manager and its associates do not directly or indirectly hold any shares of the Company.
- 20) Our Company has Seven (7) shareholders, as on the date of this Prospectus.
- 21) Our Company has not re-valued its assets since incorporation
- 22) Our Company has not made any public issue or rights issue since its incorporation.



### 23) Shareholding Pattern of the Company

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

Category (I)	Category of Share-holder (II)	No. of Share-holder (III)	No. of fully paid-up equity shares held (IV)	No. of Partly paid-up equity shares held (V)	No. of shares Underlying Depository Receipts (VI)	Total Nos. Shares held (VII) = (IV) + (V) + (VI)	Share holding as a % of total No. of Shares (calculated As per SCRR, 1957)(VIII)As a % of (A+B+C2)	Number of Voting Rights held in each Class of securities (IX)				No of Underlying Outstanding Convertible securities (incl. Warrants) (X)	Share Holding as a % assuming Full convertible securities (as a % of Diluted Share Capital)(XI)=(VII)+(X) As a % of (A+B+C2)	Number of Locked In shares (XII)		No. of shares Pledged Or Otherwise encumbered (XIII)		No. of Equity shares held in De-mat form (XIV)
								No of voting Right			Total As a %of(A+B+C)			No (a)	As a %of total shares held (b)	No (a)	As a % of total shares held (b)	
								Class-Equity	Class	Total								
(A)	Promoter & Promoter Group	5	69,99,800	-	-	69,99,800	100.00%	69,99,800	-	69,99,800	100.00%	-	100.00%	-	-	-	-	69,99,800
(B)	Public	2	200	-	-	200	Negligible	200	-	200	Negligible	-	Negligible	-	-	-	-	200
(C)	Non Promoter Non Public	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(C1)	Shares Underlying DRs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(C2)	Shares held by Employee Trusts	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	<b>Total</b>	<b>7</b>	<b>70,00,000</b>	<b>-</b>	<b>-</b>	<b>70,00,000</b>	<b>100.00%</b>	<b>70,00,000</b>	<b>-</b>	<b>70,00,000</b>	<b>100.00%</b>	<b>-</b>	<b>100.00%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>70,00,000</b>

Public Shareholders holding more than 1% of the pre-issue paid-up capital of our Company

Sr. No.	Particulars	No. of Shares	% of Shares Pre-Issue Share Capital
	NIL	NIL	NIL



## SECTION IV – PARTICULARS OF THE ISSUE

### OBJECTS OF THE ISSUE

The Objects of the Issue is to raise funds for:

- (a) Working Capital Requirements;
- (b) Funding expenditure for General Corporate Purposes

Further, our Company expects that the listing of the Equity Shares on SME Platform of BSE will enhance our visibility and our brand image among our existing and potential stakeholders.

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

#### Issue Proceeds

Particulars	Amt. (Rs. in lakhs)
Gross Proceeds from the Issue	320.00
Less: Issue Expenses	43.00
<b>Net Proceeds from the Issue</b>	<b>277.00</b>

#### Requirement of Funds and utilization of Issue proceeds

The fund requirements described below are based on internal management estimates and our Company's current business plan and have not been appraised by any bank, financial institution.

We intend to utilise the Net Proceeds of the Issue ("Net Proceeds") of ₹277.00 lakhs for financing the objects as set forth below:

Sr. No.	Particulars	Amt. (Rs. in lakhs)
1.	Working Capital Requirements	259.00
2.	Funding expenditure for General Corporate Purposes	18.00
	<b>Total</b>	<b>277.00</b>

\* The above utilisation of funds is expected to complete in FY 2018-19.

#### Means of Finance

The entire fund requirements are to be financed from the Net Issue Proceeds, and there is no requirement to make firm arrangements of finance under Regulation 4(2)(g) of the SEBI Regulations through verifiable means towards at least 75% of the stated means of finance, excluding the amounts to be raised through the Issue.

In case of variations in the actual utilization 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 or in case of cost overruns, we expect that the shortfall will be met from internal accruals and/or entering into funding arrangements as required. Any variation in the objects of the Issue shall be undertaken in accordance with the terms of the Companies Act and the rules framed thereunder.

In case of delays in raising funds from the Issue, our Company may deploy certain amounts towards any of the above mentioned Objects through a combination of Internal Accruals or Unsecured / Bridge Loans and in such case the Funds raised shall be utilized towards repayment of Unsecured Loans or recouping of Internal Accruals. However, we confirm that except as mentioned below no unsecured / bridge financing has been availed as on date for the above mentioned objects, which is subject to being repaid from the Issue Proceeds.

The fund requirement and deployment is based on internal management estimates and have not been appraised by any bank or financial institution. Our management, in response to the competitive and dynamic nature of the industry, will have the discretion to revise its business plan from time to time and consequently our funding requirement and



deployment of funds may also change. This may, subject to compliance with applicable laws and regulations, also include rescheduling the proposed utilization of Issue Proceeds and increasing or decreasing expenditure for a particular object vis-à-vis the utilization of Issue Proceeds.

For further details on the risks involved in our proposed fund utilization as well as executing our business strategies, please see “Risk Factors” beginning on page no. 11 of this Prospectus.

## Details of Fund Requirements

### 1) Working Capital Requirements

Our Company is engaged in the business of trading and distribution of aluminium products and fabrics. The lead time for procuring the products is moderate and also in order to ensure readily available customized product along with a low lead time for our clients, we would be required to maintain moderate inventory levels. Further, we are required to provide sufficient credit period to our clients resulting in high receivables and we enjoy moderate to low credit from our suppliers through against the same so that we can ensure operating margins in the business.

We intend to increase our scale of operations for which we would be required to provide extended credit period to our customers, but the credit period that we avail from our suppliers shall not increase substantially and also inventory levels would increase. This would require us to have adequate working capital to ensure a smooth and uninterrupted flow of our business operations. Accordingly, we expect a further increase in the working capital requirements in view of current and potential business operations that we may undertake. Accordingly, we have proposed to use ₹259.00 lakhs out of the issue proceeds to meet the increase in working capital requirements.

Since the company has not completed one full financial year of operations; the historical audited data is not available for comparison with the estimated data. The details of our Company’s expected working capital requirement as at March 31, 2019 is set out in the table below:

(Rs. in lakhs)

Particulars	2018-19 (Estimated)
<b>Current Assets</b>	
Inventories	220.00
Debtors	889.54
Short Term Loans and Advances	33.00
Other Current Assets	55.00
<b>Total Current Assets (A)</b>	<b>1,197.54</b>
<b>Less: Current Liabilities</b>	
Trade Payables	100.00
Other Current Liabilities	45.00
Short Term Provisions	19.74
<b>Total Current Liabilities (B)</b>	<b>164.74</b>
<b>Working Capital Gap (A-B)</b>	<b>1,032.80</b>
<b>Funded By:</b>	
Bank Borrowings	0.52
Owned Funds and Internal Accruals	773.28
IPO	259.00



### Assumptions / Justification for working capital requirements

Particulars	Assumptions
Inventories	We deal in various products and we will continue to add newer products to our trading and distribution vertical. We procure some of our products in bulk in advance based on estimated demand and hold the same at our godowns until sales are completed and certain others we procure on order to order basis and these bring down our inventory levels. Hence we have estimated the inventory levels at an average 20 days.
Trade Receivables	Being a trading and distribution company we normally provide goods on credit to our customers. Our sales collection tenures would differ from customer to customer as well as product line to product line likewise. Hence we have estimated the trade receivable levels at an average of 81 days.
Trade Payables	We have estimated the trade receivable levels at an average of 9 days. By making early payments to the suppliers (i.e. availing lower credit periods), the company shall be able to get competitive prices for its products, thereby increasing the profitability of the Company. Thus the Company has estimated lower credit period which would in turn help in reducing the cost of goods sold and improve profitability margins.

### General Corporate Purposes

We propose to deploy ₹18.00 lakhs, aggregating to 6.50% of the Net Proceeds of the Fresh Issue towards general corporate purposes, including but not restricted to strategic initiatives, partnerships, joint ventures and acquisitions, meeting exigencies which our Company may face in the ordinary course of business, to renovate and refurbish certain of our existing Company owned/ leased and operated facilities or premises, towards general expenses of the company or any other purposes as may be approved by our Board.

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

### ISSUE RELATED EXPENSES

The total estimated Issue Expenses is ₹43.00 lakhs, which is 13.43% of the total Issue Size. The details of the Issue Expenses are tabulated below:

(Rs. in lakhs)

Sr. No.	Particulars	Amount	% of Total Expenses	% of the Total Issue Size
1.	Issue Management fees including fees and payment to other intermediaries such as Legal Advisors, Registrars and other out of pocket expenses.	29.50	68.60%	9.22%
2.	Brokerage and Selling Commission, Underwriting Commission, RTAs and CDPs <sup>(1)(2)(3)(4)</sup>	2.00	4.65%	0.62%
3.	Advertisement, Printing & Stationery, Marketing Expenses, etc.	5.00	11.63%	1.56%
4.	Listing Fees, Market Regulatory & Other Expenses	6.50	15.12%	2.03%
	<b>Total</b>	<b>43.00</b>	<b>100%</b>	<b>13.43%</b>

<sup>(1)</sup>The SCSBs and other intermediaries will be entitled to a commission of ₹10/- per every valid Application Form submitted to them and uploaded on the electronic system of the Stock Exchange by them.

<sup>(2)</sup>The SCSBs would be entitled to processing fees of ₹10/- per Application For, for processing the Application Forms procured by other intermediaries and submitted to the SCSBs.

<sup>(3)</sup>Further the SCSBs and other intermediaries will be entitled to selling commission of 0.05% of the Amount Allotted (product of the number of Equity Shares Allotted and the Issue Price) for the forms directly procured by them and uploaded on the electronic system of the Stock Exchange by them.



<sup>(4)</sup>The payment towards commission and processing fees will be completed within 30 days from the date of receipt of final invoice from the respective entities.

### **Appraisal and Bridge Loans**

The Objects of the Issue and deployment of Fresh Issue funds have not been appraised by any banks, financial institutions or agency. Further, our Company has not raised any bridge loans from any bank or financial institution as on the date of this Prospectus, which are proposed to be repaid from the Net Fresh Issue Proceeds.

### **Year wise Deployment of Funds / Schedule of Implementation**

As on the date of this Drat Prospectus, no funds have been deployed on these objects. The entire Fresh Issue size is proposed to be deployed in the Financial Year 2018 – 19.

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

There is no requirement for a monitoring agency as the Fresh Issue size is less than ₹10,000 lakhs. Pursuant to Regulation 32(3) of the SEBI (LODR) Regulations, 2015, our Company shall on a half yearly basis disclose to the Audit Committee the uses and application of the Net Fresh Issue Proceeds. Until such time as any part of the Net Proceeds remains unutilized, our Company will disclose the utilization of the Net Proceeds under separate heads in our Company's balance sheet(s) clearly specifying the amount of and purpose for which Net Proceeds have been utilized so far, and details of amounts out of the Net Proceeds that have not been utilized so far, also indicating interim investments, if any, of such unutilized Net Proceeds.

In the event that our Company is unable to utilize the entire amount that we have currently estimated for use out of the Net Proceeds in a fiscal, we will utilize such unutilized amount in the next fiscal. Further, in accordance with Regulation 32(1)(a) of the SEBI (LODR) Regulations, 2015, 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 Net Proceeds for the objects stated in this Prospectus.

### **Interim Use of Funds**

Pending utilization of the Net Fresh Issue Proceeds for the purposes described above, our Company will deposit the Net Fresh Issue Proceeds with scheduled commercial banks included in schedule II of the RBI Act. Our Company confirms that it shall not use the Net Fresh Issue Proceeds for buying, trading or otherwise dealing in shares of any listed company or for any investment in the equity markets.

### **Variation in Objects**

In accordance with Section 27 of the Companies Act, 2013, our Company shall not vary the objects of the Issue without our Company being authorised to do so by the Shareholders by way of a special resolution. In addition, the notice issued to the Shareholders in relation to the passing of such special resolution shall specify the prescribed details as required under the Companies Act. The notice in respect of such resolution to Shareholders shall simultaneously be published in the newspapers, one in English and one in Regional language of the jurisdiction where our Registered Office is situated. The Shareholders who do not agree to the above stated proposal, our Promoter or controlling Shareholders will be required to provide an exit opportunity to such dissenting Shareholders, at a price as may be prescribed by SEBI, in this regard.

### **Other Confirmations**

No part of the Net Proceeds of the Fresh Issue will be paid by our Company as consideration to our Promoter, our board of Directors, our Key Management Personnel or Group Companies except in the normal course of business and in compliance with applicable law.



## BASIC TERMS OF ISSUE

### Terms of the Issue

The Equity Shares, now being issued, are subject to the terms and conditions of this Prospectus, the Application form, the Memorandum and Articles of Association of our Company, the guidelines for listing of securities issued by the Government of India and SEBI (ICDR) Regulations, 2009, the Depositories Act, BSE, RBI, ROC and / or other authorities as in force on the date of the Issue and to the extent applicable.

In addition, the Equity Shares shall also be subject to such other conditions as may be incorporated in the Share Certificates, as per the SEBI (ICDR) Regulations, 2009 notifications and other regulations for the issue of capital and listing of securities laid down from time to time by the Government of India and/or other authorities and other documents that may be executed in respect of the Equity Shares.

### Authority for the Issue

The present Issue has been authorized pursuant to a resolution of our Board dated February 14, 2018 and by Special Resolution passed under Section 62(1)(C) of the Companies Act, 2013 at an Extra-Ordinary General Meeting of our shareholders held with a shorter notice on February 19, 2018.

### Other Details

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

### Minimum Subscription

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

If we do 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, we shall forthwith refund the entire subscription amount received. If there is a delay beyond eight days after we become liable to pay the amount, we shall pay interest prescribed under the applicable provisions of the Companies Act, 2013.



## BASIS FOR ISSUE PRICE

The Issue Price has been determined by our Company in consultation with the Lead Manager on the basis of the key business strengths. The face value of the Equity Shares is ₹10 and Issue Price is 10 per Equity Shares and is 1time of 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. 11, 95 and 62 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

We believe that the following strengths help differentiate us from our competitors and enable us to compete successfully in our industry:

- ✓ Existing Supplier Relationship through our Promoter – Rishu Agarwal
- ✓ Product mix and Market mix
- ✓ Experienced Promoters and a good employee base
- ✓ Strong Balance Sheet and Financial Condition
- ✓ Existing Client Base through our Promoter – Rishu Agarwal

For further details regarding some of the qualitative factors, which form the basis for computing the Issue Price, please see “Our Business – Our Strengths” on page no. 62 of this Prospectus.

### Quantitative Factors

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

**Note . The Company was incorporated on October 12, 2017, therefore the Previous Financial Year Ended March 31, 2017 is not applicable. Thus, EPS, P/E and Return on Networth for the period are not calculated as it is not material.**

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

Particulars	Basic & Diluted EPS (in ₹)*
Period ended January 31,2018**	0.16

\* It is not annualised.

\*\* Refer to the Note above.

#### Notes:

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

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

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

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

- c. Earnings per share calculations are in accordance with Accounting Standard 20 “Earnings per Share” prescribed by the Companies (Accounting Standard) Rules, 2006
- d. The face value of each Equity Share is ₹10.

#### 2) Price Earnings Ratio (P/E) in relation to the Issue price of ₹10 per share of ₹10 each

Particulars	P/E Ratios <sup>(*)</sup>
P/E ratio based on basic and diluted EPS as at March 31, 2017	N.A.
P/E ratio based on basic and diluted weighted average EPS as at March 31, 2017	N.A.





Industry P/E*	P/E Ratios
Highest –Aditya Consumer Marketing Limited	205.4
Lowest – PTC India	8.9
Industry Average	64.6

\*Source: Capital Market Feb 26 –Mar 11, 2018; Segment: Trading.

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

Year ended March 31	RoNW (%)
2017	N.A.*

\* Refer to Note above.

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

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

### 4) Minimum Return on Net Worth (RoNW) after Issue needed to maintain the Pre-Issue Basic & diluted EPS for the FY 2016-17 (based on Restated Financials) at the Issue Price: N.A.

\* Refer to Note above.

### 5) Net Asset Value (NAV)

Financial Year	NAV (in ₹)
NAV as at March 31, 2017	N.A.*
NAV as at January 31, 2018	9.91
NAV after Issue*	9.93
Issue Price	10.00

\* Refer to Note above.

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

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

### 6) Comparison with Industry peers

We believe that there is no other listed company which is specifically comparable to us w.r.t. our business model.

- 7) The Company in consultation with the Lead Manager believes that the Issue price of ₹10 per share for the Public Issue is justified in view of the above parameters. The investors may also want to peruse the Risk Factors and Financials of the company including important profitability and return ratios, as set out in the Financial Statements included in this Prospectus to have more informed view about the investment proposition. The Face Value of the Equity Shares is ₹10 per share and the Issue Price is 1 time of the face value i.e. ₹10 per share.



## STATEMENT OF TAX BENEFITS

To,  
The Board of Directors,  
**Garv Industries Limited**  
B-502, Statesman House 148,  
Barakhamba Road,  
New Delhi – 110 001.

Dear Sirs,

**Subject: Statement of Possible Special Tax Benefits available to Garv Industries Limited and its shareholders prepared in accordance with the requirements under Schedule VIII – Clause (VII) (L) of the Securities and Exchange Board of India (Offer of Capital and Disclosure Requirements) Regulations, 2009 as amended (the ‘Regulations’)**

We hereby report that the enclosed annexure prepared by Garv Industries Limited, states the possible special tax benefits available to Garv Industries Limited (‘the Company’) and the shareholders of the Company under the Income Tax Act, 1961 (‘Act’), presently in force in India. Several of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant provisions of the Act. Hence, the ability of the Company or its shareholders to derive the special tax benefits is dependent upon fulfilling such conditions, which based on the business imperatives, the company may or may not choose to fulfill.

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

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

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

The contents of 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 Offer, 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 / 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 M/s. V.N Purohit & Co.,**  
**Chartered Accountants**  
(Firm Registration No. 304040E)

**O.P. Pareek**  
**Partner**  
Membership No: 014238  
Place: New Delhi  
Date: 20.02.2018



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## **ANNEXURE TO THE STATEMENT OF TAX BENEFITS AVAILABLE TO GARV INDUSTRIES LIMITED AND ITS SHAREHOLDERS**

Outlined below are the possible benefits available to the Company and its shareholders under the current direct tax laws in India.

### **BENEFITS TO THE COMPANY UNDER THE INCOME TAX ACT, 1961 (THE “ACT”)**

#### **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.
3. No assurance is given that the revenue authorities / courts will concur with the views expressed herein. Our views are based on the existing provisions of law and its interpretation, which are subject to changes from time to time. We do not assume responsibility to update the views consequent to such changes. We shall not be liable to any claims, liabilities or expenses relating to this assignment, except to the extent of fees relating to this assignment, as finally judicially determined to have resulted primarily from bad faith or intentional misconduct. We will not be liable to any other person in respect of this statement.



## SECTION V- ABOUT THE COMPANY

### INDUSTRY OVERVIEW

*The information in this section includes extracts from publicly available information, data and statistics and has been derived from various government publications, online publically available websites 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 nos. 11 and 95 Prospectus.*

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

India has emerged as the fastest growing major economy in the world as per the Central Statistics Organisation (CSO) and International Monetary Fund (IMF) and it is expected to be one of the top three economic powers of the world over the next 10-15 years, backed by its strong democracy and partnerships. India's GDP increased 7.10% in 2016-17 and is expected to reach a growth rate of 7% by September 2018. India's gross domestic product (GDP) grew by 6.3 per cent in July-September 2017 quarter as per the Central Statistics Organisation (CSO). Corporate earnings in India are expected to grow by over 20 per cent in FY 2017 18 supported by normalisation of profits, especially in sectors like automobiles and banks, according to Bloomberg consensus.

The tax collection figures between April-June 2017 Quarter show an increase in Net Indirect taxes by 30.8 per cent and an increase in Net Direct Taxes by 24.79 per cent year-on-year, indicating a steady trend of healthy growth. The total number of e-filed Income Tax Returns rose 21 per cent year-on-year to 42.1 million in 2016 17 (till 28.02.17), whereas the number of e-returns processed during the same period stood at 43 million. India has retained its position as the third largest startup base in the world with over 4,750 technology startups, with about 1,400 new start-ups being founded in 2016, according to a report by NASSCOM.

India's labour force is expected to touch 160-170 million by 2020, based on rate of population growth, increased labour force participation, and higher education enrolment, among other factors, according to a study by ASSOCHAM and Thought Arbitrage Research Institute. India's foreign exchange reserves were US\$ 404.92 billion in the week up to December 22, 2017, according to data from the RBI.

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

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

#### **Aluminium Products Industry in India - Overview**

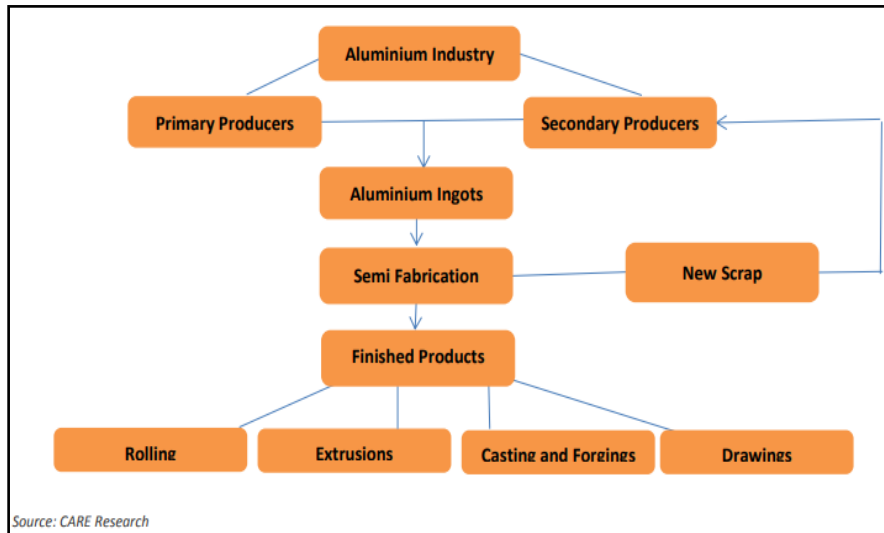
Aluminium is one of the lightest metals in the world and as a result it is used widely in the production of multiple products. This metal has a shiny silver colour and it is malleable meaning it can be bend without breaking.

In nature, aluminium is found in an ore called bauxite. Bauxite is the basic raw material in the aluminium manufacturing process. Bauxite is converted into alumina in alumina refineries. Aluminium is the 3rd most available element present in the earth's crust and the 2nd most used metal after steel. According to USGS India ranks 9th in terms of bauxite reserves in the world.

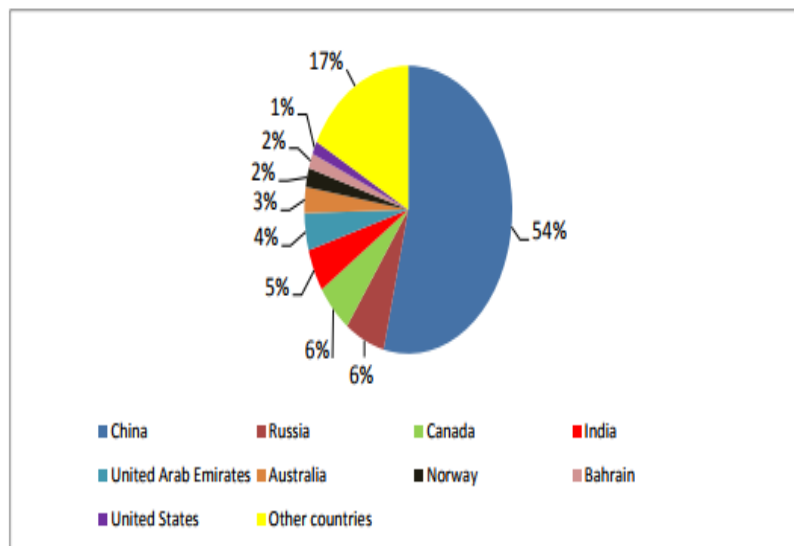
The Aluminium production process can be divided into upstream and downstream activities. The upstream process involves mining and refining activities, while downstream process involves smelting and casting & fabricating. Aluminium downstream fabricated products include rods, sheets, extrusions and foils. Globally, aluminium is produced by two different methods, the primary production process which involves the conversion of ores to aluminium and the other is secondary production (recycling) where the aluminium scrap is recycled to produce aluminium again.

In India primary aluminium industry is dominated by 3 companies: Hindalco and Vedanta which are privately owned and NALCO which is a public sector undertaking having a Navratna status.

The structure of the Aluminium Products industry in India is explained as below:

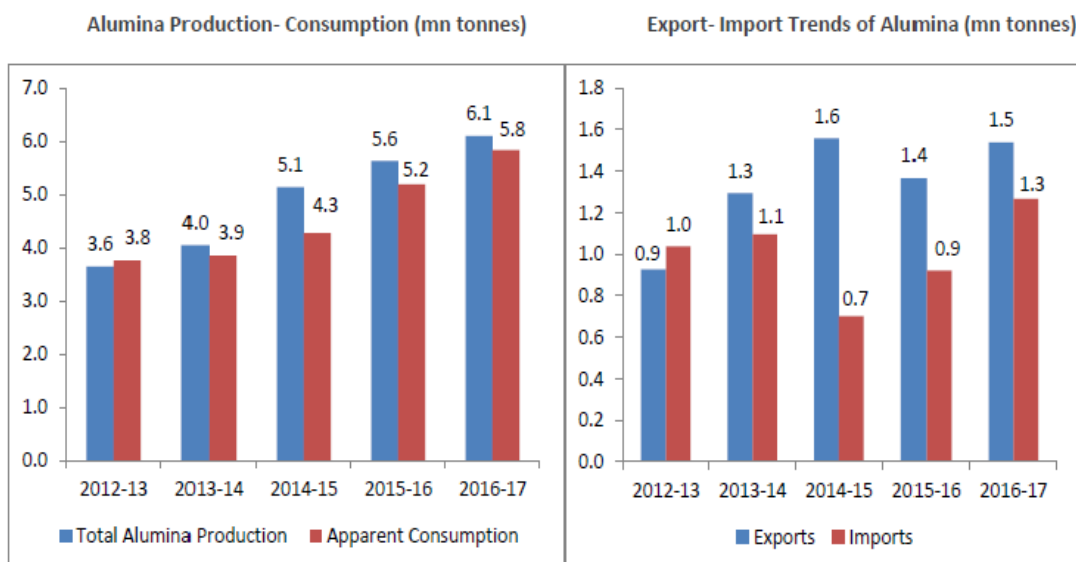


According to the USGS report India ranks 4th in terms of primary aluminium production. China continued to be the single largest producer of aluminium, contributing 54% of the total world production. China is also one to the major consumers of aluminium. The world primary production of aluminium for CY 2016 is as shown below:



Source: USGS

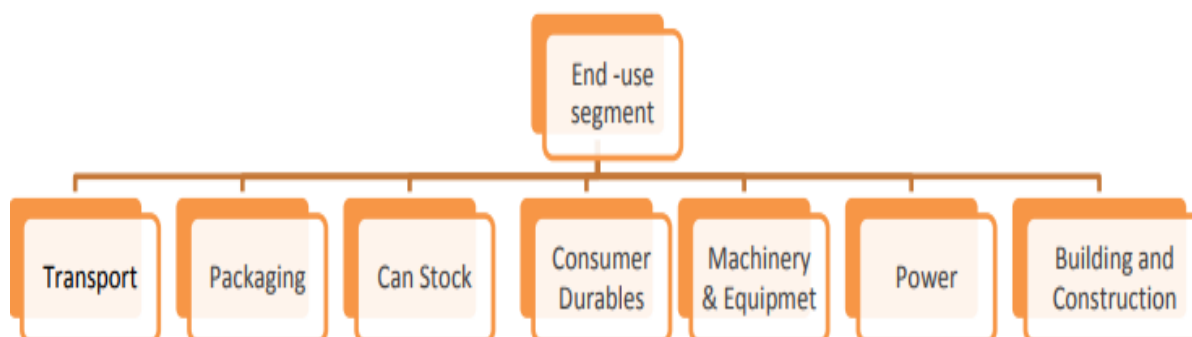
Primary domestic aluminium production is growing at a CAGR of 13% from FY2012-13 onwards. Consumption of Aluminium on the other hand is growing at a CAGR of 3% from FY 2012-13 onwards. Surplus stock is exported mainly to South Korea, Malaysia, Mexico, Italy, Turkey, USA, Taiwan, Spain, Japan, Indonesia, Bangladesh, Singapore, Brazil and Netherlands. South Korea accounts for around 38% of overall primary aluminium exports of India followed by Malaysia at 14%. Exports of aluminium ingots are growing at a CAGR of 48% from FY2012-13 to FY2016-17. Exports of aluminium ingots have been increasing on a y-o-y basis, 21% from FY 2014-15 to FY 2015-16 and 52% from FY 2015-16 to FY 2016-17. The same is depicted as below:



Source: Company Annual Reports (Hindalco, Vedanta, and NALCO)

Source: DGFT

The end use of aluminium products is shown below:



Source: CARE Research

On the industrial side, aluminium is mainly used in electrical power transmission, machinery & equipment and construction. For housing as aluminium is a lightweight material it is a good substitute for steel and wood in doors, windows and sliding. On the consumer side aluminium is used in a variety of retail products including cans, packaging, air conditioners, furnitures and vehicles.

The consumption of aluminium is likely to grow at a CAGR of 3.5% during the next 2-3 years. The growth in consumption is likely to be driven by the growth in power transmission and the automobile sector. Demand from the building & construction and consumer durable segment is likely to remain subdued. However demand from the packaging sector is likely to support the domestic demand.

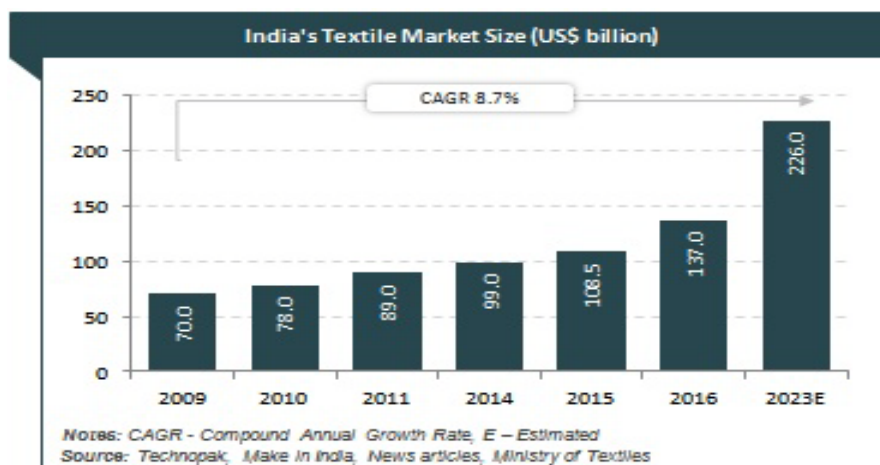
(<http://www.careratings.com/upload/NewsFiles/SplAnalysis/Aluminium%20Industry%20Report.pdf>)

### **Textile Products Industry in India - Overview**

India's textiles sector is one of the oldest industries in Indian economy dating back several centuries. Even today, textiles sector is one of the largest contributors to India's exports with approximately 13 per cent of total exports. The textiles industry is also labour intensive and is one of the largest employers. The textile industry has two broad segments. First, the unorganised sector consists of handloom, handicrafts and sericulture, which are operated on a small scale and through traditional tools and methods. The second is the organised sector consisting of spinning, apparel and garments segment which apply modern machinery and techniques such as economies of scale.

The textile industry employs about 45 million people directly and 20 million people indirectly. India's overall textile exports during FY 2015-16 stood at US\$ 40 billion.

The Indian textiles industry is extremely varied, with the hand-spun and hand-woven textiles sectors at one end of the spectrum, while the capital intensive sophisticated mills sector at the other end of the spectrum. The decentralised power looms/ hosiery and knitting sector form the largest component of the textiles sector. The close linkage of the textile industry to agriculture (for raw materials such as cotton) and the ancient culture and traditions of the country in terms of textiles make the Indian textiles sector unique in comparison to the industries of other countries. The Indian textile industry has the capacity to produce a wide variety of products suitable to different market segments, both within India and across the world.



The Indian textiles industry, currently estimated at around US\$ 137 billion, is expected to reach US\$ 226 billion by 2023.

The Indian Textile Industry contributes approximately 2 per cent to India's Gross Domestic Product (GDP), 10 per cent of manufacturing production and 14 per cent to overall Index of Industrial Production (IIP). Indian khadi products sales increased by 33 per cent year-on-year to Rs 2,005 crore (US\$ 311.31 million) in 2016-17 and is expected to exceed Rs 5,000 crore (US\$ 776.33 million) sales target for 2018-19, as per the Khadi and Village Industries Commission (KVIC).

The production of cotton in India is estimated to increase by 9.3 per cent year-on-year to reach 37.7 million bales in FY 2017-18. The total area under cultivation of cotton in India is expected to increase by 7 per cent to 11.3 million hectares in 2017-18, on account of expectations of better returns from rising prices and improved crop yields during the year 2016-17.

Indian exports of locally made retail and lifestyle products grew at a compound annual growth rate (CAGR) of 10 per cent from 2013 to 2016, mainly led by bedding bath and home decor products and textiles.

The textiles sector has witnessed a spurt in investment during the last five years. The industry (including dyed and printed) attracted Foreign Direct Investment (FDI) worth US\$ 2.68 billion during April 2000 to September 2017.

The future for the Indian textile industry looks promising, buoyed by both strong domestic consumption as well as export demand. With consumerism and disposable income on the rise, the retail sector has experienced a rapid growth in the past decade with the entry of several international players like Marks & Spencer, Guess and Next into the Indian market.

High economic growth has resulted in higher disposable income. This has led to rise in demand for products creating a huge domestic market. The domestic market for apparel and lifestyle products, currently estimated at US\$ 85 billion, is expected to reach US\$ 160 billion by 2025.

The Indian cotton textile industry is expected to showcase a stable growth in FY2017-18, supported by stable input prices, healthy capacity utilisation and steady domestic demand.

(Source: <https://www.ibef.org/industry/textiles.aspx>)

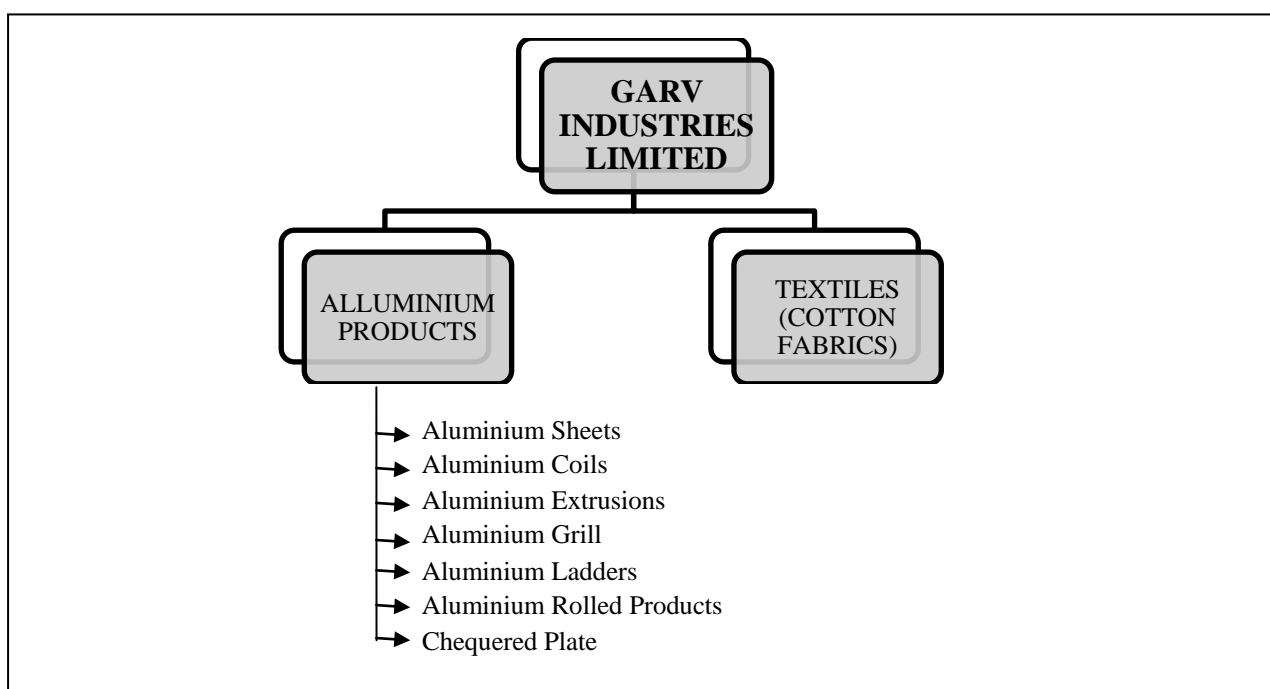
## OUR BUSINESS

*This chapter should be read in conjunction with, and is qualified in its entirety by, the more detailed information about our Company and its financial statements, including the notes thereto, in the sections titled 'Risk Factors' and 'Financial Information' and the chapter titled 'Management Discussion and Analysis of Financial Condition and Results of Operations' beginning on page nos. 11,95 and 111, respectively, of this Prospectus. Unless the context otherwise requires, in relation to business operations, in this chapter of this Prospectus, all references to "we", "us", "our" and "our Company" are to Garv Industries Limited.*

### OVERVIEW

Our company was incorporated as "Garv Industries Limited", a limited company under the provisions of Companies Act, 2013 on October 12, 2017. We are a multiproduct trading and distribution company dealing in wide range of aluminium products and textile products.

Following is the classification of major product offerings:



Our Company is promoted by Rishu Agarwal and family who together have industry experience of many years and possess rich business intellect in the trading circles of Delhi. They have been in this business through family proprietary concerns, proprietary business and through partnership. For details about the promoter family track record of this business and its proprietary concerns please see "History and Certain Corporate Matters" on page no. 75 of this Prospectus.

Our Company plans to leverage its promoter networks in the Trading community of Delhi as well as strong balance sheet situation to increase its presence in the Aluminium and metal products, Fabrics product segments in Northern India. Our Company is in the process of building a quality and innovation focused trading vertical as well as developing a strong team to cater to its proposed increased operational needs.

We operate from our registered office located at B-502, Statesman House 148, Barakhamba Road, New Delhi- 110 055 as well as operate an additional godown space located at 2792/6, Chuna Mandi, Pahar Ganj, New Delhi - 110055. We also have office cum godown at 8885/2, Multani Dhanda, Pahar Ganj, New Delhi – 110 055.

Since our company was recently incorporated we have not completed a full financial year, however we have reported a robust operating performance for 4 month period ended January 31,2018 wherein our sales, EBIDTA and Profit after Tax were Rs. 1,459.18 lakhs, Rs. 15.48 lakhs and Rs. 11.43 lakhs respectively.





## **Our strengths**

### ***1. Existing Supplier Relationship through our Promoter - Mr. Rishu Agarwal.***

Our existing supplier relationship protects the business with terms of supply and pricing of the products, the quality of the products offered etc. We, being a small and medium size organisation, rely on personal relationships with suppliers. Our company enjoys existing relationship with our suppliers. Further, we also leverage the past experience of our management in maintain effective supplier relationship.

### ***2. Product mix and Market mix***

Our Company deals in a range of products like Aluminum Products viz. Aluminium Sheets/coils/extrusions/ grill/ ladders/ rolled products and textiles viz. cotton fabrics which would given us immense opportunity to expand and explore new markets. These products have wide scale applications in both B2B and B2C segments. This gives us an opportunity to explore industrial as well as consumer market segments. Our Product mix and market recognition has boomed our turnover to ₹1459.18 lakhs in first four months of commencement of our company.

### ***3. Experienced Promoters and a good employee base.***

Our Promoter Director, Mr. Rishu Agarwal has significant industry experience and has been instrumental in the consistent growth of our group. He is ably supported by our staff and other co-directors. For further details regarding the experience and qualifications of our management team please see “*Our Management*” beginning on page 78 of this Prospectus. We believe that the knowledge and experience of our promoter and management will enables us to identify new opportunities, rapidly respond to market conditions, adapt to changes in the business landscape and competitive environment and enhances the growth in the business.

### ***4. Strong Balance Sheet and Financial Condition***

Though, we have been recently incorporated, we performed reasonably well with strong revenue and balance sheet position. We currently possess a unique balance sheet situation with low debt and high equity. Hence, we can procure the goods by making upfront payments and take benefit of cash discount or can buy in bulk and hold inventory for longer periods thereby improving our profitability. We believe that we have the ability to leverage our balance sheet to take advantage of a favorable business cycle or market opportunity.

### ***5. Existing Client Base through our Promoter – Mr. Rishu Agarwal.***

Since our promoter- Mr Rishu Agarwal was already active in the trading business of aluminium whether directly or indirectly, we are successful in building a strong client base for our business. Our existing relationships help us to get repeat business from our customers. This has helped us to maintain a long term working relationship with our customers and improve our customer retention strategy. We have strong existing client relationships which generates multiple repeat orders. We believe that our existing relationship with our clients represents a competitive advantage in gaining new clients and increasing our business. Further, having been in this business through our promoter family for over 2 decades we believe that existing relationships will help as a core competitive strength for us.

## **Our strategies**

### ***1. Improving operational efficiencies***

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 with new range of products, will enable us to penetrate into new catchment areas within these regions and optimize our infrastructure. As a result of these measures, our company will be able to increase its market share and profitability.

### ***2. Better working capital management***

We attract new customers by offering extended credit period to them. This strategy requires a strong working capital position. Hence we intend to raise funds from the IPO and ensure we have available liquidity and resources ensuring better working capital management. We believe that this will widen our available equity capital base and allow the company to expand its operational levels as well as earn higher margins due to low debt.

### 3. *Leveraging our Market skills and Relationships*

Our Company believes that our business is a by-product of relationships. This is a continuous process in our organization and the skills that we impart in our people give importance to customers. We aim to enhance the growth by leveraging our relationships and further enhancing customer satisfaction. We plan to increase our customers by meeting orders in hand on time, maintaining our customer relationship and renewing our relationship with existing buyers.

### 4. *Enhance customer base by entering new geographies to establish long-term relationships*

Currently our company's trading activities are focused only in Delhi; however we intend to cater to the increasing demand of our existing customers and also to increase our existing customer base by enhancing the distribution reach of our products in different parts of the country. We propose to increase our marketing and sales team which can focus in different regions and also maintain and establish relationship with customers. Enhancing our presence in additional regions will enable us to reach out to a larger population. Further, our company believes in maintaining long term relationship with our customers in terms of increased sales. We aim to achieve this by value adding value to our customers through innovation, quality assurance and timely delivery of our products.

## DETAILS OF OUR BUSINESS

### Location

#### **Registered Office:**

Our registered office is located at B-502, Statesman House 148, Barakhamba Road, New Delhi – 110 055.

#### **Godown 1:**

Our godown is situated at 2792/6, Chuna Mandi, Pahar Ganj, New Delhi – 110 055.

#### **Additional Office Cum Godown 2:**

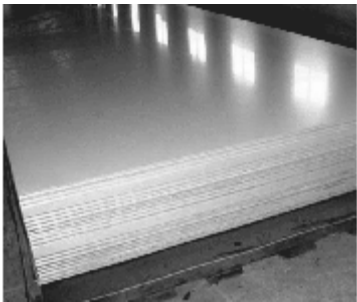
Our additional office cum godown is situated at 8885/2, Multani Dhanda, Pahar Ganj, New Delhi – 110 055





### Plant and Machinery

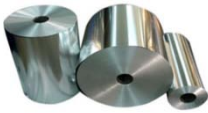

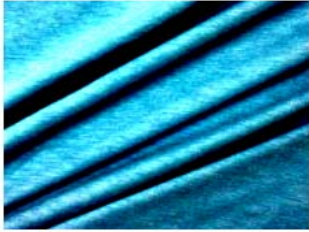
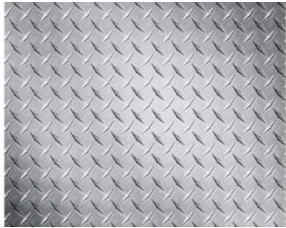
Since our company is a trading and distribution company, we do not own any substantial plant and machinery.

### Products and services



We primarily deal in a wide array of products which are explained below:

Sr. No.	Name of Product	Description	End Use
<b>1. Aluminium Products</b>			
(a)	<b>Aluminium Sheets</b> 	<p>Aluminium sheet is a basic form of aluminium flat product with applications in railways and other such capital goods for structure panel, upper beam, eaves beam and bottom roof beam, truck parts, doors, Windows and interior decoration, equipment control devices, water tank, rack, chairs, catheters, line frame, instrumentation framework of signal command system, pipeline of ventilation and refrigeration air conditioning system, contact network transmission system, bus bar and wire clip, etc.</p> <p>It is also used in automobile manufacturing passenger car doors, fittings, protection board, the anticollision beam and bumpers, covering parts, engine cover, luggage back cover, roof</p>	Industrial Use

		panel, the front and back cover, car door and so on.	
(b)	<b>Aluminium Coils</b> 	<p>Aluminium Coils are also a basic aluminium flat product which can be used for a wide range of applications from truck bodies in the transport industry to cladding and insulation in the building industry.</p> <p>Aluminum coils are available in a wide variety of alloys. Aluminum is roughly 1/3 the weight of mild steel , it is non corrosive, has high thermal conductivity and can be formed easily.</p> <p>Coil can be supplied standard mill finish or painted coil. Common widths of Aluminum Coils are 1000mm, 1250mm and 1500mm Euro steel has its on decoiling facilities so is able to offer slit coils and / or cut to length as per clients requirements. This minimizes the wastage that occurs using normal Aluminum standard size sheeting. Euro Steel carries a wide range of thickness 0.5mm is the thinnest gauge going up until 1.2mm anything thickness not listed in the link below are available on request.</p>	Industrial Use
(c)	<b>Aluminium Extrusions</b> 	<p>Aluminium extrusions have very wide applications. Huge varieties are available for architectural applications like Doors, Windows, Partitions, False ceiling, etc. Special profiles are used for ladders, Structural Engineering, modular furniture's etc..</p>	Industrial Use
(d)	<b>Aluminium Grill</b> 	<p>We are traders of a premium-quality range of Aluminium Grill. The grills offered by us are resistant to corrosion and abrasion. We offer them to clients in a standard shapes and sizes. We offer these grills in multiple mesh sizes to clients. We deliver them to our esteemed clients in customized specifications at leading market rates.</p>	Consumer Use
(e)	<b>Aluminium Ladders</b> 	<p>Aluminium ladders are used for domestic, commercial, industrial and construction purposes. They are designed with quality standards in terms of Durability, Strength, Safety and Reliability. We are one of the leading Suppliers of Aluminum Ladders in Chennai.</p>	Industrial Use
(f)	<b>Aluminium Rolled Products</b>	<p>Aluminium Rolled products are widely used in various segments such as packaging, transportation, building and construction, electrical, defence and general engineering applications.</p>	Industrial Use

			
(g)	<b>Aluminium Composite Panel</b> 	<p>Aluminium Composite Panels have emerged as a material of choice for surface finishing due to qualities like light weight, modern finish, easy installation processes, weather proof coating and evolved workability. Aluminium Composite Panels are made of aluminium sheets on both sides with PE core &amp; coated with beautiful polyester resin or with PVDF kynar 500 fluorocarbon coatings.</p>	Industrial Use
<b>2. Textile Products :</b>			
		<p>The textiles and fabrics we provide are of superior quality standards and hence, it has helped us in winning repeat orders.</p> <p>Offered fabric is widely used in garment industries for designing shirts and provides an alluring look to the stitched garments.</p>	Industrial Use
<b>3. Chequered Plate :</b>			
		<p>Checker plate, also known as diamond plate, tread plate and floor plate, is a type of lightweight metal stock with a regular pattern of raised diamonds or lines on one side. The texture reduces the risk of slipping.</p>	Consumer Use

These are some more products in which our company deals in.

 <p><b>Aluminium Fixed Louver</b></p>	 <p><b>Aluminium Box Type Louver</b></p>
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**Aluminium Regular Louver**



**Aluminium Concealed Louver**

**Key Process - Trading vertical business process**

The trading business vertical of the company is a B2B model and operates primarily on an agency basis wherein the goods are procured from suppliers on cash or least credit basis and supplied to customers on credit basis. The procurement of goods is carried out on an “order” basis as well as “demand estimation basis”. In the order basis business our inventory levels are low as the goods are supplied directly from supplier to our customer in most such cases. But in the demand estimation basis we procure goods in bulk from suppliers and stock the same at our godowns until sale is made. This allows us higher margins at the time of sale but increases our inventory holding costs.

**Competition**

Competition is faced by our business from other existing traders and manufacturers of aluminium products, fabrics and other products which are dealt by us. We engage with our competitors on a regional or product line basis. Many of our competitors have substantially large capital base and resources than we do and offer broader range products. We believe that the principal factors affecting competition in our business include client relationships, reputation, the abilities of employees, market focus and the relative quality and price of the services and products.

**Marketing and Marketing Set-Up**

Top management and key executives of our company enjoy the confidence of specific corporate and retail clients and currently our market is only focused to a selected setup of clients. To get the feedback on the quality of products and services and to improve the same as well, we interact with our customers.

**Export and Export Obligation**

The company does not have any export obligations as on the date of this Prospectus.

**Collaborations**


We have not entered into any technical or other collaboration.

**Human Resources**

Our Company believes that our ability to maintain growth depends to a large extent on our strength in attracting, training, motivating and retaining employees. As on the date of this Prospectus, the company has 10 employees. The company has no contract labour.

**Intellectual Property**

We do not require any trademark or intellectual protection for our basic business operations. However our company uses the following logo for its corporate communications:

Sr. No.	Logo	Legal Status
1.		Unregistered

### **Capacity and Capacity Utilisation**

Our company is not engaged in the manufacturing of goods and hence capacity and capacity utilization is not applicable to our company.

### **Properties**

The details of leasehold properties, which we occupy for our business operations are as under:

<b>Sr. No.</b>	<b>Premises Leased</b>	<b>Name of Licensor</b>	<b>Amount of Rent</b>	<b>Purpose</b>
1.	2792/6, Chuna Mandi, Pahar Ganj, New Delhi – 110055.	Gugan Kumar	From 17th Jan, 2018 – Rent of ₹14,000 per month for 22 months	Godown.
2.	B-502, Statesman House, 148 Barakhamba Road, New Delhi - 110001	VVA Consulting Private Limited	From 14th Oct, 2017 – Rent of ₹15,000 per month for 22 months	Registered office
3.	8885/2, Multani Dhanda, Pahar Ganj, New Delhi - 110055	Daya Bansal	From 14th Oct, 2017 – Rent of ₹15,000 per month for 22 months	Additional Office

## KEY REGULATIONS AND POLICIES

*The following description is a summary of the relevant regulations and policies as prescribed by the Government of India and other regulatory bodies that are applicable to the Company being a part of trading of goods. The information detailed in this chapter has been obtained from various legislations, including rules and regulations promulgated by the regulatory bodies that are available in the public domain. The regulations and policies set out below may not be exhaustive, and are only intended to provide general information to the investors and are neither designed nor intended to be a substitute for professional advice. The Company may be required to obtain licenses and approvals depending upon the prevailing laws and regulations as applicable. For details of such approvals, please see “Government and other Statutory Approvals”.*

### A. LABOUR LAWS

#### **Delhi Shops and Establishments Act, 1954**

The Company has its commercial establishments in New Delhi and accordingly the provisions of Delhi Shops and Establishments Act, 1954 (“S&E Act”) are applicable to the Company. The S&E Act regulates the conditions of work and employment in shops and commercial establishments and generally prescribe obligations in respect of registration, opening and closing hours, daily and weekly working hours, holidays, leave, health and safety measures and wages for overtime work.

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

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

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

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

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

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

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

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

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

The Child Labour (Prohibition and Regulation) Act, 1986 (the “**CLPRA Act**”) seeks to prohibit the engagement of children in certain employments and to regulate the conditions of work of children in certain other employments.

## **B. TAX RELATED LEGISLATIONS**

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

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

### **Central Goods and Services Tax Act, 2017**

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

### **Integrated Goods and Services Tax Act, 2017**

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

## **C. OTHER REGULATIONS**

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

The transfer of property, including immovable property, between living persons, as opposed to the transfer property by operation of law, is governed by the Transfer of Property Act, 1882 (“**T.P. Act.**”). The T.P. Act establishes the general principles relating to the transfer of property, including among other things, identifying the categories of property that are capable of being transferred, the persons competent to transfer property, the validity of restrictions and conditions imposed on the transfer and the creation of contingent and vested interest in the property. Transfer of property is subject to stamping and registration under the specific statutes enacted for the purposes which have been dealt with hereinafter. The T.P. Act recognizes, among others, the following forms in which an interest in an immovable property may be transferred:

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

**Sale:** The transfer of ownership in property for a price, paid or promised to be paid.

**Mortgage:** The transfer of an interest in property for the purpose of securing the payment of a loan, existing or future debt, or performance of an engagement which gives rise to a pecuniary liability. The T.P. Act recognizes several forms of mortgages over a property.

**Charges:** Transactions including the creation of security over property for payment of money to another which are not





classifiable as a mortgage. Charges can be created either by operation of law, e.g. decree of the court attaching to specified immovable property, or by an act of the parties.

**Leases:** The transfer of a right to enjoy property for consideration paid or rendered periodically or on specified occasions.

**Leave and License:** The transfer of a right to do something upon immovable property without creating interest in the property.

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

### **Registration Act, 1908**

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

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

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

Instruments chargeable to duty under the Stamp Act which are not duly stamped are incapable of being admitted in court as evidence of the transaction contained therein. The Stamp Act also provides for impounding of instruments which are not sufficiently stamped or not stamped at all. Unstamped and deficiently stamped instruments can be impounded by the authority and validated by payment of penalty. The amount of penalty payable on such instruments may vary from state to state.

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

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

### **Specific Relief Act, 1963**

The Specific Relief Act, 1963 (“**Specific Relief Act**”) is complimentary to the provisions of the Contract Act and the Transfer of Property Act, as the Specific Relief Act applies both to movable property and immovable property. The Specific Relief Act applies in cases where the Court can order specific performance of a contract. Specific relief can be granted only for purpose of enforcing individual civil rights and not for the mere purpose of enforcing a civil law. ‘Specific performance’ means Court will order the party to perform his part of agreement, instead of imposing on him any monetary liability to pay damages to other party.

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

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

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

### **Competition Act, 2002**

The Competition Act, 2002 ("**Competition Act**") aims to prevent anti-competitive practices that cause or are likely to cause an appreciable adverse effect on competition in the relevant market in India. The Competition Act regulates anti-competitive agreements, abuse of dominant position and combinations. The Competition Commission of India ("**Competition Commission**") which became operational from May 20, 2009 has been established under the Competition Act to deal with inquiries relating to anti-competitive agreements and abuse of dominant position and regulate combinations.

The Competition Act also provides that the Competition Commission has the jurisdiction to inquire into and pass orders in relation to an anti-competitive agreement, abuse of dominant position or a combination, which even though entered into, arising or taking place outside India or signed between one or more non-Indian parties, but causes an appreciable adverse effect in the relevant market in India.

### **Companies Act, 2013**

The Companies Act, 2013, has been introduced to replace the existing Companies Act, 1956 in a phased manner. The Ministry of Corporate Affairs has vide its notification dated September 12, 2013 has notified 98 Sections of the Companies Act, 2013 and the same are applicable from the date of the aforesaid notification. A further 183 Sections have been notified on March 26, 2014 and have become applicable from April 1, 2014. The Companies (Amendment) Act, 2015 has *inter-alia* amended various Sections of the Companies Act, 2013 to take effect from May 29, 2015. Further, vide the Companies (Amendment) Act, 2015, Section 11 of the Companies Act, 2013 has been omitted and Section 76A has been inserted in the Companies Act, 2013. Till date, total 427 sections are notified by Ministry of Corporate Affairs. The Ministry of Corporate Affairs, has also issued rules complementary to the Companies Act, 2013 establishing the procedure to be followed by companies in order to comply with the substantive provisions of the Companies Act, 2013.

## **D. REGULATIONS REGARDING FOREIGN INVESTMENT**

### **Foreign Exchange Management Act, 1999 ("the FEMA")**

Foreign investment in companies in the trading sector is governed by the provisions of the Foreign Exchange Management Act, 1999 ("**FEMA**") read with the applicable regulations. The Department of Industrial Policy and Promotion ("**DIPP**"), Ministry of Commerce and Industry has issued the Consolidated FDI Policy which consolidates the policy framework on Foreign Direct Investment ("**FDI Policy**"), with effect from August 28, 2017. The FDI Policy consolidates and subsumes all the press notes, press releases, and clarifications on FDI issued by DIPP till August 27, 2017. All the press notes, press releases, clarifications on FDI issued by DIPP till August 27, 2017 stand rescinded as on August 28, 2017.

In terms of the FDI Policy, foreign investment is permitted (except in the prohibited sectors) in Indian companies either through the automatic route or the Government route, depending upon the sector in which foreign investment is sought to be made. In terms of the FDI Policy, the work of granting government approval for foreign investment under the FDI Policy and FEMA Regulations has now been entrusted to the concerned Administrative Ministries/Departments.

FDI for the items or activities that cannot be brought in under the automatic route may be brought in through the approval route. Where FDI is allowed on an automatic basis without the approval of the Government, the RBI would continue to be the primary agency for the purposes of monitoring and regulating foreign investment. In cases where Government approval is obtained, no approval of the RBI is required except with respect to fixing the issuance price, although a declaration in the prescribed form, detailing the foreign investment, must be filed with the RBI once the foreign investment is made in the Indian company.

The RBI, in exercise of its power under the FEMA, has also notified the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2017 to prohibit, restrict or regulate, transfer by or issue of security to a person resident outside India.

The Company is engaged in the activity of wholesale trading and multi-brand retail trading. The FDI Policy issued by the DIPP permits foreign investment upto 100% in the Cash and Carry Wholesale Trading/ Wholesale Trading (“WT”) sector under the automatic route. Further, the FDI Policy permits foreign investment upto 51% in the multi-brand retail sector under the government route subject to certain conditions which are mentioned below.

### **Cash and Carry Wholesale Trading/ Wholesale Trading**

Cash & Carry Wholesale trading/Wholesale trading, would mean sale of goods/merchandise to retailers, industrial, commercial, institutional or other professional business users or to other wholesalers and related subordinated service providers. Wholesale trading would, accordingly, imply sales for the purpose of trade, business and profession, as opposed to sales for the purpose of personal consumption. The yardstick to determine whether the sale is wholesale or not would be the type of customers to whom the sale is made and not the size and volume of sales. Wholesale trading would include resale, processing and thereafter sale, bulk imports with ex-port/ex bonded warehouse business sales and B2B e-Commerce.

Further, Cash & Carry Wholesale Trading/Wholesale Trading (“WT”) is subject to the following conditions:

- a. For undertaking WT, requisite licenses/registration/ permits, as specified under the relevant Acts/Regulations/Rules/Orders of the State Government/Government Body/Government Authority/Local Self Government Body under that State Government should be obtained.
- b. Except in case of sales to Government, sales made by the wholesaler would be considered as ‘cash & carry wholesale trading/wholesale trading’ with valid business customers, only when WT are made to the following entities:
  - i. Entities holding sales tax/ VAT registration/service tax/excise duty registration; or
  - ii. Entities holding trade licenses i.e. a license/registration certificate/membership certificate/registration under Shops and Establishment Act, issued by a Government Authority/Government Body/Local Self-Government Authority, reflecting that the entity/person holding the license/ registration certificate/ membership certificate, as the case may be, is itself/ himself/herself engaged in a business involving commercial activity; or
  - iii. Entities holding permits/license etc. for undertaking retail trade (like tehbazari and similar license for hawkers) from Government Authorities/Local Self Government Bodies; or
  - iv. Institutions having certificate of incorporation or registration as a society or registration as public trust for their self-consumption.

**An entity, to whom WT is made, may fulfill any one of the 4 (four) conditions stated above.**

- c. Full records indicating all the details of such sales like name of entity, kind of entity, registration/license/permit etc. number, amount of sale etc. should be maintained on a day to day basis.
- d. WT of goods would be permitted among companies of the same group. However, such WT to group companies taken together should not exceed 25% of the total turnover of the wholesale venture.
- e. WT can be undertaken as per normal business practice, including extending credit facilities subject to applicable regulations.
- f. A wholesale/cash & carry trader can undertake retail trading, subject to the conditions applicable. An entity undertaking wholesale/cash and carry as well as retail business will be mandated to maintain separate books of accounts for these two arms of the business and duly audited by the statutory auditors. Conditions of the FDI Policy for wholesale/cash and carry business and for retail business have to be separately complied with by the respective business arms.

### **Multi-brand retail trading**

FDI in multi brand retail trading, in all products, is permitted, subject to the following conditions:

- (i) Fresh agricultural produce, including fruits, vegetables, flowers, grains, pulses, fresh poultry, fishery and meat products, may be unbranded.

- (ii) Minimum amount to be brought in, as FDI, by the foreign investor, would be US \$ 100 million.
- (iii) At least 50% of total FDI brought in the first tranche of US \$ 100 million, shall be invested in 'back-end infrastructure' within three years, where 'back-end infrastructure' will include capital expenditure on all activities, excluding that on front end units; for instance, back-end infrastructure will include investment made towards processing, manufacturing, distribution, design improvement, quality control, packaging, logistics, storage, warehouse, agriculture market produce infrastructure etc. Expenditure on land cost and rentals, if any, will not be counted for purposes of backend infrastructure. Subsequent investment in backend infrastructure would be made by the MBRT retailer as needed, depending upon its business requirements.
- (iv) At least 30% of the value of procurement of manufactured/processed products purchased shall be sourced from Indian micro, small and medium industries, which have a total investment in plant & machinery not exceeding US \$ 2.00 million. This valuation refers to the value at the time of installation, without providing for depreciation. The 'small industry' status would be reckoned only at the time of first engagement with the retailer, and such industry shall continue to qualify as a 'small industry' for this purpose, even if it outgrows the said investment of US \$ 2.00 million during the course of its relationship with the said retailer. Sourcing from agricultural co-operatives and farmers co-operatives would also be considered in this category. The procurement requirement would have to be met, in the first instance, as an average of five years' total value of the manufactured/processed products purchased, beginning 1st April of the year during which the first tranche of FDI is received. Thereafter, it would have to be met on an annual basis.
- (v) Self-certification by the Company, to ensure compliance of the conditions at serial nos. (ii), (iii) and (iv) above, which could be cross-checked, as and when required. The investors are required to maintain accounts, duly certified by statutory auditors.
- (vi) Retail sales outlets may be set up only in cities with a population of more than 10 lakh as per 2011 Census or any other cities as per the decision of the respective State Governments, and may also cover an area of 10 kms around the municipal/urban agglomeration limits of such cities; retail locations will be restricted to conforming areas as per the Master/Zonal Plans of the concerned cities and provision will be made for requisite facilities such as transport connectivity and parking.
- (vii) Government will have the first right to procurement of agricultural products.
- (viii) The above policy is an enabling policy only and the State Governments/Union Territories are permitted to take their own decisions in regard to implementation of the policy. Therefore, retail sales outlets may be set up in those States/Union Territories which have agreed, or agree in future, to allow FDI in multi-brand retail trading under this policy. The list of States/Union Territories which have conveyed their agreement are Andhra Pradesh, Assam, Delhi, Haryana, Himachal Pradesh, Jammu & Kashmir, Karnataka, Maharashtra, Manipur, Rajasthan, Uttarakhand, Daman & Diu and Dadra and Nagar Haveli (Union Territories). Such agreement, in future, to permit establishment of retail outlets under this policy, would be conveyed to the Government of India through the Department of Industrial Policy & Promotion and additions would be made in the states mentioned above accordingly. The establishment of the retail sales outlets will be in compliance of applicable State/Union Territory laws/ regulations, such as the Shops and Establishments Act etc.
- (ix) Retail trading, in any form, by means of e-commerce, is not be permissible, for companies with FDI, engaged in the activity of multi-brand retail trading.

RBI has also issued the Master Directions on Foreign Investment dated January 4, 2018. In terms of the Master Directions, an Indian company may issue fresh shares to persons resident outside India (who are eligible to make investments in India, for which eligibility criteria are as prescribed). Such fresh issue of shares shall be subject to inter-alia, the pricing guidelines prescribed under the Master Directions. The Indian company making fresh issue of shares would be subject to certain reporting requirements, inter-alia with respect to consideration for issue of shares and will also be required to making certain filings.

## HISTORY AND CERTAIN CORPORATE MATTERS

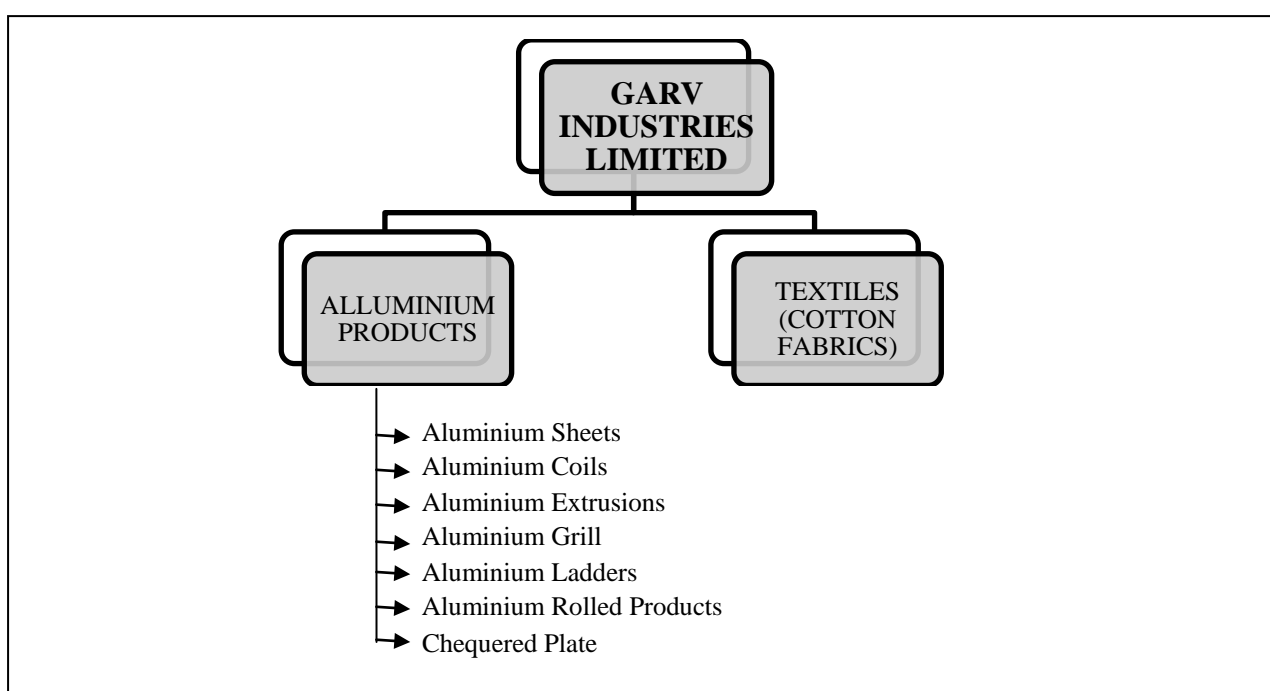
Our promoter, Mr. Rishu Agarwal was involved in trading of aluminum products in Delhi from 1996 through his H.U.F till 2008. Our other promoter, Mrs. Daya Bansal managed a proprietorship firm named as “Indian Sales Corporation” which was in the business of fabrics trading from April, 2011 to March, 2013.

Subsequently our promoter has been indirectly involved in aluminium and other trading business through financing activities carried out in the NBFC – R.S. Services Private Limited (our corporate promoter) since 2010 till date.

Our company was incorporated as “Garv Industries Limited”, a limited company under the provisions of Companies Act, 2013 on October 12, 2017 with an objective of using all these years of friendly relationship and business experience in aluminium and fabric markets and corporatizing this entire family business.

We are a multiproduct trading and distribution company dealing in wide range of aluminium products and textile products.

Following is the classification of major product offerings:



Our Company is promoted by Rishu Agarwal and family who together have industry experience of many years and possess rich business intellect in the trading circles of Delhi. They have been in this business through family proprietary concerns, proprietary business and through partnership.

We operate from our registered office located at B-502, Statesman House 148, Barakhamba Road, New Delhi- 110 055 as well as operate an additional godown space located at 2792/6, Chuna Mandi, Pahar Ganj, New Delhi – 110 055. We also have office cum godown at 8885/2, Multani Dhanda, Pahar Ganj, New Delhi – 110 055.

Since our company was recently incorporated we have not completed a full financial year, however we have reported a robust operating performance for 4 month period ended January 31,2018 wherein our sales, EBIDTA and Profit after Tax were Rs. 1,459.18 lakhs, Rs. 15.48 lakhs and Rs. 11.43 lakhs respectively.

### MAJOR EVENTS IN THE HISTORY OF OUR COMPANY:

Financial Year	Milestones
2017	Incorporation as Public Limited Company
2018	IPO approved by the Board and Shareholders vide resolutions dated February 14,2018 and February 19,2018.



## **MAIN OBJECTS**

The main object of our Company is as follows:

- To carry on the business of manufacturing, importing & exporting, trading of all type of garments, fabrics, home furnishers, handicraft & to do all types of metals and metal compounds whatsoever, whether ferrous or non-ferrous and buying, selling, reselling, transporting, storing, developing, promoting, marketing or supplying, trading, dealing in all type of goods on retail as well as on wholesale basis in India or elsewhere.
- To carry on the business as exhibitors of various goods, services and merchandise and to undertake the necessary activities to promote sales of goods, services and merchandise manufactured/dealt with/provided by the Company.
- To act as trader, agent, C & F agent, shipper, commission agent, distributor, representative, franchiser, consultant, collaborator, stockist, liasioner, job worker, export house of goods, merchandise and services of all grades, specifications, descriptions, applications, modalities, fashions, including by-products, spares or accessories thereof, on retail as well as on wholesale basis.

## **CHANGES IN REGISTERED OFFICE OF OUR COMPANY**

There has been no change in the address of the registered office of our Company, our registered office since incorporation is located at B-502, Statesman House 148, Barakhamba Road, New Delhi- 110 055.

## **AMENDMENTS TO THE MEMORANDUM OF ASSOCIATION**

There has been no change in the main clauses of the Memorandum of Association of our Company.

## **SUBSIDIARIES**

As on the date of this Prospectus, there are no subsidiaries of our Company.

## **THE AMOUNT OF ACCUMULATED PROFIT/ (LOSSES) NOT ACCOUNTED FOR BY OUR COMPANY**

There is no accumulated profit/ (losses) not accounted for by our Company.

## **HOLDING COMPANY**

Please see the chapter “Our Promoter & Promoter Group” on page 88 of this Prospectus for further details of our holding company i.e. R S Services Private Limited.

## **JOINT VENTURES**

As on the date of this Prospectus, there are no joint ventures of our Company.

## **SHAREHOLDERS’ AGREEMENT**

There are no Shareholders’ Agreements existing as on the date of this Prospectus.

## **ACQUISITION OF BUSINESS / UNDERTAKINGS**

We have not acquired any business / undertakings since incorporation.

## **FINANCIAL PARTNERS**

We do not have any financial partners as on the date of this Prospectus.

## **STRATEGIC PARTNERS**

We do not have any strategic partners as on the date of this Prospectus.



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## **OTHER AGREEMENTS**

Except the contracts / agreements entered in the ordinary course of the business carried on or intended to be carried on by our Company, we have not entered into any other agreement / contract as on the date of this Prospectus.

## **INJUNCTIONS OR RESTRAINING ORDERS**

There are no injunctions / restraining orders that have been passed against the company.



## OUR MANAGEMENT

Our Company has Four (4) Directors consisting of One (1) Executive Director, One (1) Non Executive Non Independent Director and Two (2) Non-Executive Independent Directors. The following table sets forth the details of our Board of Directors as on the date of this Prospectus:

Name, Current Designation, Address, Occupation, Term and DIN	Nationality	Age	Other Directorships
<p><b>Mr. Rishu Agarwal</b> <i>Managing Director</i></p> <p><b>Address:</b> 8885/2, Multani Dhanda, Paharganj, New Delhi – 110 055.</p> <p><b>Date of appointment as Director:</b> October 12, 2017.</p> <p><b>Date of appointment as Managing Director:</b> February 5, 2018.</p> <p><b>Term:</b> For a term of 5 years w.e.f. February 05, 2018</p> <p><b>Occupation:</b> Business</p> <p><b>DIN:</b> 02960289</p>	Indian	36 Years	• R S Services Private Limited
<p><b>Mrs. Daya Bansal</b> <i>Non Executive Non Independent Director</i></p> <p><b>Address:</b> 8885/2, Multani Dhanda, Paharganj, New Delhi – 110 055.</p> <p><b>Date of appointment as Director:</b> October 12, 2017</p> <p><b>Date of appointment as Non Executive Non Independent Director:</b> January 31, 2018</p> <p><b>Term:</b> Liable to Retire by Rotation</p> <p><b>Occupation:</b> Business</p> <p><b>DIN:</b> 02960325</p>	Indian	38 Years	• R S Services Private Limited
<p><b>Mr. Amit Agarwal</b> <i>Independent Director</i></p> <p><b>Address:</b> 568, KHA/317, Geeta Palli, Alambhag, Lucknow – 226 005.</p> <p><b>Date of appointment as Additional Director:</b> January 31, 2018</p> <p><b>Date of appointment as Non Executive Independent Director:</b> February 19, 2018</p> <p><b>Term:</b> for a period of five years i.e. till February 18, 2023</p> <p><b>Occupation:</b> Business</p> <p><b>DIN:</b> 07854072</p>	Indian	39 Years	• NIL





Name, Current Designation, Address, Occupation, Term and DIN	Nationality	Age	Other Directorships
<p><b>Mr. Vishal Aggarwal</b> <i>Independent Director</i></p> <p><b>Address:</b> P-9, Model Town, Rewari, Haryana – 123401.</p> <p><b>Date of appointment as Director:</b> October 12, 2017</p> <p><b>Date of appointment as Non Executive Independent Director:</b> October 12, 2017</p> <p><b>Term:</b> For a period of five years i.e. till October 11, 2022</p> <p><b>Occupation:</b> Business</p> <p><b>DIN:</b> 07933495</p>	Indian	25 Years	• NIL

For further details on their qualification, experience etc., please see their respective biographies under the heading “*Brief Biographies*” below.

**Notes:**

- There are no arrangements or understanding with major shareholders, customers, suppliers or others, pursuant to which any of the Directors were selected as a Director.
- There is no service contracts entered into by the Directors with our Company providing for benefits upon termination of employment.
- None of the Directors is or was a director of any listed company during the last five years preceding the date of this Prospectus, whose shares have been or were suspended from being traded on the BSE or the NSE, during the term of their directorship in such company.
- None of the Directors is or was a director of any listed company which has been or was delisted from any recognized stock exchange in India during the term of their directorship in such company.
- None of the Directors is categorized as a wilful defaulter, as defined under SEBI (ICDR) Regulations.

**BRIEF BIOGRAPHIES OF OUR DIRECTORS**

**Mr. Rishu Agarwal**

Mr. Rishu Agarwal, aged 36 years is the Managing Director and one of the Promoters of our Company. He is having experience of around 2 decades in the field of trading in Aluminium Products and fabric trading. Further, he also has experience in running trade finance and related NBFC business. He is actively involved in managing day-to-day affairs of the company.

**Mrs. Daya Bansal**

Mrs. Daya Bansal, aged 38 years is the Non Executive Non Independent Director of our Company. She is one of the Promoters of our Company. She has completed her Bachelor of Arts (Honours) from the University of Delhi. She has experience in the field of Fabric Trading for more than 7 years and also in the field of Business Management & Administration.

**Mr. Amit Agarwal**

Mr. Amit Agarwal, aged 39 years, is the Non Executive Independent Director of Our Company. He has completed his B.Sc from Lucknow University, with specialisation in the field of Mathematics and analytical algebra and has done his



B.Ed from Indra Gandhi National Open University. He holds a Masters Degree (M.A.) in Mathematics from Chhatrapati Shahu Ji Maharaj University, Kanpur. He has more than 10 years of experience in the field of teaching.

#### **Mr. Vishal Aggarwal**

Mr. Vishal Aggarwal, aged 25 years, is the Non Executive Independent Director of Our Company. He has completed his Bachelors of Commerce from School of Open Learning, University of Delhi. He is currently pursuing Chartered Accountancy from the Institute of Chartered Accountants of India.

#### **RELATIONSHIP BETWEEN DIRECTORS**

Except as stated below, none of the Directors of the Company are related to each other:

- Mr. Rishu Agarwal is husband of Mrs. Daya Bansal.

#### **Borrowing Powers of our Board of Directors**

Our Company at its Extra-Ordinary General Meeting held on February 19, 2018 passed a resolution authorizing Board of Directors pursuant to the provisions of section 180 (1) (c) of the Companies Act, 2013 for borrowing from time to time any sum or sums of money from any person(s) or bodies corporate (including holding Company) or any other entity, whether incorporated or not, on such terms and conditions as the Board of Directors may deem fit for the purpose of the Company's business. The monies so borrowed together with the monies already borrowed by our Company (apart from temporary loans obtained from the banks in the ordinary course of business) may exceed the aggregate of the paid up share capital of our Company and its free reserves, that is to say, reserves not set apart for any specific purpose, provided that the total amount of such borrowings together with the amount already borrowed and outstanding shall not, at any time, exceed ₹100 crores.

#### **Remuneration of Executive Directors**

##### **1. Mr. Rishu Agarwal, Managing Director**

The compensation package payable to him as resolved in the shareholders meeting held on February 5, 2018 is stated hereunder:

**Basic Salary:** As may be mutually decided between Mr. Rishu Agarwal and the Company subject to provisions of Companies Act, 2013.

##### **Commission: Nil**

The remuneration paid to Mr. Rishu Agarwal for FY 2016-17 was N.A.

#### **Compensation of Non-Executive Directors**

Pursuant to a resolution passed at the meeting of the Board of the Company on February 14, 2018 the Non-Executive Directors will not be paid any sitting fee for attending any Board / Committee meetings held. However the Board of Directors, at a future date, may decide the amount as it may deem fit that shall be paid as sitting fees.

Remuneration paid to our Non-Executive Independent Directors in Fiscal 2017: N.A.

#### **Shareholding of Directors**

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

<b>Name of Directors</b>	<b>No. of Equity Shares held</b>	<b>% of Pre-Issue Paid Up Capital</b>
Mr. Rishu Agarwal	1,000	0.01%
Mrs. Daya Bansal	1,000	0.01%
Mr. Vishal Aggarwal	100	Negligible
<b>Total Holding of Directors</b>	<b>2,100</b>	<b>0.03%</b>
<b>Total Paid up Capital</b>	<b>70,00,000</b>	<b>100.00%</b>



## Interest of the Directors

All of our Directors may be deemed to be interested to the extent of fees payable to them for attending meetings of the Board or a committee thereof as well as to the extent of other remuneration and reimbursement of expenses payable to them under our Articles of Association, and to the extent of remuneration paid to them for services rendered as an officer or employee of our Company.

Our Directors may also be regarded as interested in the Equity Shares, if any, held by them or allotted to the companies in which they are interested as Directors, Members, and Promoter, pursuant to this issue. All 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.

Except as stated in this chapter titled “*Our Management*” and the chapter titled “*Annexure XVIII - Related Party Transactions*” beginning on page nos. 78 and 95 of this Prospectus respectively, our Directors do not have any other interest in our business.

Except as disclosed in “*Properties*” within the section titled “*Our Business*” on page no. 62 of this Prospectus, our Directors have no interest in any property acquired by our Company within two years of the date of this Prospectus. Further, except as disclosed in “*Properties*” within the section titled “*Our Business*” on page no. 62 of this Prospectus, our Company has not taken any property on lease from our Promoter within two years of the date of this Prospectus.

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

Following are the changes in our Board of Directors in the last three years:

Sr. No.	Name of Director	Date of Change	Reason for change
1	Rishu Agarwal	12.10.2017	Appointment as First Director
2	Daya Bansal	12.10.2017	Appointment as First Director
3	Vishal Aggarwal	12.10.2017	Appointment as First Director (Independent)
4	Pawan Kumar Mahur	12.10.2017	Appointment as First Director (Independent)
5	Daya Bansal	31.01.2018	Change in Designation as Non Executive Non Independent Director
6	Pawan Kumar Mahur	31.01.2018	Resignation as Independent Director
7	Amit Agarwal	31.01.2018	Appointment as Additional Director
8	Rishu Agarwal	05.02.2018	Redesignation as Managing Director.
9	Amit Agarwal	19.02.2018	Regularisation as Independent Director

## Corporate Governance

The provisions of the SEBI (LODR) Regulations, 2015 with respect to corporate governance will be applicable to us immediately upon the listing of our Equity Shares with the Stock Exchanges. We are in compliance with the requirements of the applicable regulations, including the SEBI (LODR) Regulations, 2015, the SEBI Regulations and the Companies Act, in respect of corporate governance including constitution of the Board and committees thereof. The corporate governance framework is based on an effective independent Board, separation of the Board’s supervisory role from the executive management team and constitution of the Board Committees, as required under law.

Our Board has been constituted in compliance with the Companies Act and SEBI (LODR) Regulations, 2015. The Board functions either as a full board or through various committees constituted to oversee specific functions. Our executive management provides our Board detailed reports on its performance periodically.

Currently, our Board has Four (4) Directors. In compliance with the requirements of the Companies Act we have One (1) Executive Director, One (1) Non Executive Non Independent Director and Two (2) Non-Executive Independent Directors on our Board.

## Committees of our Board

We have constituted the following committees of our Board of Directors for compliance with Corporate Governance requirements:

1. Audit Committee
2. Stakeholder's Relationship Committee
3. Nomination and Remuneration Committee

#### 1. Audit Committee

The Audit Committee of our Board was constituted by our Board of Directors vide resolution dated February 14, 2018 pursuant to section 177 of the Companies Act, 2013. The Audit Committee comprises of:

Name of the Member	Nature of Directorship	Designation in Committee
Vishal Aggarwal	Non-Executive Independent Director	Chairman
Amit Agarwal	Non-Executive Independent Director	Member
Rishu Agarwal	Managing Director	Member

The scope of Audit Committee shall include but shall not be restricted to the following:

- a) Oversight of the Issuer's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- b) 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.
- c) Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
- d) Reviewing, with the management, the annual financial statements before submission to the board for approval, with particular reference to:
  - Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of Section 134 of the Companies Act, 2013
  - Changes, if any, in accounting policies and practices and reasons for the same
  - Major accounting entries involving estimates based on the exercise of judgment by management
  - Significant adjustments made in the financial statements arising out of audit findings
  - Compliance with listing and other legal requirements relating to financial statements
  - Disclosure of any related party transactions
  - Qualifications in the audit report.
- e) Reviewing, with the management, the half yearly financial statements before submission to the board for approval
- f) 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.
- g) Review and monitor the auditor's independence and performance, and effectiveness of audit process;
- h) Approval or any subsequent modification of transactions of the company with related parties;
- i) Scrutiny of inter-corporate loans and investments;
- j) Valuation of undertakings or assets of the company, wherever it is necessary;
- k) Evaluation of internal financial controls and risk management systems;
- l) Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems.

- m) 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.
- n) Discussion with internal auditors any significant findings and follow up there on.
- o) 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.
- p) Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
- q) To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.
- r) To review the functioning of the Whistle Blower mechanism.
- s) Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience & background, etc. of the candidate.
- t) Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

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.

Explanation (ii): If the Issuer has set up an audit committee pursuant to provision of the Companies Act, the said audit committee shall have such additional functions / features as is contained in this clause.

*The Audit Committee enjoys following powers:*

- 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
- d) To secure attendance of outsiders with relevant expertise if it considers necessary
- e) The audit committee may invite such of the executives, as it considers appropriate (and particularly the head of the finance function) to be present at the meetings of the committee, but on occasions it may also meet without the presence of any executives of the Issuer. The finance director, head of internal audit and a representative of the statutory auditor may be present as invitees for the meetings of the audit committee.

*The Audit Committee shall mandatorily review the following information:*

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

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 committee has to attend the Annual General Meetings of the Company to provide clarifications on matters relating to the audit.

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

#### *Meeting of Audit Committee*

The audit committee shall meet at least four times in a year and not more than one hundred and twenty days shall elapse between two meetings. The quorum shall be either two members or one third of the members of the audit committee whichever is greater, but there shall be a minimum of two independent members present. Since the formation of the committee, no Audit Committee meetings have taken place.

## **2. Stakeholder's Relationship Committee**

The Stakeholder's Relationship Committee of our Board was constituted by our Board of Directors pursuant to section 178(5) of the Companies Act, 2013 vide resolution dated February 14, 2018. The Stakeholder's Relationship Committee comprises of:

<b>Name of the Member</b>	<b>Nature of Directorship</b>	<b>Designation in Committee</b>
Daya Bansal	Non Executive Non Independent Director	Chairman
Vishal Aggarwal	Non-Executive Independent Director	Member
Amit Agarwal	Non-Executive Independent Director	Member

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

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

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

#### ***Quorum and Meetings***

The quorum necessary for a meeting of the Stakeholders Relationship Committee shall be two members or one third of the members, whichever is greater. Since the formation of the committee, no Stakeholders Relationship Committee meetings have taken place.

## **3. Nomination and Remuneration Committee**

The Nomination and Remuneration Committee of our Board was constituted by our Board of Directors pursuant to section 178 of the Companies Act, 2013 vide resolution dated February 14, 2018.

The Nomination and Remuneration Committee currently comprises of:

Name of the Member	Nature of Directorship	Designation in Committee
Vishal Aggarwal	Non-Executive Independent Director	Chairman
Daya Bansal	Non-Executive Non Independent Director	Member
Amit Agarwal	Non-Executive Independent Director	Member

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

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

#### ***Quorum and Meetings***

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

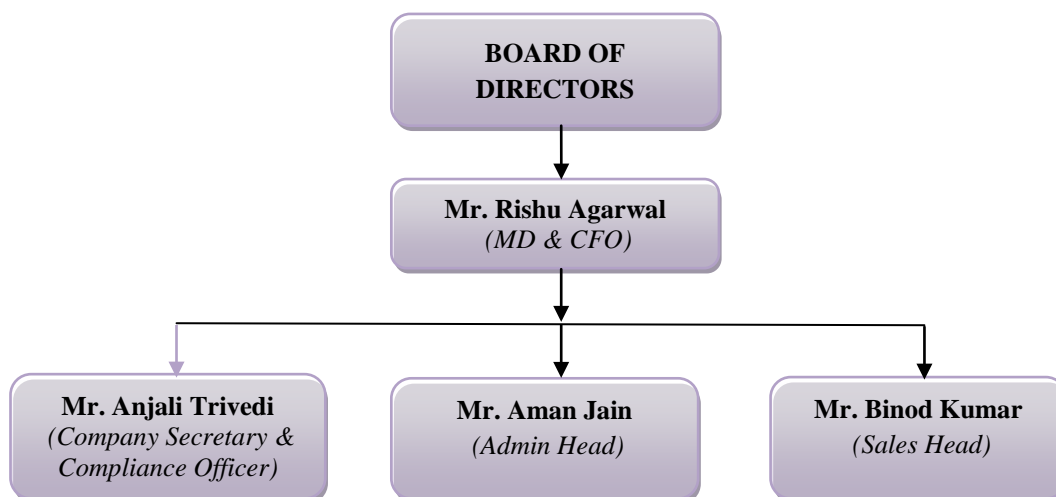
The Company Secretary of our Company acts as the Secretary to the Committee.

#### **Policy on Disclosures & Internal procedure for prevention of Insider Trading**

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

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

#### **MANAGEMENT ORGANIZATION STRUCTURE**



**Key Abbreviations:**

MD – Managing Director,  
CFO – Chief Financial Officer

**KEY MANAGERIAL PERSONNEL**

The details of our key managerial personnel are as below –

Name of Employee	Designation & Functional Area	Date of Appointment	Compensation for Last Fiscal Year (₹ in lakhs)	Qualification	Name of Previous Employer(s)	Total years of Experience
Rishu Agarwal	CFO	January 31, 2018	Nil	Undergraduate	Nil	Over 2 Decades
Anjali Trivedi	Company Secretary and Compliance Officer	February 01, 2018	Nil	Company Secretary	Nil	Nil
Aman Jain	Admin Head	November 1, 2017	Nil	B.Com	Nil	Nil
Binod Kumar	Sales Head	November 1, 2017	Nil	B.com	<ul style="list-style-type: none"> <li>• Abhinandan Enterprises</li> <li>• Sachin Steel Enterprises</li> </ul>	7 Years.

**Other Notes –**

The aforementioned KMP are on the payrolls of our Company as permanent employees.

Further, none of the KMPs are related parties as per the Accounting Standard 18.

**Relationship amongst the Key Managerial Personnel**

None of the aforementioned KMPs are related to each other.

**Arrangement / Understanding with Major Shareholders / Customers / Suppliers**

None of the KMPs have been selected pursuant to any arrangement / understanding with major shareholders / customers / suppliers.

**Shareholding of Key Managerial Personnel**

None of our KMP's holds any shares of our Company as on the date of this Prospectus except as mentioned below:

- Mr. Rishu Agarwal holds 1,000 Equity Shares of our company.

**Interest of Key Managerial Personnel**

The Key Managerial Personnel of our Company do not have any interest in our Company, other than to the extent of remuneration of benefits to which they are entitled as per their terms of appointment and reimbursement of expenses incurred by them during the ordinary course of business. Further, if any Equity Shares are allotted to our Key Managerial Personnel prior to / in terms of this Issue, they will be deemed to be interested to the extent of their shareholding and / or dividends paid or payable on the same.

**Bonus or Profit Sharing Plan for the Key Managerial Personnel during the last three years**

Our Company does not have fixed bonus / profit sharing plan for any of the employees or key managerial personnel.





### **Loans taken by Key Management Personnel**

None of our Key Managerial Personnel have taken any loan from our Company.

### **Employee Share Purchase and Employee Stock Option Scheme**

Presently, we do not have ESOP / ESPS scheme for employees.

### **Payment or Benefit to our Officers**

Except for the payment of salaries and yearly bonus, if any, we do not provide any other benefits to our employees.

### **Changes in the Key Managerial Personnel in the three years preceding the date of filing this Prospectus**

Except as disclosed below, there has been no change in KMPs in past three years from the date of this Prospectus:


<b>Name of Employee</b>	<b>Designation &amp; Functional Area</b>	<b>Date of Appointment</b>
Anjali Trivedi	Company Secretary and Compliance Officer	February 01, 2018
Rishu Agarwal	Managing Director & Chief Financial Officer	January 31, 2018
Aman Jain	Admin Head	November 1, 2017
Binod Kumar	Sales Head	November 1, 2017


## OUR PROMOTERS AND PROMOTER GROUP

### THE PROMOTERS OF OUR COMPANY ARE:

1. Mr. Rishu Agarwal (Individual Promoter)
2. Mrs. Daya Bansal (Individual Promoter)
3. R S Services Private Limited (Corporate Promoter)

The details of our Individual Promoter are provided below:

	<b>Name</b>	Mr. Rishu Agarwal
	<b>PAN</b>	ADLPA5264C
	<b>Passport Number</b>	H2402220
	<b>Driving License</b>	DL-07/LL/7536/17-18
	<b>Voter's ID</b>	NA
	<b>Bank &amp; Branch</b>	HDFC Bank, Sector 93A, Noida, Uttar Pradesh
	<b>Bank A/c No.</b>	50100140817398

	<b>Name</b>	Mrs. Daya Bansal
	<b>PAN</b>	AFWPR2276J
	<b>Passport Number</b>	M3189137*
	<b>Driving License</b>	NA
	<b>Voter's ID</b>	NA
	<b>Bank &amp; Branch</b>	Bank Of India, Jhandewalan Extension Branch; New Delhi – 110 005
	<b>Bank A/c No.</b>	602410110000995

\* Name of our Promoter Mrs. Daya Bansal has changed to Mrs. Daya Agarwal post marriage. However, for all statutory purposes her name is Mrs. Daya Bansal.

For additional details on the age, background, personal address, educational qualifications, experience, positions / posts and other Directorships held in the past for our Individual Promoter, please see the chapter titled "Our Management" beginning on page no. 78 of this Prospectus.

For details of the build-up of our Promoters' shareholding in our Company, please see "Capital Structure –Notes to Capital Structure" on page no. 41 of this Prospectus.

### **Brief Profile of Our Corporate Promoter: R S Services Private Limited (RSSPL)**

<b>Name</b>	<b>R S Services Private Limited</b>
<b>PAN</b>	AAACR0211K
<b>Company Registration Number</b>	038061
<b>CIN No.</b>	U65100DL1989PTC038061
<b>RBI Licence</b>	08149
<b>Address of ROC with which the Company was registered</b>	4th Floor, IFCI Tower, 61, Nehru Place, New Delhi – 110 019
<b>Bank &amp; Branch</b>	Bank Of India, Jhandewalan Extension Branch, New Delhi – 110 005
<b>Bank A/c No.</b>	602420110000331

### **History and Brief Description**

R S Services Private Limited (RSSPL) was incorporated under the Companies Act, 1956 on October 17, 1989 at New Delhi with the Registrar of Companies; Delhi & Haryana vide registration No. 038061 of 1989-90. Its registered office is situated at 8885/2, Multani Dhanda, Pahar Ganj, New Delhi, Central Delhi – 110 055. RBI registered NBFC having License No. 08149 granted on February 26, 1998 by Deputy General Manager of RBI.


RSSPL was incorporated in 1989 and the company was taken over by Mr. Rishu Agarwal and Mrs. Daya Bansal in the year 2010. Our current Promoters and Promoter Group holds 100.00% equity shares of this company.


RSSPL currently holds 69,95,800 Equity Shares of our company which constitutes 99.94% of the Pre-Issue paid up capital of our company. The Post-Issue Shareholding will be 68.59%. For details of the build-up of RSSPL's shareholding in Our Company, please see "Capital Structure - Notes to Capital Structure" beginning on page no.41 of this Prospectus. Further, we confirm that compliance with SEBI (SAST) Regulations and Listing Regulations was not applicable, since shares of our Company were not listed on any Stock Exchange in India at the time of the said acquisitions.

**Main Object of RSSPL is as follows:**

- To carry on the business of investment Company in all its aspects and branches and for that purpose to subscribe for, acquire, hold and sell share, share-stock, debentures, debentures- stock, mortgages, obligations, securities of any kind issued or guaranteed by any company (body corporate or undertaking) of whatever nature and whatsoever constituted or carrying on business and to subscribe for, acquire, hold and sell shares, debentures and debenture stocks and debentures bonds, mortgages, obligations, and such other securities issued or guaranteed by any government, municipal, local or such other authority or body of whatever nature, weather in India or elsewhere and to underwrite shares, debentures, debenture stock, bonds, notes and such other obligations of all types and to manage investment shares, stocks and securities.
- To provide financial, management services to clients, handle investments on their behalf include fixed deposits, in other companies, purchase and sale of shares, debentures, securities stocks or portfolio management. Also to provide financial and leasing advisory/ counseling services to other entities.

**Promoters of RSSPL**

	<b>Name</b>	Mr. Rishu Agarwal
	<b>PAN</b>	ADLPA5264C
	<b>Passport Number</b>	H2402220
	<b>Driving License</b>	DL-07/LL/7536/17-18
	<b>Voter's ID</b>	NA
	<b>Bank &amp; Branch</b>	HDFC Bank, Sector 93A, Noida, Uttar Pradesh
	<b>Bank A/c No.</b>	50100140817398

	<b>Name</b>	Mrs. Daya Bansal
	<b>PAN</b>	AFWPR2276J
	<b>Passport Number</b>	M3189137*
	<b>Driving License</b>	NA
	<b>Voter's ID</b>	NA
	<b>Bank &amp; Branch</b>	Bank Of India, Jhandewalan Extension Branch; New Delhi – 110 005
	<b>Bank A/c No.</b>	602410110000995

\* Name of our Promoter Mrs. Daya Bansal has changed to Mrs. Daya Agarwal post marriage. However, for all statutory purposes her name is Mrs. Daya Bansal.

**Board of Directors:**

- Mr. Rishu Agarwal
- Mrs. Daya Bansal

**Shareholding Pattern**

Shareholder Name	% Of Total Holding
Promoter & Promoter Group	100%
Others	NIL
<b>TOTAL</b>	<b>100%</b>



## Financial Information

The brief financial details of RSSPL derived from its audited financial statements, for Fiscals 2017, 2016 and 2015 are set forth below:

(₹ in lakhs)

Sr. No.	Particulars	As at March 31		
		2017	2016	2015
1	Equity Shares Fully Paid	303.41	303.41	303.41
2	Reserves and Surplus	3547.77	3548.12	3542.33
3	Share Application Pending Allotment	-	-	-
4	Income including Other Income	176.95	395.59	83.91
5	Profit/ (Loss) After Tax	(0.35)	5.79	0.81
6	Earnings Per Share	(0.01)	0.19	(0.06)
7	Net Asset Value per Share	126.93	126.94	126.75

### Other disclosures:

- The equity shares of RSSPL are not listed on any stock exchange;
- RSSPL is neither a sick company within the meaning of the Sick Industrial Companies (Special Provisions) Act, 1985 nor is under winding up. Further, RSSPL does not have a negative net-worth in the immediately preceding year.
- No application has been made to RoC for striking off the name of RSSPL;
- RSSPL is not prohibited from accessing the capital markets for any reasons by the SEBI or any other authorities.

There are no defaults in meeting any statutory /bank/institutional dues. No proceedings have been initialled for economic offences against the Company

### Other Undertakings and Confirmations

We confirm 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 the Draft Prospectus with the Stock Exchange.

Our Promoters have confirmed that they have not been identified as wilful defaulters.

No violations of securities laws have been committed by our Promoters in the past or are currently pending against them. None of our Promoters are debarred or prohibited from accessing the capital markets or restrained from buying, selling, or dealing in securities under any order or directions passed for any reasons by the SEBI or any other authority or refused listing of any of the securities issued by any such entity by any stock exchange in India or abroad.

### Interests of Promoters

None of our Promoters / Directors have any interest in our Company except to the extent of compensation payable / paid, rents on properties owned by their relatives but used by our company and reimbursement of expenses (if applicable) and to the extent of any equity shares held by them or their relatives and associates or held by the companies, firms and trusts in which they are interested as director, member, partner, and / or trustee, and to the extent of benefits arising out of such shareholding. For further details please see the chapters titled “Capital Structure”, “Financial Information” and “Our Management” beginning on page nos. 41,95 and 78 of this Prospectus.

Except as stated otherwise in this Prospectus, we have not entered into any contract, agreements or arrangements in which our Promoters are directly or indirectly interested and no payments have been made to them in respect of the contracts, agreements or arrangements which are proposed to be made with them including the properties purchased by our Company other than in the normal course of business.

### Common Pursuits of our Group Companies

There is no Group Companies of our Promoters as on the date of the Prospectus.



### **Companies with which the Promoters has disassociated in the last three years**

Except as disclosed below our Promoters have not disassociated themselves from any companies, firms or entities during the last three years preceding the date of this Prospectus:

<b>Sr. No.</b>	<b>Name of the Promoter</b>	<b>Name of the Company</b>	<b>Date of Cessation / Disassociation</b>
1	Rishu Agarwal	Fast Track Finsec Private Limited	June 08, 2017
2	Daya Bansal	Fast Track Finsec Private Limited	June 08, 2017

### **Payment of Amounts or Benefits to the Promoters or Promoters Group during the last two years**

Except as stated in “Annexure XVIII – Statement of Related Party Transactions” on page no. 95 of this Prospectus, there has been no payment of benefits to our Promoters during the two years preceding the date of the Prospectus.

### **Interest of Promoters in the Promotion of our Company**

Our Company is currently promoted by the Promoters in order to carry on its present business. Our Promoters are interested in our Company to the extent of their shareholding and directorship in our Company and the dividend declared, if any, by our Company.

### **Interest of Promoters in the Property of our Company**

Our Promoters have confirmed that they do not have any interest in any property acquired by our Company within two years preceding the date of this Prospectus or proposed to be acquired by our Company as on the date of this Prospectus. For details, please see the chapter “Our Business” on page no. 95 of this Prospectus.

Further, other than as mentioned in the chapter titled “Business Overview”, our Promoters do not have any interest in any transactions in the acquisition of land, construction of any building or supply of any machinery.

Our Promoters may be interested in rent being paid by our company to certain relatives who own these premises being occupied by the company. For further details please see “Our Business” and “Financial Information” beginning on page nos. 62 and 95 of this Prospectus.

### **Interest of Promoters in our Company other than as Promoter**

Other than as Promoters, our Promoters are interested in our Company to the extent of their shareholding and directorship in our Company and the dividend declared, if any, by our Company. For details please see chapters titled “Our Management” and “Capital Structure” beginning on page nos. 78 and 41 respectively of this Prospectus.

Except as mentioned in this section and the chapters titled “Capital Structure”, “Our Business”, “History and Certain Corporate matters” and “Annexure XVIII – Statement of Related Party Transactions” on page nos. 41, 62 and 95 of this Prospectus, respectively, our Promoters do not have any interest in our Company other than as Promoters.

### **Related Party Transactions**

Except as stated in the “Annexure XVIII – Statement of Related Party Transactions” on page no. 95 of this Prospectus, our Company has not entered into related party transactions with our Promoters or our Group Companies.

### **Shareholding of the Promoter Group in our Company**

For details of shareholding of members of our Promoters Group as on the date of this Prospectus, please see the chapter titled “Capital Structure – Notes to Capital Structure” beginning on page no. 41 of this Prospectus.

### **Other Confirmations**

Our Company has neither made any payments in cash or otherwise to our Promoters or to firms or companies in which our Promoters are interested as members, directors or Promoters nor have our Promoters been offered any inducements to become directors or otherwise to become interested in any firm or company, in connection with the promotion or formation of our Company otherwise than as stated in the “Annexure XVIII – Statement of Related Party Transactions” on page no. 95 of this Prospectus.

## Outstanding Litigation

There is no outstanding litigation against our Promoters except as disclosed in the section titled “*Risk Factors*” and chapter titled “*Outstanding Litigation and Material Developments*” beginning on page nos. 11 and 120 of this Prospectus.

## Our Promoter Group

In addition to the Promoter named above, the following natural persons and entities form part of our Promoter Group in terms of Regulation 2 (1) (zb) (ii) of the SEBI (ICDR) Regulation, 2009.

### A. Natural Persons who are Part of the Promoter Group

Name of the Promoters	Name of the Relative	Relationship with the Promoter
Mr. Rishu Agarwal	Late Mr. Sajjan Kumar Agarwal	Father
	Mrs. Usha Devi Agarwal	Mother
	Mrs. Daya Bansal	Wife
	Ankita Agarwal	Sister(s)
	Anuradha Agarwal	
	Garv Agarwal	Son(s)
	Mehak Agarwal	Daughter(s)
	Mr. Satpal Gupta	Wife's Father
	Mrs. Veena Gupta	Wife's Mother
	Mr. Sachin Gupta	Wife's Brother(s)
	Mrs. Neelam Gupta	Wife's Sister(s)
	Mrs. Nitti Gupta	

Name of the Promoters	Name of the Relative	Relationship with the Promoter
Mrs. Daya Bansal	Mr. Satpal Gupta	Father
	Mrs. Veena Gupta	Mother
	Mr. Rishu Agarwal	Husband
	Mr. Sachin Gupta	Brother(s)
	Mrs. Neelam Gupta	Sister(s)
	Mrs. Nitti Gupta	
	Garv Agarwal	Son(s)
	Mehak Agarwal	Daughter(s)
	Late Mr. Sajjan Kumar Agarwal	Husband's Father
	Mrs. Usha Devi Agarwal	Husband's Mother
	Ankita Agarwal	Husband's Sister(s)
	Anuradha Agarwal	

### B. Companies / Corporate Entities forming part of the Promoter Group

As per Regulation 2(1)(zb)(iv) and 2(1)(zb)(v) of the SEBI (ICDR) Regulations, 2009, the following Companies / Trusts / Partnership firms / HUFs or Sole Proprietorships shall form part of our Promoter Group:

Sr. No.	Name of Promoter Group Entity/Company
1	R S Services Private Limited
2	Rishu Agarwal HUF

### C. Entities forming part of the Corporate Promoter. – Nil.



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## **CURRENCY, UNITS OF PRESENTATION AND EXCHANGE RATES**

All references to “Rupees”, “Rs.” or “₹” are to Indian Rupees, the official currency of the Republic of India. All references to “US\$” or “US Dollars” or “USD” are to United States Dollars, the official currency of the United States of America.

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



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## **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 General Meeting. The shareholders of our Company have the right to decrease, not to increase the amount of dividend recommended by the Board of Directors. The dividends may be paid out of profits of our Company in the year in which the dividend is declared or out of the undistributed profits or reserves of previous fiscal years or out of both. The Articles of Association of our Company also gives the discretion to our Board of Directors to declare and pay interim dividends.

There are no dividends declared by our Company since incorporation.

Our Company does not have any formal dividend policy for the Equity Shares. The declaration and payment of dividend will be recommended by our Board of Directors and approved by the shareholders of our Company at their discretion and will depend on a number of factors, including the results of operations, earnings, capital requirements and surplus, general financial conditions, applicable Indian legal restrictions and other factors considered relevant by our Board of Directors.





## SECTION VI – FINANCIAL INFORMATION

### FINANCIAL STATEMENTS

#### REPORT OF THE INDEPENDENT AUDITORS ON RESTATED FINANCIAL STATEMENTS

To,  
The Board of Directors,  
**Garv Industries Limited**  
B-502, Statesman House 148,  
Barakhamba Road  
New Delhi 110 001

We have examined Financial Statements and Other Financial Information of Garv Industries Limited (the 'Company') taking into consideration the terms of reference and terms of our engagement agreed upon with you in connection with the proposed IPO of Equity Shares of the Company and the Guidance Note on Reports in Company Prospectuses (Revised 2016) issued by the Institute of Chartered Accountants of India.

The said Restated Financial Statements and other Financial Information have been prepared for the purposes of inclusion in the Prospectus / Prospectus (collectively hereinafter referred to as "Offer Document") in connection with the proposed Initial Public Offer ("IPO") of the Company in accordance with the requirements of:

- i. Sub-clauses (i) and (iii) of clause (b) of sub-section (1) of section 26 of the Companies Act, 2013 read with applicable provisions within Rule 4 to 6 of Companies (Prospectus and Allotment of Securities) Rules, 2014, as amended (hereinafter referred to as the "Act");
- ii. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (the 'SEBI Regulations') and the related clarifications issued by the Securities and Exchange Board of India ('SEBI'); as amended to date;
- iii. We have examined the accompanied 'Restated Statement of Profit and Loss' (**Annexure – II**) for the period ended 31<sup>st</sup> January, 2018 and the 'Restated Statement of Assets and Liabilities' (**Annexure – I**) as on that date, forming Part of the 'Financial Information' dealt with by this Report, detailed below. Both read together with the Significant Accounting Policies (**Annexure – IV**) thereon, which are the responsibility of the Company's management. The information have been extracted from the financial statements for the period ended on 31<sup>st</sup> January 2018, audited by S C Verma & Associates, Chartered Accountant, being the Statutory Auditors of the Company for the respective period and approved by the Board of Directors. The Financial information for the period ended January 31, 2018 is re-audited by us; M/s. V.N. Purohit & Co., Chartered Accountant, being the Peer Review Auditors as per the SEBI ICDR Regulations.
- iv. In terms of Schedule VIII, Clause IX (9) of the SEBI (ICDR) Regulations, 2009 and other provisions relating to accounts of Garv Industries Limited, we, V. N. Purohit & Co., Chartered Accountants, have been subjected to the peer review process of the Institute of Chartered Accountants of India (ICAI) and hold a valid certificate issued by the Peer Review Board of the ICAI.
- v. Based on our examination, we further report that:
  - a. The Restated Statement of Assets and Liabilities of the Company as at January 31, 2018, examined by us, as set out in **Annexure I** to this examination report are after making adjustments and regrouping as in our opinion were appropriate and more fully described in the statement of significant accounting policies in **Annexure IV**.
  - b. The Restated Statement of Profit and Loss of the Company for the period ended January 31, 2018 examined by us,

as set out in Annexure II to this examination report are after making adjustments and regrouping as in our opinion were appropriate and more fully described in the statement of significant accounting policies in **Annexure IV**.

- c. The Restated Statement of Cash Flows of the Company for the period ended January 31, 2018 examined by us, as set out in Annexure III to this examination report are after making adjustments and regrouping as in our opinion were appropriate and more fully described in the statement of significant accounting policies in **Annexure IV**.
- d. The Restated Financial Statements have been made after incorporating adjustments for :
  - i. The changes, if any, in accounting policies retrospectively in respective financial years to reflect the same accounting treatment as per the changed accounting policy for all the reporting period /years.
  - ii. Prior period and other material amounts in the respective financial years to which they relate.
- e. Such Financial statements do not require any corrective adjustments on account of :
  - i. Other remarks/comments in the Companies (Auditor's Report) Order, 2016 ("the Order"), as amended, issued by the Central Government of India in terms of sub - section (4A) of section 227 of the act, on financial statements of the company as at and for the period ended January 31, 2018
  - ii. Extra-ordinary items that need to be disclosed separately in the accounts requiring adjustments.
- vi. At the request of the company, we have also examined the following financial information("Other Financial Information") proposed to be included in the offer document prepared by the management and approved by the board of directors of the company and annexed to this report:
  - i) Restated Statement of Share Capital (Annexure - V)
  - ii) Restated Statement of Reserves & Surplus (Annexure - VI)
  - iii) Restated Statement of Short Term Borrowings (Annexure- VII)
  - iv) Restated Statement of Trade Payable (Annexure- VIII)
  - v) Restated Statement of Short Term Provisions (Annexure- IX)
  - vi) Restated Statement of Fixed Assets (Annexure- X)
  - vii) Restated Statement of Inventories (Annexure – XI)
  - viii) Restated Statement of Trade Receivables (Annexure - XII)
  - ix) Restated Statement of Cash and Cash Equivalents (Annexure - XIII)
  - x) Restated Statement of Other Current Assets (Annexure - XIV)
  - xi) Restated Statement of Revenue from Operations (Annexure – XV)
  - xii) Restated Statement of Capitalization (Annexure – XVI)
  - xiii) Statement of Accounting Ratios (Annexure – XVII)
  - xiv) Statement of Related Party Transactions (Annexure – XVIII)
  - xv) Restated Statement of Tax Shelter (Annexure XIX)
- vii. In our opinion, the Restated Financial Statements and the other Financial Information set forth in Annexure I to XIX read with the significant accounting policies and notes to the restated financial statements have been prepared in accordance with section 26 read with applicable provisions within Rule 4 to 6 of Companies (Prospectus and Allotment of Securities) Rules, 2014 of Companies Act, 2013 and the SEBI Regulations and the Guidance Note on the reports in Company Prospectus (Revised) issued by the Institute of Chartered Accountants of India (ICAI).

Consequently the financial information has been prepared after making such regroupings and adjustments as were, in our opinion, considered appropriate to comply with the same. As a result of these regrouping and adjustments, the amount reported in the financial information may not necessarily be the same as those appearing in the respective audited financial statements for the relevant years.
- viii. This report should not in any way construed as a reissuance or redrafting of any of the previous audit report issued by us nor should this report be construed as new opinion on any of the financial statement referred to therein.
- ix. We have no responsibility to update our report for events and circumstances occurring after the date of the report.



- 
- x. This report is intended solely for your information and for inclusion in the Offer document in connection with the Company's proposed IPO of equity shares and is not to be used, referred to or distributed for any other purpose without our prior written consent.

**For M/s. V.N Purohit & Co.,**  
**Chartered Accountants**  
(Firm Registration No. 304040E)

**O.P. Pareek**  
**Partner**  
Membership No: 014238  
Place: New Delhi  
Date: 20/02/2018

**Annexure I****STATEMENT OF ASSETS AND LIABILITIES, AS RESTATED***(₹ In lakhs)*

<b>Particulars</b>	<b>For Period Ended January 31, 2018</b>
<b>EQUITY AND LIABILITIES</b>	
<b>1.Shareholder's fund</b>	
a) Equity Share Capital	700.00
b)Reserves and surplus	11.43
c) Share Application Money Pending Allotment	-
<b>Total Shareholders Fund (1)</b>	<b>711.43</b>
<b>2.Non-current liabilities</b>	
a) Long Term Borrowings	-
b) Deferred Tax Liabilities	-
c) Other long term liabilities	-
d) Long Term Provisions	-
<b>Total(2)</b>	<b>-</b>
<b>3.Current liabilities</b>	
a) Short-term borrowings	0.52
b) Trade payables	320.44
c) Other Current Liabilities	-
d) Short-term provisions	3.96
<b>Total(3)</b>	<b>324.92</b>
<b>TOTAL(1+2+3)</b>	<b>1,036.35</b>
<b>ASSETS</b>	
<b>1.Non - Current Assets</b>	
a) Fixed Assets	
i.) Tangible assets	0.65
ii) Intangible assets	-
iii)Capital Work in Progress	-
b) Non- Current Investments	-
c) Long term Loans & Advances	-
d) Other Non-Current Assets	-
<b>Total (1)</b>	<b>0.65</b>
<b>2.Current Assets</b>	
a) Inventories	97.71
b) Trade Receivables	886.82
c) Cash and Cash equivalents	16.11
d) Short-term loans and advances	-
e) Other current assets	35.06
<b>Total(2)</b>	<b>1035.70</b>
<b>TOTAL(1+2)</b>	<b>1036.35</b>



## Annexure II

### STATEMENT OF PROFIT AND LOSS ACCOUNT, AS RESTATED

(₹ In lakhs)

Particulars	For Period Ended January 31, 2018
<b>INCOME:</b>	
Revenue from Operations(Net)	1,459.18
Other Income	-
<b>Total income</b>	<b>1,459.18</b>
<b>EXPENSES:</b>	
Cost Of Goods sold	1,436.78
Employee benefits expense	4.03
Finance cost	0.05
Depreciation and amortization expense	0.03
Other Expenses	2.89
<b>Total expenses</b>	<b>1,443.79</b>
<b>Net Profit / (Loss) before Tax</b>	<b>15.39</b>
<b>Less: Tax expense</b>	
Current tax	3.96
Deferred tax	-
<b>Total Tax Expense</b>	<b>3.96</b>
<b>Net Profit / ( Loss ) after tax</b>	<b>11.43</b>



### Annexure III

#### CASH FLOW STATEMENT, AS RESTATED

(₹ in lakhs)

Particulars	For Period Ended January 31, 2018
<b>Cash Flow From Operating Activities</b>	
<b>Net Profit Before Tax</b>	<b>15.39</b>
Adjustments for :	
Depreciation/Amortisation	0.03
Dividend Received	-
Interest Received	-
Prior Period Item	-
Interest & Finance Cost	0.05
<b>Operating Profit Before Working Capital Adjustments</b>	<b>15.47</b>
<b>Adjustment for Changes in Working Capital</b>	
Trade and other payable	320.44
Inventories	(97.71)
Trade and other Recievables	(886.82)
Short Term Loans and Advances	-
Other Current Assets	(35.06)
Short Term Provisions	-
Other Current Liabilities	-
Long term loans & advances	-
long term provision	-
<b>Cash Flow Generated from Operations</b>	<b>(683.67)</b>
Income Tax and Fringe Benefit Tax Paid	-
<b>Net Cash flow from Operating activities (A)</b>	<b>(683.67)</b>
<b>Cash Flow From Investing Activities</b>	
(Purchase)/Sale of Fixed Assets	(0.68)
Purchase / (Sale) of Investments	-
Other Non-Current Assets	-
Long Term Loans & Advances	-
Other Long Term Liabilities	-
Capital Work In progress	-
Dividend Received	-
Interest Received	-
<b>Net Cash Flow from Investing Activities (B)</b>	<b>(0.68)</b>
<b>Cash Flow From Financing Activities</b>	
Increase / (Decrease) Long Term Borrowing	-
Capital Subsidy	-
Short term borrowings	0.52
Proceeds from Share Capital (including Share Premium)	700.00
Interest & Financial Charges paid	(0.05)
<b>Net Cash Flow from Financing Activities (C)</b>	<b>700.46</b>
<b>Net Increase/ ( Decrease) in Cash and Cash Equivalentents ( A + B + C )</b>	<b>16.11</b>
Cash & Cash equivalent at the beginning of the year	-
<b>Cash &amp; Cash Equivalent at the end of the year</b>	<b>16.11</b>

## ANNEXURE IV

### SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

#### 1. Corporate Information

GARV INDUSTRIES LIMITED was incorporated on 12.10.2017 as public Limited company. The Company is engaged in the business of trading of Aluminum and Fabric Products.

#### 1.1 Significant Accounting Policies

##### a. Basis of preparation

The financial statements are prepared under the historical cost convention on accrual basis and in accordance with Generally Accepted Accounting Principle (GAAP) in India.

The Financial Statement relate to the period October 12, 2017 to January 31, 2018 and has been prepared solely for the purpose of disclosure in Red Herring Prospectus, Self Prospectus and Prospectus in accordance with SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 as amended from time to time and in accordance with the Guidance Note on Reports or Certificates for Special Purpose (Revised 2016) issued by the Institute of Chartered Accountants of India.

##### b. Use of estimates

The preparation of financial statements requires the management of the Company to make estimates and assumption that affect the reported amount of assets and liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimates as recognised in the period in which the results are known/ materialized. Though the management believes used are prudent and reasonable, actual results could differ from these estimates.

#### 1.2 Inventories

Inventories are valued at lower of cost or Net Realisable Value.

Cost of inventories comprises all cost of purchase and other costs incurred in bringing the inventories to their present location and condition.

#### 1.3 Fixed Assets

Fixed Assets are stated at cost, less accumulated depreciation and impairment losses if any. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use.

#### 1.4 Depreciation

Depreciation on fixed assets has been provided on the Written down method as per the useful life prescribed in Schedule II to the Companies Act, 2013.

#### 1.5 Leases

Leases, where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item are classified as Operating Leases. Operating Lease Payments are recognized as an expense in the Profit & Loss account on a straight line basis over the lease term.

#### 1.6 Revenue Recognition

Revenue is recognized in accordance with Accounting Standard 9 notified under Section 133 of the Companies Act, 2013, read with rule 7 of the Companies (Accounts) Rules 2014.

## **1.7 Taxes**

Tax expense comprises of current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-tax Act, 1961.

Deferred Income taxes reflects the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years.

## **1.8 Earnings Per Share:**

Basic earnings per share are computed by dividing the net profit after tax by the weighted average number of equity shares outstanding during the period. Diluted earnings per share is computed by dividing the profit after tax by the weighted average number of equity shares considered for deriving basic earnings per share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares.

The number of shares and potentially dilutive equity shares are adjusted retrospectively for all periods presented for any share splits and bonus shares issues including for changes effected prior to the approval of the financial statements by the Board of Directors.

## **1.9 Employee Benefits**

All employees' benefits due wholly within a year of rendering services are classified as short term benefits. These benefits like salaries, wages, short term compensation absences, expected cost of bonus, ex-gratia are recognized as expenses on accrual basis of undiscounted amounts in the Profit and Loss Account.

## **1.10 Cash and cash equivalents (for purposes of cash flow statement)**

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (within original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

## **1.11 Cash Flow Statement**

The Cash Flow Statement has been compiled from and is based on the Balance Sheet and the related Profit and Loss Account for the year ended on that date. The Cash Flow Statement has been prepared under the indirect method as set out in the Accounting Standard - 3 on Cash Flow Statement issued by ICAI. Cash and cash equivalents in the cash flow statement comprise cash at bank, cash/cheques in hand and short term investments with an original maturity of three months or less.

## **1.12 Provision, Contingent Liabilities and Contingent Assets**

Provision are recognized for when the company has at present, legal or contractual obligation as a result of past events, only if it is probable that an outflow of resources embodying economic outgo or loss will be required and if the amount involved can be measured reliably.

Contingent liabilities being a possible obligation as a result of past events, the existence of which will be confirmed only by the occurrence or non occurrence of one or more future events not wholly in control of the company are not recognised in the accounts. The nature of such liabilities and an estimate of its financial effect are disclosed in notes to the Financial Statements.

Contingent assets are neither recognized nor disclosed in the financial statements.

## **1.13 Impairment of Assets**

The carrying amount of assets, other than inventories is reviewed at each balance sheet date to determine whether there is any indication of impairment, if any such indication exists, the recoverable amount of the assets is estimated. The recoverable amount is the greater of the asset's net selling price and value in use which is determined based on the estimated future cash flow discounted to their present values. An impairment loss is recognized whenever the carrying amount of an assets or its cash generating unit exceeds its recoverable amount. Impairment loss is reversed if there has been a change in the estimates used to determine there coverable amount.





**Annexure V**  
**RESTATED STATEMENT OF SHARE CAPITAL, AS RESTATED**

(₹ in lakhs)

Particulars	For Period Ended January 31, 2018
<b>Authorised Share Capital :</b>	
1,02,50,000 Equity Shares of ₹10/- each	1,025.00
<b>Total</b>	<b>1,025.00</b>
<b>Issued Subscribed and Paid Up Capital :</b>	
70,00,000 Equity Shares of ₹10/- each (Fully Paid Up Shares)	700.00
<b>Total</b>	<b>700.00</b>

**Reconciliation of number of shares outstanding:**

Particulars	For Period Ended January 31, 2018
<b>Equity Shares</b>	
At the beginning of the period	-
Add:- Increase in quantity of Shares on account of new allotment	70,00,000
Shares bought back during the year	-
<b>Outstanding at the end of the period</b>	<b>70,00,000</b>

**Annexure VI**  
**STATEMENT OF RESERVES AND SURPLUS**

(₹ in lakhs)

Particulars	For Period Ended January 31, 2018
<b>a. Surplus</b>	
Opening balance of Statement of Profit & Loss	-
Add / (Less): Changes during the year	-
Profit After Tax	11.43
<b>Closing Balance</b>	<b>11.43</b>
<b>Total</b>	<b>11.43</b>

**Annexure VII**  
**STATEMENT OF SHORT TERM BORROWINGS, AS RESTATED**

(₹ in lakhs)

Particulars	For Period Ended January 31, 2018
<b>Secured Loan</b>	
Bank Of India *	0.52
<b>Unsecured</b>	
From Other Parties	-
<b>Total</b>	<b>0.52</b>

\*Overdraft facility has been provided against FDR No. 711645110002719 vide Sanction letter dated December 08, 2017. The Sanction amount of the same is 12.75 lakhs.



**Annexure VIII**  
**STATEMENT OF TRADE PAYABLE, AS RESTATED**

(₹ in lakhs)

Particulars	For Period Ended January 31, 2018
<b>Trade Payable</b>	
Sundry Creditors	319.79
Creditors for Fixed Assets	0.65
<b>Total</b>	<b>320.44</b>

**Annexure IX**  
**STATEMENT OF SHORT TERM PROVISIONS, AS RESTATED**

(₹ n lakhs)

Particulars	For Period Ended January 31, 2018
Income Tax Provision	3.96
<b>Total</b>	<b>3.96</b>

**Annexure X**  
**STATEMENT OF FIXED ASSETS, AS RESTATED**

(₹ in lakhs)

Particulars	For Period Ended January 31, 2018
<b>Office Equipment</b>	
Opening Balance	-
Addition during the year	0.04
Depreciation during the year	0.0011
Reduction during the year	-
Opening Accumulated Depreciation	-
<b>Closing Balance</b>	<b>0.03</b>
<b>Computer-Desktops, Laptops</b>	
Opening Balance	-
Addition during the year	0.65
Depreciation during the year	0.03
Reduction during the year	-
Opening Accumulated Depreciation	-
<b>Closing Balance</b>	<b>0.62</b>
<b>Total Tangible Asstes</b>	<b>0.69</b>
Total Intangible Assets	-
Capital Work in Progress	-
<b>Total Depreciation Charged during the year</b>	<b>0.03</b>
<b>Total accumulated Depreciation on Tangible Assets</b>	<b>0.03</b>
<b>Total accumulated Depreciation on Intangible Assets</b>	<b>-</b>
<b>WDV Tangible Asset</b>	<b>0.65</b>
<b>WDV Intangible Assets</b>	<b>-</b>
<b>Work In Progress</b>	<b>-</b>



**Annexure XI**  
**STATEMENT OF INVENTORIES, AS RESTATED**

(₹ in lakhs)

Particulars	For Period Ended January 31, 2018
Traded Goods	97.71
<b>Total</b>	<b>97.71</b>

**Annexure XII**  
**STATEMENT OF TRADE RECEIVABLES, AS RESTATED**

(₹ in lakhs)

Particulars	For Period Ended January 31, 2018
<b>Outstanding for less than Six Months</b>	
Promoter/ Promoter Group	
Others	886.82
<b>Outstanding for more than Six Months</b>	
Promoter/ Promoter Group	
Others	
<b>Total</b>	<b>886.82</b>

**Annexure XIII**  
**STATEMENT OF CASH & CASH EQUIVALENTS, AS RESTATED**

(₹ in lakhs)

Particulars	For Period Ended January 31, 2018
<b>Cash and Cash equivalents</b>	
Balances with banks (Current Account)	0.14
Cash in Hand	0.97
Fixed Deposits with banks	15.00
<b>Total</b>	<b>16.11</b>

**Annexure XIV**  
**STATEMENT OF OTHER CURRENT ASSETS, AS RESTATED**

(₹ in lakhs)

Particulars	For Period Ended January 31, 2018
Balances with revenue authorities	-
GST Receivable	17.01
Preliminary Expenses**	18.05
<b>Total</b>	<b>35.06</b>

\*\* Preliminary Expenses to be written off in the Financials for the year ending March 31,2018.

**Annexure XV**  
**STATEMENT OF REVENUE FROM OPERATIONS, AS RESTATED**

(₹ in Lakhs)

Particulars	For Period Ended January 31, 2018
Revenue from Sale of Traded Goods	1,459.18
<b>Total</b>	<b>1,459.18</b>



**Annexure XVI**  
**STATEMENT OF CAPITALIZATION, AS RESTATED**

(₹ in lakhs)

Particular	Pre Issue (as at January 31, 2018)	Post Issue
<b>Debt</b>		
Long Term Debt	-	-
Short Term Debt	0.52	0.52
<b>Total Debts (A)</b>	<b>0.52</b>	<b>0.52</b>
<b>Equity (Shareholder's funds)</b>		
Equity share capital	700.00	1,020.00
Reserve and Surplus	11.43	11.43
<b>Total Equity (B)</b>	<b>711.43</b>	<b>1,031.43</b>
<b>Long Term Debt / Equity Shareholder's funds</b>	-	-
<b>Total Debts / Equity Shareholder's funds</b>	-	-

**Note:**

- The above has been computed on the basis of Restated Financials of the Company.

**Annexure XVII**  
**STATEMENT OF ACCOUNTING RATIOS, AS RESTATED**

(₹ in Lakhs)

Particulars	For Period Ended January 31, 2018
Restated Net Profit as per P&L Account	11.43
Actual Number of Equity Shares outstanding at the end of the year	70,00,000
Equivalent Weighted Avg number of Equity Shares at the end of the year	70,00,000
Reserves & Surplus	11.43
Net Worth	693.38
No. of Equity Shares outstanding at the end of the year	70,00,000
Basic & Diluted Earnings Per Share	0.16*
Return on Net worth (%)	<b>1.65%</b>
Net Assets Value per Equity Share	9.91
Nominal Value per Equity share (Rs.)	10.00

\* Not Annualised

Notes to Accounting Ratios:

- The Ratios have been computed as follows:

$$\text{a) Basic Earnings Per Share (₹)} = \frac{\text{Net Profit After Tax as restated}}{\text{Weighted Average Number of Equity Shares outstanding during the year}}$$

$$\text{b) Return on Net worth (\%)} = \frac{\text{Net Profit after Tax as restated}}{\text{Net Worth}} \times 100$$

$$\text{c) Net Asset Value Per Equity Share (₹)} = \frac{\text{Net Worth}}{\text{No. of Equity shares outstanding at the end of the year}}$$

- Weighted average number of Equity Shares is the number of Equity Shares outstanding at the beginning of the year adjusted by the number of Equity Shares issued during year multiplied by the time weighting factor. The

timeweighting factor is the number of days for which the specific shares are outstanding as a proportion of total number of days during the year.

3) The Calculation of Earnings Per Share (EPS) as disclosed in the Profit and Loss Account has been made in accordance with Accounting Standard (AS - 20) on Earnings Per Share issued by the Institute of Chartered Accountants of India.

4) As there is no dilutive capital in the company, Basic and Diluted EPS are similar.

5) The above Ratios have been computed on the basis of the Restated Financial Information for the respective year.

The above statements should be read with the Notes to Restated Financial Statements.

### Annexure XVIII

#### STATEMENT OF RELATED PARTY TRANSACTIONS, AS RESTATED

As per Accounting Standard 18 on related party disclosure issue by the Institute of Chartered Accountants of India, the Company's related parties are disclosed below:

(i) Key Managerial Personnel & Relatives

For Period Ended January 31, 2018
Rishu Agarwal
Daya Bansal
Vishal Aggarwal
Amit Agarwal

(ii) Relatives of KMP

For Period Ended January 31, 2018
-
-

(iii) Associates / Enterprises over which directors and / or their relatives has significant influence

For Period Ended January 31, 2018
R S services Private Limited
Rishu Agarwal HUF

(iv) Particulars of Transactions with Related Parties

#### Key Management Personnel & Relatives

(₹ in lakhs)

Particulars	For Period Ended January 31, 2018
<b>1) Finance</b>	
<b>a) Loans Taken</b>	
Opening Balance	-
Loan taken during the year	-
Repaid during the year	-
Outstanding at the end of the year	-
<b>b) Loans given</b>	
Opening Balance	
Loans given during the year	



Particulars	For Period Ended January 31, 2018
Received during the year	
Outstanding at the end of the year	
<b>2) Expenses</b>	
Rent	0.60
Interest Paid	-
Remuneration	-
<b>3) Out standing</b>	
Receivables	
Payables	-

**Associates / Enterprises over which directors and / or their relatives has significant influence**

(₹ in lakhs)

Particulars	For Period Ended January 31, 2018
<b>1) Finance</b>	
<b>a) Loans Taken</b>	
Opening Balance	-
Loan taken during the year	-
Repaid during the year	-
Outstanding at the end of the year	-
<b>b) Loans given</b>	
Opening Balance	-
Loans given during the year	-
Received during the year	-
Outstanding at the end of the year	-
<b>2) Expenses</b>	
Rent	-
Interest Paid	-
Purchases	-
Sales	-
<b>3) Outstanding</b>	
Receivables	-
Payables	-

**Annexure XIX**

**STATEMENT OF TAX SHELTER, AS RESTATED**

(₹ in Lakhs)

Particulars	For period ended January 31, 2018
<b>Tax Rates</b>	
<b>Income Tax Rate (%)</b>	25.75%
<b>I. Income from Business or Profession</b>	
<b>Restated Profit before tax as per books (A)</b>	<b>15.39</b>
<b>Adjustments :</b>	
<b>Permanent Differences (B)</b>	-
<b>Total Permanent Differences (B)</b>	<b>0.05</b>
<b>Timing Differences (C)</b>	
Book Depreciation	0.03
Income Tax Depreciation Allowance	0.03
<b>Total Timing Differences (C)</b>	-
<b>Net Adjustments (D) = (B+C)</b>	-
<b>Income from Business or Profession (E) = (A+D)</b>	<b>15.39</b>
Losses of Previous Year	-
<b>Gross Total Income</b>	<b>15.39</b>
<b>Total Deduction under Chapter VI A</b>	-



<b>Taxable Income/(Loss)</b>	<b>15.39</b>
Income Tax on above	3.96
Tax paid as per normal or MAT	Normal
Total Tax as per Return	-
Difference	NA

**Notes:**

1. The aforesaid Statement of tax Shelters has been prepared as per the Restated Profit and Loss Account.

**CHANGES IN ACCOUNTING POLICIES IN THE LAST THREE YEARS**

There has been no change in the Accounting Policies in the last three (3) years.

**CHANGES IN ACCOUNTING PERIOD**

There has been no change in the accounting period of the Company.

## STATEMENT SHOWING SEGMENT REPORT

### Segment report Based on Product-Wise

Sr. No.	Particulars	For Period Ended January 31, 2018
1	<b>Segment Revenue</b>	
	Aluminum & Other Metal Products	1,248.23
	Trading of Textiles	210.95
	Others	-
	<b>Net Sales/ Income from Operations</b>	<b>1,459.18</b>
2	<b>Segment Results</b>	
	Aluminum & Other Metals Products	1.94
	Trading of Textiles	20.44
	Others	
	<b>Segment Results</b>	<b>22.40</b>
	Less: Other Un-allocable Expenditure/(Income) net	7.00
	<b>Profit/ (loss) after finance cost but before exceptional items</b>	<b>15.40</b>
	Exceptional Items (Net)	-
	<b>Total Profit/ (Loss) before tax</b>	<b>15.40</b>
3	<b>Segment Assets</b>	
	Aluminum & Other Metals Products	867.03
	Trading of Textiles	117.50
	Others	
	Unallocated Assets	51.82
	<b>Total Assets</b>	<b>1,036.35</b>
4	<b>Segment Liabilities</b>	
	Aluminum & Other Metals Products	320.44
	Trading of Textiles	-
	Others	-
	Unallocated Liabilities	715.91
	<b>Total Liabilities</b>	<b>1,036.35</b>



## MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

*You should read the following discussion and analysis of financial condition and results of operations together with our financial statements included in this Prospectus. The following discussion relates to our Company and is based on our restated financial statements. Our financial statements have been prepared in accordance with Indian GAAP, the accounting standards and other applicable provisions of the Companies Act.*

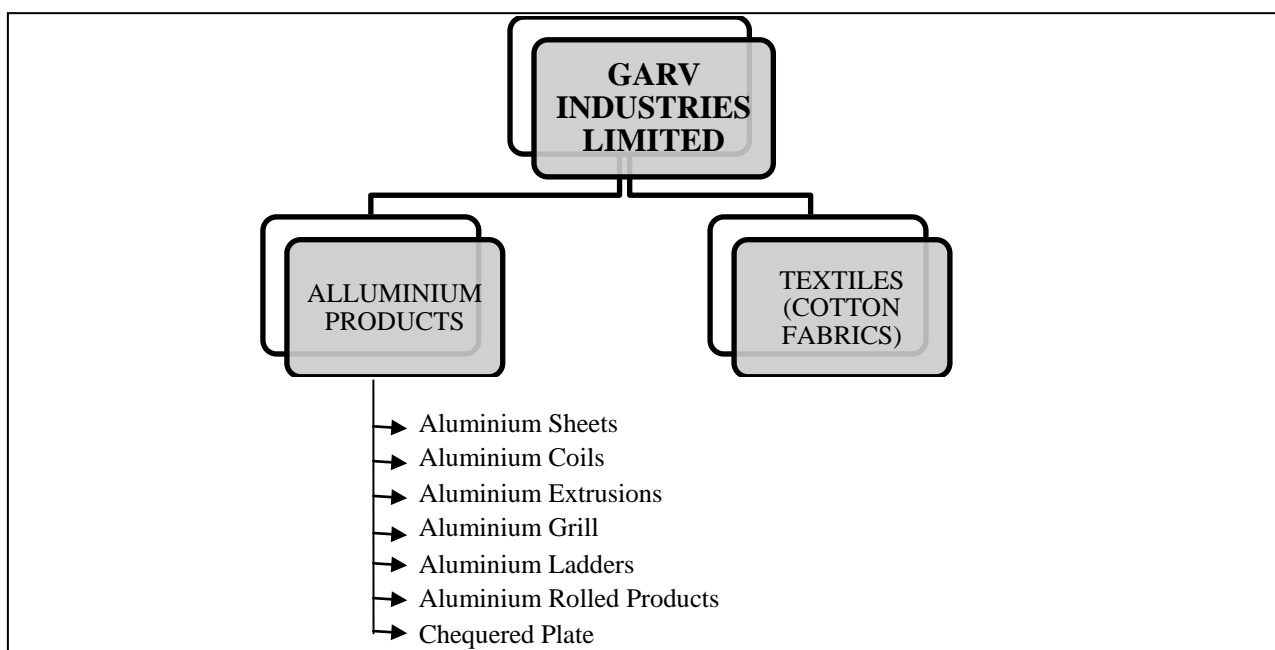
*Note: Statement in the Management Discussion and Analysis Report describing our objectives, outlook, estimates, expectations or prediction may be "Forward looking statement" within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to our operations include, among others, economic conditions affecting demand/supply and price conditions in domestic and overseas market in which we operate, changes in Government Regulations, Tax Laws and other Statutes and incidental factors.*

### BUSINESS OVERVIEW

#### OVERVIEW

Our company was incorporated as "Garv Industries Limited", a limited company under the provisions of Companies Act, 2013 on October 12, 2017. We are a multiproduct trading and distribution company dealing in wide range of aluminium products and textile products.

Following is the classification of major product offerings:



Our Company is promoted by Rishu Agarwal and family who together have industry experience of many years and possess rich business intellect in the trading circles of Delhi. They have been in this business through family proprietary concerns, proprietary business and through partnership. For details about the promoter family track record of this business and its proprietary concerns please see "History and Certain Corporate Matters" on page no. 75 of this Prospectus.

Our Company plans to leverage its promoter networks in the Trading community of Delhi as well as strong balance sheet situation to increase its presence in the Aluminium and metal products, Fabrics product segments in Northern India. Our Company is in the process of building a quality and innovation focused trading vertical as well as developing a strong team to cater to its proposed increased operational needs.



We operate from our registered office located at B-502, Statesman House 148, Barakhamba Road, New Delhi- 110 055 as well as operate an additional godown space located at 2792/6, Chuna Mandi, Pahar Ganj, New Delhi – 110 055. We also have office cum godown at 8885/2, Multani Dhanda, Pahar Ganj, New Delhi – 110 055.

Since our company was recently incorporated we have not completed a full financial year, however we have reported a robust operating performance for 4 month period ended January 31,2018 wherein our sales, EBIDTA and Profit after Tax were Rs. 1,459.18 lacs, Rs. 15.48 lacs and Rs. 11.43 lacs respectively.

## **Our strengths**

### ***1. Existing Supplier Relationship***

Our existing supplier relationship protects the business with terms of supply and pricing of the products, the quality of the products offered etc. We, being a small and medium size organisation, rely on personal relationships with suppliers. Our company enjoys existing relationship with our suppliers. Further we also leverage the past experience of our management in maintain effective supplier relationship.

### ***2. Product mix and Market mix***

Our Company deals in a range of products like Aluminum Products viz. Aluminium Sheets/coils/extrusions/ grill/ ladders/ rolled products and textiles viz. cotton fabrics which would given us immense opportunity to expand and explore new markets. These products have wide scale applications in both B2B and B2C segments. This gives us an opportunity to explore industrial as well as consumer market segments. Our Product mix and market recognition has boomed our turnover to `1459.18 lacs in first four months of commencement of our company.

### ***3. Experienced Promoters and a well trained employee base***

Our Promoter Director, Mr. Rishu Agarwal has significant industry experience and has been instrumental in the consistent growth of our group. He is ably supported by our staff and other co-directors. Our management and employee team combines expertise and experience to outline plans for the future development of the company. For further details regarding the experience and qualifications of our management team please see “*Our Management*” beginning on page 78 of this Prospectus. We believe that the knowledge and experience of our promoter and management will enables us to identify new opportunities, rapidly respond to market conditions, adapt to changes in the business landscape and competitive environment and enhances the growth in the business.

### ***4. Strong Balance Sheet and Financial Condition***

Though, we have been recently incorporated, we performed resonably well with strong revenue and balance sheet position. We currently possess a unique balance sheet situation with low debt and high equity. Hence, we can procure the goods by making upfront payments and take benefit of cash discount or can buy in bulk and hold inventory for longer periods thereby improving our profitability. We believe that we have the ability to leverage our balance sheet to take advantage of a favourable business cycle or market opportunity.

### ***5. Existing Client Base***

Since our promoter- Mr Rishu Agarwal was already active in the trading business of aluminium whether directly or indirectly, we are successful in building a strong client base for our business. Our existing relationships help us to get repeat business from our customers. This has helped us to maintain a long term working relationship with our customers and improve our customer retention strategy. We have strong existing client relationships which generates multiple repeat orders. We believe that our existing relationship with our clients represents a competitive advantage in gaining new clients and increasing our business. Further, having been in this business through our promoter family for over 2 decades we believe that existing relationships will help as a core competitive strength for us.

## **Our strategies**

### ***1. Improving operational efficiencies***

Our Company intends to improve operating efficiencies to achieve cost reductions to have a competitive edge over the peers. We are addressing the increase in operational output through continuous process improvements, quality check and technology development. Our employees are regularly motivated to increase efficiency with error free exercise. We



believe that this can be done through continuous process improvements. Further we believe that this can be done through domestic presence and economies of scale. Increasing our penetration in existing regions with new range of products, will enable us to penetrate into new catchment areas within these regions and optimize our infrastructure. As a result of these measures, our company will be able to increase its market share and profitability.

## ***2. Better working capital management***

We attract new customers by offering extended credit period to them. This strategy requires a strong working capital position. Hence we intend to raise funds from the IPO and ensure we have available liquidity and resources ensuring better working capital management. We believe that this will widen our available equity capital base and allow the company to expand its operational levels as well as earn higher margins due to low debt.

## ***3. Leveraging our Market skills and Relationships***

Our Company believes that our business is a by-product of relationships. This is a continuous process in our organization and the skills that we impart in our people give importance to customers. We aim to enhance the growth by leveraging our relationships and further enhancing customer satisfaction. We plan to increase our customers by meeting orders in hand on time, maintaining our customer relationship and renewing our relationship with existing buyers.

## ***4. Enhance customer base by entering new geographies to establish long-term relationships***

Currently our company's trading activities are focused only in Delhi; however we intend to cater to the increasing demand of our existing customers and also to increase our existing customer base by enhancing the distribution reach of our products in different parts of the country. We propose to increase our marketing and sales team which can focus in different regions and also maintain and establish relationship with customers. Enhancing our presence in additional regions will enable us to reach out to a larger population. Further our company believes in maintaining long term relationship with our customers in terms of increased sales. We aim to achieve this by value adding value to our customers through innovation, quality assurance and timely delivery of our products.

## **Competition**

Competition is faced by our business from other existing traders and manufacturers of aluminium products, fabrics and other products which are dealt by us. We engage with our competitors on a regional or product line basis. Many of our competitors have substantially large capital base and resources than we do and offer broader range products. We believe that the principal factors affecting competition in our business include client relationships, reputation, the abilities of employees, market focus and the relative quality and price of the services and products.

## **FACTORS AFFECTING OUR RESULT OF OPERATIONS**

Except as otherwise stated in the prospectus and the Risk Factors given in the prospectus, the following important factors could cause actual results to differ materially from the expectations include, among others:

### ***Revenue Generation***

We earn our entire revenue from sale of products. Since we continuously endeavour to provide quality products to our customers therefore, our revenues are impacted by such quality products.

### ***Our ability to successfully implement its strategy and its growth and expansion plans***

Our growth plans are considerable and would put significant demands on our management team and other resources. Any delay in implementation of our strategy and growth and expansion plans could impact our Company's roll out schedules and cause cost and time over runs.

### ***General economic and business conditions***

As a Company with its complete operations in India, we are affected by general economic conditions in the country and in particular economic factors that affect debt syndication industry in India. India's gross domestic product, or GDP, has been and will continue to be of importance in determining our operating results and future growth.



## RESULTS OF OUR OPERATIONS

(₹ in Lakhs)

Particulars	As at January 31, 2018	% of Total Income
<b>INCOME:</b>		
Revenue from Operations	1,459.18	100.00%
Other Income	-	-
<b>Total income</b>	<b>1,459.18</b>	<b>100.00%</b>
<b>EXPENSES:</b>		
Cost of goods sold	1,436.78	98.46%
Employee benefits expense	4.03	0.28%
Finance cost	0.05	0.004%
Depreciation and amortization expense	0.03	0.002%
Other expenses	2.89	0.20%
<b>Total expenses</b>	<b>1,443.79</b>	<b>98.95%</b>
<b>Net Profit / (Loss) before exceptional items and tax</b>	<b>15.39</b>	<b>1.05%</b>
Exceptional items		
<b>Net Profit / (Loss) before tax</b>	<b>15.39</b>	<b>1.05%</b>
<b>Less: Tax expense</b>		
(i) Current tax	3.96	0.27%
(ii) Deferred tax	-	-
<b>Total Tax Expense</b>	<b>3.96</b>	<b>0.27%</b>
<b>Net Profit / ( Loss ) after tax</b>	<b>11.43</b>	<b>0.78%</b>

Our total income comprises of revenue from operations.

### Income

#### *Revenue from Operations*

Our revenue from operations is from sale of traded goods; which constitute our entire total income for the four months period ended January 31, 2018.

### Expenditure

Our total expenditure primarily consists of Cost of goods sold, Employee Benefit Expenses, Depreciation & Amortisation Expenses and Other Administrative Expenses.

#### *Cost Of Goods Traded*

Costs of goods traded are primarily in relation to purchases of aluminium products and fabrics products. *Employee Benefit Expenses*

Expenses in relation to employees' remuneration and benefits include salary & wages.

#### *Depreciation and Amortization Expenses*

Depreciation and Amortization Expenses primarily consist of depreciation on the fixed assets of our Company which primarily includes Office equipments and Computers.

#### *Other Administrative Expenses*

Other administrative expenses primarily include conveyance expenses, electricity expenses, license fees, printing and stationary, rent paid etc.



### *Provision for Tax*

The provision for current taxation is computed in accordance with relevant tax regulation. Deferred tax is recognized on timing differences between the accounting and the taxable income for the year and quantified using the tax rates and laws enacted or subsequently enacted as on balance sheet date. Deferred tax assets are recognized and carried forward to the extent that there is a virtual certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized in future.

### **Review for the four months period ended January 31, 2018**

#### *Income*

Our total income for the four months period ended January 31, 2018 was ₹1,459.18 lakhs, which is entirely our revenue from operations.

#### *Cost of Goods Sold*

Our purchase cost & direct expenses for the four months period ended January 31, 2018 were ₹1,436.78 lakhs which as a proportion of our total income was 98.46%

#### *Employee Benefit Expenses*

Our Employee Benefit Expenses for the four months period ended January 31, 2018 were ₹4.03 lakhs. As a proportion of our total income they were 0.28%.

#### *Financial Cost*

Our Financial Cost for the four months period ended January 31, 2018 was ₹0.05 lakhs. As a proportion of total income they were 0.004%.

#### *Depreciation and Amortization Expenses*

Our Depreciation and Amortization Expenses for the four months period ended January 31, 2018 was ₹0.03 lakhs. As a proportion of total income they were 0.002%.

#### *Other Expenses*

Our Other Expenses for the four months period ended January 31, 2018 ₹2.89 lakhs. As a proportion of our total income they were 0.20%.

#### *Profit before Tax*

Profit / (Loss) before Tax for the four months period ended January 31, 2018 was ₹15.39 lakhs. As a proportion of total income they were 1.05%.

#### *Profit after Tax*

Profit / (Loss) after Tax for the four months period January 31, 2018 was ₹11.43 lakhs. As a proportion of total income they were 0.78%.

### **Cash Flows**

<b>Particulars</b>	<b>As at January 31, 2018</b>
Net Cash from Operating Activities	(683.67)
Net Cash from Investing Activities	(0.68)
Net Cash used in Financing Activities	700.46
<b>Net Increase / (Decrease) in Cash and Cash equivalents</b>	<b>16.11</b>



### ***Cash Flows from Operating Activities***

Net cash from operating activities in the period ended January 31, 2018 was negative ₹683.67 lakhs as compared to the PBT of ₹15.39 lakhs for the same period. This difference is primarily on account of changes in changes in inventories, trade receivables, other current assets, trade payables etc.

### ***Cash Flows from Investment Activities***

In period ended January 31, 2018, the net cash invested in Investing Activities was negative ₹0.68 lakhs. This was on account of purchase of fixed assets.

### ***Cash Flows from Financing Activities***

Net cash from financing activities in period ended January 31, 2018 was ₹700.46 lakhs. This was on account of issue of share capital and short term borrowings which is partially off netted by interest and financial charges.

### **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 “*Financial Information*” and chapter titled “*Management’s Discussion and Analysis of Financial Conditions and Results of Operations*”, beginning on page nos. 95 and 111 respectively of this Prospectus respectively, 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 revenue or income from continuing operations**

Other than as described in the chapter titled “*Risk Factors*” and “*Management’s Discussion and Analysis of Financial Conditions and Result of Operations*”, beginning on page nos. 11 and 111 respectively of this Prospectus respectively to our knowledge there are no known trends or uncertainties that have or had or are expected to have a material adverse impact on revenues or income of our company from continuing operations.

#### **4. Future relationship between Costs and Income**

Other than as described in the chapter titled “*Risk Factors*” beginning on page no. 11 of this Prospectus, to our knowledge there are no factors, which will affect the future relationship between costs and income or which are expected to have a material adverse impact on our operations and finances.

#### **5. The extent to which material increases in revenue or income from operations are due to increased volume, introduction of new products or services or increased prices.**

Increases in revenues are by and large linked to increases in introduction of new services and volume of business activity carried out by the Company.

#### **6. Status of any publicly announced new products or business segments**

Please refer to the chapter titled “*Our Business*” beginning on page no. 62 of this Prospectus.

#### **7. The extent to which the business is seasonal.**

Our business is not seasonal in nature.



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**8. Any significant dependence on a single or few suppliers or customers**

There is dependence on a single or few suppliers or customers.



## SECTION VII – LEGAL AND OTHER INFORMATION

### GOVERNMENT AND OTHER KEY APPROVALS

*Our Company has received the necessary licenses, permissions and approvals from the Central and State Governments and other government agencies/regulatory bodies/certification bodies required to undertake the Issue or continue our business activities. In view of the approvals listed below, we can undertake the Issue and our current/proposed business activities and no further major approvals from any government/regulatory authority or any other entity are required to be undertaken in respect of the Issue or to continue our business activities. It must, however, be distinctly understood that in granting the above approvals, the Government of India and other authorities do not take any responsibility for the financial soundness of the Company or for the correctness of any statements made or any commitments made or opinions expressed in this behalf.*

*The main objects clause of the Memorandum of Association of the Company and the objects incidental to the main objects enable our Company to carry out its activities.*

#### **I. Approvals for the Issue**

1. The Board of Directors have pursuant to section 62(1)(C) of the Companies Act, 2013, by a resolution passed at the meeting held on February 14, 2018 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 Extraordinary General Meeting held on February 19, 2018 authorized the Issue.
3. In-principle approval dated March 22, 2018 from the BSE for listing of the Equity Shares issued by our Company pursuant to the Issue.
4. Our Company's International Securities Identification Number ("ISIN") is INE626Z01011.

#### **II. Approvals pertaining to Incorporation, name and constitution of Our Company**

1. Certificate of Incorporation dated October 12, 2017 issued by the Registrar of Companies, New Delhi ("RoC") in the name of "GARV INDUSTRIES LIMITED".
2. The Corporate Identity Number (CIN) of the Company is U74990DL2017PLC324826.

#### **III. General Approvals**

1. Trade Licence bearing no. MR/LIC/012025 dated February 7, 2018 issued by North Delhi Municipal Corporation. The Trade Licence is valid till March 31, 2020.
2. Registration Certification of Establishment under Delhi Shops and Establishment, 1954 bearing certificate no. 2018003530 dated January 22, 2018 for premises 8885/2, Maltani Dhanda Pahar Ganj, Delhi 110 055. The certificate is valid for a period of 21 years.
3. Registration Certification of Establishment under Delhi Shops and Establishment, 1954 bearing certificate no. 2018006306 dated February 2, 2018 for premises 2792/6, Chuna Mandi Pahar Ganj, Delhi 110 055. The certificate is valid for a period of 21 years.
4. Registration Certification of Establishment under Delhi Shops and Establishment, 1954 bearing certificate no.2018013258 dated March 6, 2018 for premises B-502, Statesman House 148, Barakhamba Road, New Delhi – 110 055. The certificate is valid for a period of 21 years.





#### IV. Tax Related Approvals

Sr. No.	Description	Authority	Registration Number	Date of Certificate	Date of Expiry
1.	Permanent Account Number (PAN)	Income Tax Department	AAHCG0390B	October 13, 2017	Valid until cancelled
2.	Certificate of Registration under Goods and Service Tax Registration.	Government of India	07AAHCG0390B1Z0	November 1, 2017	Valid until cancelled

The Company has obtained Tax Deduction Account Number bearing DELG19887A.



## OUTSTANDING LITIGATIONS AND MATERIAL DEVELOPMENTS

*Except as stated in this section, there are no:*

*A. (i) criminal proceedings; (ii) actions by statutory or regulatory authorities; (iii) claims relating to direct and indirect taxes; or (iv) Material Litigation (as defined below); involving our Company, Directors or Promoters. Our Board, in its meeting held on February 14, 2018 determined that all litigations pertaining to our Company, it's Directors and Promoters which are in the nature of criminal, statutory/regulatory and taxation related are deemed material by the Board. Further, the Board considers all other litigations pertaining to Company, Directors or Promoters which are above the claim amount equal to or exceeding Rs. 5,00,000/- as material ("Material Litigation").*

*B. (i) litigation or legal actions, pending or taken, by any Ministry or department of the Government or a statutory authority against our Promoter during the last five years; (ii) 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; or (vi) material frauds committed against our Company in the last five years.*

*C. (i) 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 February 14, 2018, determined that all outstanding dues owed by the Company to small scale undertaking and other creditors exceeding Rs. 5,00,000/- shall be considered as material dues ("Material Dues"). Details of outstanding dues to creditors(including micro and small enterprises as defined under the Micro, Small and Medium Enterprises Development Act, 2006) as required under the SEBI ICDR Regulations have been disclosed on our website at [www.garvindustries.com](http://www.garvindustries.com).*

*Our Company, Directors and Promoters are not Wilful Defaulters and there have been no violations of securities laws in the past or pending against them.*

### LITIGATION INVOLVING OUR COMPANY

#### CONTINGENT LIABILITIES OF OUR COMPANY

NIL

#### A. LITIGATION AGAINST OUR COMPANY

##### **1. Criminal matters**

NIL

##### **2. Litigation Involving Actions by Statutory/Regulatory Authorities**

NIL

##### **3. Litigation involving Tax Liabilities**

###### **(i) Direct Tax Liabilities**

NIL

###### **(ii) Indirect Taxes Liabilities**

NIL

##### **4. Other Pending Litigations**

NIL

**B. CASES FILED BY OUR COMPANY**

**1. Litigation Involving Criminal matters**

NIL

**2. Litigation Involving Actions by Statutory/Regulatory Authorities**

NIL

**3. Litigation involving Tax Liabilities**

**(i) Direct Tax Liabilities**

NIL

**(ii) Indirect Taxes Liabilities**

NIL

**4. Other Pending Litigations**

NIL

**LITIGATION INVOLVING OUR DIRECTORS**

**A. LITIGATION AGAINST OUR DIRECTORS**

**1. Criminal matters**

*Filing No. 9297/2015 in the matter of State v. Rishu Agarwal and Ors. before Chief Metropolitan Magistrate, Karkardooma, New Delhi.*

Mr. Lalit Garg (“**Mr. Lalit**”) filed a Writ Petition with the Hon’ble Delhi High Court (“**Hon’ble High Court**”) in the matter Lalit Garg v. State and Ors. bearing W.P (CrI.) No.876/2008 seeking legal actions against Mr. Rishu Agarwal (“**Mr. Rishu**”). By and under its Order dated July 21, 2009 the matter has been disposed of with directions to Crime Branch of Delhi Police for proper investigation in the matter and if it is found that Mr. Rishu has committed cognizable offence then action shall be accordingly taken. A First Information Report bearing number 177/2009 (“**FIR**”) was registered against Mr. Rishu under Sections 363 and 34 of Indian Penal Code, 1860.

Subsequently, a Compromise Deed / Memorandum of Understanding dated December 20, 2013 has been executed between Mr. Rishu and Mr. Lalit, wherein it has been inter-alia agreed that Mr. Rishu shall file appropriate petition before Hon’ble High Court for getting the aforesaid FIR quashed and accordingly after quashing of the aforesaid FIR, Mr. Rishu shall withdraw the three complaint cases filed by him under Section 138 of Negotiable Instruments Act, 1881 against Mr. Lalit Garg and Ms. Rajni Garg.

Pursuant to FIR, the matter is currently pending before Chief Metropolitan Magistrate, Karkardooma, New Delhi.

**2. Litigation Involving Actions by Statutory/Regulatory Authorities**

NIL

**3. Litigation involving Tax Liabilities**

**(i) Direct Tax Liabilities**

NIL

(ii) **Indirect Taxes Liabilities**

NIL

4. **Other Pending Litigations**

NIL

**B. LITIGATION FILED BY OUR DIRECTORS**

1. **Litigation Involving Criminal matters**

(i) **Complaint Case No. 2819/1/2008**

Mr. Rishu Aggarwal being the sole proprietor of Ms/ Aluminium Sales Corporation filed complaint against Mr. Lalit Garg, proprietor of M/s Yash Enterprises under Section 138 of the Negotiable Instruments, 1881 for dishonor of cheque amounting to Rs. 4,13,951/- (Rupees Four Lakhs Thirteen Thousand Nine Hundred Fifty One only) issued in his favour. The matter is pending adjudication in the Court of Chief Metropolitan Magistrate, Delhi.

(ii) **Complaint Case No. 2820/1/2008**

Mr. Rishu Aggarwal being the sole proprietor of Ms/ Aluminium Sales Corporation filed complaint against Ms. Rajni Garg, proprietor of M/s Garg Enterprises under Section 138 of the Negotiable Instruments, 1881 for dishonor of cheques amounting to Rs. 19,50,000/- (Rupees Nineteen Lakhs Fifteen Thousand only) issued in his favour. The matter is pending adjudication in the Court of Chief Metropolitan Magistrate, Delhi.

(iii) **Complaint Case No. 2821/1/2008**

Mr. Rishu Aggarwal being the sole proprietor of Ms/ Aluminium Sales Corporation filed complaint against Mr. Lalit Garg, proprietor of M/s Yash Enterprises under Section 138 of the Negotiable Instruments, 1881 for dishonor of cheques amounting to Rs. 19,17,110/- (Rupees Nineteen Lakhs Seventeen Thousand One Hundred Ten only) issued in his favour. The matter is pending adjudication in the Court of Chief Metropolitan Magistrate, Delhi.

2. **Litigation Involving Actions by Statutory/Regulatory Authorities**

NIL

3. **Litigation involving Tax Liabilities**

(i) **Direct Tax Liabilities**

NIL

(ii) **Indirect Taxes Liabilities**

NIL

4. **Other Pending Litigations**

NIL

**LITIGATION INVOLVING OUR PROMOTERS**

**A. LITIGATION AGAINST OUR PROMOTERS**

1. **Litigation Involving Criminal matters**

*For details regarding the litigation filed against our Promoter, please refer to the section titled ‘ Litigations involving our Directors’ of this chapter beginning on page no. 119 of this Prospectus.*

**2. Litigation Involving Actions by Statutory/Regulatory Authorities**

NIL

**3. Litigation involving Tax Liabilities**

**(i) Direct Tax Liabilities**

NIL

**(ii) Indirect Taxes Liabilities**

NIL

**4. Other Pending Litigations**

NIL

**B. LITIGATION FILED BY OUR PROMOTERS**

**1. Litigation Involving Criminal matters**

*For details regarding the litigation filed against our Promoter, please refer to the section titled ‘ Litigations involving our Directors’ of this chapter beginning on page no. 120 of this Prospectus.*

**2. Litigation Involving Actions by Statutory/Regulatory Authorities**

NIL

**3. Litigation involving Tax Liabilities**

**(i) Direct Tax Liabilities**

NIL

**(ii) Indirect Taxes Liabilities**

NIL

**4. Other Pending Litigations**

NIL

**There are no litigations or legal actions, pending or taken, by any Ministry or Department of the Government or a statutory authority against our Promoters during the last 5 (five) years.**

There are no litigations or legal actions, pending or taken, by any Ministry or Department of the Government or a statutory authority against our Promoters during the last 5 (five) years.

**Pending proceedings initiated against our Company for economic offences.**

There are no pending proceedings initiated against our Company for economic offences.

**Inquiries, investigations etc. instituted under the Companies Act, 2013 or any previous companies enactment in the last 5 (five) years against our Company.**



There are no inquiries, investigations etc. instituted under the Companies Act or any previous companies enactment in the last 5 (five) years against our Company.

#### **Material Fraud against our Company in the last 5 (five) years**

There has been no material fraud committed against our Company in the last 5 (five) years.

#### **Fines imposed or compounding of offences for default**

There are no fines imposed or compounding of offences done in the last 5 (five) years immediately preceding the year of the Prospectus for the Company for default or outstanding defaults.

#### **Non-Payment of Statutory Dues**

There have been no defaults or outstanding defaults in the payment of statutory dues payable by the Company as of the date of the last audited financial statements of the Company.

#### **Amounts owed to small scale undertakings and other creditors**

As of January 31, 2018, our Company owes the following amounts to small scale undertakings, other creditors and material creditors:

<b>Particulars</b>	<b>Number of creditors</b>	<b>Amount Involved (in ₹ Lakhs)</b>
Micro, Small and Medium Enterprises	Nil	Nil
Material Creditors	3	319.63
Other Creditors	2	0.81
<b>Total</b>	<b>5</b>	<b>320.44</b>

Details in relation to the amount owed by our Company to material creditors, small scale undertakings and other creditors as on January 31, 2018 are also available on the website [www.garvindustries.com](http://www.garvindustries.com).

*It is clarified that 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, would be doing so at its own risk.*

#### **Material developments occurring after last balance sheet date**

Except as disclosed elsewhere in this Prospectus, there have been no material developments that have occurred after the Last Balance Sheet Date.



## SECTION VIII – OTHER REGULATORY AND STATUTORY DISCLOSURES

### Authority for the Issue

Our Board of Directors have vide resolution dated February 14, 2018 authorized the Issue, subject to the approval by the shareholders of our Company under Section 62 (1) (C) of the Companies Act, 2013.

The shareholders have authorized the Issue, by passing a Special Resolution at the Extra-Ordinary General Meeting held with a shorter notice on February 19, 2018, in accordance with the provisions of Section 62 (1) (C) of the Companies Act, 2013.

The Company has obtained approval letter from BSE vide letter dated March 22, 2018 to use the name of BSE in this Offer Document for listing of equity shares on the SME platform of the BSE. BSE is the designated stock exchange.

### Prohibition by SEBI, the RBI or Governmental Authorities

We confirm that there is no prohibition on our Company, its Directors, Promoters and entities forming part of our Promoter Group from accessing the capital market or operating in the capital markets under any order or direction passed by SEBI or any other regulatory or governmental authority.

We further confirm that none of our Company, its Promoters, relatives of Promoters (as defined under Companies Act, 2013), its Directors and its Group Companies have been identified as wilful defaulters by the RBI or other authorities.

The listing of any securities of our Company has never been refused at any time by any of the stock exchanges in India.

### Association with Securities Market

We confirm that none of our Directors are associated with the Securities Market in any manner and no action has been initiated against these entities by SEBI at any time except as stated under the chapters titled “Risk Factors”, “Our Promoters and Promoter Group” and “Outstanding Litigations and Material Developments” beginning on page nos. 11, 88 and 120 respectively, of this Prospectus.

### Eligibility for the Issue

Our Company is an “Unlisted Issuer” in terms of the SEBI (ICDR) Regulation; and this Issue is an “Initial Public Offer” in terms of the SEBI (ICDR) Regulations.

This Issue is being made in terms of Regulation 106 (M) (2) of Chapter XB of the SEBI (ICDR) Regulations, 2009, as amended from time to time, whereby, a Company whose post Issue face value capital exceeds ten crores rupees upto rupees twenty five crores, shall Issue shares to the public and propose to list the same on the Small and Medium Enterprise Exchange (“SME Exchange”, in this case being the SME platform of the BSE).

We confirm that:

- a) In accordance with Regulation 106 (P) of the SEBI (ICDR) Regulations, this issue has been hundred percent underwritten and that the Lead Manager to the Issue has underwritten more than 15% of the total Issue Size. For further details pertaining to the said underwriting please see “*General Information- Underwriting*” on page no. 38 of this Prospectus.
- b) In accordance with Regulation 106(R) of the SEBI (ICDR) Regulations, we shall ensure that the total number of proposed allottees in the Issue shall be greater than or equal to fifty (50), otherwise, the entire application money will be unblocked forthwith. If such money is not repaid within eight (8) Working Days from the date our Company becomes liable to repay it, then our Company and every officer in default shall, on and from expiry of eight (8) Working Days, be liable to repay such application money, with an interest at the rate as prescribed under the Companies Act 2013. 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.
- c) In accordance with Regulation 106(O) the SEBI (ICDR) Regulation, 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.

- d) In accordance with Regulation 106(V) of the SEBI (ICDR) Regulations, we have entered into an agreement with the Lead Manager and the 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 see “General Information- Details of the Market Making Arrangements for this Issue” on page no. 39 of this Prospectus.

We further confirm that we shall be complying with all other requirements as laid down for such 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.

- e) Our Company has Net Tangible assets of at least ₹ 3 crores as per the latest audited financial results
- f) The Net worth (excluding revaluation reserves) of our Company is at least ₹5 crores as per the latest audited financial results
- g) Our Company was incorporated on October 12, 2017 hence it does not have any previous years. However, it has distributable profits for the period ended January 31, 2018 in terms of Section 123 of the Companies Act, 2013.
- h) The distributable Profit, Net tangible Assets and Net worth of our Company as per the restated financial statements for the period ended as at January 31, 2018 is as set forth below:

(₹ in lakhs)	
Particulars	Period Ended January 31, 2018
Distributable Profit <sup>(1)</sup>	11.43
Net tangible Assets <sup>(2)</sup>	711.43
Net Worth <sup>(3)</sup>	693.38

<sup>(1)</sup> Distributable profits have been computed in terms section 123 of the Companies Act, 2013.

<sup>(2)</sup> Net Tangible Assets are defined as the sum of fixed assets (including capital work in-progress and excluding revaluation reserve) investments, current assets (excluding deferred tax assets) less current liabilities (excluding deferred tax liabilities) and secured as well as unsecured long term liabilities excluding intangible assets as defined in Accounting Standard 26 (AS 26) issued by the Institute of Chartered Accountants of India.

<sup>(3)</sup> Net Worth has been computed as the aggregate of equity shares capital and reserves (excluding revaluation reserves) and after deducting miscellaneous expenditure not written off, if any.

- i) As on the date of this Prospectus, our Company has a paid up capital of ₹ 700.00 lakhs (₹7.00 crores), which is in excess of ₹ 1 crore, and the Post Issue Capital will be of ₹ 1,020 lakhs (₹10.20 crores).
- j) Our Company has not been referred to the Board for Industrial and Financial Reconstruction (BIFR).
- k) There is no winding up petition against the company, which has been admitted by the court or a liquidator has not been appointed.
- l) There has been no change in the Promoter(s) of the Company in the preceding one year from date of filing application to BSE for listing on SME segment.
- m) Our company shall mandatorily facilitate trading in demat securities and enter into an agreement with both the depositories.
- n) We have a website: [www.garvindustries.com](http://www.garvindustries.com)
- o) We are not a Stock / Commodity Broking Company since incorporation.
- p) We are not a Finance Company since incorporation.





As per Regulation 106(M)(3) of SEBI (ICDR) Regulations, 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 us in this Issue.

#### **DISCLAIMER CLAUSE OF SEBI**

**IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF OFFER DOCUMENT TO SECURITIES AND EXCHANGE BOARD OF INDIA (SEBI) SHOULD NOT IN ANY WAY BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE ISSUE IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE OFFER DOCUMENT. THE LEAD MERCHANT BANKER, ARYAMAN FINANCIAL SERVICES LIMITED, HAVE CERTIFIED THAT THE DISCLOSURES MADE IN THE OFFER DOCUMENT ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH SEBI (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 IN FORCE FOR THE TIME BEING. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING 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 THE PROSPECTUS, THE LEAD MERCHANT BANKER ARE EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE COMPANY DISCHARGES ITS RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE LEAD MERCHANT BANKER, ARYAMAN FINANCIAL SERVICES LIMITED HAVE FURNISHED TO SEBI, A DUE DILIGENCE CERTIFICATE DATED APRIL 03, 2018 WHICH READS AS FOLLOWS:**

- 1. WE HAVE EXAMINED VARIOUS DOCUMENTS INCLUDING THOSE RELATING TO LITIGATION LIKE COMMERCIAL DISPUTES, PATENT DISPUTES, DISPUTES WITH COLLABORATORS, ETC. AND OTHER MATERIAL IN CONNECTION WITH THE FINALISATION OF THE 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 BOARD IS IN CONFORMITY WITH THE DOCUMENTS, MATERIALS AND PAPERS RELEVANT TO THE ISSUE;**
  - B. ALL THE LEGAL REQUIREMENTS RELATING TO THE ISSUE AS ALSO THE REGULATIONS GUIDELINES, INSTRUCTIONS, ETC. FRAMED/ISSUED BY THE BOARD, THE CENTRAL GOVERNMENT AND ANY OTHER COMPETENT AUTHORITY IN THIS BEHALF HAVE BEEN DULY COMPLIED WITH; AND**
  - C. THE DISCLOSURES MADE IN THE PROSPECTUS ARE TRUE, FAIR AND ADEQUATE TO ENABLE THE INVESTORS TO MAKE A WELL INFORMED DECISION AS TO THE INVESTMENT IN THE PROPOSED ISSUE AND SUCH DISCLOSURES ARE IN ACCORDANCE WITH THE REQUIREMENTS OF THE COMPANIES ACT, 1956, THE COMPANIES ACT, 2013 (TO THE EXTENT NOTIFIED), 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 FULFIL THEIR UNDERWRITING COMMITMENTS.- NOTED FOR COMPLIANCE**



5. WE CERTIFY THAT WRITTEN CONSENT FROM PROMOTER HAS BEEN OBTAINED FOR INCLUSION OF THEIR SPECIFIED SECURITIES AS PART OF PROMOTER CONTRIBUTION SUBJECT TO LOCK-IN AND THE SPECIFIED SECURITIES PROPOSED TO FORM PART OF PROMOTER CONTRIBUTION SUBJECT TO LOCK-IN SHALL NOT BE DISPOSED / SOLD / TRANSFERRED BY THE PROMOTER DURING THE PERIOD STARTING FROM THE DATE OF FILING OF THE PROSPECTUS WITH THE BOARD TILL THE DATE OF COMMENCEMENT OF LOCK-IN PERIOD AS STATED IN THE PROSPECTUS.
6. WE CERTIFY THAT REGULATION 33 OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, WHICH RELATES TO SPECIFIED SECURITIES INELIGIBLE FOR COMPUTATION OF PROMOTER CONTRIBUTION, HAS BEEN DULY COMPLIED WITH AND APPROPRIATE DISCLOSURES AS TO COMPLIANCE WITH THE SAID REGULATION HAVE BEEN MADE IN THE PROSPECTUS.
7. WE UNDERTAKE THAT SUB-REGULATION (4) OF REGULATION 32 AND CLAUSE (C) AND (D) OF SUB-REGULATION (2) OF REGULATION 8 OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 SHALL BE COMPLIED WITH. WE CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT PROMOTER CONTRIBUTION SHALL BE RECEIVED AT LEAST ONE DAY BEFORE THE OPENING OF THE ISSUE. WE UNDERTAKE THAT AUDITOR'S CERTIFICATE TO THIS EFFECT SHALL BE DULY SUBMITTED TO THE BOARD. WE FURTHER CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT PROMOTER 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 OFFER. – 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 WITH.
9. WE CONFIRM THAT NECESSARY ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT THE MONEYS RECEIVED PURSUANT TO THE ISSUE ARE KEPT IN A SEPARATE BANK ACCOUNT AS PER THE PROVISIONS OF SUB-SECTION (3) OF SECTION 73 OF THE COMPANIES ACT, 1956 (SECTION 40 OF COMPANIES ACT, 2013) AND THAT SUCH MONEYS SHALL BE RELEASED BY THE SAID BANK ONLY AFTER PERMISSION IS OBTAINED FROM 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. ALL MONIES RECEIVED OUT OF THE ISSUE SHALL BE CREDITED/ TRANSFERRED TO A SEPARATE BANK ACCOUNT AS REFERRED TO IN SUB-SECTION (3) OF SECTION 40 OF THE COMPANIES ACT, 2013.
10. WE CERTIFY THAT A DISCLOSURE HAS BEEN MADE IN THE PROSPECTUS THAT THE INVESTORS SHALL BE GIVEN AN OPTION TO GET THE SHARES IN DEMAT OR PHYSICAL MODE. – NOT APPLICABLE. UNDER SECTION 29 OF THE COMPANIES ACT, 2013, THE EQUITY SHARES ARE TO BE ISSUED IN DEMAT 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 OFFER- NOTED FOR COMPLIANCE.
  14. WE ENCLOSE A NOTE EXPLAINING HOW THE PROCESS OF DUE DILIGENCE HAS BEEN EXERCISED BY US IN VIEW OF THE NATURE OF CURRENT BUSINESS BACKGROUND OF THE ISSUER, SITUATION AT WHICH THE PROPOSED BUSINESS STANDS, THE RISK FACTORS, PROMOTER EXPERIENCE, ETC.
  15. WE ENCLOSE A CHECKLIST CONFIRMING REGULATION-WISE COMPLIANCE WITH THE APPLICABLE PROVISIONS OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, CONTAINING DETAILS SUCH AS THE REGULATION NUMBER, ITS TEXT, THE STATUS OF COMPLIANCE, PAGE NUMBER OF THE PROSPECTUS WHERE THE REGULATION HAS BEEN COMPLIED WITH AND OUR COMMENTS, IF ANY.
  16. WE ENCLOSE STATEMENT ON PRICE INFORMATION OF PAST ISSUES HANDLED BY MERCHANT BANKER AS PER FORMAT SPECIFIED BY SEBI THROUGH CIRCULAR (PLEASE SEE "ANNEXURE A" FOR FURTHER DETAILS).
  17. WE CERTIFY THAT PROFITS FROM RELATED PARTY TRANSACTIONS HAVE ARISEN FROM LEGITIMATE BUSINESS TRANSACTIONS - COMPLIED WITH TO THE EXTENT OF THE RELATED PARTY TRANSACTIONS CERTIFIED BY M/S. V.N. PUROHIT & CO, CHARTERED ACCOUNTANTS (FIRM REGISTRATION NUMBER: 304040E) PURSUANT TO THEIR REPORT DATED FEBRUARY 20, 2018.)

THE FILING OF THIS OFFER DOCUMENT DOES NOT, HOWEVER, ABSOLVE OUR COMPANY FROM ANY LIABILITIES UNDER SECTION 63 OR SECTION 68 OF THE COMPANIES ACT, 1956 (SECTION 34 OR SECTION 36 OF THE COMPANIES ACT, 2013) OR FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY AND/OR OTHER CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE PROPOSED ISSUE. SEBI FURTHER RESERVES THE RIGHT TO TAKE UP AT ANY POINT OF TIME, WITH THE LEAD MERCHANT BANKER ANY IRREGULARITIES OR LAPSES IN THE OFFER DOCUMENT.

**Note:**

All legal requirements pertaining to the Issue will be complied with at the time of registration of the Prospectus with the RoC in terms of section 26 and 30 of the Companies Act, 2013.

**ADDITIONAL CONFIRMATIONS/ CERTIFICATIONS 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 OFFER DOCUMENT 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 AND MARKET MAKING ARRANGEMENTS AS PER REQUIREMENTS OF REGULATION 106P AND 106V OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 HAVE BEEN MADE.

THE FILING OF THIS OFFER DOCUMENT DOES NOT, HOWEVER, ABSOLVE OUR COMPANY FROM ANY LIABILITIES UNDER SECTION 63 OR SECTION 68 OF THE COMPANIES ACT, 1956 (SECTION 34 OR SECTION 36 OF THE COMPANIES ACT, 2013) OR FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY AND/OR OTHER CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE PROPOSED ISSUE. SEBI FURTHER RESERVES THE RIGHT TO TAKE UP AT ANY POINT OF TIME, WITH THE LEAD MERCHANT BANKER ANY IRREGULARITIES OR LAPSES IN THE OFFER DOCUMENT.

ALL LEGAL REQUIREMENTS PERTAINING TO THE ISSUE WILL BE COMPLIED WITH AT THE TIME OF REGISTRATION OF THE PROSPECTUS WITH THE REGISTRAR OF COMPANIES, DELHI, IN TERMS OF SECTION 26 OF THE COMPANIES ACT 2013.

THE PROMOTER(S) / DIRECTOR(S) OF GARV INDUSTRIES LIMITED CONFIRM THAT NO INFORMATION / MATERIAL LIKELY TO HAVE A BEARING ON THE DECISION OF INVESTORS IN RESPECT OF THE SHARES ISSUED IN TERMS OF THIS OFFER DOCUMENT HAS BEEN SUPPRESSED WITHHELD AND / OR INCORPORATED IN THE MANNER THAT WOULD AMOUNT TO MIS-STATEMENT / MISREPRESENTATION AND IN THE EVENT OF ITS TRANSPIRING AT ANY POINT IN TIME TILL ALLOTMENT / REFUND, AS THE CASE MAY BE, THAT ANY INFORMATION / MATERIAL HAS BEEN SUPPRESSED / WITHHELD AND / OR AMOUNTS TO A MIS-STATEMENT/ MISREPRESENTATION, THE PROMOTERS/DIRECTORS UNDERTAKE TO REFUND THE ENTIRE APPLICATION MONIES TO ALL SUBSCRIBERS WITHIN 7 DAYS THEREAFTER WITHOUT PREJUDICE TO THE PROVISIONS OF SECTION 34 OF THE COMPANIES ACT 2013.

#### **Disclaimer from our Company, Directors and the Lead Manager**

Our Company, the Directors and the Lead Manager accept no responsibility for statements made otherwise than those contained in this Prospectus or, in case of the Company, in any advertisements or any other material issued by or at our Company's instance and anyone placing reliance on any other source of information would be doing so at his or her own risk.

#### **CAUTION**

The Lead Manager accepts no responsibility, save to the limited extent as provided in the MoU for Issue Management entered into among the Lead Manager and our Company dated February 28, 2018, the Underwriting Agreement dated February 28, 2018 entered into among the Underwriter and our Company and the Market Making Agreement dated February 28, 2018, entered into among the Market Maker, Lead Manager and our Company.

All information shall be made available by us and the Lead Manager to the public and investors at large and no selective or additional information would be available for a section of the investors in any manner whatsoever including at road show presentations, in research or sales reports or at collection centres or elsewhere.

**Note:**

Investors who apply in the Issue will be required to confirm and will be deemed to have represented to our Company, 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 of our Company and will not issue, sell, pledge or transfer the Equity Shares of our Company to any person who is not eligible under applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares of our Company. Our Company, the Underwriter 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 of our Company.

**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, except through their legal guardian), Hindu Undivided Families (HUFs), companies, corporate bodies and societies registered under the applicable laws in India and authorized to invest in shares, Mutual Funds, Indian financial institutions, commercial banks, regional rural banks, co-operative banks (subject to RBI permission), Trusts registered under the Societies Registration Act, 1860, as amended from time to time, or any other trust law and who are authorised under their constitution to hold and invest in shares, permitted insurance companies and pension funds and to non-residents including NRIs and FIIs. The Prospectus does not, however, constitute an offer to sell or an invitation to subscribe to Equity Shares offered hereby in any other jurisdiction to any person to whom it is unlawful to make an offer or invitation in such jurisdiction. Any person into whose possession the Prospectus comes is required to inform himself or herself about, and to observe, any such restrictions. Any dispute arising out of this issue will be subject to the jurisdiction of appropriate court(s) in Mumbai only.

No action has been or will be taken to permit a public offering in any jurisdiction where action would be required for that purpose. Accordingly, the Equity Shares represented thereby may not be offered or sold, directly or indirectly, and the Prospectus may not be distributed, in any jurisdiction, except in accordance with the legal requirements applicable in such jurisdiction. Neither the delivery of the Prospectus nor any sale hereunder shall, under any circumstances, create any implication that there has been any 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.

**Disclaimer Clause of the SME platform of the BSE**

“BSE Limited ("BSE") has given vide its letter dated March 22, 2018, permission to this Company to use its name in this offer document as one of the stock exchanges on which this company's securities are proposed to be listed on the SME Platform. BSE has scrutinized this offer document for its limited internal purpose of deciding on the matter of granting the aforesaid permission to this Company. BSE does not in any manner:

- i. warrant, certify or endorse the correctness or completeness of any of the contents of this offer document; or
- ii. warrant that this Company's securities will be listed or will continue to be listed on BSE; or
- iii. take any responsibility for the financial or other soundness of this Company, its promoter, its management or any scheme or project of this Company;

and it should not for any reason be deemed or construed that this offer document has been cleared or approved by BSE. Every person who desires to apply for or otherwise acquires any securities of this Company may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against BSE whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription/acquisition whether by reason of anything stated or omitted to be stated herein or for any other reason whatsoever”.

## Disclaimer Clause under Rule 144A of the U.S. Securities Act

The Equity Shares have not been and will not be registered under the U.S. Securities Act 1933, as amended (the “Securities Act”) or any state securities laws in the United States and may not be offered or sold within the United States or to, or for the account or benefit of, “U.S. persons” (as defined in Regulation S of the Securities Act), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. Accordingly, the Equity Shares will be offered and sold (i) in the United States only to “qualified institutional buyers”, as defined in Rule 144A of the Securities Act, and (ii) outside the United States in offshore transactions in reliance on Regulation S under the Securities Act and in compliance with 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 Applicants may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

## Filing

The Draft Prospectus shall not be filed with SEBI, nor will SEBI issue any observation on the offer document in term of Reg. 106 (O) (1). However, a copy of the Prospectus shall be filed with SEBI at the Corporation Finance Department, 5<sup>th</sup> Floor, Bank of Baroda Building, 16, Sansad Marg, New Delhi – 110 019.

## Listing

Application shall be made to SME Platform of BSE for obtaining permission for listing of the Equity Shares being offered and sold in the Issue on its SME Platform after the allotment in the Issue. BSE is the Designated Stock Exchange, with which the Basis of Allotment will be finalized for the Issue.

If the permission to deal in and for an official quotation of the Equity Shares on the SME Platform is not granted by BSE, our Company shall forthwith repay, without interest, all moneys received from the applicants in pursuance of the Prospectus. The allotment letters shall be issued or application money shall be refunded / unblocked within fifteen days from the closure of the Issue or such lesser time as may be specified by Securities and Exchange Board or else the application money shall be refunded to the applicants forthwith, failing which interest shall be due to be paid to the applicants at the rate of fifteen per cent per annum for the delayed period as prescribed under Companies Act, 2013, the SEBI (ICDR) Regulations and other applicable law. Our Company shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at the SME Platform of BSE mentioned above are taken within 6 Working Days of the Issue Closing Date.

The Company has obtained approval from BSE vide letter dated March 22, 2018 to use the name of BSE in this Offer document for listing of equity shares on SME Platform of BSE.

## Price Information of past issues handled by the Lead Manager

Sr. No.	Issue Name	Issue size (₹ Cr.)	Issue Price (₹)	Listing date	Opening price on listing date	+/- % change in Price on closing price, [+/- % change in closing benchmark]- 30 <sup>th</sup> calendar days from listing		+/- % change in Price on closing price, [+/- % change in closing benchmark]- 90 <sup>th</sup> calendar days from listing		+/- % change in Price on closing price, [+/- % change in closing benchmark]- 180 <sup>th</sup> calendar days from listing	
1	Giriraj Civil Developers Limited	9.00	100.00	04/02/2018	101.00	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
2	Yasho Industries Limited	28.99	100.00	04/02/2018	101.25	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
3	Karda Constructions Limited	77.40	180.00	04/02/2018	136.00	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
4	Uravi T and Wedge Lamps Limited	15.00	100.00	28/03/2018	102.50	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
5	Advitya Trade	4.31	15.00	26/03/2018	15.01	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.

	India Limited												
6	Shreeshay Engineers Limited	5.40	15.00	21/03/2018	15.25	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
7	CKP Leisure Limited	11.54	30.00	06/03/2018	27.00	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
8	Banka Biolo Limited	12.63	115.00	27/02/2018	114.00	-7.83%	-4.17%	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
9	Medico Remedies Limited	10.99	100.00	08/02/2018	100.00	-3.00%	-3.21%	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
10	Ashoka Metcast Limited	12.00	20.00	05/02/2018	16.00	-61.10%	-1.77%	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.

### Summary Statement of Disclosure

Financial Year	Total no. of IPOs	Total Funds Raised (₹ in Cr.)	Nos. of IPOs trading at discount - 30 <sup>th</sup> calendar day from listing day			Nos. of IPOs trading at premium - 30 <sup>th</sup> calendar day from listing day			Nos. of IPOs trading at discount - 180 <sup>th</sup> calendar day from listing day			Nos. of IPOs trading at premium - 180 <sup>th</sup> calendar day from listing day		
			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%
2018-19	3 <sup>(1)</sup>	115.39	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
2017-18	16	293.53	-	1	1	-	1	6	-	-	-	-	-	3
2016-17	10	147.26	-	1	-	1	-	8	-	1	-	2	3	4
2015-16	3	15.90	-	-	-	-	-	3	-	-	-	1	1	1

<sup>(1)</sup> Details indicated in 2018-19 are for the IPOs completed as on date.

#### Notes:

- Since the listing date of Giriraj Civil Developers Limited, Yasho Industruies Limited, Karda Constructions Limited, Uravi T and Wedge Lamps Limited, Advitya Trade India Limited, Shreeshay Engineers Limited, CKP Leisure Limited was April 02, 2018, April 02, 2018, April 02, 2018, March 28, 2018 March 26, 2018 March 21, 2018 and March 06, 2018 respectively, information related to closing price and benchmark index as on the 30<sup>th</sup> Calendar day, 90<sup>th</sup> calendar day and 180<sup>th</sup> calendar day from the listing date is not available.
- Since the listing date of Banka Biolo Limited, Medico Remedies Limited and Ashoka Metcast Limited was February 27, 2018, February 08, 2018 and February 05, 2018 respectively, information related to closing price and benchmark index as on the 90<sup>th</sup> calendar day and 180<sup>th</sup> calendar day from the listing date is not available.
- The respective Designated Stock Exchange for each Issue has been considered as the Benchmark index for each of the above Issues.
- In the event any day falls on a holiday, the price/index of the immediate preceding working day has been considered. If the stock was not traded on the said calendar days from the date of listing, the share price is taken of the immediately preceding trading day.
- Source: [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com) BSE Sensex and Nifty Fifty as the Benchmark Indices.

#### Track record of past issues handled by the Lead Manager

For details regarding the track record of the Lead Manager to the Issue as specified in Circular reference CIR/MIRSD/1/ 2012 dated January 10, 2012 issued by the SEBI, please see the website of Aryaman Financial Services Limited – [www.afsl.co.in](http://www.afsl.co.in)

#### Consents

Consents in writing of: (a) The Directors, the Chief Financial Officer, Company Secretary & Compliance Officer and the Statutory Auditors; and (b) the Lead Manager, Registrar to the Issue, the Legal Advisors to the Issue, Banker to the Company, Banker to the Issue, Market Maker and Underwriters to act in their respective capacities, have been obtained

and shall be filed along with a copy of the Prospectus with the RoC, as required under Section 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 Company has received written consent from the Auditors namely, M/s. V. N. Purohit & Co., Chartered Accountants, (Peer Review Auditors) to include their name in respect of the report on the Restated Financial Statements dated February 20, 2018 and the Statement of Tax Benefits dated February 20, 2018, issued by them and included in this Prospectus, as required under section 26(1)(a)(v) of the Companies Act, 2013 in this Prospectus and as “Expert” as defined under section 2(38) of the Companies Act, 2013 and such consent has not been withdrawn as on the date of this Prospectus

### Expert Opinion

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

Our Company has received written consent from the Auditor namely, M/s. V. N. Purohit & Co., Chartered Accountants (Peer Review Auditors) to include their name as required under section 26(1)(a)(v) of the Companies Act, 2013 in this Prospectus and as “Expert” as defined under section 2(38) of the Companies Act, 2013 in respect of the reports on the Restated Financial Statements dated February 20, 2018 and the Statement of Tax Benefits dated February 20, 2018, issued by them, included in this Prospectus and such consent has not been withdrawn as on the date of this Prospectus. However, the term “expert” shall not be construed to mean an “expert” as defined under the U.S. Securities Act.

However, the term “expert” shall not be construed to mean an “expert” as defined under the U.S. Securities Act.

### ISSUE RELATED EXPENSES

Issue related expenses include underwriting and Issue management fees, selling commission, distribution expenses, market making charges, legal fees, fees to advisors, printing and stationery costs, advertising expenses, listing fees payable to the Stock Exchange, and all other incidental and miscellaneous expenses for listing the Equity Shares on the Stock Exchange, including fees payable to Depositories is given below:

The details of estimated Issue expenses are set forth below:

Sr. No.	Particulars	Amount (₹ in lakhs)	% of Total Expenses	% of Total Issue size
1	Payment to Merchant Banker Issue Management fees including fees and payment to other intermediaries such as Legal Advisors, Registrars and other out of pocket expenses.	29.50	68.80%	9.22%
2	Brokerage and selling commission for Registered Brokers, RTAs and CDPs <sup>(1)(2)(3)(4)</sup>	2.00	4.65%	0.62%
3	Advertisement, Printing & Stationery, Marketing Expenses, etc.	5.00	11.63%	1.56%
4	Stock Exchange Fees, Regulatory and other Expenses <sup>(3)</sup>	6.50	15.12%	2.03%
	<b>Total</b>	<b>43.00</b>	<b>100.00%</b>	<b>13.43%</b>

<sup>(1)</sup>The SCSBs and other intermediaries will be entitled to a commission of ₹10/- per every valid Application Form submitted to them and uploaded on the electronic system of the Stock Exchange by them.

<sup>(2)</sup>The SCSBs would be entitled to processing fees of ₹10/- per Application Form, for processing the Application Forms procured by other intermediaries and submitted to the SCSBs.

<sup>(3)</sup>Further the SCSBs and other intermediaries will be entitled to selling commission of 0.05% of the Amount Allotted (product of the number of Equity Shares Allotted and the Issue Price) for the forms directly procured by them and uploaded on the electronic system of the Stock Exchange by them.

<sup>(4)</sup>The payment towards commission and processing fees will be completed within 30 days from the date of receipt of final invoice from the respective entities.

### Fees, Brokerage and Selling Commission Payable to the Lead Manager





The total fees payable to the Lead Manager (including underwriting commission and selling commission) is as stated in the MOUs dated February 28, 2018 the Underwriting Agreement dated February 28, 2018 and the Market Making Agreement dated February 28, 2018 among our Company and the Lead Manager and other parties, a copy of which will be made available for inspection at our Registered Office.

### **Fees Payable to the Registrar to the Issue**

The fees payable to the Registrar to the Issue, for processing of application, data entry, printing of refund order, preparation of refund data on magnetic tape, printing of bulk mailing register will be as per the MoU between the Company, and the Registrar to the Issue dated February 28, 2018.

The Registrar to the Issue will be reimbursed for all out-of-pocket expenses including cost of stationery, postage, stamp duty and communication expenses. Adequate funds will be provided to the Registrar to the Issue to enable it to send refund orders or Allotment advice by registered post/speed post.

### **Previous Public and Rights Issues**

We have not made any rights and public issues in the past, and we are an “Unlisted Company” 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 Equity Shares otherwise than for Cash**

Except as stated in the chapter titled “*Capital Structure*” beginning on page no. 41 of this Prospectus, we have not issued any Equity Shares for consideration other than for cash.

### **Commission and Brokerage Paid on Previous Issues of our Equity Shares**

Since this is an Initial Public Offer of the 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 the Equity Shares since inception of the Company.

### **Capital Issues in the last three (3) years by Listed Group Companies / Subsidiaries / Associates**

None of our Group Companies / Associates / Subsidiary is listed on any Stock Exchange and hence there is no Capital Issue.

### **Promise v. Performance (Issuer and Listed Group Companies / Subsidiaries / Associates)**

Our Company has not made any rights and public issues in the past 10 years. None of our Group Companies / Associates / Subsidiary is listed on any Stock Exchange and not made any rights and public issues in the past 10 years.

### **Outstanding Debentures, Bonds, Redeemable Preference Shares and Other Instruments issued by the Company**

The Company has no outstanding debentures or bonds and redeemable preference shares and other instruments as on the date of Prospectus.

### **Stock Market Data for our Equity Shares**

This being an Initial Public Offer of the Company, the Equity Shares of the Company are not listed on any stock exchange.

### **Mechanism for Redressal of Investor Grievances**

The Company has appointed Skyline Financial Services Private Limited as the Registrar to the Issue, to handle the investor grievances in co-ordination with the Compliance Officer of the Company. All grievances relating to the present Issue may be addressed to the Registrar with a copy to the Compliance Officer, giving full details such as name, address of the applicant, number of Equity Shares applied for, amount paid on application and name of bank and branch. The Company would monitor the work of the Registrar to ensure that the investor grievances are settled expeditiously and satisfactorily.



The Registrar to the Issue will handle investor's grievances pertaining to the Issue. A fortnightly status report of the complaints received and redressed by them would be forwarded to the Company. The Company would also be co-ordinating with the Registrar to the Issue in attending to the grievances to the investor.

All grievances relating to the ASBA process may be addressed to the SCSBs, giving full details such as name, address of the applicant, number of Equity Shares applied for, amount paid on application and the Designated Branch of the SCSB where the Application Form was submitted by the ASBA Applicant. We estimate that the average time required by us or the Registrar to the Issue or the SCSBs for the redressal of routine investor grievances will be seven business days from the date of receipt of the complaint. In case of non-routine complaints and complaints where external agencies are involved, we will seek to redress these complaints as expeditiously as possible.

Our Board by a resolution on February 14, 2018 constituted a Stakeholders Relationship Committee. The composition of the Stakeholders Relationship Committee is as follows:

Name of the Member	Nature of Directorship	Designation in Committee
Daya Bansal	Non Executive Non Independent Director	Chairman
Amit Agarwal	Non Executive Independent Director	Member
Vishal Aggarwal	Non Executive Independent Director	Member

For further details, please see the chapter titled "*Our Management*" beginning on page no. 78 of this Prospectus.

The Company has also appointed Ms. Anjali Trivedi as the Company Secretary and Compliance Officer for this issue and he may be contacted at the Registered Office of our Company. The contact details are as follows:

**Name:** Mr. Anjali Trivedi

**Address:** B-502, Statesman House 148, Barakhamba Road, New Delhi – 110 001.

**Tel No.:** +91 – 011 – 2362 9277

**Email:** [info@garvindustries.com](mailto:info@garvindustries.com)

Investors can contact the Compliance Officer or the Registrar to the Issue 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 accounts and refund orders.

#### **Status of Investor Complaints**

We confirm that we have not received any investor complaint during the three years preceding the date of this Prospectus and hence there are no pending investor complaints as on the date of this Prospectus.

#### **Disposal of Investor Grievances by Listed Companies under the same Management as the Company**

None of the Group Company or Associates or Subsidiary of our Company has made any public issue (including any rights issues to the public) during the last three years and hence there are no pending investor grievances.

#### **Change in Auditors**

There has been no change in auditors of our company since incorporation.

#### **Capitalisation of Reserves or Profits**

Except as stated in the chapter titled "*Capital Structure*" beginning on page no. 41 of this Prospectus, our Company has not capitalised our reserves or profits during the last five years.

#### **Revaluation of Assets**

We have not revalued our assets since incorporation.



## SECTION IX – ISSUE RELATED INFORMATION

### TERMS OF THE ISSUE

*The Equity Shares being issued are subject to the provisions of the Companies Act, SEBI (ICDR) Regulations, 2009, our Memorandum and Articles of Association, the terms of this Prospectus, the Prospectus, the 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 this Issue. The Equity Shares shall also be subject to laws as applicable, guidelines, notifications and regulations relating to the issue of capital and listing and trading of securities issued from time to time by SEBI, the Government of India, the Stock Exchanges, the RBI, RoC and/or other authorities, as in force on the date of the Issue and to the extent applicable or such other conditions as may be prescribed by SEBI, RBI, the Government of India, the Stock Exchanges, the RoC and/or any other authorities while granting its approval for the Issue.*

*Please note that, in terms of SEBI Circular No. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 All the investors applying in a public issue shall use only Application Supported by Blocked Amount (ASBA) facility for making payment.*

*Further vide the said circular Registrar to the Issue and Depository Participants have been also authorised to collect the Application forms. Investors may visit the official websites of the concerned stock exchanges for any information on operationalization of this facility of form collection by Registrar to the Issue and DPs as and when the same is made available.*

#### **Authority for the Issue**

This Issue of Equity Shares has been authorized by the Board of Directors of our Company at their meeting held on February 14, 2018 and was approved by the Shareholders of the Company by passing a Special Resolution at the Extra Ordinary General Meeting held with a shorter notice on February 19, 2018 in accordance with the provisions of Section 62(1)(C) of the Companies Act, 2013.

#### **Ranking of Equity Shares**

The Equity Shares being issued shall be subject to the provisions of the Companies Act, our Memorandum and Articles of Association and shall rank pari-passu in all respects including dividend with the existing Equity Shares including in respect of the rights to receive dividends and other corporate benefits, if any, declared by us after the date of Allotment.

For further details, please see the section titled "Main Provisions of the Articles of Association" beginning on page no. 190 of this Prospectus.

#### **Mode of Payment of Dividend**

The declaration and payment of dividend will be as per the provisions of Companies Act, 2013, the Memorandum and Articles of Association, and recommended by the Board of Directors and the Shareholders at their discretion and will depend on a number of factors, including but not limited to earnings, capital requirements and overall financial condition of our Company. 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 the chapter titled "Dividend Policy" and "Main Provisions of Article of Association" beginning on page nos. 94 and 190 of this Prospectus.

#### **Face Value and Issue Price**

The Equity Shares having a face value of ₹ 10 each are being issued in terms of this Prospectus at the price of ₹ 10 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 no. 54 of this Prospectus. At any given point of time there shall be only one denomination of the Equity Shares of our Company, subject to applicable laws.

#### **Compliance with the disclosure and accounting norms**

Our Company shall comply with all requirements of the SEBI (ICDR) Regulations. Our Company shall also 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 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;
- ✓ Right of free transferability; and
- ✓ Such other rights, as may be available to a shareholder of a listed Public Limited Company under the Companies Act, terms of the listing agreements with the Stock Exchange and the Memorandum and Articles of Association of our Company.

For a detailed description of the main provision of the Articles of Association of our Company relating to voting rights, dividend, forfeiture and lien and / or consolidation / splitting, etc., please see the section titled "*Main Provisions of Articles of Association*" beginning on page no. 190 of this Prospectus.

## **Minimum Application Value; Market Lot and Trading Lot**

In terms of Section 29 of Companies Act, 2013, the Equity Shares shall be allotted only in dematerialised form. As per the SEBI Regulations, the trading of the Equity Shares shall only be in dematerialised form. In this context, two agreements have been signed among our Company, the respective Depositories and the Registrar and Share Transfer Agent to the Issue:

- 1) Tripartite agreement dated March 16, 2018 between our Company, NSDL and the Registrar and Share Transfer Agent to the Issue.
- 2) Tripartite agreement dated March 06, 2018 between our Company, CDSL and the Registrar and Share Transfer Agent to the Issue.

Trading of the Equity Shares will happen in the minimum contract size of 10,000 Equity Shares in terms of the SEBI circular No. CIR/MRD/DSA/06/2012 dated February 21, 2012 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 10,000 Equity Share subject to a minimum allotment of 10,000 Equity Shares to the successful Applicants.

## **Minimum Number of Allottees**

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 collected shall be refunded within 6 Working days of closure of issue.

## **Joint Holders**

Where two or more persons are registered as the holders of any Equity Shares, they will be deemed to hold such Equity Shares as joint-holders with benefits of survivorship.

## **Nomination Facility to Investor**

In accordance with Section 72 (1) & 72 (2) of the Companies Act, 2013, the sole or first applicant, along with other joint applicant, may nominate any one person in whom, in the event of the death of sole applicant or in case of joint applicant, death of all the applicants, as the case may be, the Equity Shares allotted, if any, shall vest. A person, being a nominee, entitled to the Equity Shares by reason of the death of the original holder(s), shall in accordance with Section 72 (3) of the Companies Act, 2013, be entitled to the same advantages to which he or she would be entitled if he or she were the registered holder of the Equity Share(s). Where the nominee is a minor, the holder(s) may make a nomination to appoint, in accordance to Section 72 (4) of the Companies Act, 2013, any person to become entitled to Equity Share(s) in the event of his or her death during the minority. A nomination shall stand rescinded upon a sale of equity share(s) by the person nominating. A buyer will be entitled to make a fresh nomination in the manner prescribed. Fresh



nomination can be made only on the prescribed form available on request at the Registered Office of our Company or to the Registrar and Transfer Agents of our Company.

In accordance with Articles of Association of the Company, any Person who becomes a nominee by virtue of Section 72 of the Companies Act, 2013, shall upon the production of such evidence as may be required by the Board, elect either:

- ✓ to register himself or herself as the holder of the Equity Shares; or
- ✓ to make such transfer of the Equity Shares, as the deceased holder could have made

Further, the Board may at any time give notice requiring any nominee to choose either to be registered himself or herself or to transfer the Equity Shares, and if the notice is not complied with within a period of 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. In case the allotment of Equity Shares is in dematerialized form, there is no need to make a separate nomination with us. Nominations registered with the respective depository participant of the applicant would prevail. If the investors require changing the nomination, they are requested to inform their respective depository participant.

### Withdrawal of the Issue

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

### ISSUE PROGRAMME

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

Event	Indicative Date
Issue Opening Date	April 12, 2018
Issue Closing Date	April 17, 2018
Finalisation of Basis of Allotment with the Designated Stock Exchange	April 20, 2018
Initiation of Allotment / Refunds / Unblocking of Funds	April 23, 2018
Credit of Equity Shares to demat accounts of Allottees	April 24, 2018
Commencement of trading of the Equity Shares on the Stock Exchange	April 25, 2018

The above timetable is indicative and does not constitute any obligation on our Company or the Lead Manager. Whilst our Company shall ensure that all steps for the completion of the necessary formalities for the listing and the commencement of trading of the Equity Shares on the Stock Exchange are taken within 6 Working Days of the Issue Closing Date, the timetable may change due to various factors, such as extension of the Issue Period by our Company, or any delays in receiving the final listing and trading approval from the Stock Exchange. The Commencement of trading of the Equity Shares will be entirely at the discretion of the Stock Exchange and in accordance with the applicable laws.

Applications and any revision to the same shall be accepted **only between 10.00 a. m. and 5.00 p. m.** (IST) during the Issue Period (except for the Issue Closing Date). On the Issue Closing Date, the Applications and any revision to the same shall be accepted only between **10.00 a. m. and 3.00 p. m.** (IST) or such extended time as permitted by the Stock Exchanges, in case of Applications by Retail Individual Applicants after taking into account the total number of applications received up to the closure of timings and reported by the Lead Manager to the Stock Exchanges. It is clarified that Applications not uploaded on the electronic system would be rejected. Applications will be accepted only on Working Days, i.e., Monday to Friday (excluding any public holiday).



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

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

In case of discrepancy in the data entered in the electronic book vis-à-vis the data contained in the physical Application Form, for a particular Applicant, the details as per the file received from the Stock Exchange may be taken as the final data for the purpose of Allotment. In case of discrepancy in the data entered in the electronic book vis-à-vis the data contained in the physical or electronic Application Form, for a particular ASBA Applicant, the Registrar to the Issue shall ask the relevant SCSBs / RTAs / DPs / Stock Brokers, as the case may be, for rectified data.

### **Minimum Subscription**

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

This Issue is not restricted to any minimum subscription level. This Issue is 100% underwritten. However, we shall ensure that the minimum subscription to be received shall be subject to allotment of minimum number of specified securities as prescribed in sub-clause (b) of clause (2) of rule 19 of Securities Contracts (Regulation) Rules, 1957 and also that the minimum number of allottees as prescribed in regulation 106R of the SEBI (ICDR) Regulations, 2009, as amended.

### **Arrangements for Disposal of Odd Lots**

The trading of the Equity Shares will happen in the minimum contract size of 10,000 shares. However, the Market Maker shall buy the entire shareholding of a shareholder in one lot, where value of such shareholding is less than the minimum contract size allowed for trading on the SME Platform of BSE.

### **Restrictions, if any, on transfer and transmission of shares or debentures and on their consolidation or splitting**

For a detailed description in respect of restrictions, if any, on transfer and transmission of shares and on their consolidation / splitting, please see the section titled “*Main Provisions of Articles of Association*” beginning on page no. 190 of this Prospectus.

### **New Financial Instruments**

The Issuer Company is not issuing any new financial instruments through this Issue.

### **Option to receive Equity Shares in Dematerialized Form**

As per Section 29(1) of the Companies Act, 2013, allotment of Equity Shares will be made only in dematerialized form.

As per SEBI’s circular RMB (compendium) series circular no. 2 (1999-2000) dated February 16, 2000, it has been decided by the SEBI that trading in securities of companies making an initial public offer shall be in Dematerialised form only. The Equity Shares on Allotment will be traded only on the dematerialized segment of the SME Platform of BSE



## Migration to Main Board

In accordance with the BSE Circular dated November 26, 2012, our Company will have to be mandatorily listed and traded on the SME Platform of the BSE for a minimum period of two years from the date of listing and only after that it can migrate to the Main Board of the BSE as per the guidelines specified by SEBI and as per the procedures laid down under Chapter XB of the SEBI (ICDR) Regulations.

As per the provisions of the Chapter XB of the SEBI (ICDR) Regulation, 2009, our Company may migrate to the main board of BSE from the SME Exchange on a later date subject to the following:

- If the Paid up Capital of the company is likely to increase above ₹ 25 crores by virtue of any further issue of capital by way of rights, preferential issue, bonus issue etc. (which has been approved by a special resolution through postal ballot wherein the votes cast by the shareholders other than the promoters in favour of the proposal amount to at least two times the number of votes cast by shareholders other than promoter shareholders against the proposal and for which the company has obtained in-principal approval from the main board), we shall have to apply to BSE for listing our shares on its Main Board subject to the fulfilment of the eligibility criteria for listing of specified securities laid down by the Main Board.
- If the Paid up Capital of the company is more than ₹ 10 crores but below ₹ 25 crores, we may still apply for migration to the main board if the same has been approved by a special resolution through postal ballot wherein the votes cast by the shareholders other than the promoters in favour of the proposal amount to at least two times the number of votes cast by shareholders other than promoter shareholders against the proposal.

## Market Making

The shares issued through this Issue are proposed to be listed on the SME Platform of BSE (SME Exchange), wherein the Lead Manager to this Issue shall ensure compulsory Market Making through the registered Market Maker of the SME Exchange for a minimum period of three years from the date of listing on the SME Platform of BSE.

For further details of the agreement entered into between our Company, The Lead Manager and the Market Maker, please see the chapter titled "*General Information - Details of the Market Making Arrangement for this Issue*" beginning on page no. 39 of this Prospectus.

## Jurisdiction

Exclusive jurisdiction for the purpose of this Issue is with the competent courts / authorities in Mumbai. The Equity Shares have not been and will not be registered under the Securities Act or any state securities laws in the United States, and may not be offered or sold within the United States, except pursuant to an exemption from or in a transaction not subject to, registration requirements of the Securities Act. Accordingly, the Equity Shares are only being offered or sold outside the United States in compliance with Regulations under the Securities Act and the applicable laws of the jurisdictions where those offers and sales occur. The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and applications may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.



## ISSUE STRUCTURE

This Issue is being made in terms of Regulation 106 (M) (2) of Chapter XB of the SEBI (ICDR) Regulations, 2009, as amended from time to time, whereby, an issuer whose post issue face value capital exceed more than ten crore rupees and upto twenty five crores rupees, may issue shares to the public and propose to list the same on the Small and Medium Enterprise Exchange ("SME Exchange", in this case being the SME Platform of BSE). For further details regarding the salient features and terms of such this Issue, please see the chapters titled "*Basic Terms of the Issue*" and "*Issue Procedure*" beginning on page nos. 53 and 144 respectively, of this Prospectus.

Following is the issue structure:

*Public issue of upto 32,00,000 Equity Shares of ₹ 10 each (the "Equity Shares") for cash at a price of ₹ 10 per Equity Share aggregating to ₹ 320 lakhs ("the Issue") by Garv Industries Limited. ("GIL" or the "Company" or the "Issuer").*

*The Issue comprises a reservation of upto 1,70,000 Equity Shares of ₹ 10 each for subscription by the designated Market Maker ("the Market Maker Reservation Portion") and Net Issue to Public of upto 30,30,000 Equity Shares of ₹ 10 each ("the Net Issue"). The Issue and the Net Issue will constitute 31.37% and 29.71%, respectively of the post Issue paid up equity share capital of the company. The Issue is being made through the Fixed Price Process:*

Particulars of the Issue	Net Issue to Public	Market Maker Reservation Portion
Number of Equity Shares available for allocation	Upto 30,30,000 Equity Shares	Upto 1,70,000 Equity Shares
Percentage of Issue Size available for allocation	94.69% of the Issue Size	5.31% of the Issue Size
Basis of Allotment	Proportionate subject to minimum allotment of 10,000 Equity Shares and further allotment in multiples of 10,000 Equity Shares each.	Firm Allotment
Mode of Application	Through ASBA Process Only	Through ASBA Process Only
Minimum Application Size	<b><i>For QIB and NII:</i></b> Such number of Equity Shares in multiples of 10,000 Equity Shares such that the Application Value exceeds ₹ 2,00,000.	Upto 1,70,000 Equity Shares
	<b><i>For Retail Individuals:</i></b> 10,000 Equity Shares	
Maximum Application Size	<b><i>For QIB and NII:</i></b> Such number of Equity Shares in multiples of 10,000 Equity Shares such that the Application Size does not exceed Upto 30,30,000 Equity Shares.	Upto 1,70,000 Equity Shares
	<b><i>For Retail Individuals:</i></b> Such number of Equity Shares in multiples of 10,000 Equity Shares such that the Application Value does not exceed ₹ 2,00,000.	
Mode of Allotment	Dematerialized Form	Dematerialized Form
Trading Lot	10,000 Equity Shares	10,000 Equity Shares, However the Market Maker may buy odd lots if any in the market as required under the SEBI (ICDR) Regulations, 2009.
Terms of Payment	The entire Application Amount will be payable at the time of submission of the Application Form	
Application Lot Size	10,000 Equity Share and in multiples of 10,000 Equity Shares thereafter	



**Note:**

- 1) 50 % of the Equity Share issued are reserved for allocation to Applicants below or equal to ₹2.00 lakhs and the balance for higher amount Applications.
- 2) In case of joint Applications, the Application Form should contain only the name of the First Applicant whose name should also appear as the first holder of the beneficiary account held in joint names. The signature of only such First Applicant would be required in the Application Form and such First Applicant would be deemed to have signed on behalf of the joint holders.
- 3) Applicants will be required to confirm and will be deemed to have represented to our Company, the Lead Manager, their respective directors, officers, agents, affiliates and representatives that they are eligible under applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares in this Issue.
- 4) SCSBs applying in the Issue must apply through an ASBA Account maintained with any other SCSB.

**Lot Size**

SEBI vide circular CIR/MRD/DSA/06/2012 dated February 21, 2012 (the “Circular”) standardized the lot size for Initial Public Offer proposing to list on SME exchange/platform and for the secondary market trading on such exchange/platform, as under:

Issue Price(in ₹)	Lot Size (No. of shares)
Upto14	10000
More than 14 upto18	8000
More than 18 upto 25	6000
More than 25 upto 35	4000
More than 35 upto 50	3000
More than 50 upto 70	2000
More than 70 upto 90	1600
More than 90 upto 120	1200
More than120 upto 150	1000
More than150 upto 180	800
More than180 upto 250	600
More than 250 upto 350	400
More than 350 upto 500	300
More than 500 upto 600	240
More than 600 upto 750	200
More than 750 upto 1000	160
Above1000	100

Further to the Circular, at the Initial Public Offer stage the Registrar to Issue in consultation with Lead Manager, our Company and BSE shall ensure to finalize the basis of allotment in minimum lots and in multiples of minimum lot size, as per the above given table. The secondary market trading lot size shall be the same, as shall be the IPO Lot Size at the application/allotment stage, facilitating secondary market trading.



## ISSUE PROCEDURE

All Applicants should review the General Information Document for Investing in public issues prepared and issued in accordance with the circular (CIR/CFD/DIL/12/2013) dated October 23, 2013 notified by SEBI (“General Information Document”), included below under “**Part B – General Information Document**”, which highlights the key rules, processes and procedures applicable to public issues in general in accordance with the provisions of the Companies Act, the Securities Contracts (Regulation) Act, 1956, the Securities Contracts (Regulation) Rules, 1957 and the SEBI ICDR Regulations. The General Information Document has been updated to include reference to the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014 and certain notified provisions of the Companies Act 2013, to the extent applicable to a public issue. The General Information Document would be made available with the Lead Manager and would also be made available on the websites of the Stock Exchanges and the Lead Manager before opening of Issue. Please refer to the relevant provisions of the General Information Document which are applicable to the Issue.

Our Company and the Lead Manager do not accept any responsibility for the completeness and accuracy of the information stated in this section and shall not be liable for any amendment, modification or change in the applicable law which may occur after the date of this Prospectus. Applicants are advised to make their independent investigations and ensure that their Applications are submitted in accordance with applicable laws and do not exceed the investment limits or maximum number of the Equity Shares that can be held by them under applicable law or as specified in this Prospectus.

Please note that all the Applicants can participate in the Issue only through the ASBA process. All Applicants shall ensure that the ASBA Account has sufficient credit balance such that the full Application Amount can be blocked by the SCSB at the time of submitting the Application. Applicants applying through the ASBA process should carefully read the provisions applicable to such applications before making their application through the ASBA process. Please note that all Applicants are required to make payment of the full Application Amount along with the Application Form. In case of ASBA Applicants, an amount equivalent to the full Application Amount will be blocked by the SCSBs.

ASBA Applicants are required to submit ASBA Applications to the Selected Branches / Offices of the RTAs, DPs, Designated Bank Branches of SCSBs. The lists of banks that have been notified by SEBI to act as SCSB (Self Certified Syndicate Banks) for the ASBA Process are provided on <http://www.sebi.gov.in>. For details on designated branches of SCSB collecting the Application Form, please refer the above mentioned SEBI link. The list of Stock Brokers, Depository Participants (“DP”), Registrar to an Issue and Share Transfer Agent (“RTA”) that have been notified by NSE Ltd to act as intermediaries for submitting Application Forms are provided on <http://www.nseindia.com>. For details on their designated branches for submitting Application Forms, please see the above mentioned NSE website

Pursuant to the SEBI (Issue of Capital and Disclosure Requirements) (Fifth Amendment) Regulations, 2015, the ASBA process become mandatory for all investors w.e.f. January 1, 2016 and it allows the registrar, share transfer agents, depository participants and stock brokers to accept application forms.

### PART A

#### FIXED PRICE ISSUE PROCEDURE

The Issue is being made in compliance with the provisions of Reg. 106(M)(2) of Chapter XB of the SEBI (ICDR) Regulations, 2009 and through the Fixed Price Process wherein 50% of the Net Issue to Public is being offered to the Retail Individual Applicants and the balance shall be offered to Non Retail Category i.e. QIBs and Non-Institutional Applicants. However, if the aggregate demand from the Retail Individual Applicants is less than 50%, then the balance Equity Shares in that portion will be added to the non retail portion offered to the remaining investors including QIBs and NIIs and vice-versa subject to valid Applications being received from them at or above the Issue Price.

Subject to the valid Applications being received at or above the Issue Price, allocation to all categories in the Net Issue, shall be made on a proportionate basis, except for the Retail Portion where Allotment to each Retail Individual Applicants shall not be less than the minimum lot, subject to availability of Equity Shares in Retail Portion, and the remaining available Equity Shares, if any, shall be allotted on a proportionate basis. Under subscription, if any, in any category, would be allowed to be met with 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 Stock Exchange.

**Investors should note that according to section 29(1) of the Companies Act, 2013, allotment of Equity Shares to all successful Applicants will only be in the dematerialised form. The Application Forms which do not have the details of the Applicant’s depository account including DP ID, PAN and Beneficiary Account Number shall be**



**treated as incomplete and rejected. In case DP ID, Client ID and PAN mentioned in the Application Form and entered into the electronic system of the stock exchanges, do not match with the DP ID, Client ID and PAN available in the depository database, the application is liable to be rejected. Applicants will not have the option of getting allotment of the Equity Shares in physical form. The Equity Shares on allotment shall be traded only in the dematerialised segment of the Stock Exchanges.**

## **APPLICATION FORM**

Copies of the Application Form and the abridged prospectus will be available at the offices of the Lead Manager, the Designated Intermediaries, and Registered Office of our Company. An electronic copy of the Application Form will also be available for download on the websites of the BSE (www.bseindia.com), the SCSBs, the Registered Brokers, the RTAs and the CDPs at least one day prior to the Issue Opening Date

All Applicants shall mandatorily participate in the Issue only through the ASBA process. ASBA Applicants must provide bank account details and authorisation to block funds in the relevant space provided in the Application Form and the Application Forms that do not contain such details are liable to be rejected.

ASBA Applicants shall ensure that the Applications are made on Application Forms bearing the stamp of the Designated Intermediary, submitted at the Collection Centres only (except in case of electronic Application Forms) and the Application Forms not bearing such specified stamp are liable to be rejected.

The prescribed colour of the Application Form for various categories is as follows:

<b>Category</b>	<b>Colour<sup>(1)</sup></b>
Resident Indians and Eligible NRIs applying on a non-repatriation basis	White
Non-Residents and Eligible NRIs, FIIs, FVCIs, etc. applying on a repatriation basis	Blue

<sup>(1)</sup> excluding electronic Application Form

Designated Intermediaries shall submit Application Forms to SCSBs and shall not submit it to any non-SCSB bank.

### **Who Can Apply?**

1. Indian nationals resident in India, who are not minors (except through their Legal Guardians), in single or joint names (not more than three);
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 authorised to invest in equity shares;
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 (excluding foreign banks), regional rural banks, co-operative banks (subject to RBI regulations and the SEBI Regulations and other laws, as applicable);
7. FIIs and sub-accounts registered with SEBI, other than a sub-account which is a foreign corporate or foreign individual under the QIB portion;
8. Sub-accounts of FIIs registered with SEBI, which are foreign corporates or foreign individuals only under the Non-Institutional Applications portion;
9. VCFs registered with SEBI;
10. FVCIs registered with SEBI;

11. Eligible QFIs;
12. Foreign Nationals and other non-residents (subject to eligibility norms specified in SEBI FPI Regulations, 2014 and other applicable provisions)
13. Multilateral and bilateral development financial institutions;
14. State Industrial Development Corporations;
15. Trusts/societies registered under the Societies Registration Act, 1860, as amended, or under any other law relating to trusts/societies and who are authorised under their respective constitutions to hold and invest in equity shares;
16. Scientific and/or industrial research organizations authorized in India to invest in equity shares;
17. Insurance companies registered with Insurance Regulatory and Development Authority;
18. Provident Funds with a minimum corpus of ₹250 million and who are authorised under their constitution to hold and invest in equity shares;
19. Pension Funds with a minimum corpus of ₹250 million and who are authorised under their constitution to hold and invest in equity shares;
20. Limited liability partnerships;
21. National Investment Fund set up by resolution no. F.NO.2/3/2005-DDII dated November 23, 2005 of the GoI, published in the Gazette of India;
22. Nominated Investor and Market Maker
23. Insurance funds set up and managed by the army, navy or air force of the Union of India and by the Department of Posts, India
24. 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 policy of the Government of India, OCBs cannot participate in this Issue. 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.***

**Applications not to be made by**

1. Minors (except through their Guardians)
2. Partnership firms or their nominations
3. Overseas Corporate Bodies

**Maximum and Minimum Application Size**

***a) For Retail Individual Applicants:***

The Application must be for a minimum of 10,000 Equity Shares and in multiples of 10,000 Equity Shares thereafter, so as to ensure that the Application Amount payable by the Applicant does not exceed ₹ 2,00,000. In case of revision of the Application, the Retail Individual Applicants have to ensure that the Application Amount does not exceed ₹ 2,00,000.

***b) For Other Applicants (Non-Institutional Applicants and QIBs):***

The Application must be for a minimum of such number of Equity Shares such that the Application Amount exceeds ₹ 2,00,000 and in multiples of 10,000 Equity Shares thereafter. Application cannot be submitted for more than the Issue Size. However, the maximum application size by a QIB investor should not exceed the investment limits prescribed for them by applicable laws. **A QIB and a Non-Institutional Applicant cannot withdraw or lower the size of their**



**Application at any stage and are required to pay the entire Application Amount upon submission of the Application.**

The identity of QIBs applying in the Net Issue shall not be made public during the Issue Period. In case of revision in Application, the Non-Institutional Applicants, who are individuals, have to ensure that the Application Amount is greater than ₹ 2,00,000 for being considered for allocation in the Non-Institutional Portion.

**Information for the Applicants**

- a) Our Company shall file the Prospectus with the RoC at least three working days before the Issue Opening Date.
- b) Our Company shall, after registering the Prospectus with the RoC, make a pre-Issue advertisement, in the form prescribed under the ICDR Regulations, in English and Hindi national newspapers and one regional newspaper with wide circulation. In the pre- Issue advertisement, our Company and the Lead Manager shall advertise the Issue Opening Date, the Issue Closing Date. This advertisement, subject to the provisions of the Companies Act, shall be in the format prescribed in Part A of Schedule XIII of the ICDR Regulations.
- c) Copies of the Application Form and the abridged prospectus will be available at the offices of the Lead Manager, the Designated Intermediaries, and Registered Office of our Company. An electronic copy of the Application Form will also be available for download on the websites of the BSE ([www.bseindia.com](http://www.bseindia.com)), the SCSBs, the Registered Brokers, the RTAs and the CDPs at least one day prior to the Issue Opening Date.
- d) Applicants who are interested in subscribing to the Equity Shares should approach any of the Application Collecting Intermediaries or their authorized agent(s).
- e) Application should be submitted in the prescribed Application Form only. Application Forms submitted to the SCSBs should bear the stamp of the respective intermediary to whom the application form is submitted. Application Forms submitted directly to the SCSBs should bear the stamp of the SCSBs and / or the Designated Branch.
- f) The Application Form can be submitted either in physical or electronic mode, to the Application Collecting Intermediaries. Further Application Collecting Intermediary may provide the electronic mode of collecting either through an internet enabled collecting and banking facility or such other secured, electronically enabled mechanism for applying and blocking funds in the ASBA Account.

**The Applicants should note that in case the PAN, the DP ID and Client ID mentioned in the Application Form and entered into the electronic system of the Stock Exchanges does not match with the PAN, DP ID and Client ID available in the database of Depositories, the Application Form is liable to be rejected.**

**Availability of the Prospectus and the Application Forms:**

Copies of the Application Form and the abridged prospectus will be available at the offices of the Lead Manager, the Designated Intermediaries, and Registered Office of our Company. An electronic copy of the Application Form will also be available for download on the websites of the BSE ([www.bseindia.com](http://www.bseindia.com)), the SCSBs, the Registered Brokers, the RTAs and the CDPs at least one day prior to the Issue Opening Date.

**Participation by associates and affiliates of the Lead Manager**

The Lead Manager shall not be allowed to subscribe to this Issue in any manner except towards fulfilling their underwriting obligations. However, the associates and affiliates of the Lead Manager may subscribe to Equity Shares in the Issue in non Retail Portion, where the allocation is on a proportionate basis.

**Applications by Mutual Funds**

With respect to Applications by Mutual Funds, a certified copy of their SEBI registration certificate must be lodged along with the Application Form. Failing this, our Company reserves the right to reject the Application without assigning any reason thereof. Applications made by asset management companies or custodians of Mutual Funds shall specifically state names of the concerned schemes for which such Applications are made.

**In case of a Mutual Fund, a separate Application can be made in respect of each scheme of the Mutual Fund registered with SEBI and such Applications in respect of more than one 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.**

**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 case of index funds or sector or industry specific schemes. No Mutual Fund under all its schemes should own more than 10% of any company's paid-up share capital carrying voting rights.**

#### **Applications by Eligible NRIs**

NRIs may obtain copies of Application Form from the offices of the Lead Manager and the Designated Intermediaries. Eligible NRI Applicants applying on a repatriation basis by using the Non-Resident Forms should authorize their SCSB to block their Non-Resident External (“NRE”) accounts, or Foreign Currency Non-Resident (“FCNR”) ASBA Accounts, and eligible NRI Applicants applying on a non-repatriation basis by using Resident Forms should authorize their SCSB to block their Non-Resident Ordinary (“NRO”) accounts for the full Application Amount, at the time of the submission of the Application Form.

Eligible NRIs applying on non-repatriation basis are advised to use the Application Form for residents (white in colour).

Eligible NRIs applying on a repatriation basis are advised to use the Application Form meant for Non-Residents (blue in colour).

#### **Applications by FPI and FIIs**

In terms of the SEBI FPI Regulations, any qualified foreign investor or FII who holds a valid certificate of registration from SEBI shall be deemed to be an FPI until the expiry of the block of three years for which fees have been paid as per the SEBI FII Regulations. An FII or a sub-account may participate in this Issue, in accordance with Schedule 2 of the FEMA Regulations, until the expiry of its registration with SEBI as an FII or a sub-account. An FII shall not be eligible to invest as an FII after registering as an FPI under the SEBI FPI Regulations. Further, a qualified foreign investor who had not obtained a certificate of registration as an FPI could only continue to buy, sell or otherwise deal in securities until January 6, 2015. Hence, such qualified foreign investors who have not registered as FPIS under the SEBI FPI Regulations shall not be eligible to participate in this Issue.

In case of Applications made by FPIs, a certified copy of the certificate of registration issued by the designated depository participant under the FPI Regulations is required to be attached to the Application Form, failing which our Company reserves the right to reject any application without assigning any reason. An FII or subaccount may, subject to payment of conversion fees under the SEBI FPI Regulations, participate in the Issue, until the expiry of its registration as a FII or sub-account, or until it obtains a certificate of registration as FPI, whichever is earlier. Further, in case of Applications made by SEBI-registered FIIs or sub-accounts, which are not registered as FPIs, a certified copy of the certificate of registration as an FII issued by SEBI is required to be attached to the Application Form, failing which our Company reserves the right to reject any Application without assigning any reason.

In terms of the SEBI FPI Regulations, the Issue of Equity Shares to a single FPI or an investor group (which means the same set of ultimate beneficial owner(s) investing through multiple entities) must be below 10.00% of our post-Issue Equity Share capital. Further, in terms of the FEMA Regulations, the total holding by each FPI shall be below 10.00% of the total paid-up Equity Share capital of our Company and the total holdings of all FPIs put together shall not exceed 24.00% of the paid-up Equity Share capital of our Company. The aggregate limit of 24.00% may be increased up to the sectorial cap by way of a resolution passed by the Board of Directors followed by a special resolution passed by the Shareholders of our Company and subject to prior intimation to RBI. In terms of the FEMA Regulations, for calculating the aggregate holding of FPIs in a company, holding of all registered FPIs as well as holding of FIIs (being deemed FPIs) shall be included. The existing individual and aggregate investment limits an FII or sub account in our Company is 10.00% and 24.00% of the total paid-up Equity Share capital of our Company, respectively.

FPIs are permitted to participate in the Issue subject to compliance with conditions and restrictions which may be specified by the Government from time to time.

Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of Regulation 22 of the SEBI FPI Regulations, an FPI, other than Category III foreign portfolio and unregulated broad based funds, which are classified as Category II foreign portfolio investor by virtue of their investment manager being appropriately regulated, may issue or otherwise deal in offshore derivative instruments (as defined under the SEBI FPI Regulations as any instrument, by whatever name called, which is issued overseas by an FPI against securities held by it that are listed or proposed to be listed on any recognized stock exchange in India, as its underlying) directly or indirectly, only in the event (i) such offshore derivative instruments are issued only to persons who are regulated by an appropriate regulatory authority; and (ii) such offshore derivative instruments are issued after compliance with know your client' norms. An FPI is also required to ensure that no further issue or transfer of any offshore derivative instrument is made by or on behalf of it to any persons that are not regulated by an appropriate foreign regulatory authority.

FPIs who wish to participate in the Issue are advised to use the Application Form for Non-Residents (blue in color).

### **Applications by SEBI registered VCFs, AIFs and FVCIs**

The SEBI FVCI Regulations and the SEBI AIF Regulations inter-alia prescribe the investment restrictions on the VCFs, FVCIs and AIFs registered with SEBI. Further, the SEBI AIF Regulations prescribe, among others, the investment restrictions on AIFs.

The holding by any individual VCF registered with SEBI in one venture capital undertaking should not exceed 25% of the corpus of the VCF. Further, VCFs and FVCIs can invest only up to 33.33% of the investible funds by way of subscription to an initial public offering.

The category I and II AIFs cannot invest more than 25% of the corpus in one Investee Company. A category III AIF cannot invest more than 10% of the corpus in one Investee Company. A venture capital fund registered as a category I AIF, as defined in the SEBI AIF Regulations, cannot invest more than 1/3rd of its corpus by way of subscription to an initial public offering of a venture capital undertaking. Additionally, the VCFs which have not re-registered as an AIF under the SEBI AIF Regulations shall continue to be regulated by the VCF Regulation until the existing fund or scheme managed by the fund is wound up and such funds shall not launch any new scheme after the notification of the SEBI AIF Regulations.

All FIIs and FVCIs should note that refunds, dividends and other distributions, if any, will be payable in Indian Rupees only and net of Bank charges and commission.

**Our Company or the Lead Manager will not be responsible for loss, if any, incurred by the Applicant on account of conversion of foreign currency.**

**There is no reservation for Eligible NRIs, FPIs and FVCIs and all Applicants will be treated on the same basis with other categories for the purpose of allocation.**

### **Applications by Limited Liability Partnerships**

In case of Applications made by limited liability partnerships registered under the Limited Liability Partnership Act, 2008, a certified copy of certificate of registration issued under the Limited Liability Partnership Act, 2008, must be attached to the Application Form. Failing this, our Company reserves the right to reject any Application without assigning any reason thereof.

### **Applications by Insurance Companies**

In case of Applications made by insurance companies registered with the IRDA, a certified copy of certificate of registration issued by IRDA must be attached to the Application Form. Failing this, our Company reserves the right to reject any Application without assigning any reason thereof. The exposure norms for insurers, prescribed under the Insurance Regulatory and Development Authority (Investment) Regulations, 2000, as amended, are broadly set forth below:

- 1) equity shares of a company: the least of 10.00% of the investee company's subscribed capital (face value) or 10.00% of the respective fund in case of life insurer or 10.00% of investment assets in case of general insurer or reinsurer;



- 2) the entire group of the investee company: not more than 15% of the respective fund in case of a life insurer or 15% of investment assets in case of a general insurer or reinsurer or 15% of the investment assets in all companies belonging to the group, whichever is lower; and
- 3) the industry sector in which the investee company belong to: not more than 15% of the fund of a life insurer or a general insurer or a reinsurer or 15% of the investment asset, whichever is lower.

The maximum exposure limit, in the case of an investment in equity shares, cannot exceed the lower of an amount of 10% of the investment assets of a life insurer or general insurer and the amount calculated under (a), (b) and (c) above, as the case may be.

Insurance companies participating in this Issue shall comply with all applicable regulations, guidelines and circulars issued by IRDAI from time to time.

#### **Applications by Provident Funds / Pension Funds**

In case of Applications made by provident funds/pension funds, subject to applicable laws, with minimum corpus of ₹ 250.00 million, a certified copy of certificate from a chartered accountant certifying the corpus of the provident fund/pension fund must be attached to the Application Form. Failing this, our Company reserves the right to reject any Application, without assigning any reason thereof.

#### **Applications by Banking Companies**

In case of Applications made by banking companies registered with RBI, certified copies of: (i) the certificate of registration issued by RBI, and (ii) the approval of such banking company's investment committee are required to be attached to the Application Form, failing which our Company reserve the right to reject any Application without assigning any reason.

The investment limit for banking companies as per the Banking Regulation Act, 1949, as amended, is 30.00% of the paid up share capital of the investee company or 30.00% of the banks' own paid up share capital and reserves, whichever is less (except in certain specified exceptions, such as setting up or investing in a subsidiary, which requires RBI approval).

#### **Applications by SCSBs**

SCSBs participating in the Issue are required to comply with the terms of the SEBI circulars dated September 13, 2012 and January 2, 2013. Such SCSBs are required to ensure that for making applications on their own account using ASBA, they should have a separate account in their own name with any other SEBI registered SCSBs. Further, such account shall be used solely for the purpose of making application in public issues and clear demarcated funds should be available in such account for such applications.

#### **Applications under Power of Attorney**

In case of Applications made pursuant to a power of attorney or by limited companies, corporate bodies, registered societies, FIIs, Mutual Funds, insurance companies and provident funds with a minimum corpus of ₹ 250 million (subject to applicable law) and pension funds with a minimum corpus of ₹250 million, a certified copy of the power of attorney or the relevant resolution or authority, as the case may be, along with a certified copy of the memorandum of association and articles of association and/or bye laws must be lodged along with the Application Form. Failing this, our Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reasons thereof. In addition to the above, certain additional documents are required to be submitted by the following entities:

- a) With respect to Applications by FIIs and Mutual Funds, a certified copy of their SEBI registration certificate must be lodged along with the Application Form.
- b) With respect to Applications by insurance companies registered with the Insurance Regulatory and Development Authority, in addition to the above, a certified copy of the certificate of registration issued by the Insurance Regulatory and Development Authority must be lodged along with the Application Form.





- c) With respect to Applications made by provident funds with a minimum corpus of ₹ 250 million (subject to applicable law) and pension funds with a minimum corpus of ₹ 250 million, a certified copy of a certificate from a chartered accountant certifying the corpus of the provident fund/pension fund must be lodged along with the Application Form.
- d) With respect to Applications made by limited liability partnerships registered under the Limited Liability Partnership Act, 2008, a certified copy of certificate of registration issued under the Limited Liability Partnership Act, 2008, must be attached to the Application Form.
- e) Our Company in its absolute discretion, reserves the right to relax the above condition of simultaneous lodging of the power of attorney along with the Application form, subject to such terms and conditions that our Company and the Lead Manager may deem fit.

**The above information is given for the benefit of the Applicants. Our Company and the Lead Manager are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Prospectus. Applicants are advised to make their independent investigations and Applicants are advised to ensure that any single Application from them does not exceed the applicable investment limits or maximum number of Equity Shares that can be held by them under applicable law or regulation or as specified in this Prospectus.**

### **General Instructions**

#### **Do's:**

- 1) Check if you are eligible to apply as per the terms of this Prospectus and under applicable law, rules, regulations, guidelines and approvals;
- 2) Read all the instructions carefully and complete the Application Form in the prescribed form;
- 3) Ensure that the details about the PAN, DP ID and Client ID are correct and the Applicants depository account is active, as Allotment of the Equity Shares will be in the dematerialised form only;
- 4) Ensure that your Application Form bearing the stamp of a Designated Intermediary is submitted to the Designated Intermediary;
- 5) If the first applicant is not the account holder, ensure that the Application Form is signed by the account holder. Ensure that you have mentioned the correct bank account number in the Application Form;
- 6) Ensure that the signature of the First Applicant in case of joint Applications, is included in the Application Forms;
- 7) Ensure that the name(s) given in the Application Form is/are exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant. In case of joint Applications, the Application Form should contain only the name of the First Applicant whose name should also appear as the first holder of the beneficiary account held in joint names;
- 8) Ensure that you request for and receive a stamped acknowledgement of your Application;
- 9) Ensure that you have funds equal to the Application Amount in the ASBA Account maintained with the SCSB before submitting the Application Form under the ASBA process to the respective member of the SCSBs, the Registered Broker (at the Broker Centres), the RTA (at the Designated RTA Locations) or CDP (at the Designated CDP Locations);
- 10) Submit revised Applications to the same Designated Intermediary, through whom the original Application was placed and obtain a revised acknowledgment;
- 11) Except for Applications (i) on behalf of the Central or State Governments and the officials appointed by the courts, who, in terms of a SEBI circular dated June 30, 2008, may be exempt from specifying their PAN for transacting in the securities market, and (ii) Applications by persons resident in the state of Sikkim, who, in terms of a SEBI circular dated July 20, 2006, may be exempted from specifying their PAN for transacting in the securities market, all Applicants should mention their PAN allotted under the IT Act. The exemption for the Central or the State



Government and officials appointed by the courts and for investors residing in the State of Sikkim is subject to (a) the Demographic Details received from the respective depositories confirming the exemption granted to the beneficiary owner by a suitable description in the PAN field and the beneficiary account remaining in “active status”; and (b) in the case of residents of Sikkim, the address as per the Demographic Details evidencing the same. All other applications in which PAN is not mentioned will be rejected;

- 12) Ensure that the Demographic Details are updated, true and correct in all respects;
- 13) Ensure that thumb impressions and signatures other than in the languages specified in the Eighth Schedule to the Constitution of India are attested by a Magistrate or a Notary Public or a Special Executive Magistrate under official seal;
- 14) Ensure that the category and the investor status is indicated;
- 15) Ensure that in case of Applications under power of attorney or by limited companies, corporates, trust etc., relevant documents are submitted;
- 16) Ensure that Applications submitted by any person outside India should be in compliance with applicable foreign and Indian laws;
- 17) Applicants should note that in case the DP ID, Client ID and the PAN mentioned in their Application Form and entered into the online IPO system of the Stock Exchanges by the relevant Designated Intermediary, as the case may be, do not match with the DP ID, Client ID and PAN available in the Depository database, then such Applications are liable to be rejected. Where the Application Form is submitted in joint names, ensure that the beneficiary account is also held in the same joint names and such names are in the same sequence in which they appear in the Application Form;
- 18) Ensure that the Application Forms are delivered by the Applicants within the time prescribed as per the Application Form and the Prospectus;
- 19) Ensure that you have mentioned the correct ASBA Account number in the Application Form;
- 20) Ensure that you have correctly signed the authorisation/undertaking box in the Application Form, or have otherwise provided an authorisation to the SCSB via the electronic mode, for blocking funds in the ASBA Account equivalent to the Application Amount mentioned in the Application Form at the time of submission of the Application;
- 21) Ensure that you receive an acknowledgement from the concerned Designated Intermediary, for the submission of your Application Form; and
- 22) The Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.

**Don'ts:**

- 1) Do not apply for lower than the minimum Application size;
- 2) Do not apply at a Price different from the Price mentioned herein or in the Application Form;
- 3) Do not pay the Application Amount in cash, by money order, cheques or demand drafts or by postal order or by stock invest;
- 4) Do not send Application Forms by post; instead submit the same to the Designated Intermediary only;
- 5) Do not submit the Application Forms to any non-SCSB bank or our Company;
- 6) Do not apply on a Application Form that does not have the stamp of the relevant Designated Intermediary;
- 7) Do not instruct your respective Banks to release the funds blocked in the ASBA Account under the ASBA process;
- 8) Do not apply for a Application Amount exceeding ₹ 200,000 (for Applications by Retail Individual Applicants);



- 9) Do not fill up the Application Form such that the Equity Shares applied for exceeds the Issue size and / or investment limit or maximum number of the Equity Shares that can be held under the applicable laws or regulations or maximum amount permissible under the applicable regulations or under the terms of the Prospectus;
- 10) Do not submit the General Index Register number instead of the PAN;
- 11) Do not submit the Application without ensuring that funds equivalent to the entire Application Amount are blocked in the relevant ASBA Account;
- 12) Do not submit Applications on plain paper or on incomplete or illegible Application Forms or on Application Forms in a colour prescribed for another category of Applicant;
- 13) Do not submit a Application in case you are not eligible to acquire Equity Shares under applicable law or your relevant constitutional documents or otherwise;
- 14) Do not apply if you are not competent to contract under the Indian Contract Act, 1872 (other than minors having valid depository accounts as per Demographic Details provided by the depository);
- 15) Do not submit more than five Application Forms per ASBA Account;

The Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.

#### **Issuance of a Confirmation of Allocation Note (“CAN”) and Allotment in the Issue**

1. Upon approval of the basis of allotment by the Designated Stock Exchange, the 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.

#### **Payment instructions**

The entire issue price of ₹ 10 per Equity Share is payable on Application. In case of allotment of lesser number of Equity Shares than the number applied, then the Registrar shall instruct the SCSBs to unblock the excess amount paid on Application to the Applicants.

SCSBs will transfer the amount as per the instruction received by the Registrar to the Public Issue Bank Account. The balance amount after transfer to the Public Issue Account shall be unblocked by the SCSBs.

The Applicants shall specify the bank account details in the Application Form and the SCSBs shall block an amount equivalent to the Application Amount in the bank account specified in the Application Form. The SCSB shall keep the Application Amount in the relevant bank account blocked until withdrawal / rejection of the application or receipt of instructions from the Registrar to unblock the Application Amount. However, Not Retails Applicants shall neither withdraw nor lower the size of their applications at any stage. In the event of withdrawal or rejection of the Application Form or for unsuccessful Application Forms, the Registrar to the Issue shall give instruction to the SCSBs to unblock the application money in the relevant 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, as the case may be.

Pursuant to the SEBI (Issue of Capital and Disclosure Requirements) (Fifth Amendment) Regulations, 2015, the ASBA process become mandatory for all investors w.e.f. January 1, 2016 and it allows the registrar, share transfer agents, depository participants and stock brokers to accept application forms.

#### **Electronic Registration of Applications**

- 1) The Application Collecting Intermediary will register the applications using the on-line facilities of the Stock Exchange.



- 2) The Application Collecting Intermediary will undertake modification of selected fields in the application details already uploaded before 1.00 p.m. of the next Working day from the Issue Closing Date.
- 3) The Application Collecting Intermediary shall be responsible for any acts, mistakes or errors or omission and commissions in relation to, (i) the applications accepted by them, (ii) the applications uploaded by them, (iii) the applications accepted but not uploaded by them or (iv) In case the applications accepted and uploaded by any Application Collecting Intermediary other than SCSBs, the Application Form along with relevant schedules shall be sent to the SCSBs or the Designated Branch of the relevant SCSBs for blocking of funds and they will be responsible for blocking the necessary amounts in the ASBA Accounts. In case of Application accepted and uploaded by SCSBs, the SCSBs or the Designated Branch of the relevant SCSBs will be responsible for blocking the necessary amounts in the ASBA Accounts.
- 4) Neither the Lead Manager nor the Company, shall be responsible for any acts, mistakes or errors or omission and commissions in relation to, (i) the applications accepted by any Application Collecting Intermediaries, (ii) the applications uploaded by any Application Collecting Intermediaries or (iii) the applications accepted but not uploaded by the Application Collecting Intermediaries.
- 5) The Stock Exchange will Issue an electronic facility for registering applications for the Issue. This facility will be available at the terminals of the Application Collecting Intermediaries and their authorised agents during the Issue Period. On the Issue Closing Date, the Application Collecting Intermediaries shall upload the applications till such time as may be permitted by the Stock Exchange.
- 6) With respect to applications by Applicants, at the time of registering such applications, the Application Collecting Intermediaries shall enter the following information pertaining to the Applicants into the on-line system:
  - Name of the Applicant;
  - IPO Name;
  - Application Form Number;
  - Investor Category;
  - PAN Number
  - DP ID & Client ID
  - Numbers of Equity Shares Applied for;
  - Amount;
  - Location of the Banker to the Issue or Designated Branch, as applicable;
  - Bank Account Number and
  - Such other information as may be required.
- 7) In case of submission of the Application by an Applicant through the Electronic Mode, the Applicant shall complete the above mentioned details and mentioned 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 or having accepted the application form, in physical or electronic mode, respectively. The registration of the Application by the Application Collecting Intermediaries does not guarantee that the Equity Shares shall be allocated / allotted either by our Company.
- 9) Such acknowledgment will be non-negotiable and by itself will not create any obligation of any kind.
- 10) The Application Collecting Intermediaries shall have no right to reject the 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 deemed or construed to mean 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 or 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; not does it warrant that the Equity Shares will be listed or will continue to be listed on the Stock Exchange.

- 12) The Application Collecting Intermediaries will be given time till 1.00 p.m. on the next working day after the Issue Closing Date to verify the PAN No., DP ID and Client ID uploaded in the online IPO system during the Issue Period, after which the Registrar to the Issue will receive this data from the Stock Exchange and will validate the electronic application details with the 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 Applicants.

#### Allocation of Equity Shares

- 1) The Issue is being made through the Fixed Price Process wherein upto 1,70,000 Equity Shares shall be reserved for the Market Maker. Upto 15,15,000 Equity Shares will be allocated on a proportionate basis to Retail Individual Applicants, subject to valid applications being received from the Retail Individual Applicants at the Issue Price. The balance of the Net Issue will be available for allocation on a proportionate basis to Non Retail Applicants.
- 2) Under-subscription, if any, in any category, would be allowed to be met with spill-over from any other category or combination of categories at the discretion of our Company in consultation with the Lead Manager and the Stock Exchange.
- 3) Allocation to Non-Residents, including Eligible NRIs, FIIs and FVCIs registered with SEBI, applying on repatriation basis will be subject to applicable law, rules, regulations, guidelines and approvals.
- 4) In terms of SEBI Regulations, Non Retail Applicants shall not be allowed to either withdraw or lower the size of their application at any stage.
- 5) Allotment status details shall be available on the website of the Registrar to the Issue.

#### Pre-Issue Advertisement

Subject to Section 30 of the Companies Act, our Company shall, after registering the Prospectus with the RoC, publish a pre-issue advertisement, in the form prescribed by the SEBI Regulations, in one English language national daily newspaper, one Hindi language national daily newspaper and one regional language daily newspaper, each with wide circulation. In the pre- issue advertisement, we shall state the Issue Opening Date and the Issue Closing Date. This advertisement, subject to the provisions of Section 30 of the Companies Act, 2013, shall be in the format prescribed in Part A of Schedule XIII of the SEBI Regulations.

#### Signing of the Underwriting Agreement and the RoC Filing

- a) Our Company, the Lead Manager and the Market Maker have entered into an Underwriting Agreement on February 28, 2018.
- b) For terms of the Underwriting Agreement please see chapter titled "*General Information*" beginning on page no. 34 of this –Prospectus.
- c) We will file a copy of the Prospectus with the RoC in terms of Section 26 and all other provision applicable as per Companies Act.

#### Communications

All future communications in connection with Applications made in this Issue should be addressed to the Registrar 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 SCSB / Designated Intermediary, where the Application was submitted and bank account number in which the amount equivalent to the Application Amount was blocked.

Applicants can contact the Compliance Officer or the Registrar in case of any pre-issue or post-issue related problems such as non-receipt of letters of Allotment, credit of allotted shares in the respective beneficiary accounts, refund orders etc. In case of ASBA Applications submitted to the Designated Branches of the SCSBs, the Applicants can contact the Designated Branches of the SCSBs.

### **Impersonation**

**Attention of the Applicants is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act, which is reproduced below:**

**“Any person who:**

- a) makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or**
- b) makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or**
- c) Otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name, shall be liable for action under Section 447”**

The liability prescribed under Section 447 of the Companies Act, 2013 includes imprisonment for a term which shall not be less than six months extending up to 10 years (provided that where the fraud involves public interest, such term shall not be less than three years) and fine of an amount not less than the amount involved in the fraud, extending up to three times of such amount.

### **Undertaking by our Company**

We undertake the following:

- 1) If our Company does not proceed with the Issue after the Issue Opening Date but before allotment, then the reason thereof shall be given as a public notice to be issued by our Company within two days of the Issue Closing Date. The public notice shall be issued in the same newspapers where the Pre-Issue advertisements were published. The stock exchanges on which the Equity Shares are proposed to be listed shall also be informed promptly;
- 2) If our Company withdraw the Issue after the Issue Closing Date, our Company shall be required to file a fresh offer document with the RoC/SEBI, in the event our Company subsequently decides to proceed with the Issue;
- 3) The complaints received in respect of the Issue shall be attended to by our Company expeditiously and satisfactorily;
- 4) All steps for completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges where the Equity Shares are proposed to be listed are taken within six Working Days of the Issue Closing Date;
- 5) The funds required for making refunds to unsuccessful applicants as per the mode(s) disclosed shall be made available to the Registrar and Share Transfer Agent to the Issue by our Company;
- 6) Allotment is not made within the prescribed time period under applicable law, the entire subscription amount received will be refunded/unblocked within the time prescribed under applicable law. If there is delay beyond the prescribed time, our Company shall pay interest prescribed under the Companies Act, 2013, the SEBI Regulations and applicable law for the delayed period;
- 7) Where refunds are made through electronic transfer of funds, a suitable communication shall be sent to the applicant within six Working Days from the Issue Closing Date, giving details of the bank where refunds shall be credited along with amount and expected date of electronic credit of refund;
- 8) The certificates of the securities/refund orders to Eligible NRIs shall be dispatched within specified time.



- 9) No further Issue of Equity Shares shall be made till the Equity Shares offered through this Issue Document are listed or until the Application monies are refunded on account of non-listing, under-subscription etc;
- 10) Adequate arrangements shall be made to collect all Application Forms.

#### **Utilization of Issue Proceeds**

The Board of Directors of our Company certifies that:

- 1) All monies received out of the Issue shall be credited/ transferred to a separate bank account other than the bank account referred to in sub section (3) of Section 40 of the Companies Act, 2013;
- 2) Details of all monies utilized out of the Issue shall be disclosed under an appropriate head in our balance sheet indicating the purpose for which such monies have been utilized under an appropriate separate head in the balance sheet of our Company indicating the purpose for which such monies have been utilised;
- 3) Details of all unutilized monies out of the Issue, if any shall be disclosed under the appropriate head in the balance sheet indicating the form in which such unutilized monies have been invested and
- 4) Our Company shall comply with the requirements of the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 in relation to the disclosure and monitoring of the utilization of the proceeds of the Issue.

Our Company shall not have recourse to the Issue Proceeds until the approval for listing and trading of the Equity Shares from the Stock Exchange where listing is sought has been received.

## PART B

### General Information Document for Investing in Public Issues

This General Information Document highlights the key rules, processes and procedures applicable to public issues in accordance with the provisions of the Companies Act, the SCRA, the SCRR and the SEBI ICDR Regulations. Applicants should not construe the contents of this General Information Document as legal advice and should consult their own legal counsel and other advisors in relation to the legal matters concerning the issue. For taking an investment decision, the Applicants should rely on their own examination of the Issuer and the Issue, and should carefully read the Prospectus before investing in the Issue.

#### SECTION 1: PURPOSE OF THE GENERAL INFORMATION DOCUMENT (GID)

This document is applicable to the public issues undertaken through the Book-Building Process as well as to the Fixed Price Issues. The purpose of the “General Information Document for Investing in Public Issues” is to provide general guidance to potential Applicants in IPOs and FPOs, and on the processes and procedures governing IPOs and FPOs, 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 Bid cum Application Form/Application Form and the Abridged Prospectus of the Issuer in which they are proposing to invest through the Issue. In case of any difference in interpretation or conflict and/or overlap between the disclosure included in this document and the Prospectus, the disclosures in the Prospectus shall prevail. The Prospectus of the Issuer is available on the websites of stock exchanges, on the website(s) of the BRLM(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 see “*Glossary and Abbreviations*”.

#### SECTION 2: BRIEF INTRODUCTION TO IPOs/FPOs

##### 2.1 Initial public offer (IPO)

An IPO means an offer of specified securities by an unlisted Issuer to the public for subscription and may include an Offer for Sale of specified securities to the public by any existing holder of such securities in an unlisted Issuer.

For undertaking an IPO, an Issuer is *inter-alia* required to comply with the eligibility requirements of in terms of either Regulation 26(1) or Regulation 26(2) of the SEBI ICDR Regulations, 2009. For details of compliance with the eligibility requirements by the Issuer, Applicants may refer to the Prospectus.

##### 2.2 Further public offer (FPO)

An FPO means an offer of specified securities by a listed Issuer to the public for subscription and may include Offer for Sale of specified securities to the public by any existing holder of such securities in a listed Issuer.

For undertaking an FPO, the Issuer is *inter-alia* required to comply with the eligibility requirements in terms of Regulation 26/ Regulation 27 of the SEBI ICDR Regulations, 2009. For details of compliance with the eligibility requirements by the Issuer, Applicants may refer to the Prospectus.

##### 2.3 Other Eligibility Requirements:

In addition to the eligibility requirements specified in paragraphs 2.1 and 2.2, an Issuer proposing to undertake an IPO or an FPO is required to comply with various other requirements as specified in the SEBI ICDR Regulations, 2009, the Companies Act, 2013, the Companies Act, 1956 (to the extent applicable), the Securities Contracts (Regulation) Rules, 1957 (the “SCRR”), industry-specific regulations, if any, and other applicable laws for the time being in force.

For details in relation to the above Applicants may refer to the Prospectus.



## **2.4 Types of Public Issues – Fixed Price Issues and Book Built Issues**

In accordance with the provisions of 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 Prospectus (in case of a fixed price Issue) and determine the price at a later date before registering the Prospectus with the Registrar of Companies.

The cap on the Price Band should be less than or equal to 120% of the Floor Price. The Issuer shall announce the Price or the Floor Price or the Price Band through advertisement in all newspapers in which the pre- Issue advertisement was given at least five Working Days before the Bid/ Issue Opening Date, in case of an IPO and at least one Working Day before the Bid/ Issue Opening Date, in case of an FPO.

The Floor Price or the Issue price cannot be lesser than the face value of the securities.

Applicants should refer to the Prospectus or Issue advertisements to check whether the Issue is a Book Built Issue or a Fixed Price Issue.

## **2.5 ISSUE PERIOD**

The Issue may be kept open for a minimum of three Working Days (for all category of Applicants) and not more than ten Working Days. Applicants are advised to refer to the Bid cum Application Form and Abridged Prospectus or Prospectus for details of the Bid/ Issue Period. Details of Bid/ Issue Period are also available on the website of the Stock Exchange(s).

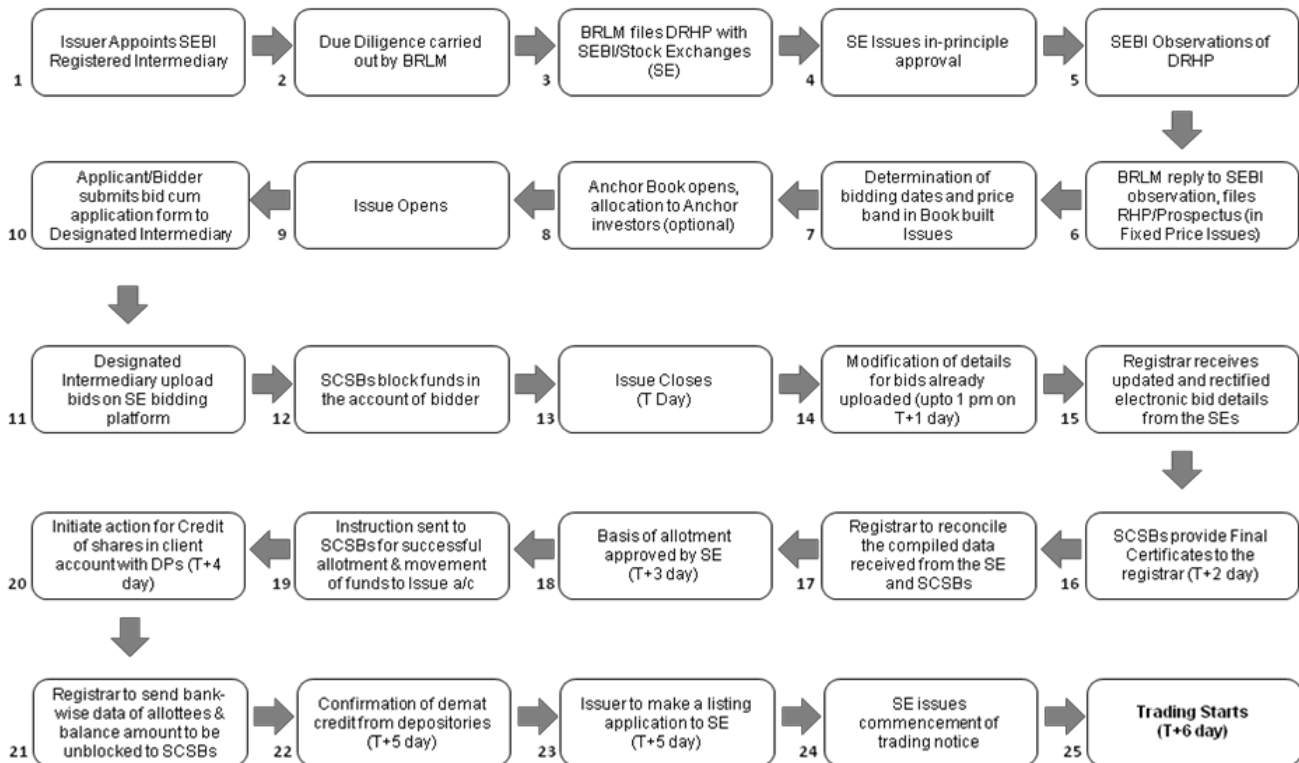
In case of a Book Built Issue, the Issuer may close the Issue Period for QIBs one Working Day prior to the Bid/ Issue Closing Date if disclosures to that effect are made in the Prospectus. In case of revision of the Floor Price or Price Band in Book Built Issues the Bid/ Issue Period may be extended by at least three Working Days, subject to the total Bid/ Issue Period not exceeding 10 Working Days. For details of any revision of the Floor Price or Price Band, Applicants may check the announcements made by the Issuer on the websites of the Stock Exchanges and the BRLM(s), and the advertisement in the newspaper(s) issued in this regard.

## **2.6 FLOWCHART OF TIMELINES**

A flow chart of process flow in Fixed Price and Book Built Issues is as follows. Applicants may note that this is not applicable for Fast Track FPOs:

In case of Issue other than Book Built Issue (Fixed Price Issue) the process at the following of the below mentioned steps shall be read as:

- i. Step 7 : Determination of Issue Date and Price
- ii. Step 10: Applicant submits Bid cum Application Form with Designated Branch of SCSB.



### SECTION 3: CATEGORY OF INVESTORS ELIGIBLE TO PARTICIPATE IN AN ISSUE

*Each Applicant should check whether it is eligible to apply under applicable law.* Furthermore, certain categories of Applicants, such as NRIs, FIIs, FPIs and FVCIs may not be allowed to Bid/Apply in the Issue or to hold Equity Shares, in excess of certain limits specified under applicable law. Applicants are requested to refer to the Prospectus for more details.

Subject to the above, an illustrative list of Applicants is as follows:

- Indian nationals resident in India who are competent to contract under the Indian Contract Act, 1872, in single or joint names (not more than three);
- Bids/Applications belonging to an account for the benefit of a minor (under guardianship);
- Hindu Undivided Families or HUFs, in the individual name of the *Karta*. The Applicant should specify that the Bid is being made in the name of the HUF in the Bid cum Application Form/Application Form as follows: “Name of sole or first Applicant: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the *Karta*”. Bids/Applications by HUFs may be considered at par with Bids/Applications from individuals;
- Companies, corporate bodies and societies registered under applicable law in India and authorised to invest in equity shares;
- QIBs;
- NRIs on a repatriation basis or on a non-repatriation basis, subject to applicable law;
- Indian Financial Institutions, regional rural banks, co-operative banks (subject to RBI regulations and the SEBI ICDR Regulations, 2009 and other laws, as applicable);
- FIIs and sub-accounts registered with SEBI, other than a sub-account which is a foreign corporate or foreign individual, bidding under the QIBs category;

- Sub-accounts of FIIs registered with SEBI, which are foreign corporates or foreign individuals Bidding only under the Non Institutional Investors (“NIIs”) category;
- FPIs other than Category III foreign portfolio investors, Bidding under the QIBs category;
- FPIs which are Category III foreign portfolio investors, Bidding under the NIIs category;
- Trusts/societies registered under the Societies Registration Act, 1860, or under any other law relating to trusts/societies and who are authorised under their respective constitutions to hold and invest in equity shares;
- Limited liability partnerships registered under the Limited Liability Partnership Act, 2008; and
- Any other person eligible to Bid/Apply in the Issue, under the laws, rules, regulations, guidelines and policies applicable to them and under Indian laws.
- As per the existing regulations, OCBs are not allowed to participate in an Issue.

#### SECTION 4: APPLYING IN THE ISSUE

**Book Built Issue:** Bidders should only use the specified ASBA Form (or in case of Anchor Investors, the Anchor Investor Application Form) either bearing the stamp of a member of the Syndicate or any other Designated Intermediary, as available or downloaded from the websites of the Stock Exchanges. Bid cum Application Forms are available with the Book Running Lead Managers, the Designated Intermediaries at the Bidding Centres and at the registered office of the Issuer. Electronic Bid cum Application Forms will be available on the websites of the Stock Exchanges at least one day prior to the Bid/ Issue Opening Date. For further details, regarding availability of Bid cum Application Forms, Bidders may refer to the Prospectus.

**Fixed Price Issue:** Applicants should only use the specified cum Application Form bearing the stamp of an SCSB as available or downloaded from the websites of the Stock Exchanges. Application Forms are available with the Designated Branches of the SCSBs and at the Registered and Corporate Office of the Issuer. For further details, regarding availability of Application Forms, Applicants may refer to the Prospectus.

Applicants should ensure that they apply in the appropriate category. The prescribed color of the Bid cum Application Form for various categories of Applicants is as follows:

Category	Colour <sup>(1)</sup>
Resident Indians and Eligible NRIs applying on a non-repatriation basis	White
Non-Residents and Eligible NRIs, FIIs, FVCIs, etc. applying on a repatriation basis	Blue

<sup>(1)</sup> excluding electronic Application Form

Securities issued in an IPO can only be in dematerialized form in accordance 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 BID CUM APPLICATION FORM/APPLICATION FORM

Applicants may note that forms not filled completely or correctly as per instructions provided in this GID, the Prospectus and the Bid cum Application Form/Application Form are liable to be rejected.

Instructions to fill each field of the Bid cum Application Form can be found on the reverse side of the Bid cum Application Form. Specific instructions for filling various fields of the Bid cum Application Form and sample are provided below.

A sample Bid cum Application Form is reproduced below:



TEAR HERE

<b>COMMON BID CUM APPLICATION FORM</b>	<b>XYZ LIMITED - INITIAL PUBLIC ISSUE - R</b> Address : ..... Contact Details: ..... CIN No .....	<b>FOR RESIDENT INDIANS, INCLUDING RESIDENT QIBs AND ELIGIBLE NRIs APPLYING ON A NON-REPATRIATION BASIS</b>																							
<b>LOGO</b>	TO, THE BOARD OF DIRECTORS XYZ LIMITED	<table border="1" style="width: 100%;"> <tr> <td style="text-align: center;"><b>BOOK BUILT ISSUE</b></td> <td style="text-align: right;"><b>Bid cum Application Form No.</b></td> </tr> <tr> <td>ISIN : .....</td> <td></td> </tr> </table>	<b>BOOK BUILT ISSUE</b>	<b>Bid cum Application Form No.</b>	ISIN : .....																				
<b>BOOK BUILT ISSUE</b>	<b>Bid cum Application Form No.</b>																								
ISIN : .....																									
<b>SYNDICATE MEMBER'S STAMP &amp; CODE</b>	<b>BROKER/SCSB/DP/RTA STAMP &amp; CODE</b>	<b>1. NAME &amp; CONTACT DETAILS OF SOLE / FIRST BIDDER</b>																							
<b>SUB-BROKER'S / SUB-AGENT'S STAMP &amp; CODE</b>	<b>ESCROW BANK/SCSB BRANCH STAMP &amp; CODE</b>	Mr. / Ms. _____ Address _____ Email _____ Tel. No (with STD code) / Mobile _____																							
<b>BANK BRANCH SERIAL NO.</b>	<b>SCSB SERIAL NO.</b>	<b>2. PAN OF SOLE / FIRST BIDDER</b>																							
<b>3. BIDDER'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																									
<b>4. BID OPTIONS (ONLY RETAIL INDIVIDUAL BIDDERS CAN BID AT "CUT-OFF")</b>		<b>5. CATEGORY</b> <input type="checkbox"/> Retail Individual Bidder <input type="checkbox"/> Non-Institutional Bidder <input type="checkbox"/> QIB																							
<b>Bid Options:</b>	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th rowspan="2">No. of Equity Shares Bid (In Figures) (Bid: must be in multiples of Bid Lot as advertised)</th> <th colspan="3">Price per Equity Share (₹) / "Cut-off" (Price in multiples of ₹ 1/- only) (In Figures)</th> <th rowspan="2">"Cut-off" (Please tick)</th> </tr> <tr> <th>Bid Price</th> <th>Retail Discount</th> <th>Net Price</th> </tr> </thead> <tbody> <tr> <td>Option 1</td> <td>8   7   6   5   4   3   2   1</td> <td>3   2   1</td> <td>3   2   1</td> <td><input type="checkbox"/></td> </tr> <tr> <td>(OR) Option 2</td> <td></td> <td></td> <td></td> <td><input type="checkbox"/></td> </tr> <tr> <td>(OR) Option 3</td> <td></td> <td></td> <td></td> <td><input type="checkbox"/></td> </tr> </tbody> </table>		No. of Equity Shares Bid (In Figures) (Bid: must be in multiples of Bid Lot as advertised)	Price per Equity Share (₹) / "Cut-off" (Price in multiples of ₹ 1/- only) (In Figures)			"Cut-off" (Please tick)	Bid Price	Retail Discount	Net Price	Option 1	8   7   6   5   4   3   2   1	3   2   1	3   2   1	<input type="checkbox"/>	(OR) Option 2				<input type="checkbox"/>	(OR) Option 3				<input type="checkbox"/>
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<b>7. PAYMENT DETAILS</b>		<b>PAYMENT OPTION : FULL PAYMENT</b> <input type="checkbox"/> <b>PART PAYMENT</b> <input type="checkbox"/>																							
Amount paid (₹ in figures) _____ (₹ in words) _____																									
ASBA Bank A/c No. _____																									
Bank Name & Branch _____																									
<small>I/WE (ON BEHALF OF JOINT APPLICANTS, IF ANY) HEREBY CONFIRM THAT I/WE HAVE READ AND UNDERSTOOD THE TERMS AND CONDITIONS OF THIS BID CUM APPLICATION FORM AND THE ATTACHED ABBRIDGED PROSPECTUS AND THE GENERAL INFORMATION DOCUMENT FOR INVESTING IN PUBLIC ISSUES ("GID") AND HEREBY AGREE AND CONFIRM THE 'BIDDERS UNDERTAKING' AS GIVEN OVERLEAF. I/WE (ON BEHALF OF JOINT APPLICANTS, IF ANY) HEREBY CONFIRM THAT I/WE HAVE READ THE INSTRUCTIONS FOR FILING UP THE BID CUM APPLICATION FORM GIVEN OVERLEAF.</small>																									
<b>8A. SIGNATURE OF SOLE/ FIRST BIDDER</b>	<b>8B. SIGNATURE OF ASBA BANK ACCOUNT HOLDER(S) (AS PER BANK RECORDS)</b> <small>I/We authorize the SCSB to do all acts as are necessary to make the Application in the line</small>	<b>BROKER / SCSB / DP / RTA STAMP (Acknowledging upload of Bid in Stock Exchange system)</b>																							
Date : _____	1) _____ 2) _____ 3) _____																								

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<b>LOGO</b>	<b>XYZ LIMITED</b> <b>INITIAL PUBLIC ISSUE - R</b>	<b>Acknowledgement Slip for Broker/SCSB/ DP/RTA</b>	<b>Bid cum Application Form No.</b>
<b>DPID / CLID</b>			<b>PAN of Sole / First Bidder</b>
Amount paid (₹ in figures)	Bank & Branch	<b>Stamp &amp; Signature of SCSB Branch</b>	
ASBA Bank A/c No.			
Received from Mr./Ms. _____			
Telephone / Mobile _____	Email _____		

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<b>XYZ LIMITED - INITIAL PUBLIC ISSUE - 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>Bid Price</td> <td></td> <td></td> <td></td> </tr> <tr> <td>Amount Paid (₹)</td> <td></td> <td></td> <td></td> </tr> </table>		Option 1	Option 2	Option 3	No. of Equity Shares				Bid Price				Amount Paid (₹)				<b>Stamp &amp; Signature of Broker / SCSB / DP / RTA</b>	<b>Name of Sole / First Bidder</b>
	Option 1	Option 2	Option 3																
No. of Equity Shares																			
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Amount Paid (₹)																			
ASBA Bank A/c No. _____			<b>Acknowledgement Slip for Bidder</b>																
Bank & Branch _____			<b>Bid cum Application Form No.</b>																

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#### 4.1.1 FIELD NUMBER 1: NAME AND CONTACT DETAILS OF THE SOLE / FIRST BIDDER / APPLICANT

- a) Applicants should ensure that the name provided in this field is exactly the same as the name in which the Depository Account is held.

- b) **Mandatory Fields:** Applicants should note that the name and address fields are compulsory and e-mail and/or telephone number/mobile number fields are optional. Applicants should note that the contact details mentioned in the Bid cum Application Form/Application Form may be used to dispatch communications (including letters notifying the unblocking of the bank accounts of Applicants) in case the communication sent to the address available with the Depositories are returned undelivered or are not available. The contact details provided in the Bid cum Application Form may be used by the Issuer, the Designated Intermediaries and the Registrar to the Issue only for correspondence(s) related to an Issue and for no other purposes.
- c) **Joint Bids/Applications:** In the case of Joint Applications, the Applications should be made in the name of the Applicant whose name appears first in the Depository account. The name so entered should be the same as it appears in the Depository records. The signature of only such first Applicant would be required in the Bid cum Application Form/Application Form and such first Applicant would be deemed to have signed on behalf of the joint holders. All communications may be addressed to such Applicant and may be dispatched to his or her address as per the Demographic Details received from the Depositories.
- d) **Impersonation:** Attention of the Applicants is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act, 2013 which is reproduced below:

*“Any person who:*

- *makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or*
- *makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or*
- *otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name, shall be liable for action under Section 447.”*

The liability prescribed under Section 447 of the Companies Act, 2013 includes imprisonment for a term which shall not be less than six months extending up to 10 years (provided that where the fraud involves public interest, such term shall not be less than three years) and fine of an amount not less than the amount involved in the fraud, extending up to three times of such amount.

- e) **Nomination Facility to Applicant:** Nomination facility is available in accordance with the provisions of Section 72 of the Companies Act, 2013. In case of Allotment of the Equity Shares in dematerialized form, there is no need to make a separate nomination as the nomination registered with the Depository may prevail. For changing nominations, the Applicants should inform their respective DP.

#### **4.1.2 FIELD NUMBER 2: PAN NUMBER OF SOLE/FIRST APPLICANT**

- a) PAN (of the sole/first Applicant) provided in the Bid cum Application Form/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 Bids/Applications on behalf of the Central or State Government, Bids/Applications by officials appointed by the courts and Bids/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 Bid cum Application Form/Application Form, irrespective of the Bid/Application Amount. Bids/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) Bid cum 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 Bid cum Application Form/Application Form. The DP ID and Client ID provided in the Bid cum Application Form/Application Form should match with the DP ID and Client ID available in the Depository database, **otherwise, the Bid cum Application Form/Application Form is liable to be rejected.**
- b) Applicants should ensure that the beneficiary account provided in the Bid cum Application Form/Application Form is active.
- c) Applicants should note that on the basis of the DP ID and Client ID as provided in the Bid cum Application Form/Application Form, the Applicant may be deemed to have authorized the Depositories to provide to the Registrar to the Issue, any requested Demographic Details of the Applicant as available on the records of the depositories. These Demographic Details may be used, among other things, for unblocking of ASBA Account or for other correspondence(s) related to an Issue.
- d) Applicants are, advised to update any changes to their Demographic Details as available in the records of the Depository Participant to ensure accuracy of records. Any delay resulting from failure to update the Demographic Details would be at the Applicants’ sole risk.

#### 4.1.4 FIELD NUMBER 4: BID OPTIONS

- a) Price or Floor Price or Price Band, minimum Bid Lot and Discount (if applicable) may be disclosed in the Prospectus by the Issuer. The Issuer is required to announce the Floor Price or Price Band, minimum Bid Lot and Discount (if applicable) by way of an advertisement in at least one English, one Hindi and one regional newspaper, with wide circulation, at least five Working Days before Bid/ Issue Opening Date in case of an IPO, and at least one Working Day before Bid/ Issue Opening Date in case of an FPO.
- b) The Bidders may Bid at or above Floor Price or within the Price Band for IPOs/FPOs undertaken through the Book Building Process. In the case of Alternate Book Building Process for an FPO, the Bidders may Bid at Floor Price or any price above the Floor Price (For further details Bidders may refer to (Section 5.6 (e))
- c) **Cut-Off Price:** Retail Individual Investors or Employees or Retail Individual Shareholders can Bid at the Cut-off Price indicating their agreement to Bid for and purchase the Equity Shares at the Issue Price as determined at the end of the Book Building Process. Bidding at the Cut-off Price is prohibited for QIBs and NIIs and such Bids from QIBs and NIIs may be rejected.
- d) **Minimum Application Value and Bid Lot:** The Issuer in consultation with the BRLMs may decide the minimum number of Equity Shares for each Bid to ensure that the minimum application value is within the range of ₹ 10,000 to ₹ 15,000. The minimum Bid Lot is accordingly determined by an Issuer on basis of such minimum application value.
- e) **Allotment:** The Allotment of specified securities to each RII shall not be less than the minimum Bid Lot, subject to availability of shares in the RII category, and the remaining available shares, if any, shall be Allotted on a proportionate basis. For details of the Bid Lot, Bidders may refer to the Prospectus or the advertisement regarding the Price Band published by the Issuer.

##### 4.1.4.1 MAXIMUM AND MINIMUM BID SIZE

- a) The Bidder may Bid for the desired number of Equity Shares at a specific price. Bids by Retail Individual Investors, Employees and Retail Individual Shareholders must be for such number of shares so as to ensure that the Bid Amount less Discount (as applicable), payable by the Bidder does not exceed ₹ 2,00,000.
- b) In case the Bid Amount exceeds ₹ 2,00,000 due to revision of the Bid or any other reason, the Bid may be considered for allocation under the Non-Institutional Category (with it not being eligible for Discount), then such Bid may be rejected if it is at the Cut-off Price.

- c) For NRIs, a Bid Amount of up to ₹ 2,00,000 may be considered under the Retail Category for the purposes of allocation and a Bid Amount exceeding ₹ 2,00,000 may be considered under the Non-Institutional Category for the purposes of allocation.
- d) Bids by QIBs and NIIs must be for such minimum number of shares such that the Bid Amount exceeds ₹ 2,00,000 and in multiples of such number of Equity Shares thereafter, as may be disclosed in the Bid cum Application Form and the Prospectus, or as advertised by the Issuer, as the case may be. Non-Institutional Investors and QIBs are not allowed to Bid at Cut off Price.
- e) RII may revise or withdraw their bids until Bid/ Issue Closing Date. QIBs and NII's cannot withdraw or lower their Bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage after Bidding and are required to pay the Bid Amount upon submission of the Bid.
- f) In case the Bid Amount reduces to ₹ 2,00,000 or less due to a revision of the Price Band, Bids by the Non-Institutional Investors who are eligible for allocation in the Retail Category would be considered for allocation under the Retail Category.
- g) For Anchor Investors, if applicable, the Bid Amount shall be least ₹ 10 crores. One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the price at which allocation is being done to other Anchor Investors. Bids by various schemes of a Mutual Fund shall be aggregated to determine the Bid Amount. A Bid cannot be submitted for more than 60% of the QIB Category under the Anchor Investor Portion. Anchor Investors cannot withdraw their Bids or lower the size of their Bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage after the Anchor Investor Bid/ Issue Period and are required to pay the Bid Amount at the time of submission of the Bid. In case the Anchor Investor Issue Price is lower than the Issue Price, the balance amount shall be payable as per the pay-in-date mentioned in the revised CAN. In case the Issue Price is lower than the Anchor Investor Issue Price, the amount in excess of the Issue Price paid by the Anchor Investors shall not be refunded to them.
- h) A Bid cannot be submitted for more than the Issue size.
- i) The maximum Bid by any Bidder including QIB Bidder should not exceed the investment limits prescribed for them under the applicable laws.
- j) The price and quantity options submitted by the Bidder in the Bid cum Application Form may be treated as optional bids from the Bidder and may not be cumulated. After determination of the Issue Price, the number of Equity Shares Bid for by a Bidder at or above the Issue Price may be considered for Allotment and the rest of the Bid(s), irrespective of the Bid Amount may automatically become invalid. This is not applicable in case of FPOs undertaken through Alternate Book Building Process (For details of Bidders may refer to (Section 5.6 (e))

#### 4.1.4.2 MULTIPLE BIDS

- a) Bidder should submit only one Bid cum Application Form. Bidder shall have the option to make a maximum of three Bids at different price levels in the Bid cum Application Form and such options are not considered as multiple Bids.

Submission of a second Bid cum Application Form to either the same or to another Designated Intermediary and duplicate copies of Bid cum Application Forms bearing the same application number shall be treated as multiple Bids and are liable to be rejected.

- b) Bidders are requested to note the following procedures may be followed by the Registrar to the Issue to detect multiple Bids:
  - 1) All Bids may be checked for common PAN as per the records of the Depository. For Bidders other than Mutual Funds and FII sub-accounts, Bids bearing the same PAN may be treated as multiple Bids by a Bidder and may be rejected.
  - 2) For Bids from Mutual Funds and FII sub-accounts, submitted under the same PAN, as well as Bids on behalf of the PAN Exempted Bidders, the Bid cum Application Forms may be checked for common DP ID and

Client ID. Such Bids which have the same DP ID and Client ID may be treated as multiple Bids and are liable to be rejected.

- c) The following Bids may not be treated as multiple Bids:
- 1) Bids by Reserved Categories Bidding in their respective Reservation Portion as well as bids made by them in the issue portion in public category.
  - 2) Separate Bids by Mutual Funds in respect of more than one scheme of the Mutual Fund provided that the Bids clearly indicate the scheme for which the Bid has been made.
  - 3) Bids by Mutual Funds, and sub-accounts of FIIs (or FIIs and its sub-accounts) submitted with the same PAN but with different beneficiary account numbers, Client IDs and DP IDs.
  - 4) Bids by Anchor Investors under the Anchor Investor Portion and the QIB Category.

#### **4.1.5 FIELD NUMBER 5: CATEGORY OF BIDDERS**

- a) The categories of Bidders identified as per the SEBI ICDR Regulations, 2009 for the purpose of Bidding, allocation and Allotment in the Issue are RIIs, NIIs and QIBs.
- b) Up to 60% of the QIB Category can be allocated by the Issuer, on a discretionary basis subject to the criteria of minimum and maximum number of Anchor Investors based on allocation size, to the Anchor Investors, in accordance with SEBI ICDR Regulations, 2009, with one-third of the Anchor Investor Portion reserved for domestic Mutual Funds subject to valid Bids being received at or above the Issue Price. For details regarding allocation to Anchor Investors, Bidders may refer to the Prospectus.
- c) An Issuer can make reservation for certain categories of Applicants as permitted under the SEBI ICDR Regulations, 2009. For details of any reservations made in the Issue, Applicants may refer to the Prospectus.
- d) The SEBI ICDR Regulations, 2009, specify the allocation or Allotment that may be made to various categories of Bidders in an Issue depending upon compliance with the eligibility conditions. Details pertaining to allocation are disclosed on reverse side of the Revision Form. For Issue specific details in relation to allocation 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 Bid/Apply in the Issue or hold Equity Shares exceeding certain limits specified under applicable law. Applicants are requested to refer to the Prospectus for more details.
- 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 Bid cum Application Form and Non-Resident Bid cum Application Form.
- d) Applicants should ensure that their investor status is updated in the Depository records.

#### **4.1.7 FIELD NUMBER 7: PAYMENT DETAILS**

- a) The full Bid Amount (net of any Discount, as applicable) shall be blocked based on the authorisation provided in the Bid cum Application Form. If the Discount is applicable in the Issue, the RIIs should indicate the full Bid Amount in the Bid cum Application Form and the funds shall be blocked for Bid Amount net of Discount. Only in cases where the Prospectus indicates that part payment may be made, such an option can be exercised by the Bidder. In case of Bidders specifying more than one Bid Option in the Bid cum Application Form, the total Bid Amount may be calculated for the highest of three options at net price, i.e. Bid price less Discount offered, if any.
- b) Bidders who Bid at Cut-off Price shall deposit the Bid Amount based on the Cap Price.



- c) All Bidders (except Anchor Investors) can participate in the Issue only through the ASBA mechanism.
- d) Bid Amount cannot be paid in cash, through money order or through postal order.

#### **4.1.7.1 Instructions for Anchor Investors:**

- a) Anchor Investors may submit their Bids with a Book Running Lead Manager.
- b) Payments should be made either by RTGS, NEFT or cheque/ demand draft drawn on any bank (including a co-operative bank), which is situated at, and is a member of or sub-member of the bankers' clearing house located at the centre where the Anchor Investor Application Form is submitted. Cheques/bank drafts drawn on banks not participating in the clearing process may not be accepted and applications accompanied by such cheques or bank drafts are liable to be rejected.
- c) If the cheque or demand draft accompanying the Bid cum Application Form is not made favoring the Escrow Account, the Bid is liable to be rejected.
- d) The Escrow Collection Banks shall maintain the monies in the Escrow Account for and on behalf of the Anchor Investors until the Designated Date.
- e) Anchor Investors are advised to provide the number of the Anchor Investor Application Form and PAN on the reverse of the cheque or bank draft to avoid any possible misuse of instruments submitted.

#### **4.1.7.2 Payment instructions for Bidders (other than Anchor Investors)**

- a) Bidders may submit the Bid cum Application Form either
  - 1) in physical mode to the Designated Branch of an SCSB where the Applicants have ASBA Account, or
  - 2) in electronic mode through the internet banking facility offered by an SCSB authorizing blocking of funds that are available in the ASBA account specified in the Bid cum Application Form, or
  - 3) in physical mode to any Designated Intermediary.
- b) Bidders must specify the Bank Account number in the Bid cum Application Form. The Bid cum Application Form submitted by Bidder and which is accompanied by cash, demand draft, money order, postal order or any mode of payment other than blocked amounts in the ASBA Account maintained with an SCSB, may not be accepted.
- c) Bidders should ensure that the Bid cum Application Form is also signed by the ASBA Account holder(s) if the Bidder is not the ASBA Account holder;
- d) Bidders shall note that for the purpose of blocking funds under ASBA facility clearly demarcated funds shall be available in the account.
- e) From one ASBA Account, a maximum of five Bids cum Application Forms can be submitted.
- f) Bidders bidding through a member of the Syndicate should ensure that the Bid cum Application Form is submitted to a member of the Syndicate only at the Specified Locations. Bidders should also note that Bid cum Application Forms submitted to the Syndicate at the Specified Locations may not be accepted by the member of the Syndicate if the SCSB where the ASBA Account, as specified in the Bid cum Application Form, is maintained has not named at least one branch at that location for the members of the Syndicate to deposit Bid cum Application Forms (a list of such branches is available on the website of SEBI at <http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries>).
- g) Bidders bidding through a Registered Broker, RTA or CDP should note that Bid cum Application Forms submitted to them may not be accepted, if the SCSB where the ASBA Account, as specified in the Bid cum Application Form, is maintained has not named at least one branch at that location for the Registered Brokers, RTA or CDP, as the case may be, to deposit Bid cum Application Forms.

- h) Bidders bidding directly through the SCSBs should ensure that the Bid cum Application Form is submitted to a Designated Branch of a SCSB where the ASBA Account is maintained.
- i) Upon receipt of the Bid cum Application Form, the Designated Branch of the SCSB may verify if sufficient funds equal to the Bid Amount are available in the ASBA Account, as mentioned in the Bid cum Application Form.
- j) If sufficient funds are available in the ASBA Account, the SCSB may block an amount equivalent to the Bid Amount mentioned in the Bid cum Application Form and for application directly submitted to SCSB by investor, may enter each Bid option into the electronic bidding system as a separate Bid.
- k) If sufficient funds are not available in the ASBA Account, the Designated Branch of the SCSB may not upload such Bids on the Stock Exchange platform and such bids are liable to be rejected.
- l) Upon submission of a completed Bid cum Application Form each Bidder may be deemed to have agreed to block the entire Bid Amount and authorized the Designated Branch of the SCSB to block the Bid Amount specified in the Bid cum Application Form in the ASBA Account maintained with the SCSBs.
- m) The Bid Amount may remain blocked in the aforesaid ASBA Account until finalisation of the Basis of Allotment and consequent transfer of the Bid Amount against the Allotted Equity Shares to the Public Issue Account, or until withdrawal or failure of the Issue, or until withdrawal or rejection of the Bid, as the case may be.
- n) SCSBs bidding in the Issue must apply through an Account maintained with any other SCSB; else their Bids are liable to be rejected.

#### **4.1.7.2.1 Unblocking of ASBA Account**

- 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 Bid, (ii) the amount to be transferred from the relevant bank account to the Public Issue Account, for each Bid, (iii) the date by which funds referred to in (ii) above may be transferred to the Public Issue Account, and (iv) details of rejected Bids, if any, along with reasons for rejection and details of withdrawn or unsuccessful Bids, if any, to enable the SCSBs to unblock the respective bank accounts.
- b) On the basis of instructions from the Registrar to the Issue, the SCSBs may transfer the requisite amount against each successful Bidder to the Public Issue Account and may unblock the excess amount, if any, in the ASBA Account.
- c) In the event of withdrawal or rejection of the Bid cum Application Form and for unsuccessful Bids, the Registrar to the Issue may give instructions to the SCSB to unblock the Bid Amount in the relevant ASBA Account within six Working Days of the Bid/ Issue Closing Date.

#### **4.1.7.3 Discount (if applicable)**

- a) The Discount is stated in absolute rupee terms.
- b) Bidders applying under RII category, Retail Individual Shareholder and employees are only eligible for discount. For Discounts offered in the Issue, Bidders may refer to the Prospectus.
- c) The Bidders entitled to the applicable Discount in the Issue may block an amount i.e. the Bid Amount less Discount (if applicable).

Bidder may note that in case the net amount blocked (post Discount) is more than two lakh Rupees, the Bidding system automatically considers such applications for allocation under Non-Institutional Category. These applications are neither eligible for Discount nor fall under RII category.

#### **4.1.8 FIELD NUMBER 8: SIGNATURES AND OTHER AUTHORISATIONS**

- a) Only the First Applicant is required to sign the Bid cum Application Form/Application Form. Applicants should ensure that signatures are in one of the languages specified in the Eighth Schedule to the Constitution of India.

- b) If the ASBA Account is held by a person or persons other than the Applicant., then the Signature of the ASBA Account holder(s) is also required.
- c) The signature has to be correctly affixed in the authorisation/undertaking box in the Bid cum Application Form/Application Form, or an authorisation has to be provided to the SCSB via the electronic mode, for blocking funds in the ASBA Account equivalent to the Bid Amount mentioned in the Bid cum Application Form/Application Form.
- d) Applicants must note that Bid cum Application Form/Application Form without signature of Applicant and/or ASBA Account holder is liable to be rejected..

#### **4.1.9 ACKNOWLEDGEMENT AND FUTURE COMMUNICATION**

- a) Bidders should ensure that they receive the Acknowledgement Slip duly signed and stamped by the Designated Intermediary, as applicable, for submission of the Bid cum Application Form.
- b) All communications in connection with Bids/Applications made in the Issue should be addressed as under:
  - 1) In case of queries related to Allotment, non-receipt of Allotment Advice, credit of Allotted Equity shares, refund orders, the Applicants should contact the Registrar to the Issue.
  - 2) In case of Bids submitted to the Designated Branches of the SCSBs, the Applicants should contact the relevant Designated Branch of the SCSB.
  - 3) In case of queries relating to uploading of Bids by a Syndicate Member, the Applicants should contact the relevant Syndicate Member.
  - 4) In case of queries relating to uploading of Bids by a Registered Broker, the Applicants should contact the relevant Registered Broker
  - 5) In case of Bids submitted to the RTA, the Applicants should contact the relevant RTA.
  - 6) In case of Bids submitted to the DP, the Applicants should contact the relevant DP.
  - 7) Applicant may contact our Company Secretary and Compliance Officer or BRLM(s) in case of any other complaints in relation to the Issue.
- c) The following details (as applicable) should be quoted while making any queries –
  - 1) full name of the sole or First Applicant, Bid cum Application Form number, Applicants' DP ID, Client ID, PAN, number of Equity Shares applied for, amount paid on application;
  - 2) name and address of the Designated Intermediary, where the Bid was submitted; or
  - 3) In case of Bids other than from Anchor Investors, ASBA Account number in which the amount equivalent to the Bid Amount was blocked.
- d) In case of Anchor Investor bids cheque or draft number and the name of the issuing bank thereof.

For further details, Applicant may refer to the Prospectus and the Bid cum Application Form.

#### **4.2 INSTRUCTIONS FOR FILING THE REVISION FORM**

- a) During the Bid/ Issue Period, any Applicant (other than QIBs and NIIs, who can only revise their bid upwards) who has registered his or her interest in the Equity Shares at a particular price level is free to revise his or her Bid within the Price Band using the Revision Form, which is a part of the Bid cum Application Form.
- b) RII may revise their bids or withdraw their Bids till the Bid/ Issue Close Date.
- c) Revisions can be made in both the desired number of Equity Shares and the Bid Amount by using the Revision Form.



- d) The Applicant can make this revision any number of times during the Bid/ Issue Period. However, for any revision(s) in the Bid, the Applicants will have to use the services of the same Designated Intermediary through which such Applicant had placed the original Bid. Applicants are advised to retain copies of the blank Revision Form and the Bid(s) must be made only in such Revision Form or copies thereof.

A sample revision form is reproduced below:

<b>COMMON BID REVISION FORM</b>	<b>XYZ LIMITED - INITIAL PUBLIC ISSUE - R</b> Address : ..... Contact Details: ..... CIN No .....	<b>FOR RESIDENT INDIANS, INCLUDING RESIDENT QIBs, AND ELIGIBLE NRIs APPLYING ON A NON-REPATRIATION BASIS</b>			
LOGO	TO, THE BOARD OF DIRECTORS XYZ LIMITED	<table border="1" style="width:100%; border-collapse: collapse;"> <tr> <td style="text-align:center;"><b>BOOK BUILT ISSUE</b></td> <td rowspan="2" style="text-align:right; vertical-align:middle;">Bid cum Application Form No. <span style="border:1px solid black; display:inline-block; width:100px; height:20px;"></span></td> </tr> <tr> <td style="text-align:center;">ISIN : .....</td> </tr> </table>	<b>BOOK BUILT ISSUE</b>	Bid cum Application Form No. <span style="border:1px solid black; display:inline-block; width:100px; height:20px;"></span>	ISIN : .....
<b>BOOK BUILT ISSUE</b>	Bid cum Application Form No. <span style="border:1px solid black; display:inline-block; width:100px; height:20px;"></span>				
ISIN : .....					
<b>SYNDICATE MEMBER'S STAMP &amp; CODE</b>	<b>BROKER/SCSB/DP/RTA STAMP &amp; CODE</b>	<b>1. NAME &amp; CONTACT DETAILS OF SOLE / FIRST BIDDER</b>			
<b>SUB-BROKER'S / SUB-AGENT'S STAMP &amp; CODE</b>	<b>ESCROW BANK/SCSB BRANCH STAMP &amp; CODE</b>	Mr./Ms. <span style="border:1px solid black; display:inline-block; width:100px; height:15px;"></span>			
<b>BANK BRANCH SERIAL NO.</b>	<b>SCSB SERIAL NO.</b>	Address <span style="border:1px solid black; display:inline-block; width:100px; height:15px;"></span>			
		Tel. No (with STD code) / Mobile <span style="border:1px solid black; display:inline-block; width:100px; height:15px;"></span>			
		<b>2. PAN OF SOLE / FIRST BIDDER</b>			
		<b>3. BIDDER'S DEPOSITORY ACCOUNT DETAILS</b> <input type="checkbox"/> NSDL <input type="checkbox"/> CDSL			
For NSDL, enter 8 digit DP ID followed by 8 digit Client ID / For CDSL, enter 16 digit Client ID					
<b>PLEASE CHANGE MY BID</b>					
<b>4. FROM (AS PER LAST BID OR REVISION)</b>					
Bid Options:	No. of Equity Shares Bid (Bids must be in multiples of Bid Lot as advertised) (In Figures)	Price per Equity Share (₹) / "Cut-off" (Price in multiples of ₹ 1/- only) (In Figures)			
		Bid Price      Retail Discount      Net Price      "Cut-off" (Please ✓/tick)			
Option 1	8   7   6   5   4   3   2   1	3   2   1      3   2   1      3   2   1 <input type="checkbox"/>			
(OR) Option 2		<input type="checkbox"/>			
(OR) Option 3		<input type="checkbox"/>			
<b>5. TO (Revised Bid) (Only Retail Individual Bidders can Bid at "Cut-off")</b>					
Bid Options:	No. of Equity Shares Bid (Bids must be in multiples of Bid Lot as advertised) (In Figures)	Price per Equity Share (₹) / "Cut-off" (Price in multiples of ₹ 1/- only) (In Figures)			
		Bid Price      Retail Discount      Net Price      "Cut-off" (Please ✓/tick)			
Option 1	8   7   6   5   4   3   2   1	3   2   1      3   2   1      3   2   1 <input type="checkbox"/>			
(OR) Option 2		<input type="checkbox"/>			
(OR) Option 3		<input type="checkbox"/>			
<b>6. PAYMENT DETAILS</b>					
Additional Amount Paid (₹ in figures) <span style="border:1px solid black; display:inline-block; width:100px; height:15px;"></span>		PAYMENT OPTION : FULL PAYMENT <input type="checkbox"/> PART PAYMENT <input type="checkbox"/>			
(₹ in words) <span style="border:1px solid black; display:inline-block; width:100px; height:15px;"></span>					
ASBA Bank A/c No.	<span style="border:1px solid black; display:inline-block; width:100px; height:15px;"></span>				
Bank Name & Branch	<span style="border:1px solid black; display:inline-block; width:100px; height:15px;"></span>				
I/WE (ON BEHALF OF JOINT APPLICANTS, IF ANY) HEREBY CONFIRM THAT I/WE HAVE READ AND UNDERSTOOD THE TERMS AND CONDITIONS OF THIS BID REVISION FORM AND THE ATTACHED ABRIDGED PROSPECTUS AND THE GENERAL INFORMATION DOCUMENT FOR INVESTING IN PUBLIC ISSUES ("GID") AND HEREBY AGREE AND CONFIRM THE "BIDDERS UNDERTAKING" AS GIVEN OVERLEAF. I/WE (ON BEHALF OF JOINT APPLICANTS, IF ANY) HEREBY CONFIRM THAT I/WE HAVE READ THE INSTRUCTIONS FOR FILLING UP THE BID REVISION FORM GIVEN OVERLEAF.					
<b>7A. SIGNATURE OF SOLE / FIRST BIDDER</b>	<b>7B. SIGNATURE OF ASBA BANK ACCOUNT HOLDER(s) (AS PER BANK RECORDS)</b>	<b>BROKER / SCSB / DP / RTA STAMP (Acknowledging upload of Bid in Stock Exchange system)</b>			
Date : <span style="border:1px solid black; display:inline-block; width:100px; height:15px;"></span>	I/We authorize the SCSB to do all acts as are necessary to make the Application in the name 1) <span style="border:1px solid black; display:inline-block; width:100px; height:15px;"></span> 2) <span style="border:1px solid black; display:inline-block; width:100px; height:15px;"></span> 3) <span style="border:1px solid black; display:inline-block; width:100px; height:15px;"></span>	<span style="border:1px solid black; display:inline-block; width:100px; height:40px;"></span>			
TEAR HERE					
LOGO	<b>XYZ LIMITED</b> BID REVISION FORM - INITIAL PUBLIC ISSUE - R	<table border="1" style="width:100%; border-collapse: collapse;"> <tr> <td style="text-align:center;"><b>Acknowledgement Slip for Broker/SCSB/ DP/RTA</b></td> <td rowspan="2" style="text-align:right; vertical-align:middle;">Bid cum Application Form No. <span style="border:1px solid black; display:inline-block; width:100px; height:20px;"></span></td> </tr> <tr> <td></td> </tr> </table>	<b>Acknowledgement Slip for Broker/SCSB/ DP/RTA</b>	Bid cum Application Form No. <span style="border:1px solid black; display:inline-block; width:100px; height:20px;"></span>	
<b>Acknowledgement Slip for Broker/SCSB/ DP/RTA</b>	Bid cum Application Form No. <span style="border:1px solid black; display:inline-block; width:100px; height:20px;"></span>				
DPID / CLID	PAN of Sole / First Bidder <span style="border:1px solid black; display:inline-block; width:100px; height:15px;"></span>				
Additional Amount Paid (₹)	Bank & Branch	Stamp & Signature of SCSB Branch			
ASBA Bank A/c No.	<span style="border:1px solid black; display:inline-block; width:100px; height:15px;"></span>				
Received from Mr./Ms.	<span style="border:1px solid black; display:inline-block; width:100px; height:15px;"></span>				
Telephone / Mobile	Email	<span style="border:1px solid black; display:inline-block; width:100px; height:15px;"></span>			
TEAR HERE					
<b>XYZ LIMITED - BID REVISION FORM - INITIAL PUBLIC ISSUE - R</b>	Option 1	Option 2	Option 3		
	No. of Equity Shares	<span style="border:1px solid black; display:inline-block; width:100px; height:15px;"></span>	<span style="border:1px solid black; display:inline-block; width:100px; height:15px;"></span>		
	Bid Price	<span style="border:1px solid black; display:inline-block; width:100px; height:15px;"></span>	<span style="border:1px solid black; display:inline-block; width:100px; height:15px;"></span>		
	Additional Amount Paid (₹)	<span style="border:1px solid black; display:inline-block; width:100px; height:15px;"></span>			
	ASBA Bank A/c No.	<span style="border:1px solid black; display:inline-block; width:100px; height:15px;"></span>			
Bank & Branch	<span style="border:1px solid black; display:inline-block; width:100px; height:15px;"></span>				
Stamp & Signature of Broker / SCSB / DP / RTA			Name of Sole / First Bidder <span style="border:1px solid black; display:inline-block; width:100px; height:15px;"></span>		
			<b>Acknowledgement Slip for Bidder</b>		
			Bid cum Application Form No. <span style="border:1px solid black; display:inline-block; width:100px; height:20px;"></span>		

Instructions to fill each field of the Revision Form can be found on the reverse side of the Revision Form. Other than instructions already highlighted at paragraph 4.1 above, point wise instructions regarding filling up various fields of the Revision Form are provided below:

#### **4.2.1 FIELDS 1, 2 AND 3: NAME AND CONTACT DETAILS OF SOLE/FIRST BIDDER/APPLICANT, PAN OF SOLE/FIRST BIDDER/APPLICANT & DEPOSITORY ACCOUNT DETAILS OF THE BIDDER/APPLICANT**

Bidders/Applicants should refer to instructions contained in paragraphs 4.1.1, 4.1.2 and 4.1.3. 4.2.2

#### **FIELD 4 & 5: BID OPTIONS REVISION 'FROM' AND 'TO'**

- a) Apart from mentioning the revised options in the Revision Form, the Applicant must also mention the details of all the bid options given in his or her Bid cum Application Form or earlier Revision Form. For example, if an Applicant has Bid for three options in the Bid cum Application Form and such Applicant is changing only one of the options in the Revision Form, the Applicant must still fill the details of the other two options that are not being revised, in the Revision Form. The members of the Syndicate, the Registered Brokers and the Designated Branches of the SCSBs may not accept incomplete or inaccurate Revision Forms.
- b) In case of revision, Bid options should be provided by Applicants in the same order as provided in the Bid cum Application Form.
- c) In case of revision of Bids by RIIs, Employees and Retail Individual Shareholders, such Applicants should ensure that the Bid Amount, subsequent to revision, does not exceed ₹ 200,000. In case the Bid Amount exceeds ₹ 200,000 due to revision of the Bid or for any other reason, the Bid may be considered, subject to eligibility, for allocation under the Non-Institutional Category, not being eligible for Discount (if applicable) and such Bid may be rejected if it is at the Cut-off Price. The Cut-off Price option is given only to the RIIs, Employees and Retail Individual Shareholders indicating their agreement to Bid for and purchase the Equity Shares at the Issue Price as determined at the end of the Book Building Process.
- d) In case the total amount (i.e., original Bid Amount plus additional payment) exceeds ₹ 200,000, the Bid will be considered for allocation under the Non-Institutional Category in terms of the Prospectus. If, however, the RII does not either revise the Bid or make additional payment and the Issue Price is higher than the cap of the Price Band prior to revision, the number of Equity Shares Bid for shall be adjusted downwards for the purpose of allocation, such that no additional payment would be required from the RII and the RII is deemed to have approved such revised Bid at Cut-off Price.
- e) In case of a downward revision in the Price Band, RIIs and Bids by Employees under the Reservation Portion, who have bid at the Cut-off Price could either revise their Bid or the excess amount paid at the time of Bidding may be unblocked in case of Bidders.

#### **4.2.3 FIELD 6: PAYMENT DETAILS**

- a) All Applicants are required to make payment of the full Bid Amount (less Discount, if applicable) along with the Bid Revision Form. In case of Applicants specifying more than one Bid Option in the Bid cum Application Form, the total Bid Amount may be calculated for the highest of three options at net price, i.e. Bid price less discount offered, if any.
- b) Applicant may Offer instructions to block the revised amount based on cap of the revised Price Band (adjusted for the Discount (if applicable) in the ASBA Account, to the same Designated Intermediary through whom such Applicant had placed the original Bid to enable the relevant SCSB to block the additional Bid Amount, if any.
- c) In case the total amount (i.e., original Bid Amount less discount (if applicable) plus additional payment) exceeds ₹ 200,000, the Bid may be considered for allocation under the Non-Institutional Category in terms of the Prospectus. If, however, the Applicant does not either revise the Bid or make additional payment and the Issue Price is higher than the cap of the Price Band prior to revision, the number of Equity Shares Bid for may be adjusted downwards for the purpose of Allotment, such that additional amount is required blocked and the Applicant is deemed to have approved such revised Bid at the Cut-off Price.

- d) In case of a downward revision in the Price Band, RIIs, Employees and Retail Individual Shareholders, who have bid at the Cut-off Price, could either revise their Bid or the excess amount paid at the time of Bidding may be unblocked.

#### 4.2.4 FIELDS 7: SIGNATURES AND ACKNOWLEDGEMENTS

Bidders/Applicants may refer to instructions contained at paragraphs 4.1.8 and 4.1.9 for this purpose.

#### 4.3 INSTRUCTIONS FOR FILING APPLICATION FORM IN ISSUES MADE OTHER THAN THROUGH THE BOOK BUILDING PROCESS (FIXED PRICE ISSUE)

##### 4.3.1 FIELDS 1, 2, 3 NAME AND CONTACT DETAILS OF SOLE/FIRST BIDDER/APPLICANT, PAN OF SOLE/FIRST BIDDER/APPLICANT & DEPOSITORY ACCOUNT DETAILS OF THE BIDDER/APPLICANT

Applicants should refer to instructions contained in paragraphs 4.1.1, 4.1.2 and 4.1.3.

##### 4.3.2 FIELD 4: PRICE, APPLICATION QUANTITY & AMOUNT

- a) The Issuer may mention Price or Price Band in the Prospectus. However a Prospectus registered with RoC contains one price or coupon rate (as applicable).
- b) **Minimum Application Value and Bid Lot:** The Issuer in consultation with the Lead Manager to the Issue (LM) may decide the minimum number of Equity Shares for each Bid to ensure that the minimum application value is within the range of ₹ 10,000 to ₹ 15,000. The minimum Lot size is accordingly determined by an Issuer on basis of such minimum application value.
- c) Applications by RIIs, Employees and Retail Individual Shareholders, must be for such number of shares so as to ensure that the application amount payable does not exceed ₹ 200,000.
- d) Applications by other investors must be for such minimum number of shares such that the application amount exceeds ₹ 200,000 and in multiples of such number of Equity Shares thereafter, as may be disclosed in the application form and the Prospectus, or as advertised by the Issuer, as the case may be.
- e) An application cannot be submitted for more than the Issue size.
- f) The maximum application by any Applicant should not exceed the investment limits prescribed for them under the applicable laws.
- g) **Multiple Applications:** An Applicant should submit only one Application Form. Submission of a second Application Form to either the same or other SCSB and duplicate copies of Application Forms bearing the same application number shall be treated as multiple applications and are liable to be rejected.
- h) Applicants are requested to note the following procedures may be followed by the Registrar to the Issue to detect multiple applications:
- 1) All applications may be checked for common PAN as per the records of the Depository. For Applicants other than Mutual Funds and FII sub-accounts, Bids bearing the same PAN may be treated as multiple applications by a Applicant and may be rejected.
  - 2) For applications from Mutual Funds and FII sub-accounts, submitted under the same PAN, as well as Bids on behalf of the PAN Exempted Applicants, the Application Forms may be checked for common DP ID and Client ID. In any such applications which have the same DP ID and Client ID, these may be treated as multiple applications and may be rejected.
- i) The following applications may not be treated as multiple Bids:
- 1) Applications by Reserved Categories in their respective reservation portion as well as that made by them in the Issue portion in public category.

- 2) Separate applications by Mutual Funds in respect of more than one scheme of the Mutual Fund provided that the Applications clearly indicate the scheme for which the Bid has been made.
- 3) Applications by Mutual Funds, and sub-accounts of FIIs (or FIIs and its subaccounts) submitted with the same PAN but with different beneficiary account numbers, Client IDs and DP IDs.

#### **4.3.3 FIELD NUMBER 5 : CATEGORY OF APPLICANTS**

- a) The categories of applicants identified as per the SEBI ICDR Regulations, 2009 for the purpose of Bidding, allocation and Allotment in the Issue are RIIs, individual applicants other than RII's and other investors (including corporate bodies or institutions, irrespective of the number of specified securities applied for).
- b) 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.
- c) The SEBI ICDR Regulations, 2009 specify the allocation or Allotment that may be made to various categories of applicants in an Issue depending upon compliance with the eligibility conditions. Details pertaining to allocation are disclosed on reverse side of the Revision Form. For Issue specific details in relation to allocation applicant may refer to the Prospectus.

#### **4.3.4 FIELD NUMBER 6: INVESTOR STATUS**

Applicants should refer to instructions contained in paragraphs 4.1.6.

#### **4.3.5 FIELD 7: PAYMENT DETAILS**

- a) All Applicants (other than Anchor Investors) are required to make use ASBA for applying in the Issue
- b) Application Amount cannot be paid in cash, through money order, cheque or through postal order or through stock invest.

##### **4.3.5.1 Payment instructions for Applicants**

- a) Applicants may submit the Application Form in physical mode to the Designated Intermediaries.
- b) Applicants must specify the Bank Account number in the Application Form. The Application Form submitted by an Applicant and which is accompanied by cash, demand draft, money order, postal order or any mode of payment other than blocked amounts in the ASBA Account maintained with an SCSB, will not be accepted.
- c) Applicants should ensure that the Application Form is also signed by the ASBA Account holder(s) if the Applicant is not the ASBA Account holder;
- d) Applicants shall note that for the purpose of blocking funds under ASBA facility clearly demarcated funds shall be available in the account.
- e) From one ASBA Account, a maximum of five Bids cum Application Forms can be submitted.
- f) Applicants bidding directly through the SCSBs should ensure that the Application Form is submitted to a Designated Branch of a SCSB where the ASBA Account is maintained.
- 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 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 consequent transfer of the Application Amount against the Allotted Equity Shares to the Public Issue Account, or until withdrawal or failure of the Issue, or until withdrawal or rejection of the Application, as the case may be.
- 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.

#### 4.3.5.2 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 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 Application to the Public Issue Account and may unblock the excess amount, if any, in the ASBA Account.
- c) In the event of withdrawal or rejection of the Application Form and for unsuccessful Applications, the Registrar to the Issue may give instructions to the SCSB to unblock the Application Amount in the relevant ASBA Account within six Working Days of the Issue Closing Date.

#### 4.3.5.3 Discount (if applicable)

- 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).

#### 4.3.6 FIELD NUMBER 8: SIGNATURES AND OTHER AUTHORISATIONS & ACKNOWLEDGEMENT AND FUTURE COMMUNICATION

Applicants should refer to instructions contained in paragraphs 4.1.8 & 4.1.9.

#### 4.4 SUBMISSION OF BID CUM APPLICATION FORM/REVISION FORM/APPLICATION FORM

##### 4.4.1 Bidders/Applicants may submit completed Bid cum application form/Revision Form in the following manner:-

Mode of Application	Submission of Bid cum Application Form
Anchor Investors Application Form	<ul style="list-style-type: none"> <li>To the Book Running Lead Managers at the Specified Locations mentioned in the Bid cum Application Form</li> </ul>
All Applications (other than Anchor Investors)	<ul style="list-style-type: none"> <li>To members of the Syndicate in the Specified Locations or Registered Brokers at the Broker Centres or the RTA at the Designated RTA Location or the DP at the Designated DP Location</li> <li>To the Designated Branches of the SCSBs where the ASBA Account is maintained</li> </ul>

- a) Applicants should submit the Revision Form to the same Designated Intermediary through which such Applicant had placed the original Bid.



- b) Upon submission of the Bid cum Application Form, the Applicant will be deemed to have authorized the Issuer to make the necessary changes in the Prospectus and the Bid cum Application Form as would be required for filing Prospectus with the RoC and as would be required by the RoC after such filing, without prior or subsequent notice of such changes to the relevant Applicant.
- c) Upon determination of the Issue Price and filing of the Prospectus with the RoC, the Bid cum Application Form will be considered as the application form.

## **SECTION 5: ISSUE PROCEDURE IN BOOK BUILT ISSUE**

Book Building, in the context of the Issue, refers to the process of collection of Bids within the Price Band or above the Floor Price and determining the Issue Price based on the Bids received as detailed in Schedule XI of SEBI ICDR Regulations, 2009. The Issue Price is finalised after the Bid/ Issue Closing Date. Valid Bids received at or above the Issue Price are considered for allocation in the Issue, subject to applicable regulations and other terms and conditions.

### **5.1 SUBMISSION OF BIDS**

- a) During the Bid/ Issue Period, Applicants may approach any of the Designated Intermediaries to register their Bids. Anchor Investors who are interested in subscribing for the Equity Shares should approach the Book Running Lead Manager, to register their Bid.
- b) In case of Applicants (excluding NIIs and QIBs) Bidding at Cut-off Price, the Applicants may instruct the SCSBs to block Bid Amount based on the Cap Price less Discount (if applicable).
- c) For Details of the timing on acceptance and upload of Bids in the Stock Exchanges Platform Applicants are requested to refer to the Prospectus.

### **5.2 ELECTRONIC REGISTRATION OF BIDS**

- a) The Designated Intermediary may register the Bids using the on-line facilities of the Stock Exchanges. The Designated Intermediaries can also set up facilities for off-line electronic registration of Bids, subject to the condition that they may subsequently upload the off-line data file into the on-line facilities for Book Building on a regular basis before the closure of the issue.
- b) On the Bid/ Issue Closing Date, the Designated Intermediaries may upload the Bids till such time as may be permitted by the Stock Exchanges.
- c) Only Bids that are uploaded on the Stock Exchanges Platform are considered for allocation/Allotment. The Designated Intermediaries are given till 1:00 pm on the day following the Bid/ Issue Closing Date to modify select fields uploaded in the Stock Exchange Platform during the Bid/ Issue Period after which the Stock Exchange(s) send the bid information to the Registrar to the Issue for further processing.

### **5.3 BUILD UP OF THE BOOK**

- a) Bids received from various Applicants through the Designated Intermediaries may be electronically uploaded on the Bidding Platform of the Stock Exchanges' on a regular basis. The book gets built up at various price levels. This information may be available with the BRLMs at the end of the Bid/ Issue Period.
- b) Based on the aggregate demand and price for Bids registered on the Stock Exchanges Platform, a graphical representation of consolidated demand and price as available on the websites of the Stock Exchanges may be made available at the Bidding centres during the Bid/ Issue Period.

### **5.4 WITHDRAWAL OF BIDS**

- a) RIIs can withdraw their Bids until Bid/ Issue Closing Date. In case a RII wishes to withdraw the Bid during the Bid/ Issue Period, the same can be done by submitting a request for the same to the concerned Designated Intermediary who shall do the requisite, including unblocking of the funds by the SCSB in the ASBA Account.
- b) The Registrar to the Issue shall give instruction to the SCSB for unblocking the ASBA Account on the Designated Date. QIBs and NIIs can neither withdraw nor lower the size of their Bids at any stage.

## 5.5 REJECTION & RESPONSIBILITY FOR UPLOAD OF BIDS

- a) The Designated Intermediaries are individually responsible for the acts, mistakes or errors or omission in relation to:
  - 1) the Bids accepted by the Designated Intermediaries,
  - 2) the Bids uploaded by the Designated Intermediaries, and
  - 3) the Bid cum application forms accepted but not uploaded by the Designated Intermediaries.
- b) The BRLMs and their affiliate Syndicate Members, as the case may be, may reject Bids if all the information required is not provided and the Bid cum Application Form is incomplete in any respect.
- c) The SCSBs shall have no right to reject Bids, except in case of unavailability of adequate funds in the ASBA account or on technical grounds.
- d) In case of QIB Bidders, only the (i) SCSBs (for Bids other than the Bids by Anchor Investors); and (ii) BRLMs and their affiliate Syndicate Members (only in the Specified Locations) have the right to reject bids. However, such rejection shall be made at the time of receiving the Bid and only after assigning a reason for such rejection in writing.
- e) All bids by QIBs, NIIs & RIIs Bids can be rejected on technical grounds listed herein.

### 5.5.1 GROUNDS FOR TECHNICAL REJECTIONS

Bid cum Application Forms/Application Form can be rejected on the below mentioned technical grounds either at the time of their submission to any of the Designated Intermediaries, or at the time of finalisation of the Basis of Allotment. Bidders/Applicants are advised to note that the Bids/Applications are liable to be rejected, inter-alia, on the following grounds, which have been detailed at various places in this GID:-

- a) Bid/Application by persons not competent to contract under the Indian Contract Act, 1872, as amended, (other than minors having valid Depository Account as per Demographic Details provided by Depositories);
- b) Bids/Applications by OCBs; and
- c) In case of partnership firms, Bid/Application for Equity Shares made in the name of the firm. However, a limited liability partnership can apply in its own name;
- d) In case of Bids/Applications under power of attorney or by limited companies, corporate, trust etc., relevant documents not being submitted along with the Bid cum application form/Application Form;
- e) Bids/Applications by persons prohibited from buying, selling or dealing in the shares directly or indirectly by SEBI or any other regulatory authority;
- f) Bids/Applications by persons in the United States excluding persons who are a U.S. QIB (as defined in the Prospectus);
- g) Bids/Applications by any person outside India if not in compliance with applicable foreign and Indian laws;
- h) PAN not mentioned in the Bid cum Application Form/Application Form, except for Bids/Applications by or on behalf of the Central or State Government and officials appointed by the court and by the investors residing in the State of Sikkim, provided such claims have been verified by the Depository Participant;
- i) In case no corresponding record is available with the Depositories that matches the DP ID, the Client ID and the PAN;
- j) Bids/Applications for lower number of Equity Shares than the minimum specified for that category of investors;
- k) Bids/Applications at a price less than the Floor Price and Bids/Applications at a price more than the Cap Price;
- l) Bids/Applications at Cut-off Price by NIIs and QIBs;

- m) The amounts mentioned in the Bid cum Application Form/Application Form does not tally with the amount payable for the value of the Equity Shares Bid/Applied for;
- n) Bids/Applications for amounts greater than the maximum permissible amounts prescribed by the regulations;
- o) Submission of more than five Bid cum Application Forms/Application Form as through a single ASBA Account;
- p) Bids/Applications for number of Equity Shares which are not in multiples Equity Shares which are not in multiples as specified in the Prospectus;
- q) Multiple Bids/Applications as defined in this GID and the Prospectus;
- r) Bid cum Application Forms/Application Forms are not delivered by the Bidders/Applicants within the time prescribed as per the Bid cum Application Forms/Application Form, Bid/ Issue Opening Date advertisement and as per the instructions in the Prospectus and the Bid cum Application Forms;
- s) Inadequate funds in the bank account to block the Bid/Application Amount specified in the Bid cum Application Form/Application Form at the time of blocking such Bid/Application Amount in the bank account;
- t) In case of Anchor Investors, Bids/Applications where sufficient funds are not available in Escrow Accounts as per final certificate from the Escrow Collection Banks;
- u) Where no confirmation is received from SCSB for blocking of funds;
- v) Bids/Applications by Bidders (other than Anchor Investors) not submitted through ASBA process;
- w) Bids/Applications submitted to a BRLM at locations other than the Specified Cities and Bid cum Application Forms/Application Forms, under the ASBA process, submitted to the Escrow Collecting Banks (assuming that such bank is not a SCSB where the ASBA Account is maintained), to the issuer or the Registrar to the Issue;
- x) Bids/Applications not uploaded on the terminals of the Stock Exchanges; and
- y) Bids/Applications by SCSBs wherein a separate account in its own name held with any other SCSB is not mentioned as the ASBA Account in the Bid cum Application Form/Application Form.

## 5.6 BASIS OF ALLOCATION

- a) The SEBI ICDR Regulations, 2009 specify the allocation or Allotment that may be made to various categories of Applicants in an Issue depending on compliance with the eligibility conditions. Certain details pertaining to the percentage of Issue size available for allocation to each category is disclosed overleaf of the Bid cum Application Form and in the Prospectus. For details in relation to allocation, the Applicant may refer to the Prospectus.
- b) Under-subscription in any category (except QIB Category) is allowed to be met with spillover from any other category or combination of categories at the discretion of the Issuer and in consultation with the BRLMs and the Designated Stock Exchange and in accordance with the SEBI ICDR Regulations, 2009. Unsubscribed portion in QIB Category is not available for subscription to other categories.
- c) In case of under subscription in the Issue, spill-over to the extent of such under-subscription may be permitted from the Reserved Portion to the Issue. For allocation in the event of an under-subscription applicable to the Issuer, Applicants may refer to the Prospectus.
- d) Illustration of the Book Building and Price Discovery Process Bidders should note that this example is solely for illustrative purposes and is not specific to the Issue; it also excludes Bidding by Anchor Investors.

Bidders can bid at any price within the Price Band. For instance, assume a Price Band of ₹ 20 to ₹ 24 per share, Issue size of 3,000 Equity Shares and receipt of five Bids from Bidders, details of which are shown in the table below. The illustrative book given below shows the demand for the Equity Shares of the Issuer at various prices and is collated from Bids received from various investors.



Bid Quantity	Bid Amount (₹)	Cumulative Quantity	Subscription
500	24	500	16.67%
1,000	23	1,500	50.00%
1,500	22	3,000	100.00%
2,000	21	5,000	166.67%
2,500	20	7,500	250.00%

The price discovery is a function of demand at various prices. The highest price at which the Issuer is able to Issue the desired number of Equity Shares is the price at which the book cuts off, i.e., ₹ 22.00 in the above example. The Issuer in consultation with the BRLMs, may finalise the Issue Price at or below such Cut-Off Price, i.e., at or below ₹ 22.00. All Bids at or above this Issue Price and cut-off Bids are valid Bids and are considered for allocation in the respective categories.

#### e) **Alternate Method of Book Building**

In case of FPOs, Issuers may opt for an alternate method of Book Building in which only the Floor Price is specified for the purposes of bidding (“**Alternate Book Building Process**”).

The Issuer may specify the Floor Price in the Prospectus or advertise the Floor Price at least one Working Day prior to the Bid/ Issue Opening Date. QIBs may Bid at a price higher than the Floor Price and the Allotment to the QIBs is made on a price priority basis. The Bidder with the highest Bid Amount is allotted the number of Equity Shares Bid for and then the second highest Bidder is Allotted Equity Shares and this process continues until all the Equity Shares have been allotted. RIIs, NIIs and Employees are Allotted Equity Shares at the Floor Price and Allotment to these categories of Bidders is made proportionately. If the number of Equity Shares Bid for at a price is more than available quantity then the Allotment may be done on a proportionate basis. Further, the Issuer may place a cap either in terms of number of specified securities or percentage of issued capital of the Issuer that may be Allotted to a single Bidder, decide whether a Bidder be allowed to revise the bid upwards or downwards in terms of price and/or quantity and also decide whether a Bidder be allowed single or multiple bids.

### **SECTION 6: ISSUE PROCEDURE IN FIXED PRICE ISSUE**

**Applicants may note that there is no Bid cum Application Form in a Fixed Price Issue.** As the Issue Price is mentioned in the Fixed Price Issue therefore on filing of the Prospectus with the RoC, the Application so submitted is considered as the Application Form.

Applicants may only use the specified Application Form for the purpose of making an Application in terms of the Prospectus which may be submitted through the Designated Intermediary.

Applicants may submit an Application Form either in physical form to the any of the Designated Intermediaries or in the electronic form to the SCSB or the Designated Branches of the SCSBs authorising blocking of funds that are available in the bank account specified in the Application Form only (“ASBA Account”). The Application Form is also made available on the websites of the Stock Exchanges at least one day prior to the Bid/Issue Opening Date.

In a fixed price Issue, allocation in the net issue to the public category is made as follows: minimum fifty per cent to Retail Individual Investors; and remaining to (i) individual investors other than Retail Individual Investors; and (ii) other Applicants including corporate bodies or institutions, irrespective of the number of specified securities applied for. The unsubscribed portion in either of the categories specified above may be allocated to the Applicants in the other category.

For details of instructions in relation to the Application Form, Applicants may refer to the relevant section of the GID.

### **SECTION 7: ALLOTMENT PROCEDURE AND BASIS OF ALLOTMENT**

The Allotment of Equity Shares to Applicants other than Retail Individual Investors and Anchor Investors may be on proportionate basis. For Basis of Allotment to Anchor Investors, Applicants may refer to Prospectus. No Retail Individual Investor will be Allotted less than the minimum Bid Lot subject to availability of shares in Retail Individual Investor Category and the remaining available shares, if any will be Allotted on a proportionate basis. The Issuer is required to receive a minimum subscription of 90% of the Issue (excluding any Offer for Sale of specified securities). However, in case the Issue is in the nature of Offer for Sale only, then minimum subscription may not be applicable.

### 7.1 ALLOTMENT TO RIIs

Bids received from the RIIs at or above the Issue Price may be grouped together to determine the total demand under this category. If the aggregate demand in this category is less than or equal to the Retail Category at or above the Issue Price, full Allotment may be made to the RIIs to the extent of the valid Bids. If the aggregate demand in this category is greater than the allocation to in the Retail Category at or above the Issue Price, then the maximum number of RIIs who can be Allotted the minimum Bid Lot will be computed by dividing the total number of Equity Shares available for Allotment to RIIs by the minimum Bid Lot (“**Maximum RII Allottees**”). The Allotment to the RIIs will then be made in the following manner:

- a) In the event the number of RIIs who have submitted valid Bids in the Issue is equal to or less than Maximum RII Allottees, (i) all such RIIs shall be Allotted the minimum Bid Lot; and (ii) the balance available Equity Shares, if any, remaining in the Retail Category shall be Allotted on a proportionate basis to the RIIs who have received Allotment as per (i) above for the balance demand of the Equity Shares Bid by them (i.e. who have Bid for more than the minimum Bid Lot).
- b) In the event the number of RIIs who have submitted valid Bids in the Issue is more than Maximum RII Allottees, the RIIs (in that category) who will then be Allotted minimum Bid Lot shall be determined on the basis of draw of lots.

### 7.2 ALLOTMENT TO NIIs

Bids received from NIIs at or above the Issue Price may be grouped together to determine the total demand under this category. The Allotment to all successful NIIs may be made at or above the Issue Price. If the aggregate demand in this category is less than or equal to the Non-Institutional Category at or above the Issue Price, full Allotment may be made to NIIs to the extent of their demand. In case the aggregate demand in this category is greater than the Non-Institutional Category at or above the Issue Price, Allotment may be made on a proportionate basis up to a minimum of the Non-Institutional Category.

### 7.3 ALLOTMENT TO QIBs

For the Basis of Allotment to Anchor Investors, Applicants may refer to the SEBI ICDR Regulations, 2009 or Prospectus. Bids received from QIBs Bidding in the QIB Category (net of Anchor Portion) at or above the Issue Price may be grouped together to determine the total demand under this category. The QIB Category may be available for Allotment to QIBs who have Bid at a price that is equal to or greater than the Issue Price. Allotment may be undertaken in the following manner:

- a) In the first instance allocation to Mutual Funds for up to 5% of the QIB Category may be determined as follows: (i) In the event that Bids by Mutual Fund exceeds 5% of the QIB Category, allocation to Mutual Funds may be done on a proportionate basis for up to 5% of the QIB Category; (ii) In the event that the aggregate demand from Mutual Funds is less than 5% of the QIB Category then all Mutual Funds may get full Allotment to the extent of valid Bids received above the Issue Price; and (iii) Equity Shares remaining unsubscribed, if any and not allocated to Mutual Funds may be available for Allotment to all QIBs as set out at paragraph 7.4(b) below;

In the second instance, Allotment to all QIBs may be determined as follows: (i) In the event of oversubscription in the QIB Category, all QIBs who have submitted Bids above the Issue Price may be Allotted Equity Shares on a proportionate basis for up to 95% of the QIB Category; (ii) Mutual Funds, who have received allocation as per (a) above, for less than the number of Equity Shares Bid for by them, are eligible to receive Equity Shares on a proportionate basis along with other QIBs; and (iii) Under-subscription below 5% of the QIB Category, if any, from Mutual Funds, may be included for allocation to the remaining QIBs on a proportionate basis.

### 7.4 ALLOTMENT TO ANCHOR INVESTOR (IF APPLICABLE)

- a) Allocation of Equity Shares to Anchor Investors at the Anchor Investor Issue Price will be at the discretion of the issuer in consultation with the Investor and the BRLMs, subject to compliance with the following requirements:
  - 1) not more than 60% of the QIB Category will be allocated to Anchor Investors;

- 2) one-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the price at which allocation is being done to other Anchor Investors; and
- 3) allocation to Anchor Investors shall be on a discretionary basis and subject to:
  - a maximum number of two Anchor Investors for allocation up to ₹ 10 crores;
  - a minimum number of two Anchor Investors and maximum number of 15 Anchor Investors for allocation of more than ₹ 10 crores and up to ₹ 250 crores subject to minimum Allotment of ₹ 5 crores per such Anchor Investor; and
  - a minimum number of five Anchor Investors and maximum number of 15 Anchor Investors for allocation of more than ₹ 250 crores, and an additional 10 Anchor Investors for every additional ₹ 250 crores or part thereof, subject to minimum Allotment of ₹ 5 crores per such Anchor Investor.
- b) A physical book is prepared by the Registrar on the basis of the Anchor Investor Application Forms received from Anchor Investors. Based on the physical book and at the discretion of the issuer in consultation with the BRLMs, selected Anchor Investors will be sent a CAN and if required, a revised CAN.
- c) **In the event that the Issue Price is higher than the Anchor Investor Issue Price:** Anchor Investors will be sent a revised CAN within one day of the Pricing Date indicating the number of Equity Shares allocated to such Anchor Investor and the pay-in date for payment of the balance amount. Anchor Investors are then required to pay any additional amounts, being the difference between the Issue Price and the Anchor Investor Issue Price, as indicated in the revised CAN within the pay-in date referred to in the revised CAN. Thereafter, the Allotment Advice will be issued to such Anchor Investors.
- d) **In the event the Issue Price is lower than the Anchor Investor Issue Price:** Anchor Investors who have been Allotted Equity Shares will directly receive Allotment Advice.

#### **7.5 BASIS OF ALLOTMENT FOR QIBs (OTHER THAN ANCHOR INVESTORS), NIIs AND RESERVED CATEGORY IN CASE OF OVER-SUBSCRIBED ISSUE**

In the event of the Issue being over-subscribed, the Issuer may finalise the Basis of Allotment in consultation with the Designated Stock Exchange in accordance with the SEBI ICDR Regulations, 2009.

The allocation may be made in marketable lots, on a proportionate basis as explained below:

- a) Bidders may be categorized according to the number of Equity Shares applied for;
- b) The total number of Equity Shares to be Allotted to each category as a whole may be arrived at on a proportionate basis, which is the total number of Equity Shares applied for in that category (number of Bidders in the category multiplied by the number of Equity Shares applied for) multiplied by the inverse of the over-subscription ratio;
- c) The number of Equity Shares to be Allotted to the successful Bidders may be arrived at on a proportionate basis, which is total number of Equity Shares applied for by each Bidder in that category multiplied by the inverse of the over-subscription ratio;
- d) In all Bids where the proportionate Allotment is less than the minimum Bid Lot decided per Bidder, the Allotment may be made as follows: the successful Bidders out of the total Bidders for a category may be determined by a draw of lots in a manner such that the total number of Equity Shares Allotted in that category is equal to the number of Equity Shares calculated in accordance with (b) above; and each successful Bidder may be Allotted a minimum of such Equity Shares equal to the minimum Bid Lot finalised by the Issuer;
- e) If the proportionate Allotment to a Bidder is a number that is more than the minimum Bid lot but is not a multiple of one (which is the marketable lot), the decimal may be rounded off to the higher whole number if that decimal is 0.5 or higher. If that number is lower than 0.5 it may be rounded off to the lower whole number. Allotment to all Bidders in such categories may be arrived at after such rounding off; and
- f) If the Equity Shares allocated on a proportionate basis to any category are more than the Equity Shares Allotted to the Bidders in that category, the remaining Equity Shares available for Allotment may be first adjusted against any

other category, where the Allotted Equity Shares are not sufficient for proportionate Allotment to the successful Bidders in that category. The balance Equity Shares, if any, remaining after such adjustment may be added to the category comprising Bidders applying for minimum number of Equity Shares.

## **7.6 DESIGNATED DATE AND ALLOTMENT OF EQUITY SHARES**

- a) Designated Date: On the Designated Date, the Escrow Collection Banks shall transfer the funds represented by allocation of Equity Shares to Anchor Investors from the Escrow Account, as per the terms of the Escrow Agreement, into the Public Issue Account with the Bankers to the Issue. The balance amount after transfer to the Public Issue Account shall be transferred to the Refund Account. Payments of refund to the Bidders applying in the Anchor Investor Portion shall be made from the Refund Account as per the terms of the Escrow Agreement and the Prospectus. On the Designated Date, the Registrar to the Issue shall instruct the SCSBs to transfer funds represented by allocation of Equity Shares from ASBA Accounts into the Public Issue Account.
- b) Issuance of Allotment Advice: Upon approval of the Basis of Allotment by the Designated Stock Exchange, the Registrar shall upload the same on its website. On the basis of the approved Basis of Allotment, the Issuer shall pass necessary corporate action to facilitate the Allotment and credit of Equity Shares. Applicants are advised to instruct their Depository Participant to accept the Equity Shares that may be allotted to them pursuant to the Issue. Pursuant to confirmation of such corporate actions, the Registrar will dispatch Allotment Advice to the Applicants who have been Allotted Equity Shares in the Issue.
- c) The dispatch of Allotment Advice shall be deemed a valid, binding and irrevocable contract.
- d) Issuer will ensure that: (i) the Allotment of Equity Shares; and (ii) credit of shares to the successful Applicants Depository Account will be completed within six Working Days of the Bid/ Issue Closing Date. The Issuer also ensures the credit of shares to the successful Applicant's depository account is completed within two Working Days from the date of Allotment.

## **SECTION 8: INTEREST AND REFUNDS**

### **8.1 COMPLETION OF FORMALITIES FOR LISTING & COMMENCEMENT OF TRADING**

The Issuer may ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges are taken within six Working Days of the Bid/ Issue Closing Date. The Registrar to the Issue may give instructions for credit to Equity Shares the beneficiary account with CDPs, and dispatch the Allotment Advice within six Working Days of the Bid/ Issue Closing Date

### **8.2 GROUNDS FOR REFUND**

#### **8.2.1 NON RECEIPT OF LISTING PERMISSION**

An Issuer makes an application to the Stock Exchange(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 Issuer fails to make application to the Stock Exchange(s) or obtain permission for listing of the Equity Shares, in accordance with the provisions of Section 40 of the Companies Act, 2013, the Issuer shall be punishable with a fine which shall not be less than ₹ 5 lakhs but which may extend to ₹ 50 lakhs and every officer of the Issuer who is in default shall be punishable with imprisonment for a term which may extend to one year or with fine which shall not be less than ₹ 50,000 but which may extend to ₹ 3 lakhs, or with both.

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 take steps to refund, without interest, all moneys received from Applicants.

If such money is not refunded to the Bidders within the prescribed time after the Issuer becomes liable to repay it, then the Issuer and every director of the Issuer who is an officer in default may, on and from such expiry of such period, be liable to repay the money, with interest at such rate, as disclosed in the Prospectus.

### 8.2.2 NON RECEIPT OF MINIMUM SUBSCRIPTION

If the Issuer does not receive a minimum subscription of 90% of the Net Issue (excluding any Issue for sale of specified securities), including devolvement to the Underwriters, the Issuer may forthwith, take steps to unblock the entire subscription amount received within six Working Days of the Bid/ Issue Closing Date and repay, without interest, all moneys received from Anchor Investors. In case the Issue is in the nature of Issue for Sale only, then minimum subscription may not be applicable. In case of under-subscription in the Issue, the Equity Shares in the Fresh Issue will be issued prior to the sale of Equity Shares in the Offer for Sale.

If there is a delay beyond the prescribed time after the Issuer becomes liable to pay or unblock the amount received from Bidders, then the Issuer and every director of the Issuer who is an officer in default may on and from expiry of 15 Days, be jointly and severally liable to repay the money, with interest at the rate of 15% per annum in accordance with the Companies (Prospectus and Allotment of Securities) Rules, 2014, as amended

### 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 1,000 failing which the entire application monies may be refunded forthwith.

### 8.2.4 IN CASE OF ISSUES MADE UNDER COMPULSORY BOOK BUILDING

In case an Issuer not eligible under Regulation 26(1) of the SEBI ICDR Regulations, 2009 comes for an Issue under Regulation 26(2) of SEBI (ICDR) Regulations, 2009 but fails to Allot at least 75% of the Net Issue to QIBs, in such case full subscription money is to be refunded.

## 8.3 MODE OF REFUND

- a) **In case of Bids/Applications (other than Anchor Investors):** Within six Working Days of the Bid/ Issue Closing Date, the Registrar to the Issue may give instructions to SCSBs for unblocking the amount in ASBA Account on unsuccessful Bid/Application and also for any excess amount blocked on Bidding/Application.
- b) **In case of Anchor Investors:** Within six Working Days of the Bid/ Issue Closing Date, the Registrar to the Issue may dispatch the refund orders for all amounts payable to unsuccessful Anchor Investors.
- c) In case of Anchor Investors, the Registrar to the Issue may obtain from the depositories, the Applicants' bank account details, including the MICR code, on the basis of the DP ID, Client ID and PAN provided by the Anchor Investors in their Anchor Investor Application Forms for refunds. Accordingly, Anchor Investors are advised to immediately update their details as appearing on the records of their depositories. Failure to do so may result in delays in dispatch of refund orders or refunds through electronic transfer of funds, as applicable, and any such delay may be at the Anchor Investors' sole risk and neither the Issuer, the Registrar to the Issue, the Escrow Collection Banks, or the Syndicate, may be liable to compensate the Anchor Investors for any losses caused to them due to any such delay, or liable to pay any interest for such delay. Please note that refunds shall be credited only to the bank account from which the Bid Amount was remitted to the Escrow Bank.

### 8.3.1 Electronic mode of making refunds for Anchor Investors

The payment of refund, if any, may be done through various electronic modes as mentioned below:

- a) **NEFT** - Payment of refund may be undertaken through NEFT wherever the branch of the Anchor Investors' bank is NEFT enabled and has been assigned the Indian Financial System Code ("IFSC"), which can be linked to the MICR of that particular branch. The IFSC Code may be obtained from the website of RBI as at a date prior to the date of payment of refund, duly mapped with MICR numbers. Wherever the Anchor Investors have registered their nine digit MICR number and their bank account number while opening and operating the demat account, the same may be duly mapped with the IFSC Code of that particular bank branch and the payment of refund may be made to the Anchor Investors through this method. In the event NEFT is not operationally feasible, the payment of refunds may be made through any one of the other modes as discussed in this section;
- b) **Direct Credit** - Anchor Investors having their bank account with the Refund Banker may be eligible to receive refunds, if any, through direct credit to such bank account;





- c) **RTGS** - Anchor Investors having a bank account at any of the centers notified by SEBI where clearing houses are managed by the RBI, may have the option to receive refunds, if any, through RTGS; and

Please note that refunds through the abovementioned modes shall be credited only to the bank account from which the Bid Amount was remitted to the Escrow Bank.

For details of levy of charges, if any, for any of the above methods, Bank charges, if any, for cashing such cheques, pay orders or demand drafts at other centers, etc. Anchor Investors may refer to Prospectus.

#### 8.4 INTEREST IN CASE OF DELAY IN ALLOTMENT OR REFUND

The Issuer may pay interest at the rate of 15% per annum where the refund or portion thereof is made in electronic manner, the refund instructions have not been given to the clearing system in the disclosed manner and/or demat credits are not made to Applicants or instructions for unblocking of funds in the ASBA Account are not dispatched within the 6 working days of the Bid/ Issue Closing Date.

The Issuer may pay interest at 15% per annum for any delay beyond 15 days from the Bid/ Issue Closing Date, if Allotment is not made.

#### SECTION 9: GLOSSARY AND ABBREVIATIONS

*Unless the context otherwise indicates or implies, certain definitions and abbreviations used in this document may have the meaning as provided below. References to any legislation, act or regulation may be to such legislation, act or regulation as amended from time to time.*

Term	Description
Allotment/Allot/Allotted	The allotment of Equity Shares pursuant to the Issue to successful Applicants
Allotment Advice	Note or advice or intimation of Allotment sent to the Applicants who have been Allotted Equity Shares after the Basis of Allotment has been approved by the designated Stock Exchanges
Allottee	An Applicant to whom the Equity Shares are Allotted
Anchor Investor	A Qualified Institutional Buyer, applying under the Anchor Invest or Portion in accordance with the requirements specified in SEBI ICDR Regulations, 2009 and the Prospectus.
Anchor Investor Application Form	The form used by an Anchor Investor to make a Bid in the Anchor Investor Portion and which will be considered as an application for Allotment in terms of the Prospectus
Anchor Investor Portion	Up to 60% of the QIB Category which may be allocated by the Issuer in consultation with the BRLMs, 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 Form	The form in terms of which the Applicant should make an application for Allotment in case of issues other than Book Built Issues, includes Fixed Price Issue
Application Supported by Blocked Amount/ASBA	An application, whether physical or electronic, used by Applicants, other than Anchor Investors, to make a Bid and 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 Applicant
Banker(s) to the Issue / Escrow Collection Bank(s) / Collecting Banker	The banks which are clearing members and registered with SEBI as Banker to the Issue with whom the Escrow Account(s) for Anchor Investors may be opened ,and as disclosed in the Prospectus and Bid cum Application Form of the Issuer
Basis of Allotment	The basis on which the Equity Shares may be Allotted to successful Applicants under the Issue
Bid	An indication to make an Issue during the Bid/ Issue Period by a prospective Bidder pursuant to submission of Bid cum 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 within the Price Band, including all revisions and modifications there to. In case of issues undertaken through the fixed price

Term	Description
	process, all references to a Bid should be construed to mean an Application
Bid Amount	The highest value of the optional Bids indicated in the Bid cum Application Form and payable by the Applicant up on submission of the Bid(except for Anchor Investors), less discounts (if applicable). In case of issues undertaken through the fixed price process, all references to the Bid Amount should be construed to mean the Application Amount
Bid/ Issue Closing Date	Except in the case of Anchor Investors (if applicable), the date after which the Designated Intermediaries may not accept any Bids for the Issue, which may be notified in an English national daily, a Hindi national daily and a regional language news paper at the place where the registered office of the Issuer is situated, each with wide circulation. Applicants may refer to the Prospectus for the Bid/ Issue Closing Date
Bid/ Issue Opening Date	The date on which the Designated Intermediaries may start accepting Bids for the Issue, which may be the date notified in an English national daily, a Hindi national daily and a regional language newspaper at the place where the registered office of the Issuer is situated, each with wide circulation. Applicants may refer to the Prospectus for the Bid/ Issue Opening Date
Bid/ Issue Period	Except in the case of Anchor Investors (if applicable),the period between the Bid/ Issue Opening Date and the Issue Closing Date inclusive of both days and during which prospective Applicants (other than Anchor Investors) can submit their Bids, inclusive of any revisions thereof. The Issuer may consider closing the Bid/ Issue Period for QIBs one working day prior to the Bid/ Issue Closing Date in accordance with the SEBI ICDR Regulations, 2009. Applicants may refer to the Prospectus for the Issue Period
Bid cum Application Form	An application form, whether physical or electronic, used by Bidders, other than Anchor Investors, to make a Bid and which will be considered as the application for Allotment in terms of the Red Herring Prospectus and the Prospectus
Applicant	Any prospective investor who makes a Bid pursuant to the terms of the Prospectus and the Bid cum Application Form. In case of issues undertaken through the fixed price process, all references to a Applicant should be construed to mean an Applicant
Book Built Process / Book Building Process / Book Building Method	The book building process as provided under SEBI ICDR Regulations, 2009, in terms of which the Issue is being made
Broker Centres	Broker centres notified by the Stock Exchanges, where Applicants can submit the Bid cum Application Forms to a Registered Broker. The details of such broker centres, along with the names and contact details of the Registered Brokers are available on the websites of the Stock Exchanges.
BRLM(s) / Book Running Lead Manager(s) / Lead Manager / LM	The Book Running Lead Manager to the Issue as disclosed in the Prospectus and the Bid cum Application Form of the Issuer. In case of issues undertaken through the fixed price process, all references to the Book Running Lead Manager should be construed to mean the Lead Manager or LM
Business Day	Monday to Saturday (except 2nd & 4th Saturday of a month and 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
Cap Price	The higher end of the Price Band, above which the Issue Price and the Anchor Investor Issue Price may not be finalised and above which no Bids may be accepted
Client ID	Client Identification Number maintained with one of the Depositories in relation to demat account
Collecting Depository Participant or CDPs	A depository participant as defined under the Depositories Act, 1996, registered with SEBI and who is eligible to procure Bids at the Designated CDP Locations in terms of circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI
Cut-off Price	Issue Price, finalised by the Issuer in consultation with the Book Running Lead Manager(s), which can be any price within the Price Band. Only RIIs, Retail Individual Shareholders and employees are entitled to Bid at the Cut-off Price. No



Term	Description
	other category of Applicants are entitled to Bid at the Cut-off Price
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 Applicants including the Applicant's address, name of the Applicant's father/husband, investor status, occupation and bank account details
Designated Branches	Such branches of the SCSBs which may collect the Bid cum Application Forms used by Applicants (exc Anchor Investor) 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>
Designated CDP Locations	Such locations of the CDPs where Bidders can submit the Bid cum Application Forms to Collecting Depository Participants.  The details of such Designated CDP Locations, along with names and contact details of the Collecting Depository Participants eligible to accept Bid cum Application Forms are available on the respective websites of the Stock Exchanges ( <a href="http://www.bseindia.com">www.bseindia.com</a> and <a href="http://www.nseindia.com">www.nseindia.com</a> )
Designated Date	The date on which funds are transferred by the Escrow Collection Bank(s) from the Escrow Account and the amounts blocked by the SCSBs are transferred from the ASBA Accounts, as the case may be, to the Public Issue Account or the Refund 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 Fresh Issue may give delivery instructions for the transfer of the Equity Shares constituting the Offer for Sale
Designated Intermediaries / Collecting Agent	Syndicate Members, Sub-Syndicate/Agents, SCSBs, Registered Brokers, Brokers, the CDPs and RTAs, who are authorized to collect Bid cum Application Forms from the Bidders, in relation to the Issue
Designated RTA Locations	Such locations of the RTAs where Bidders can submit the Bid cum Application Forms to RTAs.  The details of such Designated RTA Locations, along with names and contact details of the RTAs eligible to accept Bid cum Application Forms are available on the respective websites of the Stock Exchanges ( <a href="http://www.bseindia.com">www.bseindia.com</a> and <a href="http://www.nseindia.com">www.nseindia.com</a> )
Designated Stock Exchange	The designated stock exchange as disclosed in the Prospectus of the Issuer
Discount	Discount to the Issue Price that may be provided to Applicants in accordance with the SEBI ICDR Regulations, 2009.
Draft Prospectus	The draft prospectus filed with SEBI 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 promoters and immediate relatives of the promoters. For further details, Applicant may refer to the Prospectus
Equity Shares	Equity Shares of the Issuer
Escrow Account	Account opened with the Escrow Collection Bank(s) and in whose favour the Anchor Investors may issue cheques or demand drafts or transfer money through NEFT or RTGS in respect of the Bid Amount when submitting a Bid
Escrow Agreement	Agreement to be entered into among the Issuer, the Registrar to the Issue, the Book Running Lead Manager(s), the Syndicate Member(s), the Escrow Collection Bank(s) and the Refund Bank(s) for collection of the Bid Amounts from Anchor Investors and where applicable, remitting refunds of the amounts collected to the Anchor Investors on the terms and conditions thereof
Escrow Collection Bank(s)	Refer to definition of Banker(s) to the Issue
FCNR Account	Foreign Currency Non-Resident Account
First Applicant	The Applicant whose name appears first in the Bid cum Application Form or Revision Form



<b>Term</b>	<b>Description</b>
FII(s)	Foreign Institutional Investors as defined under the SEBI (Foreign Institutional Investors) Regulations, 1995 and registered with SEBI under applicable laws in India
Fixed Price Issue / Fixed Price Process / Fixed Price Method	The Fixed Price process as provided under SEBI ICDR Regulations, 2009, in terms of which the Issue is being made
Floor Price	The lower end of the Price Band, at or above which the Issue Price and the Anchor Investor Issue Price may be finalised and below which no Bids may be accepted, subject to any revision thereto
FPIs	Foreign Portfolio Investors as defined under the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014
FPO	Further public offering
Foreign Venture Capital Investors or FVCIs	Foreign Venture Capital Investors as defined and registered with SEBI under the SEBI (Foreign Venture Capital Investors) Regulations, 2000
IPO	Initial public offering
Issuer/Company	The Issuer proposing the initial public offering/further public offering as applicable
Maximum RII Allottees	The maximum number of RIIs who can be Allotted the minimum Bid Lot. This is computed by dividing the total number of Equity Shares available for Allotment to RIIs by the minimum Bid 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
Mutual Funds Portion	5% of the QIB Category (excluding the Anchor Investor Portion) available for allocation to Mutual Funds only, being such number of equity shares as disclosed in the Prospectus and Bid cum Application Form
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 Issue or invitation under the Issue and in relation to whom the Prospectus constitutes an invitation to subscribe to or purchase the Equity Shares
NRO Account	Non-Resident Ordinary Account
Net Issue	The Issue less reservation portion
Non-Institutional Investors or NIIs	All Applicants, including sub accounts of FIIs registered with SEBI which are foreign corporates or foreign individuals and FPIs which are Category III foreign portfolio investors, that are not QIBs or RIBs and who have Bid for Equity Shares for an amount of more than L 200,000 (but not including NRIs other than Eligible NRIs)
Non-Institutional Category	The portion of the Issue being such number of Equity Shares available for allocation to NIIs on a proportionate basis and as disclosed in the Prospectus and the Bid cum Application Form
Non-Resident	A person resident outside India, as defined under FEMA and includes Eligible NRIs, FPIs and FVCIs registered with SEBI
OCB/Overseas Corporate Body	A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% by NRIs including overseas trusts, in which not less than 60% of beneficial interest is irrevocably held by NRIs directly or indirectly and which was in existence on October 3, 2003 and immediately before such date had taken benefits under the general permission granted to OCBs under FEMA
Offer	Public issue of Equity Shares of the Issuer including the Offer for Sale if applicable
Offer for Sale	Public offer of such number of Equity Shares as disclosed in the Prospectus through an offer for sale by the Selling Shareholders
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
Issue Price	The final price, less discount (if applicable) at which the Equity Shares may be Allotted to Bidders other than Anchor Investors, in terms of the Prospectus. Equity



Term	Description
	Shares will be Allotted to Anchor Investors at the Anchor Investor Issue Price The Issue Price may be decided by the Issuer in consultation with the Book Running Lead Manager(s)
PAN	Permanent Account Number allotted under the Income Tax Act, 1961
Price Band	Price Band with a minimum price, being the Floor Price and the maximum price, being the Cap Price and includes revisions thereof. The Price Band and the minimum Bid lot size for the Issue may be decided by the Issuer in consultation with the Book Running Lead Manager(s) and advertised, at least five working days in case of an IPO and one working day in case of FPO, prior to the Bid/ Issue Opening Date, in English national daily, Hindi national daily and regional language at the place where the registered office of the Issuer is situated, newspaper each with wide circulation
Pricing Date	The date on which the Issuer in consultation with the Book Running Lead Manager(s), finalise the Issue Price
Prospectus	The prospectus to be filed with the RoC in accordance with Section 26, 28 and other applicable Sections of the Companies Act, 2013 after the Pricing Date, containing the Issue Price, the size of the Issue and certain other information
Public Issue Account	An account opened with the Banker to the Issue to receive monies from the Escrow Account and from the ASBA Accounts on the Designated Date
QIB Category	The portion of the Issue being such number of Equity Shares to be Allotted to QIBs on a proportionate basis
Qualified Institutional Buyers or QIBs	As defined under SEBI ICDR Regulations, 2009
RTGS	Real Time Gross Settlement
Refund Account(s)	The account opened with Refund Bank(s), from which refunds to Anchor Investors, if any, of the whole or part of the Bid Amount may be made
Refund Bank(s)	Refund bank(s) as disclosed in the Prospectus and Bid cum Application Form of the Issuer
Refunds through electronic transfer of funds	Refunds through Direct Credit, NEFT, RTGS or ASBA, as applicable
Registrar and Share Transfer Agents or RTAs	Registrar and share transfer agents registered with SEBI and eligible to procure Bids at the Designated RTA Locations in terms of circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI
Registered Broker	Stock Brokers registered with the Stock Exchanges having nationwide terminals, other than the members of the Syndicate
Registrar to the Issue /RTO	The Registrar to the Issue as disclosed in the Prospectus and Bid cum Application Form
Reserved Category / Categories	Categories of persons eligible for making application/Bidding under reservation portion
Reservation Portion	The portion of the Issue reserved for such category of eligible Applicants as provided under the SEBI ICDR Regulations, 2009
Retail Individual Investors/RIIs	Investors who applies or bids for a value of not more than ₹ 200,000 (including HUFs applying through their karta and eligible NRIs and does not include NRIs other than Eligible NRIs.
Retail Individual Shareholders	Shareholders of a listed Issuer who applies or bids for a value of not more than ₹ 200,000.
Retail Category	The portion of the Issue being such number of Equity Shares available for allocation to RIIs which shall not be less than the minimum Bid Lot, subject to availability in RII category and the remaining shares to be Allotted on proportionate basis.
Revision Form	The form used by the Bidders, including ASBA Bidders, in an issue through Book Building Process to modify the quantity of Equity Shares and/or bid price indicated therein in any of their Bid cum 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



<b>Term</b>	<b>Description</b>
	Requirements) Regulations, 2009
Self Certified Syndicate Bank(s) or SCSB(s)	A bank registered with SEBI, which offers the facility of ASBA and a list of which is available on <a href="http://www.sebi.gov.in/cms/sebi_data/attachdocs/1316087201341.html">http://www.sebi.gov.in/cms/sebi_data/attachdocs/1316087201341.html</a>
Specified Locations	Bidding centres where the Syndicate shall accept Bid cum Application Forms, a list of which is available on the website of SEBI at <a href="http://www.sebi.gov.in/">http://www.sebi.gov.in/</a> and updated from time to time
Stock Exchanges / SE	The stock exchanges as disclosed in the Prospectus of the Issuer where the Equity Shares Allotted pursuant to the Issue are proposed to be listed
Syndicate	The Book Running Lead Manager(s) and the Syndicate Member
Syndicate Agreement	The agreement to be entered into among the Issuer, and the Syndicate in relation to collection of Bid cum Application Forms by Syndicate Members
Syndicate Member(s) / SM	The Syndicate Member(s) as disclosed in the Prospectus
Underwriters	The Book Running Lead Manager(s) and the Syndicate Member(s)
Underwriting Agreement	The agreement amongst the Issuer, and the Underwriters to be entered into on or after the Pricing Date
Working Day	Any day, other than 2nd and 4th Saturday of the month, Sundays or public holidays, on which commercial banks in Mumbai are open for business, provided however, with reference to (a) announcement of Price Band; and (b) Bid/ Issue Period, "Working Days" shall mean all days, excluding Saturdays, Sundays and public holidays, which are working days for commercial banks in India.



## RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES

Foreign investment in Indian securities is regulated through the Industrial Policy, 1991 of the Government of India and FEMA. While the Industrial Policy, 1991 prescribes the limits and the conditions subject to which foreign investment can be made in different sectors of the Indian economy, FEMA regulates the precise manner in which such investment may be made. Under the Industrial Policy, unless specifically restricted, foreign investment is freely permitted in all sectors of Indian economy up to any extent and without any prior approvals, but the foreign investor is required to follow certain prescribed procedures for making such investment. The government bodies responsible for granting foreign investment approvals are FIPB and the RBI.

The Government has from time to time made policy pronouncements on FDI through press notes and press releases. The Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India (“DIPP”), issued consolidated FDI Policy, which with effect from June 07, 2016 consolidates and supersedes all previous press notes, press releases and clarifications on FDI issued by the DIPP that were in force and effect as on June 7, 2016. The Government proposes to update the consolidated circular on FDI Policy once every year and therefore, the Consolidation FDI Policy will be valid until the DIPP issues an updated circular.

The transfer of shares by an Indian resident to a Non-Resident does not require the prior approval of the FIPB or the RBI, provided that (i) the activities of the investee company are under the automatic route under the Consolidated FDI Policy and transfer does not attract the provisions of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; (ii) the non-resident shareholding is within the sectoral limits under the Consolidated FDI Policy; and (iii) the pricing is in accordance with the guidelines prescribed by SEBI/RBI.

As per the existing policy of the Government of India, OCBs cannot participate in this Issue.

**The Equity Shares offered in the Issue have not been and will not be registered under the Securities Act, and may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable U.S. state securities laws. Accordingly, the Equity Shares are being offered and sold (i) within the United States to persons reasonably believed to be “qualified institutional investors” (as defined in Rule 144A under the Securities Act) pursuant to Rule 144A under the Securities Act or other applicable exemption under the Securities Act and (ii) outside the United States in offshore transactions in reliance on Regulation S under the Securities Act and the applicable laws of the jurisdictions where such offers and sales occur.**

**The above information is given for the benefit of the Applicants. Our Company and the LM are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Prospectus. Applicants are advised to make their independent investigations and ensure that the Applications are not in violation of laws or regulations applicable to them.**



## SECTION X – MAIN PROVISIONS OF ARTICLE OF ASSOCIATION

*Capitalised terms used in this section have the meaning that has been given to such terms in the Articles of Association of our Company. Pursuant to Table F in Schedule I of the Companies Act, 2013 and the SEBI Regulations, the main provisions of the Articles of Association of our Company are detailed below:*

### SHARE CAPITAL

1. The authorized share capital of the Company shall be such amount as is given in Clause V of the Memorandum of Association.
2. Subject to the provisions of Section 62 of the Act and these Articles, the shares in the capital of the Company (including any shares forming part of any increased Capital of the Company) shall be under the control of the Board who may issue, allot or otherwise dispose-off 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.
3. Subject to the provisions of the Act and these Articles, the Board may issue and allot shares in the capital of the Company on payment or part payment for any property or assets of any kind whatsoever sold or transferred, goods or machinery supplied or for services rendered to the Company in 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 for cash, and if so issued, shall be deemed to be fully paid-up or partly paid-up shares, as the case may be.
4. 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 with voting rights;
  - b) Equity share capital with differential rights as to dividend, voting or otherwise in accordance with the Rules; and
  - c) Preference share capital
5. Subject to the provisions of the Act and Rules, the Company shall have the power to issue Preferences Shares which are or at the option of the Company are liable to be redeemed on or before the expiry of a period of 20 years from the date of their issue and the resolution authorizing such issue shall prescribe the manner, terms and conditions of redemption.
6. Every person whose name is entered as a member in the register of members shall be entitled to receive share certificates within one month after the allotment or within 15 days from the date of receipt by the Company, of the application complete in all respect for the registration of transfer or transmission or within such other period as the conditions of issue shall provide:
  - a) One certificate for all his shares without payment of any charges; or
  - b) Several certificates, each for one or more of his shares, upon payment of such charges as may be fixed by the Board for each certificate after the first.
7. 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.
8. Shares may be issued and held either in physical mode or in dematerialized state with a depository. Notwithstanding anything contained herein, the Company shall be entitled to dematerialize or re-materialize its shares, debentures and other securities pursuant to the Depositories Act, 1996 and the rules framed there under, if any.

Subject to applicable provisions of the Act, the Company 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 creation ties concerned and matters connected therewith or incidental thereto shall be governed by the provisions of the Depositories Act, 1996 as amended from time to time or any statutory modification thereto or re-enactment thereof.

The Company shall intimate such depository the details of allotment of share to enable the depository to enter in its records the name of such person as the beneficial owner of that share.

9. 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 Board deems adequate, a new certificate in lieu thereof shall be given. Every certificate under this Article shall be issued on payment of fees for each certificate as may be fixed by the Board.

The provisions of the foregoing Articles relating to issue of certificates shall mutatis mutandis apply to issue of certificates for any other securities including debentures (except where the Act otherwise requires) of the Company.

10. The Company shall issue, when so required, receipts for all securities deposited with it whether for registration, sub-division, exchange or for other purposes and shall not charge any fees for registration of transfers, for sub-division and consolidation of certificates and for sub-division of letters of allotment, renounceable letters of right, and split, consolidation, renewal and transfer receipts into denominations of the market unit of trading.

“The Company shall issue certificates or receipts or advices, as applicable, of subdivision, split, consolidation, renewal, exchanges, endorsements, issuance of duplicates thereof or issuance of new certificates or receipts or advices, as applicable, in cases of loss or old decrepit or worn out certificates or receipts or advices, as applicable within a period of thirty days from the date of such lodgement”

11. Subject to the provisions of the Act, the Board, with the prior approval of shareholders the Company, shall have the power to issue or re-issue preference shares of one or more classes which are liable to be redeemed or converted to equity shares, on such terms and conditions and in such manner as determined by the Board, by way of special resolution, in accordance with the Act.
12. The Board or the Company, as the case may be, may, in accordance with the Act and the Rules, issue further shares to:-
  - a) persons who, at the date of offer, are holders of equity shares of the Company; such offer 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; or
  - b) employees under any scheme of employees’ stock option; or
  - c) any persons, whether or not those persons include the persons referred to in clause (a) or clause (b) above.
13. A further issue of shares may be made in any manner whatsoever as the Board may determine including by way of preferential offer or private placement, subject to and in accordance with the Act and the Rules.

#### **UNDERWRITING AND BROKERAGE**

14. Subject to the applicable provisions of the Act, the Company may at any time pay a commission to any person in consideration of his subscribing or agreeing to subscribe or procuring or agreeing to procure subscription, (whether absolutely or conditionally), for any shares or Debentures in the Company in accordance with the provisions of the Companies (Prospectus and Allotment of Securities) Rules, 2014.
15. The Company may also, on any issue of shares or Debentures, pay such brokerage as may be lawful.
16. That option or right to call of shares shall not be given to any person except with the sanction of the Issuer in general meetings.



## **TRANSFER OF SHARES**

17. The instrument of transfer of any share and other securities in the Company shall be in such form as may be prescribed under the Act. The aforesaid securities transfer form shall be executed by or on behalf of both the Transferor and Transferee. The Transferor shall be deemed to remain the holder of such shares until the name of the Transferee is entered in the Register of Members in respect thereof. In the case of transfer or 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 Depository Act shall apply.
18. Subject to the provisions of Sections 58 and 59 of the Act, these Articles and other applicable provisions of the Act or any other Law for the time being in force, the Board may, refuse to register the transfer of, or the transmission by operation of law of the right to, any securities or interest of a Shareholder in the Company. The Company shall, within 30 (thirty) days from the date on which the instrument of transfer, or the intimation of such transmission, as the case may be, was delivered to the Company, send a notice of refusal to the transferee and transferor or to the person giving notice of such transmission, as the case may be, giving reasons for such refusal.
19. The Company on its own or through its Registrar & Transfer Agent shall maintain a “Register of Transfers” and shall record therein fairly and distinctly particulars of every Transfer or transmission of any Share, Debenture or other security held in a material form.
20. The Company shall have first and paramount Lien:
  - a) upon every share (except the fully paid up shares) registered in the name of each member, (whether solely or jointly with others);
  - b) upon the proceeds sale thereof for moneys called or payable at a fixed time in respect of shares (except the fully paid up shares); and
  - c) The Company's Lien, if any, on a Share shall extend to all dividends payable and bonuses declared from time to time in respect of such shares.
21. The Board may decline to recognize any instrument of transfer unless:-
  - a) the instrument of transfer is duly executed and is in the form as prescribed in the Rules made under the Act;
  - b) the instrument of transfer is accompanied by the certificate of the shares to which it relates, and such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer; and
  - c) the instrument of transfer is in respect of only one class of shares.
22. On giving of previous notice of at least seven days or such period as may be prescribed under the Act and Rules made there under, the registration of transfers may be suspended at such times and for such periods as the Board may from time to time determine. However such registration shall not be suspended for more than thirty days at any one time or for more than forty-five days in aggregate in any year.
23. The registration of transfer shall not be refused on the ground of the transferor being either alone or jointly with any other person or persons indebted to the Issuer on any account whatsoever except where the Company has a Lien on shares. Further, any contract or arrangement between 2 (two) or more persons in respect of the Transfer shall be enforceable as a contract.
24. The provisions of these Articles relating to transfer of shares shall mutatis mutandis apply to any other securities including debentures of the Company.

## **TRANSMISSION OF SHARES**

25. On the death of a member, the survivor or survivors, where the member was a joint holder, and his nominee or nominees or legal representatives where he was a sole holder, shall be the only persons recognized by the Company as having any title to his interest in the shares. Nothing in this article shall release the estate of a deceased joint holder from any liability in respect of any share which had been jointly held by him with other persons.



26. Subject to provisions of Articles, any person becoming entitled to a share in consequence of the death or insolvency of a member may, upon such evidence being produced as may from time to time properly be required by the Board and subject as hereinafter provided, elect, either:-
- a) to be registered himself as holder of the share; or
  - b) to make such transfer of the share as the deceased or insolvent member could have made. If the person so becoming entitled shall elect to be registered as holder of the share himself, he shall deliver or send to the Company a notice in writing signed by him stating that he so elects. If the person aforesaid shall elect to transfer the share, he shall testify his election by executing a transfer of the share. All the limitations, restrictions and provisions of these regulations relating to the right to transfer and the registration of transfers of shares shall be applicable to any such notice or transfer as aforesaid as if the death or insolvency of the member had not occurred and the notice or transfer were a transfer signed by that member.
- A Person becoming entitled to a share by reason of the death or insolvency of a member shall be entitled to the same dividends and other advantages to which he would be entitled if he were the registered holder of the shares, except that he shall not, before being registered as a member in respect of the shares, be entitled to exercise any right conferred by membership in relation to meetings of the Company.
27. The Board shall, in either case, have the same right to decline or suspend registration as it would have had if the deceased or insolvent member had transferred the share before his death or insolvency.
28. The Company shall be fully indemnified by such person for all liability, if any, by actions taken by the Board to give effect to such registration or transfer.
29. The foregoing provisions of these Articles relating to transmission of shares shall mutatis mutandis apply to any other securities including debentures of the Company.

#### **FORFEITURE OF SHARES**

30. If any Member fails to pay the whole or any part of any call or installment or any money 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 Board may at any time thereafter during such time as the call or installment or any part thereof and other moneys remain 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 share by transmission requiring him to pay such call or installment or such part thereof or other moneys as remain unpaid together with any interest that may have accrued and all expenses (legal or otherwise) that may have been incurred by the Company by reason of such non-payment.
31. The notice shall name a day (not less than fourteen (14) days from the date of service of the notice) on or before which and the place or places at which such call, installment or such part thereof and other moneys as aforesaid and such interest and expenses as aforesaid are to be paid, and if payable to any person other than the Company, the person to whom such payment is to be made.
- The notice shall also state that in the event of non-payment on or before the time and if payable to any person other than the Company, at the place appointed, the shares in respect of which the call was made or instalment is payable will be liable to be forfeited.
32. If the requirement of any such notice as aforesaid is not be complied with, every or any of the shares in respect of which such notice has been given, may at any time thereafter but before payment of all calls or installment, interest and expenses and other moneys due in respect thereof, be forfeited by a resolution of the Board to that effect. Such forfeiture shall include all dividends declared or any other money payable in respect of the forfeited shares and not actually paid before the forfeiture.
33. Neither the receipt by the Company for a portion of any money which may from time to time be due from any member in respect of his shares, nor any indulgence that may be granted by the Company in respect of payment of any such money, shall preclude the Company from thereafter proceeding to enforce a forfeiture in respect of such shares as herein provided. Such forfeiture shall include all dividends declared or any other moneys payable in respect of the forfeited shares and not actually paid before the forfeiture.



34. When any shares shall have been so forfeited, an entry of the forfeiture with the date thereof, shall be made in the Register of Members and notice of the forfeiture shall be given to the Member in whose name it stood immediately prior to the forfeiture but no forfeiture shall be, in any manner invalidated by any omission or neglect to give such notice or to make any entry as aforesaid.
35. The forfeiture of a share shall involve extinction at the time of the forfeiture, of all interest in and all claims of and demands against the Company, in respect of the share and all other rights incidental to the share except only such of those rights as by these presents are expressly saved.
36. Any share so forfeited shall be deemed to be the property of the Company and may be sold 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 shall think fit.
37. The Board may at any time before any share so forfeited shall have been sold or otherwise disposed of or re-allotted, annul the forfeiture thereof upon such conditions as they think fit.
38. A person whose shares have been forfeited shall cease to be a Member in respect of the forfeited shares but such a person shall notwithstanding such forfeiture, be liable to pay and shall forthwith pay to the Company all calls, installments, interest, expenses and other money owing upon or in respect of such shares at the time of the forfeiture together with interest thereon from the time of the forfeiture until payment at such rate as the Board may determine and the Board may enforce the payment of the whole or a portion thereof as if it were a new call made at the date of the forfeiture but shall not be under any obligation to do so.
39. The liability of such person shall cease if and when the company shall have received payment in full of all such monies in respect of the shares.
40.
  - 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;
  - b) The Company may receive the consideration, if any, given for the share on any sale, re-allotment or disposal thereof and may execute document w.r.t. transfer of the share in favour of the person to whom the share is sold or disposed of;
  - c) The transferee shall thereupon be registered as the holder of the share; and
  - d) 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, re-allotment or disposal of the share.
41. Upon any sale, re-allotment or other disposal under the provisions of the preceding Articles, the certificate(s), if any, originally issued in respect of the relative shares shall (unless the same shall on demand by the Company has been previously surrendered to it by the defaulting member) stand cancelled and become null and void and be of no effect, and the Board shall be entitled to issue a duplicate certificate(s) in respect of the said shares to the person(s) entitled thereto.
42. The Board may subject to the provisions of the Act, accept a surrender of any share from or by any member desirous of surrendering the share on such terms as they think fit.
43. The provisions of these foregoing regulations as to forfeiture shall apply in the case of non-payment of any sum which, by the terms of issue of a share, becomes payable at a fixed time, whether on account of the nominal value of the share or by way of premium, as if the same had been payable by virtue of a call duly made and notified.
44. The foregoing provisions of Articles as regard forfeiture of shares shall, mutatis mutandis, apply to other securities including debentures of the Company.



## **BORROWING POWERS**

45. Subject to the provisions of the Act and these Articles, the Board may from time to time at their discretion, raise or borrow or secure the payment of any such sum of money for the purpose of the Company, in such manner and upon such terms and conditions in all respects as they think fit, and in particular, by promissory notes or by receiving deposits and advances with or without security or by the issue of bonds, debentures, perpetual or otherwise, including debentures convertible into shares of this or any other Company or perpetual annuities and to secure any such money so borrowed, raised or received, mortgage, pledge or charge the whole or any part of the property, assets or revenue of the Company present or future, including its uncalled capital by special assignment or otherwise or to Transfer or convey the same absolutely or in trust and to give the lenders powers of sale and other powers as may be expedient and to purchase, redeem or pay off any such securities; provided however, that the monies to be borrowed, together with the money already borrowed by the Company apart from temporary loans obtained from the Company's bankers in the ordinary course of business shall not, without the sanction of the Company by a Special Resolution at a General Meeting, exceed the aggregate of the paid up capital of the Company and its free reserves. Provided that every Special Resolution passed by the Company in General Meeting in relation to the exercise of the power to borrow shall specify the total amount up to which monies may be borrowed by the Board of Directors.
46. The Directors may by resolution at a meeting of the Board delegate the above power to borrow money otherwise than on debentures to a committee of Directors or managing Director or to any other person permitted by applicable law, if any, within the limits prescribed.
47. To the extent permitted under the applicable law and subject to compliance with the requirements thereof, the Directors shall be empowered to grant loans to such entities at such terms as they may deem to be appropriate and the same shall be in the interests of the Company.
48. Any bonds, Debentures, debenture-stock or other Securities may if permissible in Law be issued at a discount, premium or otherwise by the Company and shall with the consent of the Board be issued upon such terms and conditions and in such manner and for such consideration as the Board shall consider to be for the benefit of the Company, and on the condition that they or any part of them may be convertible into Equity shares of any denomination, and with any privileges and conditions as to the redemption, surrender, allotment of shares, appointment of Directors or otherwise. Provided that Debentures with rights to allotment of or conversion into Equity shares shall not be issued except with, the sanction of the Company in General Meeting accorded by a Special Resolution.

## **ALTERATION OF CAPITAL**

49. Subject to the provisions of the Act, the Company may by ordinary resolution:-
  - a) increase the share capital by such sum, to be divided into shares of 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; Provided that any consolidation and division which results in changes in the voting percentage of members shall require applicable approvals under the Act;
  - c) convert all or any of its fully paid-up shares into stock, and reconvert that stock into fully paid-up shares of any denomination;
  - d) sub-divide its existing shares or any of them into shares of smaller amount than is fixed by the memorandum;
  - e) 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;
  - f) cancel any shares which, at the date of 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.

Provided that the cancellation of shares as mentioned herein above shall not be deemed to be a reduction of share capital



50. The Company may from time to time in accordance with the provisions of the Act and by resolution passed the shareholders of the Company, reduce its share capital in any manner and in accordance with the provisions of the Act and the Rules made there under.

#### **CAPITALIZATION OF PROFITS**

51. (i) The Company in general meeting may, upon the recommendation of the Board, resolve: (a) that it is desirable to capitalize any part of the amount for the time being standing to the credit of any of the Company's reserve accounts, or to the credit of the profit and loss account, or otherwise available for distribution; and (b) that such sum be accordingly set free for distribution in the manner specified in clause
- (ii) amongst the members who would have been entitled thereto, if distributed by way of dividend and in the same proportions.
- (iii) The sum aforesaid shall not be paid in cash but shall be applied, subject to the provisions contained in clause (iii), either in or towards:
- paying up any amounts for the time being unpaid on any shares held by such members respectively;
  - paying up in full, unissued shares of the Company to be allotted and distributed, credited as fully paid-up, to and amongst such members in the proportions aforesaid;
  - partly in the way specified in sub-clause (a) and partly in that specified in sub-clause (b);
  - A securities premium account and a capital redemption reserve account may, for the purposes of this regulation, be applied in the paying up of unissued shares to be issued to members of the Company as fully paid bonus shares;
  - The Board shall give effect to the resolution passed by the Company in pursuance of this Article.
52. (i) Whenever such a resolution as aforesaid shall have been passed, the Board shall: (a) make all appropriations and applications of the undivided profits resolved to be 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. (ii) The Board shall have power: (a) to make such provisions, by the issue of fractional certificates or by payment in cash or otherwise as it thinks fit, for the case of shares becoming distributable in fractions; and (b) to authorize any person to enter, on behalf of all the members entitled thereto, into an agreement with the Company providing for the allotment to them respectively, credited as fully paid-up, of any further shares to which they may be entitled upon such capitalization, or as the case may require, for the payment by the Company on their behalf, by the application thereto of their respective proportions of profits resolved to be capitalized, of the amount or any part of the amounts remaining unpaid on their existing shares; (iii) Any agreement made under such authority shall be effective and binding on such members.
53. For the purpose of issuance of bonus shares, Board is authorized to take all such other actions as may be necessary for that purpose; provided it is permissible to do so under the Act and Rules.

#### **BUY-BACK OF SHARES**

54. Notwithstanding anything contained in these Articles but subject to the applicable provisions of the Act and other applicable laws for the time being in force and as amended from time to time, the Company may purchase its own Equity shares or other Securities.

#### **REDUCTION OF CAPITAL**

55. The Company may from time to time in accordance with the provisions of the Act by resolution as specified in the Act, reduce:
- its share capital; and/ or,
  - any capital redemption reserve account; and or,
  - securities premium account; and or,
  - any other reserve in the nature of share capital.

and in particular may pay off any paid-up share capital upon the footing that it may be called up again or otherwise and may, if and so far as is necessary, alter its Memorandum of Association by reducing the amount of its share capital and of its shares accordingly.



## GENERAL MEETINGS

56. All general meetings other than annual general meeting shall be called extraordinary general meeting. The Board may, whenever it thinks fit, call an extraordinary general meeting.
57. The Board may, whenever it thinks fit, call an extra ordinary general meeting.
58. If at any time directors capable of acting who are sufficient in number to form a quorum are not within India, any director or any two members of the company may call an extraordinary general meeting in the same manner, as nearly as possible, as that in which such a meeting may be called by the Board.
59. No business shall be transacted at any general meeting unless a quorum of members is present at the time when the meeting proceeds to transact the business. The quorum for general meeting shall be as provided in the Act.
60. No business shall be discussed or transacted at any general meeting except election of Chairperson whilst the chair is vacant.
61. The Chairperson of the Board shall preside as Chairperson at every general meeting of the Company. If there is no such Chairperson, or if he is not present within fifteen minutes after the time appointed for holding the meeting, or is unwilling to act as chairperson of the meeting, the directors present shall elect one of the Director to be Chairperson of the meeting and if no Director present be willing to take the Chair, the members present shall elect one of their members to be the Chairman of the Meeting.
62. On any business at any general meeting, in case of an equality of votes, whether on a show of hands or electronically or on a poll, the Chairperson shall have a second or casting vote.
63. A body corporate being a member shall be deemed to be personally present if it is represented in accordance with Section 113 of the Companies Act, 2013 and Rules made there under.
64. The Company shall cause minutes of the proceedings of every general meeting of any class of members or creditors and every resolution passed by postal ballot to be prepared and signed in such manner as may be prescribed by the Rules and shall be made within thirty days of the conclusion of every such meeting concerned or passing of resolution by postal ballot entries thereof in books kept for that purpose with their pages consecutively numbered.
65. The Chairperson shall exercise an absolute discretion in regard to the inclusion or non-inclusion of any matter in the minutes on the grounds specified in the aforesaid clause. There shall not be included in the minutes any matter which, in the opinion of the Chairperson of the meeting is, or could reasonably be regarded as defamatory of any person, or is irrelevant or immaterial to the proceedings, or is detrimental to the interests of the Company.
66. The minutes of the meeting kept in accordance with the provisions of the Act shall be evidence of the proceedings recorded therein.
67. The register of charges, register of investments, register of Shareholders, books of accounts and the minutes of the meetings of the Board and Shareholders shall be kept at the registered office of the Company and shall be open, during Business hours, for such periods not being less in the aggregate than 2(two) hours in each day as the Board determines, for the inspection of any member without charge. In the event such member conducting inspection of the abovementioned documents requires extracts of the same, the Company may charge a fee which shall not exceed Rupees ten per page or such other limit as may be prescribed under the Act or other applicable provisions of Law.
68. No member shall be entitled to visit or inspect the Company's works without the permission of the Directors or Managing Director or to require discovery of or any information respecting any details of the Company's trading or any matter which is or may be in the nature of a trade secret, mystery of trade or secret process or which may relate to the conduct of the business of the Company and which, in the opinion of the Directors, will be inexpedient in the interests of the Company to communicate to the public.
69. Any member shall be entitled to be furnished, within the time prescribed by the Act, after he has made a request in writing in that behalf to the Company and on payment of such fees as may be fixed by the Board, with a copy of any minutes referred above, Provided that a member who has made a request for provision of a soft copy of



the minutes of any previous general meeting held during the period immediately preceding three financial years, shall be entitled to be furnished with the same free of cost.

70. The Board, and also any person(s) authorized by it, may take any action before the commencement of any general meeting, or any meeting of a class of members in the Company, which they may think fit to ensure the security of the meeting, the safety of people attending the meeting, and the future orderly conduct of the meeting. Any decision made in good faith under this Article shall be final, and rights to attend and participate in the meeting concerned shall be subject to such decision.
71. The Chairperson may, with the consent of any meeting at which quorum is present, and shall, if so directed by the meeting, adjourn the meeting from time to time and from place to place. 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**

72. Subject to any rights or restrictions for the time being attached to any class or classes of shares:-
- a) on a show of hands, every member present in person shall have one vote;
  - b) on a poll, the voting rights of members shall be in proportion to his share in the paid-up equity share capital of the company; i.e. one fully paid up share- one vote
  - c) on e-voting, the voting rights of members shall be in proportion to his share in the paid-up equity share capital of the Company; i.e. one fully paid up share- one vote.

Provided that a proxy shall not have the right to speak at such a meeting and shall not be entitled to vote except on a poll.

73. A member may exercise his vote at a meeting by electronic means in accordance with the Act and shall vote only once.
74. 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.
75. Any business other than that upon which a poll has been demanded may be preceded with, pending the taking of the poll.
76. No member shall be entitled to vote at any general meeting unless all calls or other sums presently payable by him in respect of shares in the Company have been paid or in regard to which the Company has exercised any right of Lien.

### **PROXY**

77. Any member entitled to attend and vote at a general meeting may do so either personally or through his constituted attorney or through another person as a proxy on his behalf, for that meeting.
78. An instrument appointing a proxy shall be in the form as prescribed in the Act. 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.
79. 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 the authority under which the proxy was executed, or the transfer of the shares in respect of which the proxy is given.

### **BOARD OF DIRECTORS**

80. Subject to the provisions of the Act and unless otherwise determined by the Company in its general meeting, the number of directors shall not be less than 3 (three) and shall not be more than 15 (fifteen).



81. The following shall be First Directors of the Company:
  1. Mr. Rishu Goyal
  2. Mrs. Daya Bansal
  3. Mr. Pawan Kumar Mahur
  4. Vishal Aggarwal
82. Notwithstanding anything to the contrary in these Articles, so long as any moneys remain owing by the Company to any Public financial institution(s) and/or bank(s) owned or controlled by the Central Government or by the Reserve Bank of India out of any loan granted by the said Institutions to the Company, the said Institutions, may have a right from time to time to appoint one person as their nominee Director on the Board of the Company and to remove from such office any person so appointed and to appoint any other person in his place; the said Nominee Director shall not be required to hold any qualification shares in the Company. Subject to aforesaid, the said Nominee Director shall be entitled to the same rights and privileges and be subject to the same obligations as any other Director of the Company.
83. Subject to Section 149 and 152 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 3 (three) directors and maximum of fifteen directors, and by a Special Resolution increase the number to more than fifteen directors, and may alter their qualifications and the Company may, (subject to the provisions of Section 169 of the Act), remove any Director before the expiration of his period of office and appoint another qualified in his stead. The person so appointed shall hold office during such time as the Director in whose place he is appointed would have held the same if he had not been removed.
84. The Board shall have the power to determine the directors whose period of office is or is not liable to determination by retirement of directors by rotation.
85. The Company shall also comply with the provisions of the Companies (Appointment and Qualification of Directors) Rules, 2014 and the provisions of the Listing Regulations.
86. The Company shall have such number of Woman Director (s) 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.
87. Subject to the provisions of the Act, all the Directors on the Board of the Company, other than Independent Directors, shall retire from office at the completion of the Annual General Meeting of the Company.
88. The same individual may, at the same time, be appointed as the Chairperson of the Company as well as the Managing Director or Chief Executive Officer of the Company.
89. The remuneration payable to the directors, including any managing or whole-time director or manager, if any, shall be determined in accordance with and subject to the provisions of the Act and rules made there under. The remuneration of the directors shall, in so far as it consists of a monthly payment, be deemed to accrue from day-to-day. Remuneration may be paid as fixed monthly remuneration and also as a commission based on profits.
90. Sitting fees, subject to ceiling as provided in the Act, may be paid to the directors other than managing director, joint managing director and whole-time director.
91. 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 in attending and returning from meetings of the Board of Directors or any committee thereof or general meetings of the Company or in connection with the business of the Company.
92. All cheques, promissory notes, drafts, hundis, bills of exchange and other negotiable instruments and all receipts for monies paid to the Company shall be signed, drawn, accepted, endorsed, or otherwise executed, as the case may be, by such person and in such manner as the Board shall from time to time by resolution determine.
93. Subject to the provisions of the Act, the Board shall have power at any time, and from time to time, to appoint a person as an additional director, provided the number of the directors and additional directors together shall not at any time exceed the maximum strength fixed for the Board by the Articles. Such person shall hold office only



up to the date of the next annual general meeting of the Company but shall be eligible for appointment by the Company as a director at that meeting subject to the provisions of the Act.

94. The Board may appoint an alternate director to act for a director (hereinafter in this Article called “the Original Director”) during his absence for a period of not less than three months from India. No person shall be appointed as an alternate director for an Independent Directors unless he is qualified to be appointed as an Independent Director under the provisions of the Act and the SEBI Listing Regulations. An alternate director shall not hold office for a period longer than that permissible to the Original Director in whose place he has been appointed and shall vacate the office if and when the Original Director returns to India. If the term of office of the Original Director is determined before he returns to India the automatic reappointment of retiring directors in default of another appointment shall apply to the Original Director and not to the alternate director.
95. If the office of any director appointed by the Company in general meeting is vacated before his term of office expires in the normal course, the resulting casual vacancy may, be filled by the Board of Directors at a meeting of the Board. The director so appointed shall hold office only up to the date up to which the director in whose place he is appointed would have held office if it had not been vacated

#### **POWERS OF BOARD**

96. The management of the business of the Company shall be vested in the Board and the Board may exercise all such powers and do all such acts and things as the Company is by the memorandum of association or otherwise authorized to exercise and do, and not hereby or by the statue or otherwise directed or required to be exercised or done by the Company in general meeting but subject nevertheless to the provisions of the Act and other laws and of the memorandum of association and these Articles and to any regulations, not being inconsistent with the memorandum of association and these Articles or the Act, from time to time made by the Company in general meeting provided that no such regulation shall invalidate any prior act of the Board which would have been valid if such regulation had not been made.

#### **PROCEEDINGS OF THE BOARD**

97. The Board of Directors may meet for the conduct of business, adjourn and otherwise regulate its meetings, as it thinks fit.
98. The Chairperson or any one Director with the previous consent of the Chairperson may, or the company secretary on the direction of the Chairperson shall, at any time, summon a meeting of the Board.
99. The quorum for a Board meeting shall be as provided in the Act.
100. The participation of directors in a meeting of the Board may be either in person or through video conferencing or audio visual means or teleconferencing, as may be prescribed by the Rules or permitted under law and participation in the Board meeting as mentioned above shall be counted for the purpose of quorum.
101. Save as otherwise expressly provided in the Act, questions arising at any meeting of the Board shall be decided by a majority of votes. In case of an equality of votes, the Chairperson of the Board, if any, shall have a second or casting vote.
102. 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.
103. The Chairperson of the Company shall be the Chairperson at meetings of the Board. In his absence, the Board may elect a Chairperson of its meetings and determine the period for which he is to hold office. If no such Chairperson is elected, or if at any meeting the Chairperson is not present within fifteen minutes after the time appointed for holding the meeting, the directors present may choose one of them to be Chairperson of the meeting.
104. The Board may, subject to the provisions of the Act, delegate any of its powers to Committees consisting of such member or members of its body or managing director or any other principal officer of the company except for those matters which are compulsorily required to be transacted only at the meeting of the board and

delegation of such power is not permitted under the Act. Board while delegating the power to any Committee or person shall, in the exercise of the powers so delegated, conform to any regulations that may be imposed on it by the Board.

105. A Committee may elect a Chairperson of its meetings unless the Board, while constituting a Committee, has appointed a Chairperson of such Committee. If no such Chairperson is elected, or if at any meeting the Chairperson is not present within fifteen minutes after the time appointed for holding the meeting, the members present may choose one of their members to be a Chairperson of the meeting.
106. 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. In case of an equality of votes, the Chairperson of the Committee shall have a second or casting vote.
107. 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 or that his or their appointment had terminated, be as valid as if every such director or such person had been duly appointed and was qualified to be a director.
108. Save as otherwise expressly provided in the Act, a resolution passed by circulation in writing, signed, whether manually or by secure electronic mode, by a majority of the members of the Board or of a Committee thereof, for the time being entitled to receive notice of a meeting of the Board or Committee, shall be valid and effective as if it had been passed at a meeting of the Board or Committee, duly convened and held.
109. 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 and the provisions of the Listing Regulations, form such committees as may be required under such rules in the manner specified therein, if the same are applicable to the Company.
110. The Board may, subject to the provisions of the Act, delegate any of its powers to Committees consisting of such members or members of its body as it thinks fit.
111. Any Committee so formed shall, in the exercise of the powers so delegated, conform to any regulations that may be imposed on it by the Board.
112. The participation of directors in a meeting of the Committee may be either in person or through video conferencing or audio visual means or teleconferencing, as may be prescribed by the Rules or permitted under law and participation in the Committee meetings as mentioned above shall be counted for the purpose of quorum.
113. The minutes duly signed by the Chairman of Board and Committees and duly confirmed by the Directors or members of Committees shall be conclusive evidence of the conduct of business and presence of directors at the Board Meeting.

#### **CHIEF EXECUTIVE OFFICER, MANAGER, COMPANY SECRETARY AND CHIEF FINANCIAL OFFICER**

114. Subject to the provisions of the Act, A Chief Executive Officer, Manager, Company Secretary or Chief Financial Officer may be appointed by the Board for such term, at such remuneration and upon such conditions as it may think fit; and any Chief Executive Officer, Manager, Company Secretary or Chief Financial Officer so appointed may be removed by means of a resolution of the Board; the Board may appoint one or more chief executive officers for its multiple businesses.
115. A director may be appointed as Chief Executive Officer, Manager, Company Secretary or Chief Financial Officer.

#### **REGISTERS**

116. The Company shall keep and maintain at its registered office the register including register of charges, register of members, register of directors, annual return, register of loans, guarantees, security and acquisitions, register of investments not held in its own name , register of contracts and arrangements for such duration as the Board



may, unless otherwise prescribed, decide, and index of members/debenture holders/other security holders and other registers(the “**Register**”) as required to be kept and maintained under the Act, or Rules made there under, the Depositories Act, 1996 and other applicable laws, with the details of shares/debentures/other securities held in physical and dematerialized form in any medium as may be permitted by law including any form of electronic medium.

The Register and index of beneficial owner maintained by a depository under Section 11 of the Depository Act, 1996 shall also be deemed to be the Register and index of members/debenture holders/other security holders for the purpose of the Companies Act, 2013 and any amendment or re-enactment thereof.

The Company may exercise the powers conferred on it by Section 88 of the Act with regard to the keeping of a foreign register; and the Board may (subject to the provisions of that section) make and vary such regulations as it may think fit respecting the keeping of any such register.

The registers and copies of annual return shall be open for inspection during business hours on all working days, at the registered office of the Company by the persons entitled thereto on payment, where required, of such fees as may be fixed by the Board but not exceeding the limits prescribed by the Rules.

#### **THE SEAL**

117. The Board shall provide for the safe custody of the seal. The seal of the Company shall not be affixed to any instrument except by the authority of a resolution of the Board or of a Committee of the Board authorized by it on that behalf, and except in the presence of at least one director or the manager, if any, or of the secretary or such other person as the Board may appoint for the purpose; and such director or manager or the secretary or other person aforesaid shall sign every instrument to which the seal of the Company is so affixed in their presence.

#### **DIVIDENDS AND RESERVE**

118. The Company in general meeting may declare dividends, but no dividend shall exceed the amount recommended by the Board but the Company in general meeting may declare a lesser dividend.
119. Subject to the provisions of the Act, the Board may from time to time pay to the members such interim dividends of such amount, on such class of shares, and at such times as it may think fit.
120. 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 applied 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.
121. The Board may also carry forward any profits which it may consider necessary not to divide, without setting them aside as a reserve. There shall be no forfeiture of unclaimed dividends before the claim becomes barred by law.
122. Any dividend, interest or other monies payable in cash in respect of shares may be paid by electronic mode or by cheque or warrant sent through the post directed to the registered address of the holder or, in the case of joint holders, to the registered address of that one of the joint holders who is first named on the register of members, or to such person and to such address as the holder or joint holders may in writing direct.
123. Where any capital is paid in advance of calls made by the Company, any amount paid up in advance of calls on any share may carry interest but shall not in respect thereof confer a right on the member (who has paid such advance) to dividend or to participate in profits.
124. Every such cheque or warrant shall be made payable on the order of the person to whom it is sent. Payment in any way whatsoever shall be made at the risk of the person entitled to the money paid or to be paid. The Company will not be responsible for a payment which is lost or delayed. The Company will be deemed to having made a payment and received a good discharge for it if a payment using any of the foregoing permissible means is made.



125. Any 1 (one) of 2 (two) or more joint holders of a share may give effective receipts for any dividends, bonuses or other monies payable in respect of such share.
126. 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.
127. No dividend shall bear interest against the Company.
128. (a) The Board may deduct from any dividend payable to any member all sums of money, if any, presently payable by him to the company on account of calls or otherwise in relation to the shares of the company.  
  
(b) The Board may retain dividends payable upon shares in respect of which any person is, under the transmission, entitled to become a member, until such person shall become a member in respect of such shares.
129. The waiver in whole or in part of any dividend on any share by any document (whether or not under seal) shall be effective only if such document is signed by the member (or the person entitled to the share in consequence of the death or bankruptcy of the holder) and delivered to the Company and if or to the extent that the same is accepted as such or acted upon by the Board.

#### **RELATED PARTY TRANSACTIONS**

130. Except with the consent of the Board or the Shareholders, as may be required in terms of the provisions of Section 188 of the Act and the Companies (Meetings of Board and its Powers) Rules, 2014, no Company shall enter into any contract or arrangement with a 'related party' with respect to:
  - (i) sale, purchase or supply of any goods or materials;
  - (ii) selling or otherwise disposing of, or buying, property of any kind;
  - (iii) leasing of property of any kind;
  - (iv) availing or rendering of any services;
  - (v) appointment of any agent for purchase or sale of goods, materials, services or property;
  - (vi) such related party's appointment to any office or place of profit in the Company, its subsidiary Company or associate Company; and
  - (vii) underwriting the subscription of any securities or derivatives thereof, of the Company:without the consent of the Shareholders by way of an Special Resolution in accordance with Section 188 of the Act.
131. No Shareholder of the Company shall vote on such Ordinary Resolution, to approve any contract or arrangement which may be entered into by the Company, if such Shareholder is a related party.
132. Nothing in this Article shall apply to any transactions entered into by the Company in its ordinary course of business other than transactions which are not on an arm's length basis or to transactions entered into between the Company and its wholly owned subsidiaries whose accounts are consolidated with the Company and placed before the Shareholders at a Shareholders Meeting for approval.
133. The Director, so contracting or being so interested shall not be liable to the Company for any profit realised by any such contract or the fiduciary relation thereby established.
134. The audit committee of the Board may provide for an omnibus approval for related party transactions proposed to be entered into by the Company subject to such conditions as may be prescribed by applicable law.
135. The terms "office of profit" and "arm's length basis" shall have the meaning ascribed to them under Section 188 of the Act.
136. The term 'related party' shall have the same meaning as may be prescribed to it under the Act.

The compliance of the Companies (Meetings of Board and its Powers) Rules, 2014 shall be made for the aforesaid contracts and arrangements.



Subject to the Provision of Section 188 of Act, Non-executive Director of the Company may be eligible for fees with respect to the Consultancy and Advisory services provided by the Non-Executive Directors to the Company.

### **ACCOUNTS**

137. Company shall prepare and keep at its books of accounts and other relevant books and papers and financial statement for every financial year which give a true and fair view of the state of affairs of the Company, and that of its branch offices, and explain the transactions effected both at the registered office and its branch offices and such books shall be kept on accrual basis and according to double entry system of accounting. Books of accounts may also be maintained in electronic form.
138. The Books of Account shall be kept at the Registered Office or at such other place in India as the Directors think fit.
139. The Company shall preserve in good order the books of accounts relating to a period of not less than eight years preceding the current year together with vouchers relevant to entries in such books of accounts.
140. The books of account and books and papers of the Company, or any of them, shall be open for the inspection by directors in accordance with the applicable provisions of the Act and the Rules.
141. No member (not being a director) shall have any right of inspecting any books of account or books and papers or documents of the Company except as conferred by law or authorised by the Board.

### **AUDIT**

142. The appointment including filing up of casual vacancies, qualifications, powers, rights, duties and remuneration of the Auditors shall be regulated by and in accordance with the Act and Rules made there under.
143. The Company shall comply with the provisions of the Act in relation to the audit of the accounts of Branch Offices of the Company.
144. An auditor can render such non- audit services to the Company as permissible under the Act subject to the approval of Board or audit Committee.

### **SERVICE OF DOCUMENTS AND NOTICE**

145. A document may be served on the Company or an officer by sending it to the Company or officer at Office of the Company by Registered Post, or by leaving it at the Office or by such other methods as may be permitted under law.
  - a) A document (which expression for this purpose shall be deemed to have included and include any summons, notice requisition, process order, judgment or any other document in relation to or in winding up of the Company) may be served or sent to the Company on or to any member either personally or by sending it by post to his registered 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 service of notice to him or by electronic email.
  - b) All notices shall, with respect to any registered share to which persons are entitled jointly, be given to whichever of such persons is named first in the Register and the notice so given shall be sufficient notice to all the holders of such share.
  - c) Where a document is sent by post:
    - (i) Service thereof shall be deemed to be effected by properly addressing, paying and posting a letter containing the notice provided that where a member has intimated to the Company in advance that documents should be sent to him under a certificate of posting or by registered post without acknowledgement due and has deposited with the Company a sum sufficient to defray expenses of doing so, service of the document or notices shall not be deemed to be effected unless it is sent in the manner intimated by the member, and
    - (ii) Unless the contrary is provided, such service shall be deemed to have been effected



- a) In the case of a notice of a meeting, at the expiration of forty-eight hours the letter containing the notice is posted; and
- b) In any other case, at the time at which the letter would be delivered in ordinary course of post.
- d) Where a document or notice is sent by electronic mail, the document or notice shall be deemed to have been delivered upon an electronic mail containing the document or notice being sent to the email address provided to the Company by the member.
- e) Each registered holder of shares from time to time notify in writing to the Company such place in India to be registered as his address and such registered place of address shall for all purposes be deemed to be his place of residence.
- f) If a member has no registered address in India, and has not supplied to the Company any address within India, for the giving of the notices to him, a document advertised in a newspaper circulating in the neighborhood of Office of the Company shall be deemed to be duly served to him on the day on which the advertisement appears.
- g) A 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 or representatives of the deceased, assignees of the insolvent 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 serving the document in any manner in which the same might have been served as if the death or insolvency had not occurred.
- h) Subject to the provisions of the Act and these Articles, notice of general meeting shall be given:
  - i) To the members of the Company as provided in the article.
  - ii) To the persons entitled to a share in consequence of the death or insolvency of a member.
  - iii) To the Auditors for the time being of the Company; in the manner authorized by as in the case of any member or members of the Company.
  - iv) Subject to the provisions of the Act any document required to be served or sent by the Company on or to the members, or any of them and not expressly provided for by the articles, shall be deemed to be duly served or sent if advertised in a newspaper circulating in the District in which the Office is situated.
- j) Every person, who by the operation of law, transfer or other means whatsoever, shall become entitled to any shares shall be bound by every document in respect of such share which, previously to his name and address being entered in the Register, shall have been duly served on or sent to the person from whom he derived his title to such share.
- k) Any notice to be given by the Company shall be signed by the Managing Director or by such Director or Secretary (if any) or Officer as the Board may appoint or authorize. The signature to any notice to be given by the Company may be written or printed or lithographed.

#### **WINDING UP**

146. Subject to the applicable provisions of the Act and the Rules made there under:-

- a) If the Company shall be wound up, the liquidator may, with the sanction of a special resolution of the Company and any other sanction required by the Act, divide amongst the members, in specie or kind, the whole or any part of the assets of the Company, whether they shall consist of property of the same kind or not.
- b) 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.
- c) 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 AND INSURANCE**

147. Subject to the provisions of the Act, every director, managing director, whole-time director, manager, company secretary and other officer or employee of the Company shall be indemnified by the Company against any liability and it shall be the duty of Directors, out of the funds of the Company, to pay all costs, losses and expenses (including travelling expense) which any such director, manager, company secretary and officer or employee may incur or become liable for by reason of any contract entered into or act or deed done by him in his capacity as such director, manager, company secretary or officer or employee or in any way in the discharge of his duties in such capacity including expenses.
148. Subject as aforesaid, every director, managing director, manager, company secretary or other officer or employee of the Company shall be indemnified against any liability incurred by him in defending any proceedings, whether civil or criminal in which judgment is given in his favour or in which he is acquitted or discharged or in connection with any application under applicable provisions of the Act in which relief is given to him by the Court.
149. The Company may take and maintain any insurance as the Board may think fit on behalf of its present and former directors and key managerial personnel for indemnifying all or any of them against any liability for any acts in relation to the Company for which they may be liable but have acted honestly and reasonably.

## **GENERAL POWERS AND RESPONSIBILITY FOR THE ACT OF OTHERS**

150. 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.
151. Board of Directors of the company shall be authorised to take any action in the interest of company irrespective of the fact that any specific provision in these regulations is not contained in that regard, provided such action is otherwise permitted under the Act. Such action, if permitted under the Act, shall be deemed that they are taken in pursuance of regulations made under these articles.
152. Members of the Company by passing necessary resolution in their meeting may waive any condition imposed under these regulations for transaction of any business by the company or by the board of directors. After such waiver, the transaction shall be deemed to be carried as it was permitted and carried by exercising power and authority under these regulations.
153. Save as otherwise expressly provided in the Act or these Articles, a document or proceeding requiring authentication by the Company may be signed by a Director, Managing Director, the Manager, the Secretary or an authorized officer of the Company and need not be under its seal.
154. Subject to the provisions of the Act no Director or other Officer of the Company shall be liable for the acts, receipt, neglects or defaults of any other Director or Officer, or for joining in any receipt or other act for conformity or for any loss or expenses happening to the Company through insufficiency or deficiency of title to any property acquired by order of the 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 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 in 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 willful act or default.
155. Without prejudice to the generality foregoing it is hereby expressly declared that any filing fee payable or any document required to be filed with Registrar of Companies in respect of any act done or required to be done by any Director or other Officer by reason of his holding the said office, shall be paid and borne by the Company.





## **SECRECY CLAUSE**

156. No member shall be entitled to inspect the Company's works without the permission of the Board or to require discovery of any information respectively any detail of the Company's trading or any matter which is or may be in the nature of a trade secret, history of trade or secret process which may be related to the conduct of the business of the Company and which in the opinion of the Board will be inexpedient in the interest of the members of the Company to communicate to the public.
157. Every Director, Managing Directors, Manager, Secretary, Auditor, Trustee, Members of Committee, Officer, Servant, Agent, Accountant or other persons employed in the business of the Company shall, if so required by the Director before entering upon his duties, or any time during his term of office, sign a declaration pledging himself to observe secrecy relating to all transactions of the Company and the state of accounts and in matters relating thereto and shall by such declaration pledge himself not to reveal any of such matters which may come to his knowledge in the discharge of his official duties except which are required so to do by the Directors or any meeting or by a Court of Law and except so far as may be necessary in order to comply with any of the provision of these Articles or law.
158. Any confidential information disclosed to a Member or Director shall not be used by him for any purpose other than for the exercise of rights or performance of obligation as a Member or Director of the Company and shall not be disclosed by him to any person, firm or Company.

## **MISCELLANEOUS**

159. Subject to the provisions of these Articles and the Act no member or other person (other than a Director) shall be entitled to enter the property of the Company or to inspect or examine the Company's premises or properties of the Company without the permission of the Board or the Managing Director or to require discovery of or any information respecting any detail of the Company's trading or any matter which is or may be in the nature of a trade secret, mystery or 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 opinion of the Directors it will be inexpedient in the interests of the Company to communicate.
160. If any dispute, controversy or claim between the parties arises out of or in connection with or relating to the enforcement, performance of the terms and conditions of Articles such dispute shall be referred to binding Arbitration and determined in accordance with the Arbitration & Conciliation Act, 1996 and Rules made thereunder. Any Arbitral Award shall be final and binding on the parties and the parties waive irrevocably any rights to any form or appeal, review or recourse to any stage or other judicial authority in so far as such waiver may validly be made. The venue for Arbitration shall be Delhi and language for of proceedings shall be English.
161. Any dispute, controversy or claim between the parties arising out of or in connection with or relating to the enforcement, performance of the terms and conditions of Articles shall be construed in accordance with applicable Laws of India. The jurisdiction for any dispute arising under Articles of Company shall be only at Delhi.



## SECTION XI – OTHER INFORMATION

### MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The copies of the following contracts which have been entered or are to be entered into by the Company (not being contracts entered into in the ordinary course of business carried on by the Company or contracts entered into more than two years before the date of this Prospectus) which are or may be deemed material have been attached to the copy of the Prospectus delivered to the RoC for registration. Copies of the abovementioned contracts and also the documents for inspection referred to hereunder, may be inspected at the Registered Office between 10 a.m. and 5 p.m. on all Working Days from Application/Issue Opening Date until the Application/Issue Closing Date.

#### A. Material Contracts

1. Memorandum of Understanding dated February 28, 2018 between our Company and the Lead Manager.
2. Memorandum of Understanding dated February 28, 2018 between our Company and the Registrar to the Issue.
3. Escrow Agreement March 19, 2018 between our Company, the Lead Manager, Banker to the Issue and the Registrar to the Issue.
4. Market Making Agreement dated February 28, 2018 between our Company, the Lead Manager and the Market Maker.
5. Underwriting Agreement dated February 28, 2018 between our Company, the Lead Manager and the Market Maker.
6. Tripartite agreement between the NSDL, our Company and the Registrar dated March 16, 2018.
7. Tripartite agreement between the CDSL, our Company and the Registrar dated March 06, 2018.

#### B. Material Documents

1. Certified true copies of the Memorandum and Articles of Association of our Company, as amended from time to time.
2. Copy of Certificates of Incorporation of Garv Industries Limited
3. Resolution of the Board of Directors meeting dated February 14, 2018 authorizing the Issue.
4. Shareholders' resolution passed at the Extra-Ordinary General Meeting dated February 19, 2018 authorizing the Issue.
5. Peer Review Auditor's report for Restated Financials dated February 20, 2018 included in this Prospectus.
6. The Statement of Tax Benefits dated February 20, 2018 from our Peer Review Auditor.
7. Consent of our Directors, CFO, CS, Statutory Auditor, Peer Review Auditor, Banker to the Company, Banker to the Issue, Lead Manager, Legal Advisor to the Issue, Registrar to the Issue, Market Maker and Underwriters as referred to in their specific capacities.
8. Due Diligence Certificate(s) dated April 03, 2018 of the Lead Manager to be submitted to SEBI along with the filing of the Prospectus.
9. Approval from BSE vide letter dated March 22, 2018 to use the name of BSE in this Offer Document for listing of Equity Shares on the SME Platform of the BSE.

Any of the contracts or documents mentioned in this Prospectus may be amended or modified at any time if so required in the interest of our Company or if required by the other parties, without reference to the shareholders subject to compliance of the provisions contained in the Companies Act and other relevant statutes.



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## DECLARATION

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

### SIGNED BY THE DIRECTORS OF OUR COMPANY:

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**Mr. Rishu Agarwal**  
Managing Director

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**Mrs. Daya Bansal**  
Non-Executive Non-Independent Director

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**Mr. Amit Agarwal**  
Non-Executive Independent Director

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**Mr. Vishal Aggarwal**  
Non-Executive Independent Director

### SIGNED BY THE CHIEF FINANCIAL OFFICER

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**Mr. Rishu Agarwal**  
Chief Financial Officer

### SIGNED BY THE COMPANY SECRETARY & COMPLIANCE OFFICER

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**Ms. Anjali Trivedi**  
(Company Secretary & Compliance Officer)

Date: April 04, 2018  
Place: Delhi